

2025

ANNUAL REPORT

**Innovate,
Execute,
and Excel**



The Baldwin Group

Our Mission



Protect the possible for our clients, delivering tailored insurance and risk management insights, products, and solutions, to ensure our clients – individuals, families, businesses, and their employees – have the peace of mind to pursue their dreams, purpose, and passions.



Our Vision

To be regarded as the preeminent risk and insurance solutions firm:

- fueled by relationships
- leading through operational acumen and evolution
- powered by people through colleague development and engagement
- and exemplified by client adoption and loyalty.

Our Core Values

DISCERNING

Seeking and weighing broad perspectives, being open to input, and nimble when new information arises. Sharing information constructively and using it in ways that result in thoughtful solutions and continual improvement.

GRIT

Embracing opportunities, driving to win, and overcoming obstacles to achieve our objectives. Facing our challenges and setbacks with determination, being resilient, and seeing change as an opportunity to improve.

GENUINE

Being approachable, forthright, responsive, and transparent. Keeping our promises, even when it is difficult. Being worthy of trust by always doing the right thing in an open and authentic way.

ENGAGING

Showing respect for others and helping and caring for them by being warm and welcoming. Having a sense of humor and positive spirit. Emphasizing collaboration and teamwork, assuming positive intent, and recognizing work well done.

PURPOSE

Acting and thinking beyond our self-interest, recognizing our responsibility to give back, and sharing in ways that make our communities better.

DREAMING

Turning our imagination free, thinking big, looking for a better way, and seeing what is possible. Using today's excellence as the springboard to tomorrow's success.

February 26, 2026

In the midst of sitting down to write this letter, public market sentiment turned violently against insurance brokers — in a matter of days, nearly \$40B of market capitalization was eviscerated across our public broker peers, the most dramatic sell-off in nearly two decades. This was prompted by fears that AI is going to meaningfully disrupt, if not disintermediate, the brokerage business model.

Today, the critical question being debated is whether AI is going to be a true competitor to brokers or an enabler for them. I have my views, but I also thought it was appropriate, given the circumstances, to let Anthropic's Claude AI weigh in...

CLAUDE AI'S EXECUTIVE SUMMARY:

The insurance brokerage industry is entering a period of paradoxical transformation: it will almost certainly be bigger in revenue and more valuable in aggregate five years from now, yet the composition, competitive dynamics, and workforce shape of the industry will look dramatically different. The global insurance brokerage market, valued at roughly \$328 billion in 2025, is forecast to reach \$480–525 billion by 2030. But that top-line growth masks a tectonic redistribution of value — away from routine intermediation and toward data-driven advisory, specialty risk placement, and AI-augmented consulting. The brokerages that thrive will be those that use AI as an accelerant; those that don't will face existential margin pressure.

Scan to read Claude AI's full report:



At The Baldwin Group, automation and AI are not new, we've been working with and leveraging these technologies for years. Ultimately, we believe AI will be both a competitor/disruptor for some and a force multiplier/enabler for those who harness its power. If you are simply a middleman or conduit for commoditized insurance products, you should likely be worried. Given the combination of our end markets and the way we go to market, we expect AI to provide significant gains in productivity and organizational speed and agility, a true force multiplier. Since our founding, we have been building a technology-enabled business with an eye toward this moment. Put quite simply, The Baldwin Group is purpose-built for this era. Let's get into the details.

We have a thriving personal lines business that we are extremely proud of. In total, personal insurance represents approximately 38% of overall pro forma revenues. Of that, roughly 90% is habitational (home, renters, real estate investor); the remainder is auto, umbrella, jewelry, golf cart, and other items linked primarily to high-net worth clients with more complex needs as homes are typically higher in value and more often catastrophe (CAT) exposed. Most importantly, approximately 85% of Baldwin's habitational product revenue is generated through embedded channel partnerships.

From that perspective, we believe recent AI and technology developments bolster our long held thesis: Embedded insurance is the ultimate moat. While the market worries about consumers asking a chatbot for insurance, we are focused on being the solution of convenience coupled with the primary transaction and through a trusted partner — buying a home, securing a mortgage, or renting an apartment.

We don't wait for the client to search; we are already there.

Some more specifics:

- **Westwood, our embedded home insurance platform for new home builders** (\$160M 2025 revenue, \$190M pro forma including Hippo transaction), seamlessly embeds directly into the buying experience through our proprietary technology platform, Advantage+, for 20 of the top 25 homebuilders in the U.S. who sold 57% of all new homes sold in the country in 2024. As the insurance solution at point of home sale, Westwood binds a policy with over 55% of its new home buyer prospects and 85% of those policies are escrowed into the mortgage payment.
- **Our National Mortgage and Real Estate (“NMRE”) platform** (\$20M+ 2025 revenue), serves as an extension of our partners’ client experiences, efficiently bringing protection directly into end consumers’ moments of home purchase and financing through digitally enabled, embedded offerings powered by our proprietary technology platform, Coverage Navigator. In 2025, NMRE onboarded 12 mortgage and real estate partners who collectively facilitate 145K home and mortgage transactions per year. This includes New American Funding, a top 20 mortgage originator in the U.S., which moved to our platform from a competitor and has seen dramatic increases in conversion rates from the seamless way Coverage Navigator embeds into the mortgage process.
- **Our MGA Renters platform** (\$280M+ FY2025 premium), embeds directly into property management software, allowing a renter to purchase an insurance policy at point of lease in under 60 seconds. 100% of the premium throughput from this channel flows to proprietary products built and managed by our MGA platform.

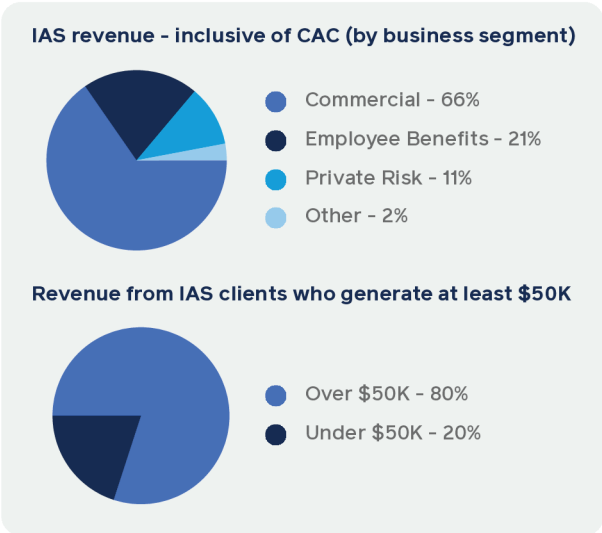
In all of these examples, in addition to third-party insurance offerings, we sell our own proprietary insurance products built and managed through our MGA platform, MSI. These products are purpose-built for the end channels we embed into, driving better value and tailored coverage to policyholders, and better underwriting results for our capacity partners. The proprietary flow of our products through these channels is an important part of the value proposition we offer our partners and, we believe, helps further insulate us from perceived risks of disintermediation. It is our product and access runs through our platform.

We have been investing heavily in embedded as a direct strategy to transform how personal insurance is bought and sold. We believe we are doing everything to ensure we are the disruptor in this marketplace. Our embedded solutions are easier, more intuitive, and more seamless than initiating a separate process with an AI agent outside the primary transaction (home purchase, refinance, etc.). Automation and AI-fueled capabilities are enhancing our embedded offerings. Since early 2024, we have been building AI into our platforms and are seeing the expected productivity gains including digital agents taking phone calls and binding policies when coverage discussions are not required under applicable law.

The Expertise Advantage for Complex Businesses

Turning to our Insurance Advisory Solutions (IAS) segment, which represents 58% of our total revenues, we have intentionally constructed a retail brokerage and advisory business that skews toward clients with both

scale and complexity where deep product and sector experience are critical factors in the choice of an insurance advisor. The addition of CAC Group only amplifies that strategy, bringing substantial expertise in complex industry sectors and risk products. Of our roughly \$1B of IAS revenues inclusive of CAC, approximately 70% is commercial insurance for mid-size to large clients, approximately 20% is employee benefits brokerage and consulting for similarly sized businesses, and the remainder is personal insurance for high-net-worth families and individuals. To put a finer point on the scale and complexity of the clients we serve, approximately 80% of IAS revenue comes from clients who generate at least \$50K of revenue for Baldwin, meaning they are generally spending more than \$500K in insurance premiums. By comparison, among scaled brokerage platforms similar to ours, this cohort of clients represents approximately 65% of their business according to industry best practices data.



In addition to serving larger, more complex clients than many of our traditional middle market peers, we have organized the business around industry and product specialties enhancing the value we bring to clients. This positions us to lean into emerging trends, capitalize on growing pockets of the economy, and serve as a true trusted advisor. One of several examples is how we are organizing cross-functional teams of experts from construction and natural resources, real estate, cyber and complex property to serve clients involved in data center development. We have already made big headway with key clients in all phases of the lifecycle, including project sponsors and owners, developers of solar/wind, geothermal, natural gas, nuclear and energy storage projects, power producers and energy off-takers. If you have not seen our Data Center white paper, I suggest you take a look to get a sense of the depth of expertise we have been able to assemble. This convergence of traditionally siloed practices allows us to move at speed with rapidly changing markets and sets the stage for our support of emerging technologies and markets ranging from nuclear power to critical mineral mining and processing.

Specific to small property and casualty (P&C) and benefits clients, all brokers have this business; few serve it effectively. At The Baldwin Group, we define small commercial accounts as those generating less than \$10K of annual firm revenue or generally those spending less than \$100K per year in premiums. Today, we have approximately \$50M of revenue from roughly 28K clients in this category.

This overstates the stand-alone small business base as some of these smaller accounts are linked to larger clients, affiliates, or commonly managed but legally separate businesses. Those are handled by the account team that manages the broader client relationship.

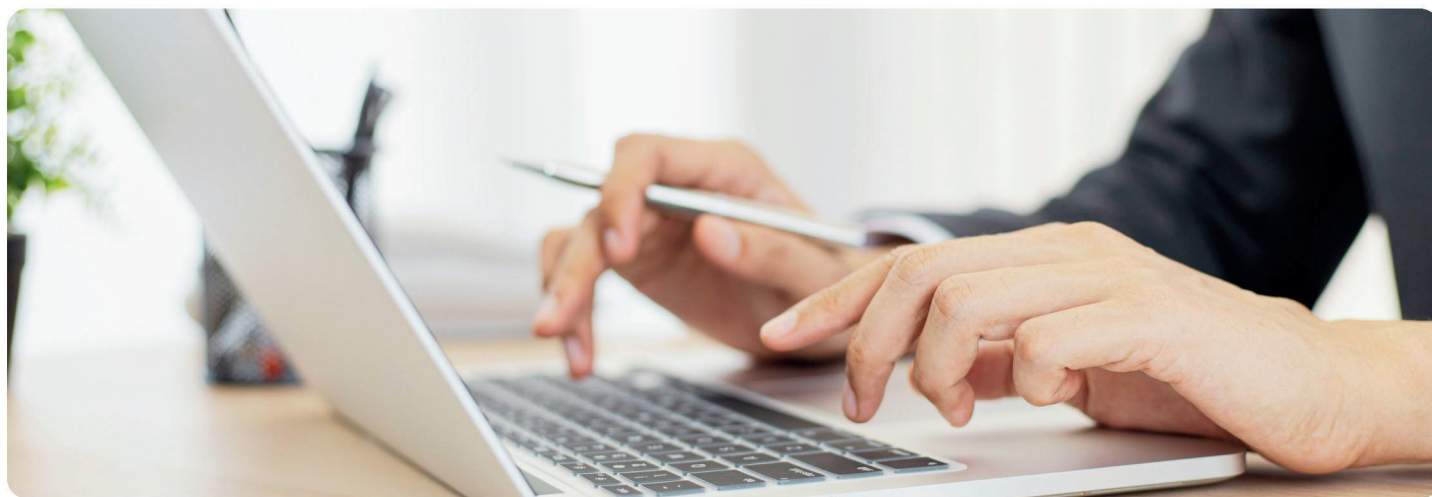
Transforming Ourselves in Small Commercial

AI is particularly well suited to accelerate our small business strategy, an area where we have been proactively transforming ourselves.

Traditional brokerage economics for small accounts are broken: high labor costs, low retention, and often low to negative margins. We didn't ignore this; we attacked it. Using our **Founder Shield** digital platform, we are migrating small business clients to a digitally-guided experience. The results are significant as we move business from our middle market regions to this platform:

- Retention has increased from 82% to 92%
- Margins have grown by 40%+
- Growth accelerated to 25% as the digitally-guided buying experience led to cross-sell and up-sell

We are not waiting for an AI agent to disintermediate this business. We are using a digital-first platform to serve it better and more profitably than any human-intensive model could. As AI is further infused into this platform, the experience for our small business clients will only improve.



Scan to read our Data
Center white paper:





We ended 2025 with \$17M of retail brokerage revenue on this digital platform. This platform is also designed to serve affinity and embedded partners providing automated and digital small business insurance solutions across a range of potential ecosystem partners.



If you have a small business, or know someone who does, I would encourage you to give us a try.

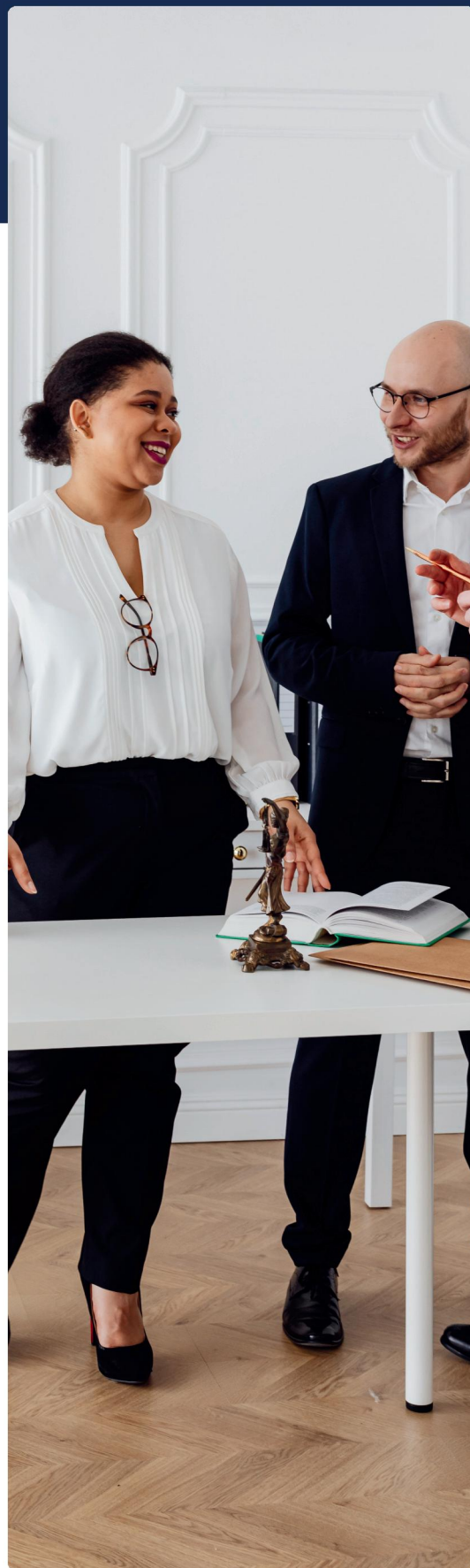
Scan here to get started:



Proprietary Products and Capacity

Our Underwriting, Capacity, and Technology Solutions (UCTS) business wraps a strategic moat around the broader Baldwin platform. UCTS is a product business; we build and manage proprietary insurance products, we price and analyze risk, adjudicate claims, and facilitate the formation and management of third-party risk capital to stand behind those products. These proprietary products serve as value enhancers to our embedded and retail brokerage businesses, allowing us to bring purpose-built, tailored solutions to clients. We have long held the view that the broker of the future, indeed, the broker for an AI world, integrates across the value chain end-to-end: owning the client relationship, where appropriate building and managing the risk transfer products and solutions, and arranging the formation and management of risk capital.

Over the past few years, we have made significant progress toward maturing our capabilities across this value chain — forming our reinsurance brokerage platform Juniper Re, acquiring Multi-Strat, our insurance-linked securities (ILS) platform, growing our captive management business, and forming our inaugural reciprocal exchange this past year. We still have much to do, but we are well positioned for the transformation and innovation that AI will catalyze across the insurance landscape. We do not fear this change; we welcome it because from the beginning we set out to create the broker of the future with a forward-looking approach, embracing technology such as AI to benefit our stakeholders and accelerate business success. Our firm is built to embrace and thrive in this rapidly evolving environment.





Year in Review

The insurance market in 2025 was shaped by a convergence of interconnected risks and structural change. While global CAT activity once again exceeded the \$100B annual insured-loss baseline, this was primarily driven by elevated secondary peril losses such as wildfires and severe convective storms (SCS). An overall light wind season, coupled with an abundance of CAT property insurance capacity, facilitated a dramatic shift in the pricing environment, leading to meaningful and broad-based property rate declines and a much-needed reprieve for clients after several years of a historically hard pricing environment. This is juxtaposed with a casualty market that continues to be pressured by social inflation, third-party litigation funding, and evolving regulatory dynamics that supported continued, albeit in many areas ebbing, rate increases.

The healthcare marketplace across employer-sponsored, government funded, managed care, and individual medical plans saw growing loss cost and utilization trend. Frustration among constituents is palpable, with opacity of cost drivers and the influence of entrenched market participants leaving many clients and consumers yearning for clarity among the complexity and direction on taking back more control over cost and outcomes.

Beyond the insurance markets, the macroeconomic environment remained uneven, with moderating but still persistent inflation, tariff-driven cost uncertainty, and elevated interest rates influencing business investment and operating decisions. Against this complexity, the essential role of insurance as an enabler of economic activity was unmistakable. Equally clear was the importance of trusted advisors

to cut through that complexity, protect what matters most, and enable businesses, individuals, and families to pursue what is possible.

The structure of our industry also continued to evolve. Consolidation among large intermediaries created disruption and opportunity, increasing demand from clients and industry professionals for integrated, analytics-forward and specialty-oriented advisory platforms capable of navigating a more complex risk landscape. Against this backdrop, competition to attract, develop and engage the industry's leading talent is at an all-time high.

I am proud of the way our colleagues navigated this environment with disciplined execution and a laser focus on bringing the best of our firm to clients and partners. Without question, 2025 brought uneven performance across our business that we are not satisfied with. At the consolidated level, however, we posted our sixth consecutive year of top-of-industry organic growth despite a number of near-term idiosyncratic headwinds. And through continued focus on execution and expense discipline, we delivered 20 basis points (bps) of adjusted EBITDA margin expansion for the year. We exited 2025 with a meaningfully bolstered balance sheet, growing cash flow from operations, and a significant opportunity for ongoing margin accretion. Coupled with strong underlying fundamentals and building momentum across all three operating segments, I remain confident in our ability to outperform and deliver meaningful value for all stakeholders in the years ahead.



2025 Highlights

Financial Benchmarks

	2025	2024	2023	2022	2021	2025 YOY Growth (%)
Pro Forma Revenue (\$mm)	\$1,523.3	\$1,382.8	\$1,183.4	\$1,014.5	\$719.3	10%
Pro Forma Adjusted EBITDA (\$mm)	\$352.5	\$310.9	\$244.0	\$202.9	\$175.0	13%
Adjusted EBITDA (\$mm)	\$341.5	\$312.5	\$250.2	\$196.5	\$112.9	9%
Adjusted EBITDA Margin	23%	22%	21%	20%	20%	
Adjusted Net Income (\$mm)	\$198.9	\$176.9	\$131.1	\$119.0	\$80.6	12%
Adjusted Diluted Earnings Per Share	\$1.67	\$1.50	\$1.12	\$1.03	\$0.80	11%
Adjusted Free Cash Flow (\$mm)	\$87.2	\$92.0	\$24.4	\$57.1	\$54.3	-5%
Organic Revenue Growth	7%	17%	19%	23%	22%	
Total Revenue Growth	8%	14%	24%	73%	135%	
Pro Forma Revenue Growth	10%	17%	17%	41%	69%	
Annualized Revenue of New Partner Firms (\$mm)	\$36.4	-	-	\$96.3	\$206.2	
Enterprise Value (\$bn)	\$4.4	\$5.8	\$4.0	\$4.1	\$4.9	-24%
Price Per Share	\$24.03	\$38.76	\$24.02	\$25.14	\$36.11	-38%

The Baldwin Group in 2025 – Innovate, Execute, Excel

For The Baldwin Group, 2025 will be remembered as a pivotal year in the firm's evolution. It tested execution in a challenging environment, showcased the value and durability of our vertically-integrated, diversified insurance distribution platform, and created the conditions to accelerate long-term value creation. The actions we took strengthened our foundation, sharpened our operating model, and positioned us to enter our next phase of growth with clarity and confidence.

Our theme for 2025 was "Innovate, Execute, and Excel." Despite uneven headline financial performance, this was evident across each of our three operating groups, which all saw meaningful achievements against our core objectives for the year.

In our **Mainstreet Insurance Solutions** (MIS) segment, we dramatically advanced our embedded strategy by cementing our leading position in the new home builder market via the acquisition of Hippo's embedded homebuilder business into Westwood. We are now the embedded home insurance partner for 20 of the top 25 U.S. homebuilders who sold 57% of all new homes sold in the country in 2024. We also launched proprietary embedded home insurance technology platform, Coverage Navigator, for the mortgage industry and onboarded 12 new mortgage and real estate partners, including a top 20 originator. Our digitally-enabled embedded offerings serve as extensions of our partners' client experiences, bringing protection directly into end consumers' moments of home purchase and financing. We take this responsibility seriously and it is gratifying to see our technology and platform investments bearing meaningful results.

In our **Underwriting, Capacity, and Technology Solutions** (UCTS) segment, we executed on initiatives to support durable, sustainable outsized growth and furthered our vertical integration strategy. In our multi-family business, we partnered with our largest channel partner to build a new group renters product suite launching in 2026. In our homeowners business, we launched our first reciprocal exchange focused on the new home builder channel to support the book's transition from QBE. We also signed an agreement with Hippo to support a second builder product expected to go live in 2026 and further our capture of Westwood's client base into proprietary MSI programs. We continued to scale Juniper Re which grew 120% in 2025 and closed our partnership (our term for M&A) with MultiStrat, a Bermuda-based ILS platform, expanding access to alternative capital for cedant clients and MGA platforms. Within MSI, we continued to deliver on our product expansion and diversification strategy with the launch of Cyber and Commercial General Liability programs among others, and several new programs in the pipeline for 2026.



Within **Insurance Advisory Solutions** (IAS), headline financial results were meaningfully disconnected from underlying momentum given an uneven insurance rate and exposure environment (headwind of 380bps for the year, a 410bps rate-of-change from 2024, a direct corollary to organic growth impact) compounded by a procedural change to revenue recognition timing (headwind of 140bps). Despite these headwinds, we delivered strong new business growth, with sales velocity at 19%, top decile for our industry, particularly at scale. Capitalizing on this momentum, we increased our investments in new advisor talent by 44%, growing our net unvalidated producer payroll (NUPP) from 1.6% to 2.3% of commissions and fee revenue over last year. Client retention improved by over 300bps in the fourth quarter, reflecting emphasis on client stewardship execution, collaboration across our footprint to deliver the best of Baldwin, and innovation across the risk and health landscape to keep clients on the vanguard.

We prepared the organization for the next phase of growth, by strengthening a single operating platform — systems, data standards, workflows, and governance — to facilitate adoption of AI and role transformation solutions that elevate colleague impact, improve platform efficiency and effectiveness, and enhance the client experience. And while not in our 2025 results, on January 1, 2026, we closed a significant partnership with CAC, bringing talent, up-market capabilities, and deep specialization that, combined with our IAS footprint, should drive durable organic growth for years to come.

Finally, we made meaningful strides across the business from a people, talent, and culture perspective. We completed our transition to The Baldwin Group brand; we were once again recognized as a Best Place to Work by Business Insurance — our 16th consecutive year — and received additional recognition from Fortune Magazine. Our firmwide internal engagement survey results reflected strong colleague connectivity and deep pride in our culture, underscoring that The Baldwin Group is an exceptional place to build a long-term career, while many of our competitors are experiencing disruption, consolidation, leadership turnover, and uncertainty. This environment only serves to highlight the stability, cohesion, and future-readiness of our platform, and reinforces the opportunity we have to attract and develop the industry's most elite professionals.



Well Positioned for a Shifting Tide

Looking back, it is increasingly clear that the last decade was a “Goldilocks era” for insurance intermediaries: widespread consolidation, constructive insurance rate and macro tailwinds, low interest rates, ample debt market capacity and robust equity multiples supported strong returns. I suspect 2025 will be remembered as the year the tide turned — we saw uneven insurance and economic markets, valuation resets for large platform deals, and for many firms the dearth of M&A-fueled growth and arbitrage opportunities spurred the most competitive market for talent in years.

Against this backdrop, several consolidators are carrying varying degrees of integration and operational-related deferred maintenance. Facing the reality of a less constructive operating environment, stalled, if not retreating platform valuation multiples, and internal equity valuation marks that may not reflect economic realities, some of these firms may resort to more unnatural tactics for liquidity and returns. In this environment, The Baldwin Group will continue to distinguish itself, differentiated through results and our growing reputation as the destination for our industry’s top professionals and home for the most discerning clients.

Our decision to do the hard work to truly integrate businesses as they joined us leaves us well positioned to drive growth in a dynamic, and less constructive market backdrop by more seamlessly deploying industry and product specialization, go-to-market strategies and cross sell into the field. This work is difficult, (if not impossible) without the cohesion of a single, integrated, operating platform. Our entrepreneurial culture, reputation as a destination for top talent, and growing capital flexibility position us to capitalize on talent dislocation as it accelerates.

Ultimately, we relish the opportunity that a market of this nature presents to showcase the power, durability, and stability of our platform for all stakeholders going forward.

Capital Allocation and the CAC Partnership

While the initial public market reaction to our recent partnership with CAC has been less constructive, we remain confident in the strategic value the CAC team brings to the Baldwin platform and the shareholder value it will deliver.

Consistent with our commentary in previous shareholder letters and investor forums, our capital allocation priorities remain unchanged — in rank order:

1. Invest internally to sustainably grow and scale
2. Partnerships that add expertise and capabilities and make good financial sense
3. Opportunistic share repurchases when they accelerate shareholder value
4. Dividends

We continue to thoughtfully invest in the business while delivering margin expansion, cultivating a focused partnership pipeline with a select group of the industry’s highest quality firms, while ensuring we have the capital flexibility to act when the right opportunity presents itself.

CAC is one of those select firms. This is not a business we’ve observed from afar or have come to understand via marketing materials and deal due diligence. We have known the principals for over a decade. We’ve spent time meeting regularly to share best practices and build relationships. Put simply, we’ve had a front row seat to their growth trajectory and culture. That familiarity culminated in an opportunity to be the sole strategic partner they considered for their next leg of growth.

We recognize the timing carried near-term complexity, including several areas of investor sensitivity. We take that seriously. In situations like this, our North Star is clear — allocate capital to best position the business to scale and drive shareholder value over the long term.

The deal terms are compelling on their face (maximum consideration of 10.4x 2025E Adjusted EBITDA, inclusive of synergies), but we recognize that time, and our results, will be the ultimate arbiter. We are, of course, still a relatively young company building trust and credibility with investors. While we have learned from certain decisions since our IPO in 2019, we are very proud of our growing track record allocating capital via partnerships, illustrated in the table below. In aggregate across all of our partnership activity from 2020-2022, where earnouts have been fully satisfied, the post earn-out multiple we paid is 8.7x, down from 13.6x at closing and a significant discount to industry average multiples of 13.0x-14.0x over that period. This validates our ability to attract and win top performing businesses, make them better as a part of the Baldwin platform, and drive immense shareholder value while doing so.

I would also be remiss not to draw some parallels between CAC and Westwood, which is shown as the sole deal in the 2022 cohort and which, prior to CAC, was the largest partnership in Baldwin's history. We managed through near-term headwinds from the way the Westwood partnership was financed (which took leverage up to 5.8x heading into a rising interest rate environment), but time has proven Westwood to be an outstanding strategic and financial decision for shareholders.



Historical Partnership Performance

	Acquired Revenue (\$mm)	Acquired EBITDA (\$mm)	Upfront Purchase Price (\$mm)	Total Purchase Price (\$mm)	Upfront Multiple	All-In Multiple	Multiple Buydown
2020 total	\$223	\$76	\$1,009	\$1,150	13.3x	10.3x	-3.0x
2021 total	\$204	\$70	\$1,028	\$1,266	14.6x	8.9x	-5.7x
2022 total	\$82	\$31	\$375	\$390	12.1x	5.6x	-6.4x
2020 - 2022	\$508	\$177	\$2,412	\$2,807	13.6x	8.7x	-4.9x



Building a business that spans the insurance value chain.

We sometimes hear that our business seems complex relative to our size — an understandable perspective after a year with uneven results across our three segments. That being said, I remain as convicted as ever in the wisdom of building a diversified, vertically-integrated business despite the relative complexity it entails.

First, the consolidated results in 2025 reflect that wisdom: strength in UCTS, driven by embedded proprietary product and a rapidly growing reinsurance broking business, helped offset idiosyncratic and macro factors in IAS and MIS. This won't be the last time we face headwinds in select areas, but a diverse set of complementary businesses positions us to grow and expand margins durably over time.

Second, while at times it is difficult to quantify and as a result, in my opinion, is underappreciated, there is immense value in the symbiosis that exists across our businesses. Retail distribution supports the launch of proprietary MGA programs, and in certain places allows us to better manage the underwriting performance of those programs. Proprietary products developed and managed inside the MGA provide wedges and moats for our knowledge-based retail brokerage and advisory businesses and reinsurance capabilities improve outcomes for clients and programs alike.

Lastly, in a world of growing concerns around AI's evolution and potential broker disintermediation, the vertically-integrated nature of our business provides an important moat around our stakeholder value proposition.

Looking Ahead

We enter 2026 with cautious optimism around both the insurance and macroeconomic environment. Property markets are expected to remain deeply competitive, supported by abundant reinsurance and alternative capital. Casualty pricing discipline persists as underwriters focus on severity, venue risk, and claims defensibility. Cyber and management liability markets remain broadly competitive for organizations with mature controls and transparent governance, even as systemic and AI-enabled risks evolve. Healthcare expenses continue to escalate, with pharmacy costs and evolving utilization patterns causing elevated cost trends.

Macroeconomically, consensus expectations point to moderate U.S. growth of approximately 2.0% to 2.5%, gradual disinflation, and modestly lower, yet still elevated, interest rates. Exposure growth should track underlying economic activity, while insurance outcomes remain most sensitive to structural forces such as catastrophe volatility, litigation severity, and healthcare and pharmacy cost trends. Against this backdrop, the industry continues to shift from traditional risk transfer toward integrated risk orchestration connecting data, analytics, prevention, and capital. Our diversified platform spanning advisory, MGA capabilities, embedded distribution, and capital access through our reinsurance, captive, and ILS businesses is purpose-built for this next phase.

We remain anchored to an aspirational but disciplined North Star: achieving \$3 billion in revenue and a 30% adjusted EBITDA margin over the intermediate term. This is not guidance; it is a framework that informs how we allocate capital, sequence initiatives, and measure progress. Importantly, we are not blindly chasing a revenue goal at all costs. My family and I are the largest shareholders of this business, and as such, we care deeply about per-share value creation which is far more important than scale, simply for scale's sake. When we issue equity, it is only with strong conviction that it will drive highly accretive outcomes. With the groundwork laid in 2025 and the CAC combination now closed, we believe we are better positioned than ever to achieve this objective.





Accelerate in 2026

As we look ahead, we are operating with a clarity and intensity that reflects the reality of the environment we are operating in. The “Goldilocks era” for insurance intermediaries is behind us; the conditions that once lifted all boats have given way to a market that rewards only those with true capability, discipline, and cohesion.

At The Baldwin Group, that shift plays directly into the strategy we have been executing for years. We have been thoughtfully assembling — piece by piece — a diversified, vertically-integrated platform built to thrive in any market cycle, not just the easy ones. 2026 is the year we move onto a war footing: accelerating integration, sharpening execution, unleashing the full power of our embedded, MGA, reinsurance, advisory, and reciprocal engines, and transforming roles and workflows through AI-enabled scale. We are not reacting to this moment; we were built for it. And with the foundation now in place, we are mobilizing our entire firm to compete harder, move faster, and win decisively in the landscape that’s emerging. Our business was built for this era and we look forward to showcasing that to our stakeholders in the coming years.

Some of the areas of focus across our firm for the year ahead are as follows:

- Advance our \$3B/30 Catalyst program by consolidating core technology platforms to improve connectivity and data clarity across the firm while enabling faster, more disciplined decision-making.
- Execute the first phase of role transformation within our IAS segment, reimagining how colleagues serve clients by increasing role clarity, reducing friction, and sharpening focus on higher-value advisory work.
- Thoughtfully and efficiently integrate our newest partners, maintaining continuity for clients and colleagues while realizing planned expense and revenue synergies.
- Expand our reciprocal capabilities, further strengthening our vertically-integrated risk-transfer ecosystem and broadening access to capital-efficient solutions for clients and partner businesses.
- Accelerate progress in embedded distribution, deepening partnerships across the homebuilder, mortgage, real estate, and property management channels and extending our reach through high-quality, point-of-transaction distribution ecosystems.
- Continue evolving our operating model across people, process, and technology, improving workflow efficiency and enabling greater automation-supported scale as the organization grows.

As we move into this next chapter, I want to thank our clients and insurance company partners for their trust, our colleagues for their resilience and commitment, and our shareholders for their support, particularly after a challenging year. With significant colleague ownership, our alignment is deep and enduring as we build long-term value together.

In many ways our growth story is entering its most consequential chapter.

With confidence and gratitude,

Trevor Baldwin

Chief Executive Officer

The Baldwin Group



The Baldwin Group



UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)



Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2025

or



Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 001-39095

The Baldwin Insurance Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)



61-1937225

(I.R.S. Employer
Identification No.)

4211 W. Boy Scout Blvd., Suite 800, Tampa, Florida 33607

(Address of principal executive offices) (Zip code)

(866) 279-0698

(Registrant's telephone number, including area code)

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

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer



Accelerated filer



Non-accelerated filer



Smaller reporting company



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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2025 (the last business day of the registrant's second fiscal quarter), the registrant's aggregate market value of its voting and non-voting common equity held by non-affiliates was \$3,632,545,757.

As of February 20, 2026, there were 96,721,068 shares of Class A common stock outstanding and 46,136,333 shares of Class B common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the end of the fiscal year to which this report relates are incorporated by reference into Part III of this Form 10-K.

THE BALDWIN INSURANCE GROUP, INC.

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Note Regarding Forward-Looking Statements

We have made statements in this Annual Report on Form 10-K, including matters discussed under Item 1A. Risk Factors, Item 3. Legal Proceedings, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and in other sections of this Annual Report on Form 10-K, that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include, but are not limited to: general economic and business conditions; trends in our business; our business strategy for expanding our presence in our industry; our expectations of revenue, operating costs and profitability; our expectations regarding our strategy and investments; the potential adverse impact on our financial condition and results of operations if we do not realize those expected benefits; our ability to successfully integrate businesses that we acquire, and to achieve the benefits we expect to realize as a result of such acquisitions; liabilities of the businesses that we acquire that are not known to us; our expectations regarding our business, including market opportunity, consumer demand and our competitive advantage; anticipated trends in our financial condition and results of operations; the impact of competition and technological change; existing and future regulations affecting our business; our ability to comply with the rules and regulations of the SEC and those other risks and uncertainties discussed in the reports we have filed with the SEC, including this Annual Report on Form 10-K. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including those factors discussed under Item 1A. Risk Factors.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. We are under no duty to update any of these forward-looking statements after the date of this Annual Report on Form 10-K to conform our prior statements to actual results or revised expectations.

Commonly Used Defined Terms

The following terms have the following meanings throughout this Annual Report on Form 10-K unless the context indicates or requires otherwise:

2019 Stockholders Agreement	Stockholders Agreement between Baldwin and the applicable holders of LLC Units in Baldwin Holdings entered into on October 28, 2019
2024 Stockholders Agreement	Stockholders Agreement between Baldwin and the applicable holders of LLC Units in Baldwin Holdings entered into on October 30, 2024
2025 Refinancings	Amendment No. 2 and 3 to the JPM Credit Agreement, dated as of January 10, 2025 and September 18, 2025, which provided for incremental term loans of \$175 million in the aggregate, repriced the term loan facility to term SOFR, plus an applicable margin of 250 bps, and repriced the revolving credit facility to term SOFR, plus a credit spread adjustment of 10 bps, plus an applicable margin of 175 bps to 250 bps
Amended LLC Agreement	Third Amended and Restated Limited Liability Company Agreement of Baldwin Holdings, as amended
API	Application programming interface
book of business	Insurance policies bound by us on behalf of our clients
bps	Basis points
Baldwin Holdings	The Baldwin Insurance Group Holdings, LLC, our operating company and a subsidiary of Baldwin
Baldwin	The Baldwin Insurance Group, Inc., our parent company, together, unless the context otherwise requires, with its consolidated subsidiaries, including Baldwin Holdings and its consolidated subsidiaries and affiliates
CAC Group	Cobbs Allen Capital Holdings, LLC, a January 2026 partnership
CAC Group Transaction	Our partnership with CAC Group, a nationally recognized specialty and middle-market insurance brokerage firm on January 1, 2026
clients	Our insureds
colleagues	Our employees
core commissions	Commissions and fees revenue excluding profit-sharing revenue and other income
Exchange Act	Securities Exchange Act of 1934, as amended
GAAP	Accounting principles generally accepted in the United States of America
Hippo's Homebuilder Distribution Network	Various entities comprising Hippo Holdings, Inc.'s homebuilder distribution network, a Mainstreet Insurance Solutions partner effective July 1, 2025
insurance company partners	Insurance companies with which we have a contractual relationship
JPM Credit Agreement	Amended and Restated Credit Agreement, dated as of May 24, 2024, which is attached as Annex I to the Amendment and Restatement Agreement, dated May 24, 2024, between Baldwin Holdings, as borrower, JPMorgan Chase Bank, N.A., as the Administrative Agent, the Guarantors party thereto and the Lenders party thereto, as amended by Amendment No. 1 to Amended and Restated Credit Agreement, dated as of December 4, 2024, Amendment No. 2 to Amended and Restated Credit Agreement, dated as of January 10, 2025, Amendment No. 3 to Amended and Restated Credit Agreement, dated as of September 18, 2025, and Amendment No. 4 to Amended and Restated Credit Agreement, dated as of January 2, 2026
JPM Credit Facility	The Revolving Facility and Term Loans established pursuant to the JPM Credit Agreement
LLC Units	Membership interests of Baldwin Holdings
MGA	Managing General Agent
MSI	Millennial Specialty Insurance, our MGA platform

MultiStrat	Entities used in the operation of Bermuda-based reinsurance underwriting platform MultiStrat Group, an Underwriting, Capacity & Technology Solutions partner effective April 1, 2025
operating groups	Our reportable segments
partners	Companies that we have acquired, or in the case of asset acquisitions, the producers
partnerships	Strategic acquisitions made by the Company
Pre-IPO LLC Members	Trevor Baldwin, our Chief Executive Officer; Lowry Baldwin, our Chairman; BIGH, LLC, an entity controlled by Lowry Baldwin; Elizabeth Krystyn, one of our founders; Laura Sherman, one of our founders; Daniel Galbraith, President, The Baldwin Group and CEO, Retail Brokerage Operations; Brad Hale, our Chief Financial Officer; and The Villages Invesco, LLC, and certain other historical equity holders including equity holders in companies that we have acquired or producers
reinsurance company partners	Reinsurance companies with which we have a contractual relationship
risk advisors	Our producers
Revolving Facility	Our revolving credit facility under the JPM Credit Facility with commitments in an aggregate principal amount of \$600 million, maturing May 24, 2029
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Senior Secured Notes	7.125% senior secured notes with an aggregate principal amount of \$600 million due May 15, 2031
SOFR	Secured Overnight Financing Rate
Tax Receivable Agreement	Tax Receivable Agreement between Baldwin and certain holders of LLC Units in Baldwin Holdings entered into on October 28, 2019
Term Loans	Our term loan facility under the JPM Credit Facility with a principal amount of \$1.006 billion as of December 31, 2025, maturing May 24, 2031
Westwood	Westwood Insurance Agency, a 2022 partner
Wholesale Business	Our specialty wholesale broker business, which was sold on March 1, 2024

PART I

ITEM 1. BUSINESS

The Company

The Baldwin Insurance Group, Inc. is a holding company and sole managing member of The Baldwin Insurance Group Holdings, LLC (“Baldwin Holdings”) and its sole material asset is its ownership interest in Baldwin Holdings, through which all of our business is conducted. In this Annual Report on Form 10-K, unless the context otherwise requires, the words “Baldwin,” the “Company,” “we,” “us” and “our” refer to The Baldwin Insurance Group, Inc., together with its consolidated subsidiaries, including Baldwin Holdings and its consolidated subsidiaries and affiliates.

Baldwin is an independent insurance distribution firm providing indispensable expertise and insights that strive to give our clients the confidence to pursue their purpose, passion and dreams. As a team of dedicated entrepreneurs and insurance professionals, we have come together to help protect the possible for our clients. We do this by delivering bespoke client solutions, services, and innovation through our comprehensive and tailored approach to risk management, insurance, and employee benefits. We support our clients, colleagues, insurance company partners and communities through the deployment of vanguard resources and capital to drive our organic and inorganic growth. When we consistently execute for these key stakeholders, we believe that the outcome is an increase in value for our stockholders. We are innovating the industry by taking a holistic and tailored approach to risk management, insurance and employee benefits. Our growth plan includes continuing to recruit, train and develop industry leading talent, continuing to add geographic representation, insurance product expertise and end-client industry expertise via our partnership strategy, and continuing to build out MSI, which delivers proprietary, technology-enabled insurance solutions to our internal risk advisors as well as to a growing channel of external distribution partners. We are a destination employer supported by an award-winning culture, powered by exceptional people and fueled by industry-leading growth and innovation.

We represent over three million clients across the United States and internationally. Our team now comprises approximately 5,000 colleagues—including those who joined us through our January 2026 partnerships. Among them are approximately 900 risk advisors, who are fiercely independent, relentlessly competitive and “insurance geeks.” We have approximately 125 offices in 24 states, all of which are equipped to provide diversified products and services to empower our clients at every stage through our three operating groups.

In 2011, we adopted the “Azimuth” as our corporate and cultural constitution. Named after a historical navigation tool used to find “true north,” the Azimuth asserts our core values, business basics and stakeholder promises. The ideals encompassed by the Azimuth support our mission to deliver indispensable, tailored insurance and risk management insights and solutions to our clients. We strive to be regarded as the preeminent insurance advisory firm—fueled by relationships, powered by people and exemplified by client adoption and loyalty. This type of environment is upheld by the distinct vernacular we use to describe our services and culture. We are a firm, instead of an agency; we have colleagues, instead of employees; and we have risk advisors, instead of producers/agents. We serve clients instead of customers and we refer to our strategic acquisitions as partnerships. We refer to insurance brokerages that we have acquired, or in the case of asset acquisitions, the producers, as partners.

Industry

Our core products include commercial property and casualty insurance, employee benefits insurance, personal lines insurance, wealth management and retirement services, and Medicare. As a distributor of these products, we compete on the basis of reputation, client service, industry insights and know-how, product offerings, ability to tailor our services to the specific needs of a client and, to a lesser extent, price of our services. In the United States, our industry is comprised of large, global participants alongside a highly fragmented group of regional and community participants that vary significantly in size and scope.

While the insurance brokerage industry has experienced recent consolidation, it remains highly fragmented, creating opportunities for us to continue acquiring high-quality partners.

Commission revenues are generally based on a percentage of the premiums paid by insureds and normally follow premium levels. Insurance premiums are cyclical in nature and may vary widely based on market conditions. Various factors, including competition for market share among underwriting enterprises, increased underwriting capacity and improved economies of scale following consolidations, can result in flat or reduced property/casualty premium rates (a “soft” market). A soft market tends to put downward pressure on commission revenues. Various countervailing factors, such as greater than anticipated loss experience, unexpected loss exposure and capital shortages, can result in increasing property/casualty premium rates (a “hard” market). A hard market tends to favorably impact commission revenues. Hard and soft markets may be broad-based or more narrowly focused across individual product lines or geographic areas. As markets harden, buyers of insurance (such as our brokerage clients), have historically tried to mitigate premium increases and the higher commissions these premiums generate, including by raising their deductibles and/or reducing the overall amount of insurance coverage they purchase. As the market softens, or costs decrease, these trends have historically reversed. During a hard market, buyers may switch to negotiated fee in lieu of commission arrangements to compensate us for placing their risks, or may consider the alternative insurance market, which includes self-insurance, captives, rent-a-captives, risk retention groups and capital market solutions to transfer risk.

Commercial Property and Casualty Industry

Commercial property and casualty brokers provide businesses with access to property, professional liability, workers’ compensation, management liability, commercial auto insurance products as well as risk-management services. In addition to negotiating competitive policy terms on behalf of clients, insurance brokers also serve as a distribution channel for insurers and often perform much of the administrative functions. Insurance brokers generate revenues through commissions, calculated as a percentage of total insurance premium, and through fees for management and consulting services. We have relationships with leading commercial writers, as well as regional insurers who have a presence in our target markets. We conduct commercial property and casualty business within all of our operating groups, which includes manufacturing our own proprietary products and captive solutions within our Underwriting, Capacity & Technology Solutions operating group. Current MGA products include commercial umbrella, commercial property, general liability and management liability, with several additional commercial lines products in our existing product pipeline.

Employee Benefits Industry

Employee benefit advisors provide businesses and their employees with access to individual and group medical, dental, life and disability coverage. In addition to functioning as distributors, employee benefits brokers also provide assistance with benefit plan design. Employee benefits brokers’ capabilities often enable middle-market businesses to fully outsource their employee benefits program design, management and administration without committing internal resources or investing substantial capital in systems. Employee benefit advisors generate revenues through commissions and fees for management and consulting services. In recent years, as a result of the Affordable Care Act (“ACA”), healthcare has become increasingly more complex, and the demand has grown for sophisticated employee benefits consultants. We expect this trend to continue and believe we remain well positioned as a result of our consistent investment in our employee benefits capabilities. We conduct employee benefits business within our Insurance Advisory Solutions and Mainstreet Insurance Solutions operating groups.

Personal Lines Industry

Personal lines brokers provide individual consumers with access to home, auto, umbrella and recreational insurance products. Similar to commercial lines agents, personal lines insurance agents generate revenues through commissions and fees for management and consulting services. In addition to negotiating competitive policy terms on behalf of clients, insurance brokers also serve as a distribution channel for insurers and often perform much of the administrative functions. We conduct personal lines business within all of our operating groups. We believe that embedded distribution will play a meaningful role in the future of personal lines—to that end, we have made deep investments in technology to enable our long-term vision of creating a one-stop, digital distribution platform for advisors, consumers and businesses alike. We believe our retail agency model, embedded technology, national distribution capabilities and ability to build proprietary products in our MSI platform uniquely position us to execute on this strategy.

Wealth Management and Retirement Services

Wealth management and retirement services is comprised of financial solutions for small and mid-sized businesses and certain individuals. Our specialties include risk management, employee benefits, and retirement plan consulting. We advise on corporate retirement plans and executive benefits focused on employee retention and engagement. We also provide comprehensive financial planning and wealth management services to high-net-worth individuals and families. Wealth management services can include investment advisory services, tax and financial planning, and other services. We conduct wealth management and retirement services within our Insurance Advisory Solutions operating group.

Medicare Industry

In the U.S., Medicare provides health insurance to retirees, who by definition lack coverage via an employer sponsored healthcare program. U.S. citizens typically become eligible for Medicare upon turning 65 years old. The Medicare market is split between the Original Medicare Plan, a fee-for-service plan managed by the federal government which represents approximately two-thirds of the market, and Medicare Advantage, a rapidly growing private Medicare option representing approximately one-third of the market. Medicare advisors within our Mainstreet Insurance Solutions operating group assist in determining optimal coverage and healthcare/doctor access based on an individual's healthcare needs and spending limitations.

Business Strategy

Our business strategy is centered around using the results of outstanding service to clients to reinvest the vast majority of retained earnings into future growth, which we believe over time produces better and more sustainable results for all of our stakeholders, including our clients, colleagues, insurance company partners, the communities in which we work and live, and our stockholders. For our clients, our growth affords us the ability to provide better advice and an expanded and more cost-effective suite of insurance solutions. For our colleagues, our growth provides expanded career and development opportunities. For our insurance company partners, our growth facilitates expanded access to a more diversified universe of clients and more distributed pools of risk. For our communities, our growth facilitates enhanced economic contribution, and the ability of our colleagues to make charitable impacts. And for our stockholders, we believe that revenue growth, along with margin accretion over time, will generate significant adjusted free cash flow and growth in firm value.

We have taken, and will continue to take, a two-pronged approach to growing our business, which includes investing meaningfully into our existing businesses to drive organic growth, and driving inorganic growth via our partnership strategy.

Over time, our organic growth will be driven primarily by our ability to continue to win new business, our ability to offer and advise on a broader array of insurance solutions in an increasingly larger geographic footprint, and our ability to capture an increasingly larger portion of the economics associated with the sale of insurance. To achieve this, we have invested heavily in our sales leadership infrastructure and recruitment of sales talent, technology talent and solutions to better deliver insurance insights and solutions to our risk advisors and clients. In our MSI platform, we continue to deliver proprietary and technology-enabled insurance solutions that provide our risk advisors and select external distribution partners speed, ease of use, and certainty of execution, while also delivering Baldwin an enhanced share of the economics associated with the underlying insurance transaction. Factors contributing to our organic growth include net new business growth, fees, rate increases, retention, exposure unit growth, and contingent commissions. Contributions to organic revenue growth from recent partnerships begin after we have owned the partner firm for 12 months.

Our partnership strategy has contributed meaningful inorganic growth to Baldwin and we expect to remain active and opportunistic in pursuing potential transactions that will contribute to our long-term growth strategy. Adding new colleagues through partnerships can significantly bolster our geographic footprint, product expertise, and end-client industry expertise, while adding incremental industry-leading talent to our organization. We are uniquely focused on the industry's best and fastest growing independent firms, and we believe we offer a truly differentiated value proposition to prospective partners relative to our more mature and/or private equity-backed peers, which includes retained business decision-making autonomy, leadership opportunities for new partners and an environment focused on entrepreneurialism and the continued growth of our partners' businesses. We believe our success attracting high quality partners has validated our differentiated value proposition—we have consummated partnerships with 37 firms since the beginning of 2020, for a total of \$909.0 million of acquired revenue, which includes nine "Top 100" firms since 2020, including our recently announced partnership with CAC Group, a nationally recognized specialty and middle-market insurance brokerage firm. We also have a highly systematic and regimented integration process for all new partners, which balances ensuring proper operational, financial and accounting, and technology and cybersecurity controls with business decision-making autonomy and impact on new colleagues.

We continue to make the investments designed to better service our clients and establish a competitive advantage in the industry. Ongoing investments to date focused on, but are not limited to, the continued buildout of our MSI platform, the continued buildout of our tech-enabled homeowners efforts (both in MSI and in our Mainstreet Insurance Solutions business), enterprise-wide technology initiatives, the continued buildout of alternative capacity solutions, and the continued hiring of risk advisors and sales leadership infrastructure in our Insurance Advisory Solutions and Mainstreet Insurance Solutions operating groups.

Operating Groups

Baldwin's business is divided into three operating groups: Insurance Advisory Solutions, Underwriting, Capacity & Technology Solutions and Mainstreet Insurance Solutions.

Insurance Advisory Solutions Operating Group ("IAS")

IAS provides expertly-designed commercial risk management, employee benefits and private risk management solutions for businesses and high-net-worth individuals, as well as their families. Risk management solutions typically involve the sale of a wide variety of both commercial and personal lines insurance products that mitigate risks for firms and individuals. Employee benefits solutions can include health plans, dental plans, and retirement accounts for firms and their employees. We are privileged to have partnered with some of the highest quality independent insurance brokers across the country with vast and varied strategic capabilities and expertise. We have been intentional in recognizing and elevating this talent across the organization to build world class industry-focused practice groups and product Centers of Excellence that can be leveraged by the entire firm.

Underwriting, Capacity & Technology Solutions Operating Group ("UCTS")

UCTS consists of three distinct divisions—MSI, our Capacity Solutions group (which includes our reinsurance brokerage business, Juniper Re, our reinsurance MGA business, MultiStrat, and our captive management business), and the Captive business. Through MSI, we manufacture proprietary, technology-enabled insurance products that are then distributed (in many instances via technology and/or API integrations) internally via our risk advisors across our other operating groups and externally via select distribution partners, with a focus on sheltered channels where our products deliver speed, ease of use and certainty of execution. An example of this is our national embedded renters insurance product sold at point of lease via integrations with property management software providers. As a prominent growth driver for the Company, we have invested heavily in the expansion of our MGA product suite, which is now comprised of more than 20 products across commercial, personal and professional lines. In 2025, we launched two new middle market oriented commercial lines products, and continue to maintain a pipeline of new programs across personal, commercial and professional lines, with several slated to launch in 2026. UCTS' Wholesale Business was sold in the first quarter of 2024 and its operations are included in our results through the end of February 2024.

In January 2025, we received final approval and a Certificate of Authority from the Texas Department of Insurance to form a Texas-domiciled reciprocal insurance exchange (the "Reciprocal"). Baldwin holds an investment in Builder Risk Management, LLC, which serves as the Attorney-in-Fact (the "AIF") for the Reciprocal. The third-party led capitalization of the Reciprocal closed and funded in full on May 6, 2025, and we began writing business into the Reciprocal late in the second quarter of 2025. Based on the structure of the Reciprocal, we do not consolidate the Reciprocal's financial results, and the AIF entity is treated as an equity method investment in UCTS.

UCTS includes TBG Assurance Company, LLC, a wholly-owned protected cell captive insurance company ("PCC") domiciled in Tennessee, which was established to allow Baldwin to further participate in the underwriting results of a small portion of its MGA programs. The PCC allows for the creation of multiple independent cells (series) within a single legal entity, TBG Assurance Company, LLC (the "Core"). The initial series, MSI Multifamily Series Protected Cell (the "MSI Cell" and, collectively with the Core, the "Captive") became effective January 1, 2025.

Mainstreet Insurance Solutions Operating Group ("MIS")

MIS offers personal insurance, commercial insurance and life and health solutions to individuals and businesses in their communities, with a focus on accessing clients via sheltered distribution channels, which include, but are not limited to, new home builders, realtors, mortgage originators/lenders, master planned communities, and various other community centers of influence. We have invested deeply in talent, technology and capabilities across MIS, including in Westwood's homeowners solutions that are embedded in many of the top home builders in the U.S., the national expansion of our distribution footprint through our National Mortgage and Real Estate Channel, and enhanced digital capabilities focused on improving the risk advisor and client experience. MIS also offers consultation for government assistance programs and solutions, including traditional Medicare, Medicare Advantage and Affordable Care Act, to seniors and eligible individuals through a network of primarily independent contractor agents.

Competition

The business of providing insurance products and services is highly competitive. We compete for clients on the basis of reputation, client service, program and product offerings, and our ability to tailor products and services to meet the specific needs of a client. We actively compete with numerous integrated financial services organizations as well as insurance companies and brokers, producer groups, individual insurance agents, investment management firms, independent financial planners and broker-dealers, including public participants, such as Aon plc, Marsh & McLennan Companies, Inc., Willis Towers Watson plc, Arthur J. Gallagher & Co. and Brown & Brown Inc.; private company participants, such as Hub International Limited and USI, Inc.; and in our personal lines business, Goosehead Insurance, Inc. and The Woodlands Financial Group.

Clients and Insurers

Our clients are highly diversified and include individuals, professionals, businesses, including those in niche industries, and specialty insurers. No material part of our business depends upon a single client or on a few clients. The loss of any one client would not have a material adverse effect on our operations. In 2025, our largest single client represented less than 1% of our core commissions and fees.

We have relationships with a significant number of insurance company partners who contribute to the commissions and fees we generate. While we do not have a dependency on any one insurance company partner, we derive a significant portion of our core commissions and fees from a limited number of insurance company partners. In 2025, two insurance company partners accounted for an aggregate of approximately 17% of our core commissions and fees.

Human Capital

Baldwin is an independent colleague-centric insurance solutions firm fueled by relationships, powered by people, and exemplified by our ability to cultivate teams with deep expertise to perpetuate a winning culture and drive our high-performing team dynamic to deliver the best of our firm to clients. Our success continues to be driven by our greatest asset, our talented team of colleagues, each of which plays a crucial role in helping us achieve our firm goals. We attract colleagues who share our passion for excellence and working collaboratively to harness the tremendous power in the collective expertise of our firm. Our colleagues are inspired by and deeply committed to the Best Team Wins approach outlined in our cultural guide, The Azimuth.

Powered by People

We now have approximately 5,000 colleagues, including those who joined us through our January 2026 partnerships, the vast majority of whom are full-time. We have 4,955 full-time colleagues (99% of total colleague population) and 65 part-time colleagues. The firm also partners with over 8,300 independent contracted agents, primarily supporting our Medicare business.

Baldwin is a place for colleagues to build a career, not just have a job, and we believe every colleague should feel a sense of ownership in the firm. To promote that connection, we grant all newly-hired colleagues shares of Baldwin common stock.

We highly value the powerful and innovative results that come from seeking and weighing a broad range of perspectives and we strive to hire and promote talent that brings wide ranging diversity of thought, background, and experience.

- Half of our executive leadership team joined Baldwin from other industries, bringing unique background and thoughtful insight on our continued best path to success.
- As of December 31, 2025, women comprise 59% of our colleague population and 52% of our leadership positions.
- We benefit from a wide age range and experience level within the firm. We have a robust mix of entry-level and post-college colleagues. This balanced representation fosters our talent strategy of providing great mentoring and learning opportunities for our developing colleagues.
- Our talent acquisition team continues to proactively source to engage culturally congruent candidates as part of our recruiting process for open roles. We hire based on competency, capability, and potential, while maintaining an ethos that values performance and rewards results.

Baldwin continues to focus on attracting and retaining the very best talent and creating an environment that is known to be a destination for top talent. We maintain a strong annual retention rate, which was 81% for 2025. Our commitment to rewarding our colleagues is evidenced by merit increases and bonuses we have continued to pay each year.

Culture and Belonging

Part of how we operate and support each other as a “Best Team” as outlined in our Azimuth, is by operating with transparency, fostering an environment where it’s easy for colleagues to know and trust each other, and striving to do the right thing in an open and authentic way. We actively seek out our colleagues’ input through our formal and anonymous Baldwin Engagement Pulse survey, asking for feedback on a variety of topics including career path opportunities, trust in team and leadership, and feeling valued. The results of this annual pulse check are always shared with colleagues and leadership so thoughtful and meaningful improvements can be made to enhance engagement.

Another way we aim to create a sense of belonging for our colleagues is vigilant focus on remaining a destination employer for top talent. We are continuously recognized for our people-first approach, our commitment to a culture of continuous learning, and for providing a place where our colleagues learn, grow, and thrive.

- Baldwin continued to be Great Place to Work-Certified™ and once again ranked as a Fortune Best Workplaces in Financial Services and Insurance™ in 2025.

- We were also recognized by Top Workplaces USA as a 2025 nationally recognized employer for making the world a better place to work by prioritizing a people-centered culture and giving employees a voice.

We have a variety of ways we promote our culture, support our communities, and take care of each other within the Baldwin family.

- We provide three days of Community Service PTO to promote our colleagues actively participating in community outreach.
- Our IAS International Aid and Development Practice enables International Development Organizations and Non-Governmental Organizations to operate safely and securely, helping the most vulnerable communities in some of the highest risk communities in the world.
- To help any qualifying colleague experiencing extraordinary hardship, we maintain The Baldwin Group True North Colleague Fund (operated by America's Charities, a 501(c)(3) non-profit organization), to which colleagues can also contribute by making a donation. Baldwin has pledged up to \$250,000 to the fund and is honored to provide an additional dollar-for-dollar match for colleague contributions up to another \$250,000.
- We believe recognition should be visible, meaningful, and part of everyday work, and we reinforce that through Bravo, our social recognition platform, to celebrate contributions across the firm. Colleagues and leaders can send eCards, award points, boost recognition, and fuel motivation. Appreciation posts are further recognized during our quarterly all colleague Town Call meetings.

Nurture and Grow Talent

At Baldwin, we care about our colleagues and their families from a holistic perspective and take great care in supporting them in meaningful ways. We believe that by taking care of our colleagues, we empower them to live their best lives—both professionally and personally. To that end, we offer a comprehensive benefits package designed to enhance overall well-being. Our offerings include:

- Health & Wellness: Comprehensive medical coverage, mental health services, and an Employee Assistance Program (EAP)
- Retirement Savings: A competitive 401(k) plan with employer matching, aiding colleagues in future planning
- Flexible Time Off: Paid sick leave, recognition of 11 national holidays, and a Summer Friday Initiative providing half-days off during the summer season
- Parental & Family Support: Adoption Assistance Program and Parental Leave after one year of service
- Financial & Legal Guidance: Expert referral services for financial and legal planning
- Wellness & Fitness: The Baldwin Thrive Wellness Program by Personify in partnership with Aaptiv for customizable fitness benefits
- Health Savings Accounts (HSA): An employer contribution of \$600+ to mitigate medical costs.

To promote an environment where all colleagues can learn, grow, and thrive, we provide education and training on a variety of topics, including technical, professional, business development, client experience, leadership, and regulatory and compliance. Some examples of the ways we continued to support colleague growth and colleague development in 2025 are listed below.

- Expansion of our Azimuth Institute: The Azimuth Institute is our formal program to provide foundational and progressive training for all of our IAS client-facing roles in the areas of job skills, system training, insurance acumen, power skills, business development and leadership training for leaders.
- Enhancement of two of our core sales training programs:
 - SCORE is a 10-week intensive training for new and developing risk advisors within our IAS business, offered across multiple modalities. In 2025, we added enhanced touch points for advisors with at least 18 months experience in their role to further support them while they develop a robust pipeline.
 - SCORE PRO is a 2-day advanced sales development program for established risk advisors interested in taking their business development skills to the next level.
- Ongoing leadership training and resources to support our leaders, including:
 - Leadership Essentials: A leadership program designed to support newly hired and promoted leaders. These instructor-facilitated workshops provide new leaders with tools and resources to help guide and support their efforts in interviewing and hiring, communication, coaching, and influencing others.

- The Baldwin Group Leader Playbook: A comprehensive on-demand resource that helps leaders model Azimuth values, develop themselves as coaches, hire and onboard top talent, and execute their roles with excellence.
- Strategic Partnerships to offer robust curriculum for our colleagues and support their capabilities for professional and self-development.
 - The Institutes: We're proud to partner with this premier educational purveyor of technical acumen to the insurance industry. Through this partnership, we provide access to over 400 courses, certification programs, and insurance-related designations, all of which are easily accessible through an integration with our Baldwin learning management system.
 - LinkedIn Learning: Through LinkedIn Learning, colleagues have access to thousands of skill-building courses across a broad array of topics. Enhanced with AI coaching, role guides, and data driven insights, this partnership broadens and deepens the resources available to our colleagues.
 - Continuing Education: We support the licensing, continuing education, and professional development needs of our colleagues by providing access to a variety of technical training certifications and designations. Dedicated landing pages for WebCE and The Institutes make navigating ongoing education seamless and keeps our colleagues on the vanguard of industry changes.

We also promote colleague growth and development through our continuous coaching ongoing performance model, including quarterly performance goal setting and check-ins, and a year-end performance check-in for all colleagues. Our agile continuous coaching framework ensures every colleague has clear alignment to our goals and priorities, and connects them with tools and resources to maximize their performance and development.

Cultivating an Ethical Environment for our Colleagues and Clients

We take our responsibility to operate with the highest level of integrity and foster an ethical environment for both our colleagues and clients very seriously. We have established numerous policies and procedures outlining our intention to live our values and do business in a responsible and ethical manner, including providing avenues for asking questions or reporting concerns about non-compliance. Many of these can be found publicly on our Company website at baldwin.com or our investor relations website at ir.baldwin.com. Documented policies and procedures include, but are not limited to:

- The Azimuth (our cultural and corporate constitution, available on our Company website);
- The Baldwin Equal Employment Opportunity Policy, Statement of Policy Concerning Harassment, Open Door Policy and internal formal employment complaint process;
- Code of Business Conduct and Ethics (available in the "Governance" section of our investor relations website);
- Whistleblower Policy, which governs reporting of concerns related to accounting, auditing and ethical violations (available in the "Governance" section of our investor relations website);
- Statement of Policy Concerning Trading in Company Securities, which prohibits colleagues from trading Baldwin securities while in possession of Material Non-Public Information (available in the "Governance" section of our investor relations website);
- Privacy Policy, which governs how we handle personal client information in a responsible manner (available at the bottom of our Company homepage);
- Transparency & Disclosure Statement, which sets forth our commitment to fair dealings with our clients (available at the bottom of our Company homepage); and
- Anti-Corruption Policy, which defines our commitment to adhere to the Foreign Corrupt Practices Act ("FCPA") and avoid corrupt business practices (available in the "Governance" section of our investor relations website).

Seasonality

The insurance brokerage market is seasonal and our results of operations are somewhat affected by seasonal trends. Our adjusted EBITDA and adjusted EBITDA margins are typically highest in the first quarter and lowest in the fourth quarter. This variation is primarily due to fluctuations in our revenues, while overhead remains consistent throughout the year. Our revenues are generally highest in the first quarter due to a higher degree of first quarter policy commencements and renewals in certain IAS and MIS lines of business such as employee benefits, commercial and Medicare. In addition, a higher proportion of our first quarter revenue is derived from our highest margin businesses.

Partnerships can significantly impact adjusted EBITDA and adjusted EBITDA margins in a given year and may increase the amount of seasonality within the business, especially results attributable to partnerships that have not been fully integrated into our business or owned by us for a full year.

Regulation

Our activities in connection with insurance brokerage services are subject to regulation and supervision by state regulatory authorities. State insurance laws are often complex and generally grant broad discretion to supervisory authorities in adopting regulations and supervising regulated activities, which generally includes the licensing of insurance brokers and agents, intermediaries and third-party administrators. Our continuing ability to provide insurance brokerage in the states in which we currently operate is dependent upon our compliance with the rules and regulations promulgated by the regulatory authorities in each of these states.

The health insurance industry is heavily regulated by the ACA, Centers for Medicare & Medicaid Services (“CMS”) and state jurisdictions. Each jurisdiction has its own rules and regulations relating to the offer and sale of health insurance plans, typically administered by a department of insurance, department of financial services, or similar regulatory authority. We are required to maintain valid life or health agency or agent licenses in each jurisdiction in which we transact health insurance business.

Regulations and guidelines issued by CMS place a number of requirements on health insurance carriers and agents and brokers in connection with the marketing and sale of Medicare Advantage and Medicare Part D prescription drug plans. We are subject to similar requirements of state insurance departments with respect to our marketing and sale of Medicare Supplement plans. CMS and state insurance department regulations and guidelines include a number of prohibitions regarding the ability to contact Medicare-eligible individuals and place many restrictions on the marketing of Medicare-related plans. In addition, the laws and regulations applicable to the marketing and sale of Medicare-related plans are ambiguous, complex and, particularly with respect to regulations and guidance issued by CMS for Medicare Advantage and Medicare Part D prescription drug plans, change frequently.

We are subject to federal law and the laws of many states that require financial institutions to protect the security and confidentiality of certain sensitive client information, notify clients about their policies and practices relating to collection, disclosure and security of certain sensitive client information. The Health Insurance Portability and Accountability Act (“HIPAA”) and regulations adopted pursuant to HIPAA require us to maintain the privacy of protected health information that we collect on behalf of insurance company partners and employer-sponsored health plans, implement measures to safeguard such information and provide notification in the event of certain breaches in the privacy or confidentiality of such information. The use and disclosure of certain data that we collect from consumers is also regulated by the Gramm-Leach-Bliley Act (“GLBA”) and state statutes implementing GLBA, which generally require brokers to provide clients with notice regarding how their non-public personal health and financial information is used and the opportunity to “opt out” of certain disclosures before sharing such information with a third party, and which generally require safeguards for the protection of personal information.

In addition, we currently operate in the U.K. and Bermuda and as we continue to expand internationally, the global nature of our operations increases the complexity and cost of compliance with laws and regulations which adds to our cost of doing business. Many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. See Item 1A. “Risk Factors—Risks Relating to Legal, Compliance and Regulatory Matters—Non-compliance with or changes in laws, regulations or licensing requirements applicable to us could restrict our ability to conduct our business and/or could adversely affect our business, financial condition and results of operations.”

In addition, our portfolio of companies includes several registered investment advisors (“RIAs”), each of which are federally registered with the SEC. Our portfolio includes a limited purpose broker dealer (“LPBD”), registered with the SEC, and the Financial Industry Regulatory Authority (“FINRA”). These areas of our financial services business are also subject to rules formulated by the SEC under both the Investment Advisers Act of 1940 (the “40 Act”) and the Exchange Act, as well as by state securities regulators under applicable state law. Through a combination of the SEC, FINRA, the 40 Act and the Exchange Act, our RIAs and the LPBD are heavily regulated in the areas of duties to clients, disclosures, communications, contracting, fee sharing, oversight and audit.

As a publicly-traded company, we are required to file certain reports, and are subject to various marketing restrictions, among other requirements, in connection with the Exchange Act and SEC regulations.

Climate Change Risk Management

As an insurance distribution firm, our operations do not have a large environmental footprint or significant direct greenhouse gas emissions. However, we are committed to thoughtful stewardship of the environment and our resources while managing the impact on our business.

Through our strategic planning process and risk management framework, we identify and track a number of ways in which our industry, our clients, and our operations are being impacted by climate change issues today, or could be impacted by climate change issues in the medium-to-long-term. We take a number of actions to address relevant opportunities and risks.

- **Evolving Client Solutions:** Climate-related issues can have an impact on our clients in a number of ways, for which we can offer relevant risk management guidance.
- **Promoting Client Safety:** As a commitment to our clients' safety and well-being, we provide resources and information to help prepare for and protect against severe weather events.
- **Ensuring Operational Continuity:** We recognize that workplace emergencies might result from extreme weather events, exacerbated by the impacts of climate change, including hurricanes, floods, tornados, and other natural or environmental disasters. In order to manage workplace emergencies, we have developed and implemented a company-wide Emergency Preparedness Plan, which describes the process by which we respond when a major event threatens to harm our organization, our stakeholders, or the general public. Critical elements of the Plan include assigned responsibilities, relevant operating procedures, crisis communication guidelines, and evacuation and recovery procedures.

In addition, we have prepared a California Climate Impact Statement in accordance with the recommended framework of the Task Force on Climate-related Financial Disclosures. The statement is available on our investor relations website under the "Governance" section, titled "Climate-Related Financial Risk Report." Reference to the location of this financial risk report is being provided for informational purposes and shall not be deemed incorporated by reference into this Annual Report.

Our Corporate Structure

Baldwin is a holding company and its sole material asset is a controlling ownership interest in Baldwin Holdings. Baldwin has engaged to date only in activities relating to Baldwin Holdings. All of our business is conducted through Baldwin Holdings and its consolidated subsidiaries and affiliates, and the financial results of Baldwin Holdings and its consolidated subsidiaries are included in the consolidated financial statements of Baldwin.

Baldwin Holdings is currently taxed as a partnership for federal income tax purposes and, as a result, its members, including Baldwin, pay taxes with respect to their allocable shares of its net taxable income. We expect that redemptions and exchanges of LLC Units will result in increases in the tax basis in our share of the tangible and intangible assets of Baldwin Holdings that otherwise would not have been available. These increases in tax basis may reduce the amount of tax that we would otherwise be required to pay in the future. The Tax Receivable Agreement requires Baldwin to pay 85% of the amount of such cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize to Baldwin Holdings' applicable LLC Members that redeem and exchange LLC Units. Furthermore, payments under the Tax Receivable Agreement will give rise to additional tax benefits and therefore additional payments under the Tax Receivable Agreement itself.

Available Information

We make available free of charge on our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the SEC. To access these filings, go to our investor relations website at ir.baldwin.com, click on "Financials" and then click on "SEC Filings." We also make available other reports filed with or furnished to the SEC under the Exchange Act, including our proxy statements and reports filed by officers and directors under Section 16(a) of the Exchange Act, as well as our Code of Business Conduct and Ethics, our Insider Trading and Whistleblower Policies, and charters for our Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, Technology and Cyber Risk Committee and Executive Committee. To access these filings, go to our investor relations website, click on "Governance" and then click on "Governance Overview." In addition, our website may include disclosure relating to certain non-GAAP financial measures that we may make public orally, telephonically, by webcast, by broadcast or by similar means from time to time. The SEC also maintains an internet site that contains reports, proxy and information statements, and other information filed electronically by us with the SEC, which are available at www.sec.gov.

We may use our website as a channel of distribution of material company information. Financial and other material information regarding the Company is routinely posted on and accessible through our website. Any information on our or the SEC's website or obtained through any such website is not part of this Annual Report on Form 10-K.

Our Investor Relations Department can be contacted at ir@baldwin.com by going to our investor relations website, clicking on "Resources" and then "Contact IR," or by telephone at (813) 259-8032.

ITEM 1A. RISK FACTORS

Summary Risk Factors

Some of the factors that could materially and adversely affect our business, financial condition, results of operations or prospects include the following:

- We may not have sufficient cash flows from operating activities, cash on hand and available capital sources to service any indebtedness, pay contingent earnout liabilities, or finance other working capital needs, which could force us to sell assets, cease operations or take other detrimental actions for our business.
- We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to effectively operate our business.
- We may incur significant additional indebtedness, which may affect our ability to satisfy our obligations under the JPM Credit Agreement and indenture governing our Senior Secured Notes.
- Downgrades in our credit ratings could increase future debt financing costs and limit the future availability of debt financing.
- Macroeconomic conditions, political events, other market conditions in the U.S. and around the world and a decline in economic activity could have a material adverse effect on our financial condition and results of operations.
- Volatility or declines in premiums or other adverse trends in the insurance industry may seriously undermine our profitability.
- Because the commissions and fees we earn on the sale of certain insurance products are based on premiums and commission rates set by our insurance company partners, any decreases in these premiums or commission rates, or actions by our insurance company partners seeking repayment of commissions, could result in commissions and fees decreases or expenses to us.
- Quarterly and annual variations in our commissions that result from the timing of policy renewals and the net effect of new and lost business production may have unexpected effects on our results of operations.
- Conditions impacting our insurance company partners or other parties with whom we do business may impact us.
- If we are unable to apply technology effectively in driving value for our clients through technology-based solutions or gain internal efficiencies through the application of technology and related tools, our results of operations, client relationships, growth and compliance programs could be adversely affected.
- We utilize artificial intelligence, which could expose us to liability or adversely affect our business.
- Competition in our industry is intense and, if we are unable to compete effectively, we may lose clients and our business, financial condition and results of operations may be negatively affected.
- Our inability to retain or hire qualified colleagues, as well as the loss of any of our executive officers or senior leaders, could negatively impact our reputation and/or ability to retain existing business and generate new business.
- The occurrence of natural or man-made disasters, health epidemics and pandemics, and associated governmental responses, could result in declines in business and increases in claims that could adversely affect our business, financial condition and results of operations.
- Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.
- Our ownership of one or more protected cells in certain captive insurance companies (and/or other ownership or participation in similar risk-bearing structures or facilities) will subject us to limited underwriting risk through such ownership and/or participation and may also subject us to limited claims expenses.
- If our ability to enroll individuals during enrollment periods is impeded, our business, results of operations and financial condition could be harmed.
- Partnerships have been, and may in the future continue to be, important to our growth. We may not be able to successfully identify and acquire partners or integrate partners into our company, and we may become subject to certain liabilities assumed or incurred in connection with our partnerships that could harm our business, results of operations and financial condition.
- We are exposed to risk of impairment of goodwill. An impairment of goodwill could have a material adverse effect on our financial condition and results of operations.

- In connection with the implementation of our corporate strategies, we face risks associated with the entry into new lines of business and the growth and development of these businesses.
- Our business had historically been highly concentrated in the Southeastern United States. While we still maintain a concentration in the Southeastern United States, our rapid growth has resulted in our having several regional concentrations of our business, such that adverse economic conditions, natural disasters, loss trends or regulatory changes in one of these regions could adversely affect our financial condition.
- We derive a significant portion of our commissions and fees from a limited number of our insurance company partners, the loss of which could result in additional expense and loss of market share.
- Our business may be harmed if we lose our relationships with insurance and reinsurance company partners, referral partners or other trading partners, fail to maintain good relationships with insurance and reinsurance company partners, referral partners or other trading partners, become dependent upon a limited number of insurance and reinsurance company partners, referral partners or other trading partners, or fail to develop new insurance and reinsurance company partner, referral partner or other trading partner relationships.
- Our business, and therefore our results of operations and financial condition, may be adversely affected by conditions that result in reduced insurer and/or reinsurer capacity.
- We rely on third parties to perform key functions of our business operations, enabling our provision of services to our clients. These third parties may act in ways that could harm our business.
- We rely on a single vendor or a limited number of vendors to provide certain key products or services to us, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.
- We have experienced significant growth in recent periods, and our recent growth rates may not be indicative of our future growth. As our costs increase, we may not be able to generate sufficient revenue to achieve and, if achieved, maintain profitability.
- Certain of our results of operations and financial metrics may be difficult to predict as a result of seasonality.
- E&O claims against us, and other incidents, claims, risks, exposures and/or liabilities that require us to make claims against our insurance policies, may negatively affect our business, financial condition and results of operations.
- Non-compliance with or changes in laws, regulations or licensing requirements applicable to us could restrict our ability to conduct our business and/or could adversely affect our business, financial condition and results of operations.
- Proposed tort reform legislation, if enacted, could decrease demand for casualty insurance, thereby reducing our commissions revenues.
- Our business depends on information processing systems. Data breaches or other security incidents with respect to our or our vendors' information processing systems may hurt our business, financial condition and results of operations.
- We are a holding company with our principal asset being our 61% ownership interest in Baldwin Holdings, and our Pre-IPO LLC Members, whose interest in our business may be different from yours, have approval rights over certain transactions and actions taken by us or Baldwin Holdings.
- In certain circumstances, Baldwin Holdings will be required to make distributions to us and the other holders of LLC Units, and the distributions that Baldwin Holdings will be required to make may be substantial.
- We will be required to pay Baldwin Holdings' LLC Members and any other persons that become parties to the Tax Receivable Agreement for certain tax benefits we may receive, and the amounts we may pay could be significant.

Risks Relating to our Business Operations and Industry

We may not have sufficient cash flows from operating activities, cash on hand and available capital sources to service any indebtedness, pay contingent earnout liabilities, or finance other working capital needs, which could force us to sell assets, cease operations or take other detrimental actions for our business.

As of December 31, 2025, our cash and cash equivalents were \$123.7 million and we had \$477.0 million of available borrowing capacity on the Revolving Facility under the JPM Credit Agreement. We will continue to expend substantial cash resources for the foreseeable future for servicing our debt obligations and future earnout payment liabilities. Following the successful refinancing of our Term Loan B on January 2, 2026, borrowings under our JPM Credit Agreement include \$1.604 billion under the Term Loan B bearing interest of 6.25%, maturing May 2031. As of December 31, 2025, outstanding borrowings on the Revolving Facility were \$107.0 million, bearing interest at 6.39% and maturing May 2029, and we had unused letters of credit issued under the Revolving Facility of \$16.0 million. As of December 31, 2025, we had \$600.0 million in aggregate principal amount of the 7.125% Senior Secured Notes due May 2031. In connection with certain prior partnerships and acquisitions of select books of business, we are required to pay contingent earnouts. Based on estimates of the partners' future performance using financial projections for the earnout period, the aggregate estimated contingent earnout liabilities included on our consolidated balance sheet at December 31, 2025 was \$23.3 million, of which \$9.2 million must be settled in cash and the remaining \$14.1 million can be settled in cash or stock at our option. The undiscounted estimated contingent earnout obligation at December 31, 2025 was \$26.6 million, of which \$9.2 million must be settled in cash and the remaining \$17.4 million can be settled in cash or stock at our option. The maximum estimated exposure to the contingent earnout liabilities was \$50.0 million at December 31, 2025. In addition, in connection with our partnership with CAC Group, a nationally recognized specialty and middle-market insurance brokerage firm on January 1, 2026 (the CAC Group Transaction), we are required to pay a deferred cash consideration payment of \$70.0 million in 2030 and a contingent earnout of up to \$250.0 million. On January 2, 2026, Baldwin Holdings entered into an amendment to the JPM Credit Agreement that provided for \$600.0 million of incremental term B loans, the proceeds of which Baldwin Holdings has used, and intends to use, to finance or refinance the cash consideration paid in connection with the CAC Group Transaction and for other permitted purposes, and which has increased our overall leverage and debt service requirements. There is no assurance that we will have sufficient cash flows from operating activities, cash on hand and available capital sources to service any indebtedness or pay contingent earnout liabilities when due, or finance other working capital needs, and failure to do so may result in a material adverse effect on our business, operations, and financial condition. Refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations and Commitments for further discussion of our debt obligations and contingent earnout liabilities.

If our cash flows and capital resources are at any time insufficient to fund our obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital, restructure or refinance our indebtedness, or reduce or cease operations. There can be no assurance that additional capital or debt financing will be available to us at any time. Even if additional capital is available, we may not be able to obtain debt or equity financing on terms favorable to us. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to reduce or curtail our operations.

We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to effectively operate our business.

As of December 31, 2025, we had total consolidated debt outstanding of approximately \$1.7 billion, collateralized by substantially all of Baldwin Holdings' assets, including a pledge of all equity securities Baldwin Holdings holds in each of its subsidiaries. During the year ended December 31, 2025, we had debt servicing costs of \$279.1 million, inclusive of \$163.2 million in principal repayments and \$115.3 million of interest payments. On January 2, 2026, we incurred an additional \$600.0 million of incremental term B loans under the JPM Credit Agreement, increasing our indebtedness and related debt service obligations.

The level of debt we have outstanding during any period could adversely affect our financial flexibility. We also bear risk at the time debt matures. Our ability to make interest and principal payments, to refinance our debt obligations and to fund our planned capital expenditures will depend on our ability to generate cash from operations. Our ability to generate cash from operations is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, such as a high interest rate environment. The need to service our indebtedness will also reduce our ability to use cash for other purposes, including earnouts, working capital, dividends to stockholders, acquisitions, capital expenditures, share repurchases and general corporate purposes. If we cannot service our indebtedness, we may have to take actions such as selling assets, raising additional equity or reducing or delaying capital expenditures, strategic acquisitions and investments, any of which could impede the implementation of our business strategy or prevent us from entering into transactions that would otherwise benefit our business. Additionally, we may not be able to effect such actions, if necessary, on favorable terms, or at all. We may not be able to refinance any of our indebtedness on favorable terms, or at all.

The JPM Credit Agreement and indenture governing the Senior Secured Notes contain covenants that, among other things, restrict our ability to make certain restricted payments, incur additional debt, engage in certain asset sales, mergers, acquisitions or similar transactions, create liens on assets, engage in certain transactions with affiliates, change our business or make certain investments and require us to comply with certain financial covenants. The restrictions in the JPM Credit Agreement and indenture governing the Senior Secured Notes may prevent us from taking actions that we believe would be in the best interest of our business and our stockholders and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted. We may also incur future debt obligations that might subject us to additional or more restrictive covenants that could affect our financial and operational flexibility, including our ability to pay dividends. We cannot make any assurances that we will be able to refinance our debt or obtain additional financing on terms acceptable to us, or at all. A failure to comply with the restrictions under the JPM Credit Agreement and/or indenture governing the Senior Secured Notes could result in a default under the financing obligations or could require us to obtain waivers from our lenders for failure to comply with these restrictions. The occurrence of a default that remains uncured or the inability to secure a necessary consent or waiver could cause our obligations with respect to our debt to be accelerated and have a material adverse effect on our business, financial condition and results of operations.

We may incur significant additional indebtedness, which may affect our ability to satisfy our obligations under the JPM Credit Agreement and indenture governing our Senior Secured Notes.

Under the terms of the JPM Credit Agreement and indenture governing the Senior Secured Notes, we may be able to incur significant additional indebtedness, including secured indebtedness, in the future. For example, on January 2, 2026, we incurred \$600.0 million of incremental term B loans under the JPM Credit Agreement in connection with the CAC Group Transaction. This could require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, reduce the availability of our cash flow to fund working capital and capital expenditures and execute on our partnership strategy, expose us to the risk of increased interest rates and increase our vulnerability to adverse economic or industry conditions. If new indebtedness is added to our current indebtedness levels, the related risks that we face could be increased, and we may not be able to meet all of our debt obligations. Furthermore, the terms of any future indebtedness we may incur could include more restrictive covenants, which could affect our financial and operational flexibility, including our ability to pay dividends.

Downgrades in our credit ratings could increase future debt financing costs and limit the future availability of debt financing.

The major rating agencies routinely evaluate our credit profile and assign credit ratings to us. If we need to raise capital in the future (for example, in order to maintain adequate liquidity, fund maturing debt obligations or finance acquisitions or other initiatives), credit rating downgrades would increase our financing costs, and could limit our access to financing sources. We may also face the risk of a credit rating downgrade if we do not retire or refinance the debt to levels acceptable to the credit rating agencies in a timely manner.

Macroeconomic conditions, political events, other market conditions in the U.S. and around the world and a decline in economic activity could have a material adverse effect on our financial condition and results of operations.

Macroeconomic conditions, political events and other market conditions in the U.S. and around the world, including the recent resurgence of inflation and interest rate increases, and the risk that the U.S. economy will decelerate into a recession, affect the financial services industry. These conditions may reduce demand for our services or depress pricing for those services, which could have a material adverse effect on our costs and results of operations. Changes in macroeconomic and political conditions, such as the impact from rising inflation and interest rates could also shift demand to services for which we do not have a competitive advantage, and this could negatively affect the amount of business that we are able to obtain. Any changes in U.S. trade policy could trigger retaliatory actions by affected countries, resulting in “trade wars,” which could affect the volume of economic activity in the U.S., including demand for our services.

For example, the demand for insurance policies may be depressed by higher levels of inflation. In addition, a significant portion of our operating expenses goes to employee compensation and benefits, which, in addition to other areas of our operating expenses, are sensitive to inflation. To maintain our ability to successfully compete for the best talent, rising inflation rates may require us to provide compensation increases beyond historical increases, which may significantly increase our compensation costs. Consequently, inflation is expected to increase our operating expenses (both compensation and non-compensation related) over time and may adversely impact our results of operations and cash flows.

Moreover, we have various agreements to lease office space located in 24 states throughout the U.S. and part of such leases contain effective annual rent escalations either fixed or indexed based on a consumer price index or other index. During higher inflationary periods, our rent expenses may increase significantly, which may adversely affect our business, financial condition, results of operations, and cash flows.

Furthermore, during inflationary periods, interest rates have historically increased, which would have a direct effect on the interest expense in case we decide to refinance our existing long-term borrowings, including the JPM Credit Agreement, or incur any additional indebtedness.

In addition to macroeconomic conditions, political events and other market conditions, other factors such as business commissions and fees, microeconomic conditions, and the volatility and strength of the capital markets, can affect our business and economic environment. The demand for insurance generally rises as the overall level of economic activity increases and generally falls as such activity decreases, affecting both the commissions and fees generated by our IAS, MIS and UCTS operating groups. Downward fluctuations in the year-over-year insurance premiums charged by our insurance company partners to protect against the same risk, referred to in the industry as softening of the insurance market, could adversely affect our business as a significant portion of the earnings are determined as a percentage of premium charged to our clients. Insolvencies and consolidations associated with an economic downturn could adversely affect our brokerage business through the loss of clients by hampering our ability to place insurance business. Also, some of our clients may experience liquidity problems or other financial difficulties in the event of a prolonged deterioration in the economy, or any segment or sub-segment of the economy, which could have an adverse effect on our collectability of receivables. Errors and omissions claims against us, which we refer to as E&O claims, may increase in economic downturns, adversely affecting our brokerage business. In addition, other incidents, claims, risks, exposures and/or liabilities that require us to make claims against our own policies of insurance may have a similar effect. Also, the volatility or decline of economic or other market conditions could result in the increased surrender of insurance products or cause individuals to forgo insurance, thereby impacting our contingent commissions, which are primarily driven by our insurance company partners' growth and profitability metrics. A decline in economic activity could have a material adverse effect on our business, financial condition and results of operations.

Volatility or declines in premiums or other adverse trends in the insurance industry may seriously undermine our profitability.

We derive most of our commissions and fees from our brokerage and related services. We do not determine the insurance premiums on which our commissions are generally based. Moreover, insurance premiums are cyclical in nature and may vary widely based on market conditions. Because of market cycles for insurance product pricing, which we cannot predict or control, our brokerage commissions and fees and profitability can be volatile or remain depressed for significant periods of time. In addition, there have been and may continue to be—including as a result of substantial increases in insurance premiums—various trends in the insurance industry toward alternative insurance markets, including, among other things, greater levels of self-insurance, captives, rent-a-captives, risk retention groups and non-insurance capital markets-based solutions to traditional insurance and reinsurance needs. Our ability to generate premium-based commission revenue may also be challenged by the growing desire of some clients to compensate brokers based upon flat fees rather than a percentage of premium. This could negatively impact us because fees are generally not indexed for inflation and might not increase with premiums as commissions do or with the level of service provided.

As traditional risk-bearing insurance companies continue to outsource the production of premium commissions and fees to non-affiliated brokers or agents such as us, those insurance companies may seek to further minimize their expenses by reducing the commission rates payable to insurance brokers or agents. The reduction of these commission rates, along with general volatility or declines in premiums, may significantly affect our profitability. Because we do not determine the timing or extent of premium pricing changes, it is difficult to precisely forecast our commission and contingent commissions and fees, including whether they will significantly decline. As a result, we may have to adjust our budgets for future acquisitions, capital expenditures, dividend payments, loan repayments and other expenditures to account for unexpected changes in commissions and fees, and any decreases in premium rates may adversely affect our business, financial condition and results of operations.

Because the commissions and fees we earn on the sale of certain insurance products are based on premiums and commission rates set by our insurance and reinsurance company partners, any decreases in these premiums or commission rates, or actions by our insurance company partners seeking repayment of commissions, could result in commissions and fees decreases or expenses to us.

We derive commissions and fees from the sale of insurance products that are paid by our insurance and reinsurance company partners from whom our clients purchase insurance. Because payments for the sale of insurance products are processed internally by our insurance and reinsurance company partners, we may not receive a payment that is otherwise expected in any particular period until after the end of that period, which can adversely affect our ability to budget for significant future expenditures. Additionally, our insurance and reinsurance company partners or their affiliates may, under certain circumstances, seek the chargeback or repayment of commissions as a result of policy lapse, surrender, cancellation, rescission, default or upon other specified circumstances. As a result of the chargeback or repayment of commissions, we may incur an expense in a particular period related to commissions and fees previously recognized in a prior period and reflected in our financial statements. Such an expense could have a material adverse effect on our financial condition and results of operations, particularly if the expense is greater than the amount of related commissions and fees retained by us.

The commission rates are set by our insurance and reinsurance company partners and are based on the premiums that the insurance and reinsurance company partners charge. The potential for changes in premium rates is significant, due to pricing cyclicality in the insurance market. In addition, the insurance industry has been characterized by periods of intense price competition due to excessive underwriting capacity and periods of favorable premium levels due to shortages of capacity. Capacity could also be reduced by our insurance and reinsurance company partners' failing or withdrawing from writing certain coverages and/or geographic areas that we offer our clients. Commission rates and premiums can change based on prevailing legislative, economic and competitive factors that affect our insurance company partners. These factors, which are not within our control, include the capacity of our insurance and reinsurance company partners to place new business, underwriting and non-underwriting profits of our insurance and reinsurance company partners, consumer demand for insurance products, the availability of comparable products from other insurance companies at a lower cost and the availability of alternative insurance products, such as government benefits and self-insurance products, to consumers. We cannot predict the timing or extent of future changes in commission rates or premiums or the effect any of these changes will have on our business, financial condition and results of operations.

Quarterly and annual variations in our commissions that result from the timing of policy renewals and the net effect of new and lost business production may have unexpected effects on our results of operations.

Our commission income (including profit-sharing contingent commissions and override commissions) can vary quarterly or annually due to the timing of policy renewals and the net effect of new and lost business production. We do not control the factors that cause these variations. Specifically, clients' demand for insurance products can influence the timing of renewals, new business and lost business (which includes policies that are not renewed and cancellations). In addition, we rely on our insurance company partners for the payment of certain commissions. Quarterly and annual fluctuations in commissions and fees based on increases and decreases associated with the timing of new business, policy renewals and payments from our insurance company partners may adversely affect our financial condition, results of operations and cash flows.

Profit-sharing contingent commissions are special revenue-sharing override commissions paid by our insurance company partners based on the attainment of certain metrics such as the profitability, volume or growth of the business placed with such companies generally during the prior year. These are not guaranteed payments and our insurance company partners may change the calculations or potentially elect to stop paying them at all on an annual basis. Over the last two years contingent commissions generally have been in the range of 6.5% to 8.5% of the year's total core commissions and fees. Increases in loss ratios experienced by our insurance company partners will result in a decreased profit to them and may result in decreases in payments of contingent or profit-sharing commissions to us. Due to, among other things, potentially poor macroeconomic conditions, the inherent uncertainty of loss in our clients' industries and changes in underwriting criteria (including profitability, volume or growth thresholds), due in part to the high loss ratios experienced by our insurance company partners, we cannot predict the payment of these profit-sharing contingent commissions. Further, we have no control over the ability of our insurance company partners to estimate loss reserves, which affects our ability to make profit-sharing calculations. Override commissions are paid by our insurance company partners based on the attainment of certain metrics such as the profitability, volume or growth of the business that we place with them and are generally paid over the course of the year or in the beginning of the following year. Because profit-sharing contingent commissions and override commissions materially affect our commissions and fees, any decrease in their payment to us could adversely affect our results of operations, profitability and our financial condition.

See "—Our business had historically been highly concentrated in the Southeastern United States. While we still maintain a concentration in the Southeastern United States, our rapid growth has resulted in our having several regional concentrations of our business, such that adverse economic conditions, natural disasters, loss trends or regulatory changes in one of these regions could adversely affect our financial condition."

Conditions impacting our insurance company partners or other parties with whom we do business may impact us.

We have a significant amount of accounts receivable from our insurance company partners with whom we place insurance. If those insurance company partners were to experience liquidity problems or other financial difficulties, we could encounter delays or defaults in payments owed to us, which could have a significant adverse impact on our financial condition and results of operations. The potential for one of our insurance company partners to cease writing insurance we offer our clients could negatively impact overall capacity in the industry, which in turn could have the effect of reduced placement of certain lines and types of insurance and reduced commissions and fees and profitability for us. Questions about one of our insurance company partners' perceived stability or financial strength may contribute to such insurance company partners' strategic decisions to focus on certain lines of insurance to the detriment of others. The failure of an insurance company partner with whom we place insurance could result in E&O claims against us by our clients, and the failure of our insurance company partners could make the E&O insurance we rely upon cost prohibitive or unavailable, which could have a significant adverse impact on our financial condition and results of operations. In addition, if any of our insurance company partners merge or if one of our large insurance company partners fails or withdraws from certain geographic areas or from offering certain lines of insurance, overall risk-taking capital capacity could be negatively affected, which could reduce our ability to place certain lines of insurance and, as a result, reduce our commissions and fees and profitability. Such failures or insurance withdrawals on the part of our insurance company partners could occur for any number of reasons, including large unexpected payouts related to climate events or other emerging risk areas.

If we are unable to apply technology effectively in driving value for our clients through technology-based solutions or gain internal efficiencies through the application of technology and related tools, our results of operations, client relationships, growth and compliance programs could be adversely affected.

Our future success depends, in part, on our ability to anticipate and respond effectively to the threat of, and the opportunity presented by, digital disruption and other technology change. These may include new applications or insurance-related services based on artificial intelligence, machine learning, robotics, blockchain or new approaches to data mining. We may be exposed to competitive risks related to the adoption and application of new technologies by established market participants (for example, through disintermediation) or new entrants such as technology companies, Insurtech start-up companies and others. We must also develop and implement technology solutions and technical expertise among our employees that anticipate and keep pace with rapid and continuing changes in technology, industry standards, client preferences and control standards. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis, and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise and develop new technologies in our business may require us to incur significant expenses. Our technological development projects may also not deliver the benefits we expect once they are completed or may be replaced or become obsolete more quickly than expected, which could result in the accelerated recognition of expenses. If we cannot develop or implement new technologies as quickly as our competitors, or if our competitors develop more cost-effective technologies or product offerings, we could experience a material adverse effect on our results of operations, client relationships, growth and compliance programs. Our investments in new products and services may not generate the expected returns, which could hinder our ability to generate organic growth in the future.

We utilize artificial intelligence, which could expose us to liability or adversely affect our business.

We utilize artificial intelligence, machine learning, and similar tools and technologies that collect, aggregate, analyze or generate data or other materials or content (collectively, "AI") in connection with our business. There are significant risks involved in utilizing AI and no assurance can be provided that our use of such AI will enhance our products or services or produce the intended results. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false or "hallucinatory" inferences or outputs; AI can present ethical issues and may subject us to new or heightened legal, regulatory, ethical, or other challenges; and inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of AI, could impair the acceptance of AI solutions, including those incorporated in our products and services. If the AI tools that we use are deficient, inaccurate or controversial, we could incur operational inefficiencies, competitive harm, legal liability, brand or reputation harm, or other adverse impacts on our business and financial results. If we do not have sufficient rights to use the data or other material or content on which the AI tools we use rely, or the output of such AI tools, we also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are a party.

In addition, regulation of AI is rapidly evolving as legislators and regulators are increasingly focused on these powerful emerging technologies and as they remain the object of intense geostrategic competition. The technologies underlying AI and its uses are subject to a variety of laws and regulations, including intellectual property, data privacy and cybersecurity, client protection, trade and export controls, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. AI is the subject of ongoing review by various U.S. governmental and regulatory agencies, and various U.S. states are applying, or are considering applying, their platform moderation, data privacy and cybersecurity laws and regulations to AI or are considering general legal frameworks for AI. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions.

Competition in our industry is intense and, if we are unable to compete effectively, we may lose clients and our business, financial condition and results of operations may be negatively affected.

The business of providing insurance products and services is highly competitive and we expect competition to intensify. We compete for clients on the basis of reputation, client service, program and product offerings and our ability to tailor products and services to meet the specific needs of a client.

We actively compete with numerous integrated financial services organizations as well as insurance company partners and brokers, producer groups, individual insurance agents, investment management firms, independent financial planners and broker-dealers. Competition may reduce the fees that we can obtain for services provided, which would have an adverse effect on commissions and fees and margins. Many of our competitors have greater financial and marketing resources than we do and may be able to offer products and services that we do not currently offer and may not offer in the future. To the extent that banks, securities firms, insurance companies' affiliates and the financial services industry may experience further consolidation, we may experience increased competition from insurance companies and the financial services industry, as a growing number of larger financial institutions increasingly, and aggressively, offer a wider variety of financial services, including insurance intermediary services. In addition, a number of insurance companies are engaged in the direct sale of insurance, primarily to individuals, and do not pay commissions to brokers or other market intermediaries. Furthermore, we compete with various other companies that provide risk-related services or alternatives to traditional insurance services, including Insurtech start-up companies, which are focused on using technology and innovation, including artificial intelligence (AI), digital platforms, data analytics, robotics and blockchain, to simplify and improve the client experience, increase efficiencies, alter business models and effect other potentially disruptive changes in the industries in which we operate. In addition, in recent years, private equity sponsors have invested tens of billions of dollars into the insurance sector, transforming existing players and creating new ones to compete with large brokers. These new competitors, alliances among competitors or mergers of competitors could emerge and gain significant market share, and some of our competitors may have or may develop a lower cost structure, adopt more aggressive pricing policies or provide services that gain greater market acceptance than the services that we offer or develop. With respect to our sale of Medicare-related insurance, we also compete with government-run health insurance exchanges. The federal government operates a website where Medicare beneficiaries can purchase Medicare Advantage and Medicare Part D prescription drug plans or be referred to carriers to purchase Medicare Supplement plans. We also compete with the original Medicare program. The Affordable Care Act exchanges have websites where individuals and small businesses can purchase health insurance, and they also have offline customer support and enrollment capabilities.

Competitors may be able to respond to the need for technological changes and innovate faster, or price their services more aggressively. They may also compete for skilled professionals, finance acquisitions, fund internal growth and compete for market share more effectively than we do. To respond to increased competition and pricing pressure, we may have to lower the cost of our services or decrease the level of services provided to clients, which could have an adverse effect on our business, financial condition and results of operations.

Some of our competitors may be able to sustain the costs of litigation more effectively than we can because they have substantially greater resources. In the event that any of such competitors initiates litigation against us, such litigation, even if without merit, could be time-consuming and costly to defend and may divert management's attention and resources away from our business and adversely affect our business, financial condition and results of operations.

Similarly, any increase in competition due to new legislative or industry developments could adversely affect us. These developments include:

- increased capital-raising by insurance companies, which could result in new capital in the industry, which in turn may lead to lower insurance premiums and commissions;
- insurance companies selling insurance directly to the insured without the involvement of a broker or other intermediary;
- changes in our business compensation model as a result of legal, policy and/or regulatory developments;
- federal and state governments establishing programs to provide property insurance in catastrophe-prone areas or other alternative market types of coverage that compete with, or completely replace, insurance products offered by insurance companies;
- climate change regulation in the U.S. and around the world moving us toward a low-carbon economy, which could create new competitive pressures around innovative insurance solutions; and
- increased competition from new market participants such as banks, accounting firms, consulting firms and Internet or other technology firms offering risk management, insurance brokerage services or new distribution channels for insurance, such as payroll firms.

New competition as a result of these or other competitive or industry developments could cause the demand for our products and services to decrease, which could in turn adversely affect our business, financial condition and results of operations.

Our inability to retain or hire qualified colleagues, as well as the loss of any of our executive officers or senior leaders, could negatively impact our reputation and/or ability to retain existing business and generate new business.

Our success depends on our ability to attract and retain skilled and experienced personnel. There is significant competition from within the insurance industry and from businesses outside the industry for exceptional employees, especially in key positions. Our competitors may be able to offer a work environment with higher compensation or more opportunities than we can. Any new personnel we hire may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. We can make no assurances that qualified colleagues will continue to be employed or that we will be able to attract and retain qualified personnel in the future. If we are not able to successfully attract, retain and motivate our colleagues, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new colleagues, or inadequate resources to train, integrate, and retain qualified colleagues, our business, financial condition, results of operations and reputation could be materially and adversely affected.

In addition, we could be adversely affected if we fail to adequately plan for the succession of our senior leaders, including our founders and key executives, or if one or more of them is the victim of any accident, injury, illness or other ailment. In particular, our future success depends substantially on the continued service of our co-founder and Chairman, Lowry Baldwin, and our Chief Executive Officer, Trevor Baldwin. The loss of our senior managers or other key personnel (including the legacy management of certain joint ventures or acquired subsidiaries) in any circumstance, including any limitation on the performance of their duties or short- or long-term absence as a result of any accident, injury, illness or other ailment, or our inability to continue to identify, recruit and retain such personnel, could materially and adversely affect our business, financial condition and results of operations.

The occurrence of natural or man-made disasters, health epidemics and pandemics and associated governmental responses, could result in declines in business and increases in claims that could adversely affect our business, financial condition and results of operations.

We are exposed to various risks arising out of natural disasters, including earthquakes, hurricanes, fires, floods, landslides, tornadoes, typhoons, tsunamis, hailstorms, explosions, climate events or weather patterns and public health crises, epidemics or pandemic health events, as well as man-made disasters, including acts of terrorism, military actions, cyber-terrorism, explosions and biological, chemical or radiological events, and associated governmental responses. The continued threat of terrorism and ongoing military actions may cause significant volatility in global financial markets, and a natural or man-made disaster could trigger an economic downturn in the areas directly or indirectly affected by the disaster. These consequences could, among other things, result in a decline in business and may also subject any capitalized insurance facilities in which we choose to participate, to increased claims expenses from those areas. They could also result in reduced underwriting capacity of our insurance and reinsurance company partners, making it more difficult for our colleagues and contracted agents to place business. Disasters also could disrupt public and private infrastructure, including communications and financial services, which could disrupt our ordinary business operations. Any increases in loss ratios due to natural or man-made disasters could impact our contingent commissions, which are primarily driven by both growth and profitability metrics.

A natural or man-made disaster also could disrupt the operations of our counterparties or result in increased prices for the products and services they provide to us. Finally, a natural or man-made disaster could increase the incidence or severity of E&O claims against us, or other incidents, claims, risks, exposures and/or liabilities that require us to make claims against our insurance policies.

See “—Our business had historically been highly concentrated in the Southeastern United States. While we still maintain a concentration in the Southeastern United States, our rapid growth has resulted in our having several regional concentrations of our business, such that adverse economic conditions, natural disasters, loss trends or regulatory changes in one of these regions could adversely affect our financial condition.”

Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.

Our operations are dependent upon our ability to protect our personnel, offices, and technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. Should we experience a local or regional disaster or other business continuity problem, such as an earthquake, hurricane, fire, terrorist attack, pandemic, protest or riot, security breach, power loss, telecommunications failure or other natural or man-made disaster, our continued success will depend, in part, on the availability of personnel, office facilities, and the proper functioning of computer, telecommunication and other related systems and operations. In events like these, we can experience near-term operational challenges in particular areas of our operations. We could potentially lose key executives, personnel, client data or experience material adverse interruptions to our operations or delivery of services to clients in a disaster recovery scenario. We may experience additional disruption due to system upgrades, outages, an increase in remote work or other impacts as a result of health epidemics or pandemics. Our inability to successfully recover should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships, or legal liability. Our insurance coverage with respect to natural disasters is limited and is subject to deductibles and coverage limits. Such coverage may not be adequate, or may not continue to be available at commercially reasonable rates and terms.

Our ownership of one or more protected cells in certain captive insurance companies (and/or other ownership or participation in similar risk-bearing structures or facilities) will subject us to limited underwriting risk through such ownership and/or participation and may also subject us to limited claims expenses.

The Company currently owns, and may continue to own, from time to time, one or more protected cells in certain captive insurance companies (and/or otherwise have an ownership interest in or participate in similar risk-bearing structures or facilities) for the purpose of facilitating additional underwriting capacity for our clients and to participate in underwriting results. While the Company's underwriting risk through any such captive insurance company (and/or similar risk-bearing structure or facility) would generally be limited (absent any regulatory requirement for the contribution of additional capital or contractual obligation to fund any underwriting losses in excess of contributed capital), we may be subject to claims expenses associated with any losses from these clients or programs, which could include losses from catastrophic weather events. Our results of operations may be negatively impacted if any such captive insurance company (and/or similar risk-bearing structure or facility) incurs claims expenses.

If our ability to enroll individuals during enrollment periods is impeded, our business, results of operations and financial condition could be harmed.

It is difficult for the health insurance risk advisors we employ and our systems and processes to handle the increased volume of health insurance transactions that occur in a short period of time during the healthcare reform annual open enrollment period and the Medicare annual enrollment period. We hire additional colleagues on a temporary or seasonal basis in a limited period of time to address the expected increase in the volume of health insurance transactions during the Medicare annual enrollment period. We must ensure that our health insurance risk advisors and those of outsourced call centers are timely licensed, trained and certified and have the appropriate authority to sell health insurance in a number of states and for a number of different health insurance companies. We depend on our own colleagues, state departments of insurance, government exchanges and insurance company partners for licensing, certification and appointment. If our ability to market and sell Medicare-related health insurance and individual and family health insurance is constrained during an enrollment period for any reason, such as technology failures, reduced allocation of resources, any inability to timely employ, license, train, certify and retain our colleagues and our contractors and their health insurance risk advisors to sell health insurance, interruptions in the operation of our website or systems or issues with government-run health insurance exchanges, we could acquire fewer members, suffer a reduction in our membership and our business, results of operations and financial condition could be harmed.

Partnerships have been, and may in the future continue to be, important to our growth. We may not be able to successfully identify and acquire partners or integrate partners into our company, and we may become subject to certain liabilities assumed or incurred in connection with our partnerships that could harm our business, results of operations and financial condition.

Strategic acquisitions to complement and further expand our business, which we refer to as partnerships, have been an important part of our competitive strategy. For example, on January 1, 2026, we completed the previously announced partnership with CAC Group, a nationally recognized specialty and middle-market insurance brokerage firm.

The acquisition landscape is competitive. However, we expect to remain active and opportunistic in pursuing potential transactions. Our ability to identify and complete acquisitions, or if we are inefficient or unsuccessful at integrating any partner into our operations, may impact our ability to achieve our planned rates of growth or improve our market share, profitability or competitive position in specific markets or services. The process of integrating a partner has created, and will continue to create, operating difficulties. The risks we face include:

- diversion of management time and focus from operating our core business to acquisition integration challenges;
- excessive costs of deploying our business support and financial management tools in acquired companies;
- delays in the successful integration of the partner into our operations;
- failure to successfully integrate the partner into our operations, including cultural challenges associated with integrating and retaining colleagues;
- failure to achieve anticipated efficiencies or benefits, including through the loss of key clients or personnel of the partner;
- failure to realize our strategic objectives for the partner or further develop the partner;
- the consequences of the conduct of our acquired companies prior to their acquisition by us, including the occurrence of data breaches or other cybersecurity attacks during the integration of information systems, as well as increased costs associated with implementing state and regulatory compliance procedures, including data privacy and cybersecurity protections; and
- failure to realize expected revenue synergies or other anticipated benefits from our partnerships, including the CAC Group Transaction, and the possibility that our experience operating such partnerships requires us to adjust our expectations regarding the impact of acquisitions on our operating results.

Furthermore, when regulatory approval of our proposed partnerships is required, our ability to complete such partnerships may be limited by an ongoing regulatory review or other issues with the relevant regulator.

There may be liabilities that we fail to discover while conducting due diligence, that we inadequately assess or that are not properly disclosed to us. In particular, to the extent that any partner (i) failed to comply with or otherwise violated applicable laws or regulations, (ii) failed to fulfill contractual obligations to clients, insurance company partners or other third parties such as vendors, service providers or contracted agents, or (iii) incurred material liabilities or obligations to clients that are not identified during the diligence process, we, as the successor owner, may be financially responsible for these violations, failures and liabilities and may suffer financial or reputational harm or otherwise be adversely affected. In addition, as part of a partnership, we may assume responsibilities and obligations of the partner pursuant to the terms and conditions of agreements entered by the acquired entity that are not consistent with the terms and conditions that we typically accept and require. We also may be subject to litigation or other claims in connection with a partner, including claims from colleagues, clients, stockholders or other third parties. Any material liabilities we incur that are associated with our partnerships could harm our business, results of operations and financial condition. In addition, we have made, and will continue to make, assumptions and estimates relating to our partnerships, including regarding CAC Group's business, that involve significant judgment and may prove to be materially inaccurate, including assumptions regarding future revenue and earnings, expenses and expense allocation, and integration timelines and costs.

Our partnership strategy is also affected by our ability to secure additional debt or equity financing in the future to fund acquisitions. We may not be able to obtain such additional financing or, if available, it may not be in amounts and on terms acceptable to us. To the extent we finance acquisitions or related deferred or contingent consideration through additional indebtedness or the issuance of equity, our interest expense may increase and/or our stockholders may experience dilution. We cannot predict or guarantee that we will successfully identify suitable acquisition candidates, consummate any partnership or integrate any partner, including CAC Group. Any failure to do so could have an adverse impact on our business, results of operations and financial condition.

We are exposed to risk of impairment of goodwill. An impairment of goodwill could have a material adverse effect on our financial condition and results of operations.

When we acquire partners, we record goodwill and other intangible assets. As of December 31, 2025, we had \$1.5 billion of goodwill recorded on our balance sheet, which represented 39% of our total assets. Goodwill is not amortized and is subject to assessment for impairment when the facts and circumstances suggest an impairment test is necessary, but in any event, at least annually. The identification and measurement of goodwill impairment involves the estimation of the fair value of our reporting units. We compare the fair value of each reporting unit with its carrying amount to determine if there is potential impairment of goodwill. The determinations of impairment indicators and the fair value are based on estimates and assumptions related to the amount and timing of future cash flows and future interest rates. Such estimates and assumptions could change in the future as more information becomes available, which could impact the amounts reported and disclosed. A significant and sustained decline in our stock price and market capitalization, a significant decline in our expected future cash flows, a significant adverse change in the business climate, or slower growth rates could result in the need to perform an additional impairment analysis prior to the next annual goodwill impairment test. If we were to conclude that a future impairment of our goodwill is necessary, we would then record the appropriate charge, which could result in material charges that are adverse to our operating results and financial position.

In connection with the implementation of our corporate strategies, we face risks associated with the entry into new lines of business and the growth and development of these businesses.

From time to time, either through partnerships or internal development, we may enter new lines of business or offer new products and services within existing lines of business. These new lines of business or new products and services may present additional risks, particularly in instances where the markets are not fully developed. Such risks include the investment of significant time and resources; the possibility that these efforts will not be successful; the possibility that the marketplace does not accept our products or services, or that we are unable to retain clients that adopt our new products or services; and the risk of additional liabilities associated with these efforts. Other risks include developing knowledge of and experience in the new lines of business, integrating the partner into our systems and culture, recruiting professionals and developing and capitalizing on new relationships with experienced market participants. External factors, such as compliance with new or revised regulations, competitive alternatives and shifting market preferences may also impact the successful implementation of a new line of business. Failure to manage these risks in the acquisition or development of new businesses could materially and adversely affect our business, financial condition and results of operations. In addition, if we dispose of or otherwise exit certain businesses, there can be no assurance that we will not incur certain disposition-related charges, or that we will be able to reduce overhead related to the divested assets. Our investments in new products and services may not generate the expected returns, which could hinder our ability to generate organic growth in the future.

Our business had historically been highly concentrated in the Southeastern United States. While we still maintain a concentration in the Southeastern United States, our rapid growth has resulted in our having several regional concentrations of our business, such that adverse economic conditions, natural disasters, loss trends or regulatory changes in one of these regions could adversely affect our financial condition.

A significant portion of our business remains concentrated in the Southeastern U.S., with several other regional concentrations. The insurance business is primarily a state-regulated industry, and therefore state legislatures may enact laws that adversely affect the insurance industry. Because our business is concentrated in several regions of the U.S., we face greater exposure to unfavorable changes in regulatory conditions in those regions than insurance intermediaries whose operations are more diversified through a greater number of states. In addition, the occurrence of adverse economic conditions, natural or other disasters, loss trends or other circumstances specific to or otherwise significantly impacting these states could adversely affect our financial condition, results of operations and cash flows. Increases in loss ratios, combined ratios and related costs experienced by our insurance company partners will result in a decreased profit to them and may result in decreases in payments of contingent or profit-sharing commissions to us. This trend may also cause one or more of our insurance company partners to reduce or cease writing insurance we offer our clients, whether in part, entirely or on a geographic basis, which in turn could reduce our ability to place certain lines of insurance and, as a result, reduce our commissions and fees and profitability.

In addition, we are susceptible to losses and interruptions caused by hurricanes (particularly in Florida, where our headquarters and numerous offices are located), earthquakes, tornadoes, power shortages, telecommunications failures, water shortages, floods, fire, extreme weather conditions, geopolitical events, such as terrorist acts, and other natural or man-made disasters. Hurricanes and wildfires in particular may have an outsized impact on the insurance industry. We expect to continue to grow our footprint throughout the country and beyond, but our plans to execute on this geographic diversification effort may not be successful.

We derive a significant portion of our commissions and fees from a limited number of our insurance company partners, the loss of which could result in additional expense and loss of market share.

For the year ended December 31, 2025, two insurance company partners accounted for an aggregate of approximately 17% of our total core commissions and fees. Should either of these insurance company partners seek to terminate their respective arrangements with us or in the case of material financial impairment of such insurance company partners, we could be forced to move our business to other insurance company partners and additional expense and loss of market share could possibly result.

Our business may be harmed if we lose our relationships with insurance and reinsurance company partners, referral partners or other trading partners, fail to maintain good relationships with insurance and reinsurance company partners, referral partners or other trading partners, become dependent upon a limited number of insurance and reinsurance company partners, referral partners or other trading partners or fail to develop new insurance and reinsurance company partner, referral partner or other trading partner relationships.

Our business typically enters into contractual agency relationships with insurance and reinsurance company partners that are sometimes unique to Baldwin, but nonexclusive and terminable on short notice by either party for any reason. In many cases, insurance and reinsurance company partners also have the ability to amend the terms of our agreements unilaterally, including commission rates on short notice. Our insurance and reinsurance company partners may be unwilling to allow us to sell their existing or new insurance products or may amend our agreements with them, for a variety of reasons, including for competitive or regulatory reasons or because of a reluctance to distribute their products through our platform. Our insurance company partners may decide to rely on their own internal distribution channels, choose to exclude us from their most profitable or popular products, or decide not to distribute insurance products in individual markets in certain geographies or altogether. The termination or amendment of our relationship with an insurance and reinsurance company partner could reduce the variety of insurance products we offer. We also could lose a source of, or be paid reduced commissions for, future sales and could lose renewal commissions for past sales. Our business could also be harmed if we fail to develop new insurance and reinsurance company partner relationships.

Similarly, our business enters into contractual agreements with referral partners and other trading partners. If we fail to maintain good relationships with our referral partners and other trading partners, referral partners and other trading partners may choose not to renew their contracts with us and develop their own insurance distribution channels, choose to work with another insurance broker and/or work directly with insurance carriers.

In the future, it may become necessary for us to offer insurance products from a reduced number of insurance and reinsurance company partners or to derive a greater portion of our commissions and fees from a more concentrated number of insurance and reinsurance company partners as our business and the insurance industry evolve. The number of referral and other trading partners we do business with could also be reduced in the future. Should our dependence on a smaller number of insurance and reinsurance company partners, referral partners or other trading partners increase, whether as a result of the termination of insurance and reinsurance company partner, referral partner or other trading partner relationships, the consolidation of insurance and reinsurance company partners, referral partners or other trading partners, or otherwise, we may become more vulnerable to adverse changes in our relationships with these counterparties, particularly in states where we offer insurance products from a relatively small number of insurance and reinsurance company partners, where a small number of insurance companies dominate the market, or where a significant portion of our commission and fees is directly or indirectly derived from our relationships with referral partners or other trading partners. The termination, amendment or consolidation of our relationship with our insurance and reinsurance company partners, referral partners or other trading partners could harm our business, financial condition and results of operations.

Our business, and therefore our results of operations and financial condition, may be adversely affected by conditions that result in reduced insurer and/or reinsurer capacity.

Our results of operations depend on the continued capacity of our insurance and reinsurance company partners to underwrite risk and provide coverage, which in turn depends on those insurance company partners' ability to procure reinsurance. Capacity could also be reduced by insurance and reinsurance company partners failing or withdrawing from writing certain coverages that we offer to our clients. To the extent that reinsurance becomes less widely available or significantly more expensive, we may not be able to procure the amount or types of coverage that our clients desire, and the coverage we are able to procure for our clients may be more expensive or limited.

We rely on third parties to perform key functions of our business operations, enabling our provision of services to our clients. These third parties may act in ways that could harm our business.

We rely on third parties, and in some cases subcontractors, to provide services, data, and information, such as technology, information security, billing systems, funds transfers, data processing and administration and support functions, that are critical to our business operations. These third parties include correspondents, agents and other brokerage and intermediaries, insurance markets, data providers, plan trustees, payroll service providers, benefits administrators, software and system vendors, health plan providers, investment managers and providers of human resources, among others. As we do not fully control the actions of these third parties, we are subject to the risk that their decisions, actions or inactions may adversely impact us and replacing these service providers could create significant delays and expenses. Because we do not control our vendors and our ability to monitor their cybersecurity is limited, we cannot ensure the cybersecurity measures they take will be sufficient to protect any information we share with them or to which they may have access. Due to applicable laws and regulations or contractual obligations, we may be held responsible for security breaches, cyberattacks or other similar incidents attributed to our vendors as they relate to the information we share with them or to which we grant them access. A failure by third parties to comply with service level agreements or regulatory or legal requirements in a high-quality and timely manner, particularly during periods of our peak demand for their services, could result in economic and reputational harm to us. In addition, we face risks as we transition from in-house functions to third-party support functions and providers, or vice versa, that there may be disruptions in service or other unintended results that may adversely affect our business operations. These third parties face their own technology, operating, business, and economic risks, and any significant failures by them, including the improper use or disclosure of our confidential client, colleague, consumer, or Company information, could cause harm to our reputation. An interruption in or the cessation of service by any service provider as a result of systems failures, data breaches or other cybersecurity incidents, capacity constraints, financial difficulties, or for any other reason could disrupt our operations, impact our ability to offer certain products and services, and result in contractual or regulatory fines or penalties, liability claims from clients, or colleagues, damage to our reputation, and harm to our business.

We rely on a single vendor or a limited number of vendors to provide certain key products or services to us, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.

Historically, we have contracted with and rely on a single vendor or a limited number of vendors to provide certain key products or services to us such as information technology support and billing systems. If these vendors are unable to meet our needs because they fail to perform adequately, are no longer in business, are experiencing shortages or supply chain issues or discontinue a certain product or service we need, our business, financial condition and results of operations may be adversely affected. By way of example, certain payment processing vendors of ours have in the past discontinued or threatened to discontinue, and may in the future discontinue or threaten to discontinue, certain payment processing products upon which we rely in certain parts of our business, which if executed upon could disrupt our ability to operate those certain parts of our business and/or could require us to make substantial additional investments to remediate.

While alternative sources for these products and services exist, in the event we are forced to rely on them, we may not be able to develop these alternative sources quickly and cost-effectively or at all, which could materially impair our ability to operate our business. Furthermore, our vendors may request changes in pricing, payment terms or other contractual obligations between the parties, which could require us to make substantial additional investments.

We have experienced significant growth in recent periods, and our recent growth rates may not be indicative of our future growth. As our costs increase, we may not be able to generate sufficient revenue to achieve and, if achieved, maintain profitability.

We have experienced significant revenue growth in recent periods. In future periods, we may not be able to sustain revenue growth consistent with recent history, or at all. We believe our revenue growth depends on a number of factors, including, but not limited to, our ability to:

- attract new clients, successfully deploy and implement our products, obtain client renewals and provide our clients with excellent client support;
- increase our network of insurance company partners and the profit-sharing, override and/or contingent commissions that we earn from such insurance company partners;
- adequately expand, train, integrate and retain our colleagues, including our executive officers and senior leaders, and maintain or increase our sales force's productivity;
- improve our internal control over financial reporting and disclosure controls and procedures to ensure timely and accurate reporting of our operational and financial results;
- successfully introduce new products and enhance existing products;
- successfully deploy information technology assets for use by our colleagues and interaction with our clients and insurance company partners;

- adapt to the ever-changing regulatory and legal landscape;
- protect sensitive, personal and confidential information and data within Baldwin's custody from third-party bad actors;
- successfully identify and acquire new partners;
- successfully integrate partnerships into the Company in an operationally efficient manner;
- service our existing indebtedness;
- access the capital markets or otherwise obtain access to capital to satisfy future needs of the Company;
- successfully introduce our products to new markets and geographies; and
- successfully compete against larger companies and new market entrants.

We may not successfully accomplish any of these objectives and ongoing macroeconomic and geopolitical uncertainty may impact our ability to successfully accomplish any of the above, and as a result, it is difficult for us to forecast our future results of operations. Our historical growth rate should not be considered indicative of our future performance and may decline in the future. In future periods, our revenue could grow more slowly than in recent periods or decline for any number of reasons, including those outlined above. If our revenue or revenue growth rates decline, investors' perceptions of our business may be adversely affected and the market price of common stock could decline.

Certain of our results of operations and financial metrics may be difficult to predict as a result of seasonality.

We have presented, and may continue to present, certain non-GAAP financial measures, such as adjusted EBITDA and adjusted EBITDA margin, in filings with the SEC and other public statements. Any failure to accurately report and present our non-GAAP financial measures could cause us to fail to meet our reporting obligations and could cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our stock.

The insurance brokerage market is seasonal and our results of operations are somewhat affected by seasonal trends. Our adjusted EBITDA and adjusted EBITDA margins are typically highest in the first quarter and lowest in the fourth quarter. This variation is primarily due to fluctuations in our revenue, while overhead remains consistent throughout the year. Our revenues are generally highest in the first quarter due to the impact of contingent commission payments received in the first quarter from insurance company partners that we cannot readily estimate before receipt without the risk of significant reversal and a higher degree of first quarter policy commencements and renewals in certain IAS and MIS lines of business such as employee benefits, commercial and Medicare. In addition, a higher proportion of our first quarter revenue is derived from our highest margin businesses.

Partnerships can significantly impact adjusted EBITDA and adjusted EBITDA margins in a given year and may increase the amount of seasonality within the business, especially results attributable to partnerships that have not been fully integrated into our business or owned by us for a full year.

Damage to our reputation could have a material adverse effect on our business.

Our reputation is one of our key assets. We advise our clients on and provide services related to a wide range of subjects and our ability to attract and retain clients depends greatly on the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. If a client is not satisfied with our services, it could cause us to incur additional costs and impair profitability or lose the client relationship altogether, which may negatively impact other clients' perception regarding us. Our success is also dependent on maintaining a good reputation with existing and potential colleagues, investors, insurance company partners, vendors, regulators and the communities in which we operate. Negative perceptions or publicity regarding these or other matters, including our association with clients or business partners who themselves have a damaged reputation, or from actual or alleged conduct by us or our colleagues, could damage our reputation. Any of these matters could have a material adverse effect on our business, financial condition and results of operations.

Increasing scrutiny and changing expectations from investors, clients and our colleagues with respect to our environmental, social and governance (“ESG”) practices may impose additional costs on us or expose us to new or additional risks.

There is increased focus, including from governmental organizations, investors, employees and clients, on ESG issues such as environmental stewardship, climate change, diversity and inclusion, pay equity, racial justice, workplace conduct and cybersecurity and data privacy. There can be no certainty that we will manage such issues successfully, or that we will successfully meet society's expectations as to our proper role. Negative public perception, adverse publicity or negative comments in social media, including as a result of actions taken by companies we acquire before the acquisition, could damage our reputation, or harm our relationships with investors, other stakeholders, regulators and the communities in which we operate, if we do not, or are not perceived to, adequately address these issues. Any harm to our reputation could impact colleague engagement and retention and the willingness of clients and insurance company partners to do business with us.

A variety of organizations have developed ratings to measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. Investments in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Unfavorable ratings of Baldwin or our industry, as well as omission of inclusion of our stock into ESG-oriented investment funds may lead to negative investor sentiment and the diversion of investment to other companies or industries, which could have a negative impact on the price of our Class A common stock.

The provision of advisory services to clients with respect to captive insurance, and specifically, utilization of an 831(b) election, is subject to numerous, complex and frequently changing laws, regulations and governmental interpretations of the same, and non-compliance or changes in laws and regulations or governmental interpretations of the same, could harm our business, results of operations and financial condition.

We have an advisory services business that assists certain clients with establishment of captive insurance companies, for their own purposes, which leverage the benefits of Section 831(b) of the Internal Revenue Code of 1986, as amended, and which are subject to audit and oversight from the Internal Revenue Service (“IRS”). The IRS has conducted investigations, and may be conducting investigations, of certain peers of ours that also provide similar services, with respect to whether or not such third parties are acting as a tax shelter promoter in connection with those operations. We have no reason to believe that we have been or are currently a target of any such investigation. If the IRS were to disallow 831(b) elections, modify its guidance around 831(b) elections, or otherwise investigate our business and conclude that we are a tax shelter promoter, such actions, whether or not merited, could harm our business, results of operations and financial condition.

If we fail to manage future growth effectively, our business could be materially adversely affected.

We have experienced rapid growth. This growth has placed significant demands on management and our operational infrastructure. As we continue to grow, we must effectively integrate, develop and motivate a large number of new colleagues, while maintaining the beneficial aspects of our Company culture. If we do not manage the growth of our business and operations effectively, the quality of our services and efficiency of our operations could suffer and we may not be able to execute on our business plan, which could harm our brand, results of operations and overall business.

Our corporate culture has contributed to our success, and if we cannot maintain this culture, or if we experience a change in management, management philosophy or business strategy, our business may be harmed.

We believe that a significant contributor to our success has been our entrepreneurial and sales-oriented culture, as outlined in the Azimuth, our corporate constitution. As we grow, including from the integration of colleagues and businesses acquired in connection with previous or future partnerships, we may find it difficult to maintain important aspects of our corporate culture, which could negatively affect our profitability or our ability to retain and recruit people of the highest integrity and quality who are essential to our future success. We may face pressure to change our culture as we grow, particularly if we experience difficulties in attracting competent personnel who are willing to embrace our culture. In addition, as our organization grows and we are required to implement more complex organizational structures, or if we experience a change in management, management philosophy or business strategy, we may find it increasingly difficult to maintain the beneficial aspects of our corporate culture, which could negatively impact our future success.

Our results may be adversely affected by changes in the mode of compensation in the insurance industry.

In the past, state regulators have scrutinized the manner in which insurance brokers are compensated. For example, the Attorney General of the State of New York brought charges against members of the insurance brokerage community. These actions have created uncertainty concerning longstanding methods of compensating insurance brokers. Given that the insurance brokerage industry has faced scrutiny from regulators in the past over its compensation practices, and the transparency and discourse to clients regarding brokers' compensation, it is possible that regulators may choose to revisit the same or other practices in the future. If they do so, compliance with new regulations along with any sanctions that might be imposed for past practices deemed improper could have an adverse impact on our future results of operations and inflict significant reputational harm on our business.

Climate risks, risks associated with the physical effects of climate events, and risks associated with governmental responses to climate risks, could adversely affect our business, results of operations and financial condition.

The effects of climate events continue to create an alarming level of concern. The U.S. Congress, state legislatures and federal and state regulatory agencies continue to propose numerous initiatives to supplement the global effort to address climate and climate-related events. If new legislation or regulation is enacted, we could incur increased costs and capital expenditures to comply with its limitations, which may impact our financial condition and operating performance.

In addition, the U.S. Federal Reserve has identified the climate as a systemic risk to the economy. It also reported that a gradual change in investor sentiment regarding climate risk introduces the possibility of abrupt tipping points or significant swings in sentiment, which could create unpredictable follow-on effects in financial markets. If this occurred, not only would we be negatively impacted by the general economic decline, but a drop in the stock market affecting the price of our Class A common stock could negatively impact our ability to grow through mergers and acquisitions financed using our common stock.

The transition to a low-carbon economy could harm specific industries or sectors such as oil and gas in ways that could impact our business. Our clients in certain industries may be more adversely affected by climate events and could go out of business or have reduced needs for insurance-related services, which could adversely impact our revenues. Negative publicity arising from our association with clients in disfavored businesses or industries, or the perception that we are not sufficiently focused on climate risks, could damage our reputation with investors, clients, colleagues and regulators. In addition, the transition to a low-carbon economy could give rise to the need for innovative insurance and risk management solutions for entirely new industries and companies, as well as advice and services to bolster climate resilience for existing companies. If we fail to innovate in response to these changes, we could lose market share to our competitors or new market entrants that do.

Moreover, if our insurance company partners fail or withdraw from offering certain lines of coverage because of large payouts related to climate events, overall risk-taking capital capacity could be negatively affected, which could reduce our ability to place certain lines of coverage and, as a result, reduce our revenues and profitability.

Furthermore, climate events may pose physical risks to our business, such as the frequency and intensity of unfavorable weather conditions, such as fires, hurricanes, tornadoes, drought, water shortages, rainfall, unseasonably warm. Overall, climate events, their effects and the resulting, unknown impact could have a material adverse effect on our financial condition and results of operations.

Risks Relating to Legal, Compliance and Regulatory Matters

E&O claims against us, and other incidents, claims, risks, exposures and/or liabilities that require us to make claims against our insurance policies, may negatively affect our business, financial condition and results of operations.

We have significant insurance agency and brokerage operations, and are subject to claims and litigation in the ordinary course of business resulting from alleged and actual E&O in placing insurance and rendering coverage advice. In addition, many of our colleagues regularly interact with clients and prospective clients in the field, which increases the risks of property and casualty claims arising from such interactions. Further, many of our office locations are in jurisdictions (such as California, Texas and Florida) that see higher incidents of climate events (such as hurricanes, other aggressive weather patterns and earthquakes). Dealing with any of these activities can involve the expenditure of substantial amounts of money. Since E&O claims against us may allege our liability for all or part of the amounts in question, claimants may seek large damage awards. These claims can involve significant defense costs. E&O could include failure to, whether negligently or intentionally, place coverage on behalf of clients, provide our insurance company partners with complete and accurate information relating to the risks being insured or appropriately apply funds that we hold on a fiduciary basis. It is not always possible to prevent or detect E&O and other types of claims, and the precautions we take may not be effective in all cases.

We have E&O insurance coverage to protect against the risk of liability resulting from our alleged and actual E&O. We also maintain a variety of other property and casualty policies of insurance providing varying degrees of protection against loss and damage to our property and liability for certain conduct of our colleagues. Prices for these policies of insurance and the scope and limits of the coverage terms available depend on our claims history as well as market conditions that are outside of our control. While we endeavor to purchase coverage that is appropriate to our assessment of our risk, we are unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages or whether our policies of insurance will cover such claims.

In establishing liabilities for claims, we utilize case level reviews by outside counsel and an internal analysis to estimate potential losses. The liability is reviewed annually and adjusted as developments warrant. Given the unpredictability of E&O and other claims and of litigation that could flow from them, it is possible that an adverse outcome in a particular matter could have a material adverse effect on our results of operations, financial condition or cash flow in a given quarterly or annual period.

Non-compliance with or changes in laws, regulations or licensing requirements applicable to us could restrict our ability to conduct our business and/or could adversely affect our business, financial condition and results of operations.

The industry in which we operate is subject to extensive regulation. We are subject to regulation and supervision at the federal level in the U.S., in each applicable local jurisdiction in the U.S. and internationally both in the U.K. and Bermuda, and would be subject to additional international regulations and supervision as we expand globally. In general, these regulations are designed to protect clients and the insured and to protect the integrity of the financial markets, rather than to protect stockholders or creditors. Our ability to conduct business in these jurisdictions depends on our compliance with the rules and regulations, including securities laws, promulgated by federal, state and other regulatory and self-regulatory authorities. Failure to comply with regulatory requirements, or changes in regulatory requirements or interpretations, could result in actions by regulators, potentially leading to fines and penalties, adverse publicity and damage to our reputation in the marketplace. There can be no assurance that we will be able to adapt effectively to any changes in law. Furthermore, in some areas of our business, we act on the basis of our own or the industry's interpretations of applicable laws or regulations, which may conflict from state to state. In the event those interpretations eventually prove different from the interpretations of regulatory authorities, we may be penalized. In extreme cases, revocation of a subsidiary's authority to do business in one or more jurisdictions could result from failure to comply with regulatory requirements. Due to the complexity, periodic modification and differing interpretations of state insurance laws and regulations, we may not have always been, and we may not always be, in compliance with them. In addition, we could face lawsuits by clients, the insured and other parties for alleged violations of certain of these laws and regulations. It is difficult to predict whether changes resulting from new laws and regulations, as well as changes in interpretation of current laws and regulations, will affect the industry or our business and, if so, to what degree.

As we grow our global presence, a risk exists that our employees or third parties acting on our behalf in countries outside the U.S. could engage in business practices prohibited by applicable laws and regulations, including anti-bribery and anti-corruption laws, and sanctions laws such as those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. Anti-bribery and anti-corruption laws, such as the FCPA and the U.K. Bribery Act, generally prohibit companies from making improper payments to foreign officials and require companies to keep accurate books and records and maintain appropriate internal controls. Trade and financial sanctions laws generally restrict the ability to engage in trade with, or provide goods or services, to designated governments or other parties, or may require freezing of such parties' assets.

The complexity and cost of compliance with laws and regulations, including staffing needs, the development of new policies, procedures and internal controls and providing training to employees in multiple locations, will also increase as we grow our global presence, adding to our cost of doing business. Many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. In emerging markets and other jurisdictions with less developed legal systems, local laws and regulations may not be established with sufficiently clear and reliable guidance to provide us with adequate assurance that we are aware of all necessary licenses to operate our business, that we are operating our business in a compliant manner, or that our rights are otherwise protected. In addition, major political and legal developments in jurisdictions in which we do business may lead to new regulatory costs and challenges.

Colleagues and principals who engage in the solicitation, negotiation or sale of insurance, or provide certain other insurance services, generally are required to be licensed individually. Insurance and laws and regulations govern whether licensees may share commissions with unlicensed entities and individuals. We believe that any payments we make to third parties are in compliance with applicable laws. However, should any regulatory agency take a contrary position and prevail, we will be required to change the manner in which we pay fees to such colleagues or principals or require entities receiving such payments to become registered or licensed.

State insurance laws grant supervisory agencies, including state departments of insurance, departments of financial services, and similar regulatory authorities, broad administrative authority. State insurance regulators and the National Association of Insurance Commissioners continually review existing laws and regulations, some of which affect our business. These supervisory agencies regulate many aspects of the insurance business, including the licensing of insurance brokers and agents and other insurance intermediaries, the handling of third-party funds held in a fiduciary capacity and trade practices, such as marketing, advertising and compensation arrangements entered into by insurance brokers and agents. This legal and regulatory oversight could reduce our profitability or limit our growth by increasing the costs of legal and regulatory compliance, and by limiting or restricting the products or services we sell, the markets we serve or enter, the methods by which we sell our products and services, and the form of compensation we can accept from our clients, insurance company partners and third parties. Moreover, in response to perceived excessive cost or inadequacy of available insurance, states have from time to time created state insurance funds and assigned risk pools, which compete directly, on a subsidized basis, with private insurance providers.

Federal, state and other regulatory and self-regulatory authorities have focused on, and continue to devote substantial attention to, the insurance industry as well as to the sale of products or services to seniors. Regulatory review or the issuance of interpretations of existing laws and regulations may result in the enactment of new laws and regulations that could adversely affect our operations or our ability to conduct business profitably. We are unable to predict whether any such laws or regulations will be enacted and to what extent such laws and regulations would affect our business.

Other legislative developments that could adversely affect us include: changes in our business compensation model as a result of regulatory developments (for example, the Patient Protection and Affordable Care Act), and federal and state governments establishing programs to provide health insurance or other alternative market types of coverage, that compete with, or completely replace, insurance products offered by insurance carriers. Also, as climate risk issues become more prevalent, the U.S. is beginning to respond to these issues. This increasing governmental focus on climate risks may result in new environmental regulations that cause us to incur additional compliance costs, which may adversely impact our results of operations and financial condition.

An increasing quantity of state legislatures and judiciaries, as well as the Federal Trade Commission, have begun promulgating laws, orders and regulations that reflect a shifting sentiment against the enforceability of certain types of restrictive covenant agreements, including non-compete agreements and non-solicitation agreements, that are core to our business. The further promulgation of such laws, orders and regulations could adversely affect our operations or our ability to conduct business profitably. We are unable to predict whether any such laws, orders or regulations will be enacted, and if enacted, enforceable, and to what extent such laws and regulations would affect our business.

Proposed tort reform legislation, if enacted, could decrease demand for casualty insurance, thereby reducing our commission revenues.

Legislation concerning tort reform has been considered, from time to time, in the United States Congress and in several state legislatures. Among the provisions considered in such legislation have been limitations on damage awards, including punitive damages, and various restrictions applicable to class action lawsuits. Enactment of these or similar provisions by Congress, or by states in which we sell insurance, could reduce the demand for casualty insurance policies or lead to a decrease in policy limits of such policies sold, thereby reducing our commission revenues.

Regulations affecting insurance company partners with which we place insurance affect how we conduct our operations.

Our insurance company partners are also regulated by state departments of insurance for solvency and other issues and are subject to reserve requirements. We cannot guarantee that all insurance company partners with which we do business comply with regulations instituted by state departments of insurance. We may need to expend resources to address questions or concerns regarding our relationships with these insurance company partners, which diverts management resources away from business operations.

Our business is subject to risks related to legal proceedings, regulatory investigations, and governmental inquiries and actions.

We are subject to litigation, regulatory investigations and claims arising in the ordinary course of our business operations. The risks associated with these matters often may be difficult to assess or quantify and the existence and magnitude of potential claims often remain unknown for substantial periods of time. While we have insurance coverage for some of these potential claims, others may not be covered by insurance, insurers may dispute coverage or any ultimate liabilities may exceed our coverage. We may be subject to actions and claims relating to the sale, solicitation and negotiation of insurance, including the suitability of such products and services, as well as denials of coverage from our insurance company partners. Actions and claims may result in the rescission of such sales; consequently, our insurance company partners may seek to recoup commissions paid to us, which may lead to legal action against us. The outcome of such actions cannot be predicted and such claims or actions could have a material adverse effect on our business, financial condition and results of operations.

We are subject to laws and regulations, as well as regulatory investigations. The insurance industry has been subject to a significant level of scrutiny by various regulatory bodies, including state Attorneys General offices and state departments of insurance, concerning certain practices within the insurance industry. These practices include, without limitation, the receipt of contingent commissions by insurance brokers and agents from insurance companies and the extent to which such compensation has been disclosed, the collection of agency fees, which we define as fees separate from commissions charged directly to clients for efforts performed in the issuance of new insurance policies, bid rigging and related matters. From time to time, our subsidiaries receive informational requests from governmental authorities.

There have been a number of revisions to existing, or proposals to modify or enact new, laws and regulations regarding insurance agents and brokers. These actions have imposed or could impose additional obligations on us with respect to our products sold. Some insurance companies have agreed with regulatory authorities to end the payment of contingent commissions on insurance products, which could impact our commissions that are based on the volume, consistency and profitability of business generated by us.

We cannot predict the impact that any new laws, rules or regulations may have on our business, financial condition and results of operations. Given the current regulatory environment and the number of our subsidiaries operating in local markets throughout the country, it is possible that we will become subject to further governmental inquiries and subpoenas and have lawsuits filed against us. Regulators may raise issues during investigations, examinations or audits that could, if determined adversely, have a material impact on us. The interpretations of regulations by regulators may change and statutes may be enacted with retroactive impact. We could also be materially adversely affected by any new industry-wide regulations or practices that may result from these proceedings.

Our involvement in any investigations and lawsuits would cause us to incur additional legal and other costs and, if we were found to have violated any laws, we could be required to pay fines, damages and other costs, perhaps in material amounts. Regardless of final costs, these matters could have a material adverse effect on us by exposing us to negative publicity, reputational damage, harm to client relationships or diversion of personnel and management resources.

In addition, we may from time to time be subject to certain litigation brought by one or more of our stockholders. The outcome of any such litigation, particularly class action lawsuits, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits, including the possibility of having attorney's fees awarded, may remain unknown for substantial periods of time. The cost to defend such litigation may be significant. There may also be adverse publicity associated with litigation, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, litigation may materially adversely affect our businesses, financial condition and results of operations.

The marketing and sale of Medicare plans are subject to numerous, complex and frequently changing laws and regulations, and non-compliance or changes in laws and regulations could harm our business, results of operations and financial condition.

The marketing and sale of Medicare plans are subject to numerous laws, regulations and guidelines at the federal and state level. The marketing and sale of Medicare Advantage and Medicare Part D prescription drug plans are principally regulated by CMS. The marketing and sale of Medicare Supplement plans are principally regulated on a state-by-state basis by state departments of insurance. The laws and regulations applicable to the marketing and sale of Medicare plans are numerous, ambiguous and complex, and, particularly with respect to regulations and guidance issued by CMS for Medicare Advantage and Medicare Part D prescription drug plans, change frequently. The telephone calls on which we enroll individuals into Medicare Advantage and Medicare Part D prescription drug plans are required to be recorded. Health insurance companies audit these recordings for compliance and listen to them in connection with their investigation of complaints. In addition, Medicare eligible individuals may receive a special election period and the ability to change Medicare Advantage and Medicare Part D prescription drug plans outside the Medicare annual enrollment period in the event that the sale of the plan was not in accordance with CMS rules and guidelines. Given CMS's scrutiny of Medicare product health insurance companies and the responsibility of the insurance company partners for actions that we take, insurance company partners may terminate our relationship with them or take other corrective action if our Medicare product sales, marketing and operations are not in compliance or give rise to too many complaints. The termination of our relationship with insurance company partners for this reason would reduce the products we are able to offer, could result in the loss of commissions for past and future sales and would otherwise harm our business, results of operations and financial condition.

As a result of the laws, regulations and guidelines relating to the sale of Medicare plans, we have altered, and likely will have to continue to alter, our websites and sales process to comply with several requirements that are not applicable to our sale of non-Medicare-related health insurance plans. For instance, many aspects of our online platforms and our marketing material and processes, as well as changes to these platforms, materials and processes, including call center scripts, must be filed on a regular basis with CMS and reviewed and approved by health insurance companies in light of CMS requirements. In addition, certain aspects of our Medicare plan marketing partner relationships have been in the past, and will be in the future, subjected to CMS and health insurance company review. Changes to the laws, regulations and guidelines relating to Medicare plans, their interpretation or the manner in which they are enforced could be incompatible with these relationships, our platforms or our sale of Medicare plans, which could harm our business, results of operations and financial condition.

Due to changes in CMS guidance or enforcement or interpretation of existing guidance applicable to our marketing and sale of Medicare products, or as a result of new laws, regulations and guidelines, CMS, state departments of insurance or insurance company partners may determine to object to or not to approve aspects of our online platforms or marketing material and processes and may determine that certain existing aspects of our Medicare-related business are not in compliance. As a result, the progress of our Medicare operations could be slowed or we could be prevented from operating aspects of our Medicare commissions and fees generating activities altogether, which would harm our business, results of operations and financial condition, particularly if it occurred during the Medicare annual enrollment period.

We have received, and may in the future receive, inquiries from CMS or state departments of insurance regarding our marketing and business practices and compliance with laws and regulations. Inquiries and proceedings initiated by the government could adversely impact our health insurance licenses, require us to pay fines, require us to modify marketing and business practices, result in litigation and otherwise harm our business, operating results or financial condition.

In May 2021, CMS changed its process for the submission and approval of marketing materials related to Medicare Advantage and Medicare Part D prescription drug plans. The practical application of the previous process allowed for a lead carrier to handle most of the review and filing of Medicare plan marketing materials with CMS. The new process requires each carrier to approve of each filed marketing material and has resulted in a more complicated and time consuming process to get our marketing material filed with CMS and through the process with carriers. In October 2021, CMS issued new guidance that significantly broadens the types of marketing materials that we are required to file with CMS, including the requirement to file certain generic marketing materials that refer to the benefits or costs of Medicare Advantage or Medicare Part D prescription drug plans but that do not specifically mention a health insurance carrier's name or a specific plan. As a result, we now submit to each Medicare Advantage and Medicare Part D prescription drug plan carrier with which we have a relationship a significantly larger number of marketing materials than we have in the past. We may not be able to use certain of our marketing materials and implement our marketing programs effectively if CMS or an insurance company partner has comments or disapproves of our marketing materials. If we do not timely file the additional marketing materials with CMS, if insurance company partners do not adapt to the new CMS requirements or increase the efficiency with which they review our marketing material, or if we or our marketing partners are not successful in timely receiving insurance company partner or CMS approval of our marketing materials, it could harm our sales and also harm our ability to efficiently change and implement new or existing marketing material, including call center scripts and our websites, which could impact negatively in our business, operating results and financial condition, particularly if such delay or non-compliance occurs during the Medicare annual enrollment period.

Efforts to reduce healthcare costs and alter healthcare financing practices could adversely affect our business.

The U.S. healthcare industry is subject to increased governmental regulation at both the federal and state levels. Certain proposals have been made at the federal and state government levels in an effort to control healthcare costs, including proposing to lower reimbursement under the Medicare program. These proposals include "single payor" government funded healthcare and price controls on prescription drugs. If these or similar efforts are successful, our business and operations could be materially adversely affected. In addition, changing political, economic and regulatory influences may affect healthcare financing and reimbursement practices. If the current healthcare financing and reimbursement system changes significantly, our business could be materially adversely affected. Congress periodically considers proposals to reform the U.S. healthcare system such as the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act in 2010. Our insurance company partners may react to these proposals and the uncertainty surrounding them by reducing or delaying purchases of services that we provide. We cannot predict what effect, if any, these proposals may have on our business. Other legislative or market-driven changes in the healthcare system that we cannot anticipate could also materially adversely affect our consolidated results of operations, consolidated financial position or consolidated cash flow from operations.

Risks Relating to Intellectual Property and Cybersecurity

Our business depends on information processing systems. Data breaches or other security incidents with respect to our or our vendors' information processing systems may hurt our business, financial condition and results of operations.

Our ability to provide insurance services to clients and to create and maintain comprehensive tracking and reporting of client accounts depends on our capacity to collect, store, retrieve and otherwise process data, manage significant databases and expand and periodically upgrade our information processing capabilities. As our operations evolve, we will need to continue to make investments in new and enhanced information systems. Additionally, as our information system providers revise and upgrade their hardware, software and equipment technology, we may encounter difficulties integrating these new technologies into our business. Interruption or loss of our information processing capabilities or adverse consequences from implementing new or enhanced systems could have a material adverse effect on our business, financial condition and results of operations.

In the course of providing financial services, we may electronically store, transmit or otherwise process personally identifiable information, such as social security numbers or credit card or bank information, of clients or employees of clients. Breaches in data security or infiltration of our network security by unauthorized persons could cause interruptions in operations and damage to our reputation, among other adverse impacts. While we maintain policies, procedures and technological safeguards designed to protect the security and privacy of this information, we cannot entirely eliminate the risk of, and have in the past experienced, improper access to or disclosure of personally identifiable information and related costs to mitigate the consequences from such events. Privacy laws, rules and regulations are matters of growing public concern and are continuously changing in the states in which we operate. The failure to adhere to or successfully implement procedures to respond to these laws, rules and regulations could result in legal liability or impairment to our reputation.

Further, despite security measures we and our vendors take, our systems and those of our vendors may be vulnerable to physical break-ins, unauthorized access, viruses or other disruptive problems. As we continue to expand our business through Partnerships, we may be exposed to increased vulnerability to data breaches, cybersecurity attacks and other security incidents during the integration of information systems. If our systems or facilities were infiltrated or damaged, our clients could experience data loss, financial loss and significant business interruption leading to a material adverse effect on our business, financial condition and results of operations. We may be required to expend significant additional resources to modify protective measures, to investigate and remediate vulnerabilities or other exposures or to make required notifications.

Our business depends on a strong brand, and any failure to maintain, protect, defend and enhance our brand would hurt our ability to grow our business, particularly in new markets where we have limited brand recognition.

We have developed, and will continue to develop, a strong brand that we believe has contributed significantly to the success of our business. Maintaining, protecting and enhancing those brands is critical to growing our business, particularly in new markets where we have limited brand recognition. If we do not successfully build and maintain a strong brand, our business could be materially harmed. Maintaining and enhancing the quality of our brand may require us to make substantial investments in areas such as marketing, community relations, outreach and employee training. We actively engage in advertisements, targeted promotional mailings and email communications, and engage on a regular basis in public relations and sponsorship activities. These investments may be substantial and may fail to encompass the optimal range of traditional, online and social advertising media to achieve maximum exposure and benefit to our brand. Moreover, our brand promotion activities may not generate brand awareness or yield increased revenue and, even if they do, any increased revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand or incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract new clients or retain our existing clients to the extent necessary to realize a sufficient return on our brand-building efforts.

We believe that our portfolio of trademarks (some of which are pending registration) have significant value and that these and other intellectual property are valuable assets that are critical to our success. Unauthorized uses or other infringement, misappropriation or violation of our trademarks, service marks or other intellectual property could diminish the value of our brand and may adversely affect our business. Effective intellectual property protection may not be available in every market in which we operate. Moreover, the laws of some countries do not protect intellectual property and proprietary rights to the same extent as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. Additionally, we cannot guarantee that future trademark registrations for pending or future applications will issue, or that any registered trademarks will be enforceable or provide adequate protection of our intellectual property and other proprietary rights. The United States Patent and Trademark Office and various foreign trademark offices also require compliance with a number of procedural, documentary, fee payment and other similar provisions during the trademark registration process and after a registration has issued. There are situations in which noncompliance can result in abandonment or cancellation of a trademark filing, resulting in partial or complete loss of trademark rights in the relevant jurisdiction. If this occurs, our competitors might be able to enter the market under identical or similar brands.

Failure to adequately protect our intellectual property rights could damage our brand and impair our ability to compete effectively. Even where we have effectively secured statutory protection for our trademarks and other intellectual property, our competitors and other third parties may infringe, misappropriate or otherwise violate our intellectual property. In the course of litigation, or as a preventative measure, such competitors and other third parties may attempt to challenge the scope of our rights or invalidate our intellectual property. If such challenges were to be successful, it could limit our ability to prevent others from using similar marks or designs may ultimately result in a reduced distinctiveness of our brand in the minds of consumers. Defending or enforcing our trademark rights, branding practices and other intellectual property could result in the expenditure of significant resources and divert the attention of management, which in turn may materially and adversely affect our business and results of operations, even if such defense or enforcement is ultimately successful.

Failure to obtain, maintain, protect, defend or enforce our intellectual property rights, or allegations that we have infringed, misappropriated or otherwise violated the intellectual property rights of others, could harm our reputation, ability to compete effectively, business, financial condition and results of operations.

Our success and ability to compete depends in part on our ability to obtain, maintain, protect, defend and enforce our intellectual property. To protect our intellectual property rights, we rely on a combination of trademark and copyright laws in the United States and certain other jurisdictions (whether via international convention, treaty or otherwise), trade secret protection, confidentiality agreements and other contractual arrangements with our affiliates, colleagues, clients, partners and others. However, such measures provide only limited protection and the steps that we take to protect our intellectual property may be inadequate to deter infringement, misappropriation or other violation of our intellectual property or proprietary information. Policing unauthorized use of our intellectual property is difficult, expensive and time-consuming, particularly in countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. We may be required to spend significant resources to monitor and protect our intellectual property rights. In addition, we may be unable to detect the unauthorized use of our intellectual property rights.

Failure to protect our intellectual property adequately could harm our reputation and affect our ability to compete effectively. In addition, even if we initiate litigation against third parties, such as suits alleging infringement, misappropriation or other violation of our intellectual property, we may not prevail. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Additionally, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. An adverse determination of any litigation proceedings could put our intellectual property at risk of being invalidated or interpreted narrowly and could put our related intellectual property at risk of not issuing or being cancelled. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Any of the foregoing could adversely affect our business, financial condition and results of operations.

Meanwhile, third parties may assert intellectual property-related claims against us, including claims of infringement, misappropriation or other violation of their intellectual property, which may be costly to defend, could require the payment of damages, legal fees, settlement payments, royalty payments and other costs or damages, including treble damages if we are found to have willfully infringed, and could limit our ability to use or offer certain technologies, products or other intellectual property. Any intellectual property claims, with or without merit, could be expensive, take significant time and divert management's resources, time and attention from other business concerns. Moreover, other companies, including our competitors, may have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Successful challenges against us could require us to modify or discontinue our use of technology or business processes where such use is found to infringe, misappropriate or otherwise violate the rights of others, or require us to purchase costly licenses from third parties, which may not be available on commercially reasonable terms, or at all. Even if a license is available to us, it could be non-exclusive thereby giving our competitors and other third parties access to the same technologies licensed to us, and we may be required to pay significant upfront fees, milestone payments or royalties, which would increase our operating expenses. Any of the foregoing could adversely affect our business, financial condition and results of operations.

Improper disclosure of confidential, personal or proprietary information, whether due to human error, misuse of information by colleagues, contractors, vendors or third-party bad actors, or as a result of cyberattacks or other security incidents with respect to our or our vendors' systems, tools, information, processes or services, or failure to comply with applicable laws, rules, regulations, orders, industry standards and contractual obligations regarding data privacy, security and/or cybersecurity, could result in regulatory scrutiny, legal and financial liability, reputational harm, lost revenue, and remediation costs, and could have an adverse effect on our business and/or operations.

We maintain confidential, personal and proprietary information relating to our Company, our colleagues, our insurance company partners, our vendors and our actual and prospective clients. This information could include personally identifiable information, protected health information, such as information regarding the medical history of clients, financial information, and other categories of sensitive or protected information. We are subject to laws, rules, regulations, orders, industry standards, contractual obligations and other legal obligations relating to the collection, use, retention, security, transfer, storage, disposition and other processing of this information. These requirements may also apply to transfers of information among our affiliates, as well as to transactions we enter into with unaffiliated third-parties.

Cybersecurity risks have significantly increased in recent years, in part, because of the proliferation of new technologies, the use of the internet and telecommunications technologies to exchange information and conduct transactions, and the increased sophistication and activities of computer hackers, organized crime, terrorists, and other external parties, including foreign state actors. We have in the past and may in the future be subject to cyberattacks. Future cyberattacks could include computer viruses, malicious or destructive code, phishing attacks, social engineering attacks, denial of service or information, improper access by employees or third-party partners or other security breaches that have or could in the future result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our confidential, proprietary, personal, and other information concerning colleagues, clients, insurance company partners, vendors or consumers, or otherwise materially disrupt our network access or business operations.

Cybersecurity breaches, cyberattacks and other similar incidents, including, among other things, computer viruses, denial of service or information attacks, ransomware attacks, credential stuffing, social engineering, human error, fraud, unauthorized parties gaining access to our information technology systems, malware infections, phishing campaigns and vulnerability exploit attempts could disrupt the security of our internal systems and business applications or those of our vendors and impair our ability to provide services to our clients and protect the privacy of their data. Any such incidents may also compromise confidential business information, result in intellectual property or other confidential or proprietary information being lost or stolen, including client, colleague or Company data, which could harm our reputation, competitive position or otherwise adversely affect our business. Cyber threats are constantly evolving, which makes it more difficult to detect cybersecurity incidents, assess their severity or impact in a timely manner, and successfully defend against them. The hybrid and remote work environment is increasing the attack surface available to criminals, as more companies and individuals work remotely and otherwise work online. Consequently, the risk of a cybersecurity incident has increased, and as cybersecurity threats evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate or remediate any information security vulnerabilities, security breaches, cyberattacks or other similar incidents. We cannot provide assurances that our preventative efforts, or those of our vendors or service providers, will be successful, and we may not be able to anticipate all security breaches, cyberattacks or other similar incidents, detect or react to such incidents in a timely manner, implement guaranteed preventive measures against such incidents, or adequately remediate any such incident.

Although we maintain policies, procedures and technical safeguards designed to protect the security and privacy of confidential, personal and proprietary information, we cannot eliminate the risk of, and have in the past experienced, improper access to or disclosure of personally identifiable information and related costs to mitigate the consequences from such events. It is possible that the measures we implement, including our security controls over personal data and training of colleagues on data security, may not prevent improper access to, disclosure of or misuse of confidential, personal or proprietary information. This could cause harm to our reputation, create legal exposure or subject us to liability under laws that protect personal data, resulting in increased costs or loss of commissions and fees. In addition, improper access to or disclosure of personal and proprietary information could occur in a target we acquire prior to the acquisition or as a result of actions taken prior to the acquisition or during the integration period. Even if we receive indemnification for such events (which may not be the cure), such events could cause harm to our reputation, create legal exposure or subject us to liability under laws that protect personal data.

The occurrence of any security breach, cyberattack or other similar incident with respect to our or our vendors' systems, or our failure to make adequate or timely disclosures to the public, regulators, law enforcement agencies or affected individuals, as applicable, following any such event, could cause harm to our reputation, subject us to additional regulatory scrutiny, expose us to civil litigation, fines, damages or injunctions or subject us to liability under applicable data privacy, cybersecurity and other laws, rules and regulations, resulting in increased costs or loss of commissions and fees, any of which could have a material adverse effect on our business, financial condition and results of operations. Additionally, we cannot be certain that our insurance coverage will be adequate for cybersecurity liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that our insurer will not deny coverage as to any future claim.

We are subject to complex and frequently changing laws, rules and regulations in the various jurisdictions in which we operate relating to the collection, use, retention, security, transfer, storage, disposition and other processing of personal information. For example, legislators in the United States have passed new and more robust cybersecurity legislation in light of the recent broad-based cyberattacks at a number of companies. These and similar initiatives around the country could increase the cost of developing, implementing or securing our networks, tools, systems and other information technology assets and require us to allocate more resources to improved technologies, adding to our information technology and compliance costs. Ensuring that our collection, use, retention, security, transfer, storage, disposition and other processing of personal information complies with applicable laws, regulations, rules and standards regarding data privacy and cybersecurity in relevant jurisdictions can increase operating costs, impact the development of new products or services, and reduce operational efficiency.

At the federal level, we are subject to, among other laws, rules and regulations, the GLBA, which requires financial institutions to, among other things, periodically disclose their privacy policies and practices relating to sharing personal information and, in some cases, enables retail customers to opt out of the sharing of certain personal information with unaffiliated third parties. The GLBA also requires financial institutions to implement an information security program that includes administrative, technical and physical safeguards to ensure the security and confidentiality of nonpublic personal information, which can include customer records and information. We are also subject to the rules and regulations promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices, including with respect to data privacy and cybersecurity. Data privacy and cybersecurity are also areas of increasing state legislative focus and we are, or may in the future become, subject to various state laws and regulations regarding data privacy and cybersecurity. For example, the California Consumer Protection Act of 2018 (the “CCPA”), which became effective on January 1, 2020, applies to for-profit businesses that conduct business in California and meet certain revenue or data collection thresholds. The CCPA gives California residents the right to, among other things, request disclosure of information collected about them and whether that information has been sold to others, request deletion of personal information (subject to certain exceptions), opt out of the sale of their personal information, and not be discriminated against for exercising these rights. The CCPA contains several exemptions, including an exemption applicable to personal information that is collected, processed, sold or disclosed pursuant to the GLBA. Further, effective in most material respects starting on January 1, 2023, the California Privacy Rights Act (“CPRA”) has significantly modified the CCPA, including by expanding California residents’ rights with respect to certain sensitive personal information. The CPRA also creates a new state agency which will be vested with authority to implement and enforce the CCPA and the CPRA. Other states where we do business, or may in the future do business, or from which we otherwise collect, or may in the future otherwise collect, personal information of residents have adopted or are considering adopting similar laws. For example, Virginia and Colorado have recently adopted comprehensive data privacy laws similar to the CCPA, which went into effect in January and July of 2023, respectively. In addition, some states have passed laws that include affirmative data security obligations that may govern the ways in which we protect consumer information. For example, Massachusetts law requires, among other things, that covered entities develop, implement, and maintain a comprehensive, written information security program that is designed to protect personal information and that includes specific prescribed safeguards. Further, laws in all 50 U.S. states and U.S. territories generally require businesses to provide notice under certain circumstances to individuals (whether customers, prospects, employees, or otherwise) whose personal information has been improperly accessed, disclosed or otherwise compromised as a result of a data breach. Certain state laws and regulations may be more stringent, broader in scope, or offer greater individual rights, with respect to personal information than federal or other state laws and regulations, and such laws and regulations may differ from each other, which may complicate compliance efforts and increase compliance costs. Cybersecurity and data privacy laws are constantly evolving, and we may be required to modify our practices regularly in an effort to maintain our compliance with applicable law.

We are subject to the UK General Data Protection Regulation (“UK GDPR”) and may in the future be subject to the General Data Protection Regulation (“GDPR”), which protect the personal data of individuals residing in the United Kingdom and the European Union (whether customers, prospects, employees, or otherwise), respectively. Under the UK GDPR and the GDPR, we are required, as applicable, among other obligations, to protect personal data using appropriate technical, administrative, and organizational measures, to identify and maintain legal bases for processing personal data, to give effect to data subject rights (including, for example, deletion, correction, and objection to or restriction of processing in certain circumstances), to ensure that anyone we authorize to process personal data on our behalf is bound by appropriate duties of confidentiality, to engage subprocessors pursuant to written agreements obligating them to protect personal data in accordance with the UK GDPR or GDPR, as applicable, and controller instructions, and to transfer personal data solely pursuant to authorized transfer mechanisms, including, where required, the Standard Contractual Clauses.

We are also subject to Canada’s Personal Information Protection and Electronic Documents Act (“PIPEDA”), and its provincial analogues in British Columbia and Alberta. Under PIPEDA, and its provincial counterparts, we are required, among other things, to designate a privacy officer to be responsible for ensuring our compliance with relevant legislation, to notify data subjects of the purposes for which their personal information will be processed, to publicly disclose information about our policies and practices relating to the management of personal information, and to effect data subjects’ requests to exercise their rights.

We are also subject to Bermuda's Personal Information Protection Act ("PIPA"). Under PIPA, we are required, among other things, to appoint a data protection officer responsible for ensuring compliance with PIPA, to effect data subject rights (including for example and under certain circumstances, the right to access, the right to correct, the right to erasure, and the right to object, etc.), to establish appropriate legal bases for processing personal data, and to assess the level of protection provided by an overseas third-party recipient of personal data in advance of any transfer to any such third party.

Further, while we strive to publish and prominently display privacy policies that are accurate, comprehensive, and compliant with applicable laws, regulations, rules and industry standards, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to data privacy or cybersecurity. Although we endeavor to comply with our privacy policies, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other documentation that provide promises and assurances about privacy, data protection and cybersecurity can subject us to potential federal or state action if they are found to be deceptive, unfair, insufficient, or misrepresentative of our actual practices.

Any actual or perceived failure to adhere to, or successfully implement processes in response to, changing legal or regulatory requirements in this area or to comply with our privacy policies could result in legal liability, including litigation (including class actions), claims, proceedings, regulatory fines, penalties or other sanctions, governmental investigations, enforcement actions, the expenditure of substantial costs, time and other resources, damage to our reputation in the marketplace and other adverse impacts, any of which could have a material adverse effect on our business, financial condition and results of operations.

A failure or disruption of our operational processes or systems, whether due to technological error or human error or misconduct, could negatively impact our reputation, customers, clients, businesses or results of operations and financial condition.

We seek to maintain and develop new software or technology where appropriate to better serve our clients. This includes developing new software, technology, and automated systems (including, but not limited to, billing systems) to support our insurance products. Notwithstanding these upgrades and the proliferation of technology and technology-based risk and control systems, our businesses ultimately rely on people as our greatest resource, and, from time to time, they have in the past and may in the future make mistakes or engage in violations of applicable policies, laws, rules or procedures that are not always caught immediately by our technological processes or by our controls and other procedures, which are intended to prevent and detect such errors or violations. We have in the past and in the future could experience operational incidents caused by human error due to failure to properly utilize software or technology or adhere to applicable policies and procedures, calculation errors, mistakes in addressing emails, errors in software or model development or implementation, or simple errors in judgment.

Operational incidents could result in financial losses as well as misappropriation, corruption, or loss of confidential client specific information, including social security numbers, private health information, payment card numbers, or bank account information. Such an incident could significantly negatively impact our reputation, customers, clients, businesses or results of operations and financial condition. Cyber-related and other operational incidents can also result in legal and regulatory proceedings, fines, and other costs.

We rely on the availability and performance of information technology services provided by third parties.

While we maintain some of our critical information technology systems, we also depend on third-party service providers to provide important information technology services relating to, among other things, agency management services, sales and service support, network, device and event monitoring, cybersecurity, electronic communications and certain finance functions. If the service providers to which we outsource these functions do not perform effectively, we may not be able to achieve the expected cost savings and may have to incur additional costs to correct errors made by such service providers. Depending on the function involved, such errors may also lead to business disruption, processing inefficiencies, the loss of or damage to intellectual property through a security breach, the loss of sensitive, personal or confidential data through a security breach, or otherwise. While we and our third-party service providers have not experienced any significant disruption, failure or breach impacting our or their information technology systems, any such disruption, failure or breach could adversely affect our business, financial condition and results of operations.

Risks Relating to our Organizational Structure

We are a holding company with our principal asset being our 61% ownership interest in Baldwin Holdings, and our Pre-IPO LLC Members, whose interest in our business may be different from yours, have approval rights over certain transactions and actions taken by us or Baldwin Holdings.

We are a holding company, and our principal asset is our direct or indirect ownership of 61% of the outstanding LLC Units. We have no independent means of generating commissions and fees.

Further, we are a party to the 2019 Stockholders Agreement entered into in connection with the initial public offering with the Pre-IPO LLC Members. Pursuant to the terms of the 2019 Stockholders Agreement, so long as the Pre-IPO LLC Members and their permitted transferees (collectively, the “Holders”) beneficially own at least 10% of the aggregate number of outstanding shares of our common stock (the “Substantial Ownership Requirement”), the Holders have approval rights over certain transactions and actions taken by us and Baldwin Holdings, including:

- a merger, consolidation or sale of all or substantially all of the assets of Baldwin Holdings and its subsidiaries;
- any dissolution, liquidation or reorganization (including filing for bankruptcy) of Baldwin Holdings and its subsidiaries or any acquisition or disposition of any asset for consideration in excess of 5% of our and our subsidiaries' total assets on a consolidated basis;
- the incurrence, guarantee, assumption or refinancing of indebtedness, or grant of a security interest, in excess of 10% of total assets (or that would cause aggregate indebtedness or guarantees thereof to exceed 10% of total assets);
- the issuance of certain additional equity interests of the Company, Baldwin Holdings or any of their subsidiaries in an amount exceeding \$10 million (other than pursuant to an equity incentive plan that has been approved by our board of directors);
- the establishment or amendment of any equity, purchase or bonus plan for the benefit of employees, consultants, officers or directors;
- any capital or other expenditure in excess of 5% of total assets;
- the declaration or payment of dividends on Class A common stock or distributions by Baldwin Holdings on LLC Units other than tax distributions as defined in the Amended LLC Agreement;
- changing the number of directors on our board of directors;
- hiring, termination or replacement of, establishment of compensation (including benefits) payable to, or making other significant decisions involving, our or Baldwin Holdings' senior management and key employees, including our Chief Executive Officer, including entry into or modification of employment agreements, adopting or modifying plans relating to any incentive securities or employee benefit plans or granting incentive securities or benefits under any existing plans;
- changing our or Baldwin Holdings' jurisdiction of incorporation or organization;
- changing the location of our or Baldwin Holdings' headquarters;
- changing our or Baldwin Holdings' name;
- changing our or Baldwin Holdings' fiscal year;
- changing our public accounting firm;
- amendments to our or Baldwin Holdings' governing documents; and
- adopting a shareholder rights plan.

Furthermore, the 2019 Stockholders Agreement provides that, for so long as the Substantial Ownership Requirement is met, the Holders may designate the nominees for a majority of the members of our board of directors, including the Chairman of our board of directors.

Notwithstanding the rights afforded to the Holders under the 2019 Stockholders Agreement and in connection with the Lawsuit (as defined below), BIGH, LLC, an entity controlled by Lowry Baldwin, our Chairman, and the Holder of a majority of the shares of the Company's Class B common stock held by all of the Holders (the “Majority Holder”), and the Company entered into a consent and defense agreement (the “Consent Agreement”) pursuant to which the Majority Holder has irrevocably consented to and approved, on behalf of itself and the other Holders, certain transactions and actions taken by the Company and Baldwin Holdings (each, a “Specified Matter”) that the Independent Committee (as defined below) determines in good faith are in the best interests of the Company and its stockholders in their capacity as such, in satisfaction of the approval rights under the 2019 Stockholders Agreement with respect to such Specified Matter. Further, the Majority Holder irrevocably agreed, on behalf of itself and the other Holders, not to designate any nominee for election to service on our board of directors if the Independent Committee determines in good faith that action by our board of directors in furtherance of the nomination of such person to our board of directors would not be in the best interests of the Company and its stockholders in their capacity as such.

In connection with the Consent Agreement, our board of directors, with the consent of the Majority Holder under the 2019 Stockholders Agreement, has amended our By-laws to, among other things:

- create a committee of our board of directors, composed of all directors then in office who our board of directors determines both (i) qualify as an independent director under the corporate governance standards of Nasdaq (as defined in the 10-K) and (ii) have no relationship with the Company or any Holder that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director (such committee, the “Independent Committee”); and
- empower the Independent Committee, acting unanimously, to make any and all determinations contemplated or required by the Consent Agreement, subject to any additional power and authority as may be delegated to the Independent Committee by our board of directors from time to time.

A group comprised of Lowry Baldwin, our Chairman; BIGH, LLC, an entity controlled by Lowry Baldwin; Elizabeth Krystyn; Laura Sherman; Trevor Baldwin, our Chief Executive Officer; Dan Galbraith, President, The Baldwin Group and CEO, Retail Brokerage Operations; Brad Hale, our Chief Financial Officer; and certain trusts established by such individuals, have entered into a Voting Agreement, as amended, with Lowry Baldwin, our Chairman, pursuant to which, in connection with any meeting of our stockholders or any written consent of our stockholders, each such person and trust party will agree to vote or exercise their right to consent in the manner directed by Lowry Baldwin. As of December 31, 2025, Lowry Baldwin through the Voting Agreement beneficially owns 16.98% of the voting power of our common stock.

Subsequent to the execution of the Consent Agreement, the Company and certain of the parties to the Stockholders Agreement entered into a new stockholders agreement on October 30, 2024 (the “2024 Stockholders Agreement”) in response to the Lawsuit (as defined and discussed in Note 22 to our consolidated financial statements included in Part II, Item 8. Financial Statements and Supplementary Data of this report). The 2024 Stockholders Agreement will go into effect if the final nonappealable judgment in the Lawsuit does not find that the 2019 Stockholders Agreement is valid pursuant to its terms. Once the operative provisions of the 2024 Stockholders Agreement are in effect and for so long as the Substantial Ownership Requirement (as defined in the 2024 Stockholders Agreement) is met, the Holders will have essentially the same rights contemplated by the 2019 Stockholders Agreement, including approval rights over certain specified matters relating to us or Baldwin Holdings that must be satisfied prior to the occurrence of such specified matters, including: a merger, consolidation or sale of all or substantially all of the assets of Baldwin Holdings and its subsidiaries; any dissolution, liquidation or reorganization (including filing for bankruptcy) of Baldwin Holdings and its subsidiaries or any acquisition or disposition of any asset for consideration in excess of 5% of our and our subsidiaries’ total assets on a consolidated basis; the incurrence, guarantee, assumption or refinancing of indebtedness, or grant of a security interest, in excess of 10% of total assets (or that would cause aggregate indebtedness or guarantees thereof to exceed 10% of total assets); the issuance of certain additional equity interests of the Company, Baldwin Holdings or any of their subsidiaries for consideration in an amount exceeding \$10 million (other than pursuant to an equity incentive plan that has been approved by our board of directors); the establishment or amendment of any equity, purchase or bonus plan for the benefit of employees, consultants, officers or directors; any capital or other expenditure in excess of 5% of total assets; the declaration or payment of dividends on Class A common stock or distributions by Baldwin Holdings on LLC Units other than tax distributions as defined in the Amended LLC Agreement; changing the number of directors on our board of directors (other than certain automatic changes pursuant to our certificate of incorporation); hiring, termination or replacement of, establishment of compensation (including benefits) payable to, or making other significant decisions relating to, our or Baldwin Holdings’ senior management and key employees, including our Chief Executive Officer, including entry into or modification of employment agreements, adopting or modifying plans relating to any incentive securities or employee benefit plans or granting incentive securities or benefits under any existing plans; changing our or Baldwin Holdings’ jurisdiction of incorporation; changing the location of our or Baldwin Holdings’ headquarters; changing our or Baldwin Holdings’ name; changing our or Baldwin Holdings’ fiscal year; changing our public accounting firm; amendments to our or Baldwin Holdings’ governing documents; and adopting a shareholder rights plan. Furthermore, the 2024 Stockholders Agreement provides that, for so long as the Substantial Ownership Requirement is met, the Holders may designate the nominees for a majority of the members of our board of directors, including the Chairman of our board of directors.

This concentration of ownership and voting power may also delay, defer or even prevent an acquisition by a third party or other change of control of our Company, which could deprive you of an opportunity to receive a premium for your shares of Class A common stock and may make some transactions more difficult or impossible without the support of the Holders, even if such events are in the best interests of stockholders other than the Holders. Furthermore, this concentration of voting power with Holders may have a negative impact on the price of our Class A common stock. In addition, the Holders will have the ability to designate the nominees for a majority of the members of our board of directors, including the Chairman of our board of directors, until the Substantial Ownership Requirement is no longer met. As a result, the Holders may not be inclined to permit us to issue additional shares of Class A common stock, including for the facilitation of acquisitions, if it would dilute their holdings below the Substantial Ownership Requirement.

Furthermore, Holders' interests may not be fully aligned with yours, which could lead to actions that are not in your best interests. Because the Holders hold a majority of their economic interests in our business through Baldwin Holdings rather than through Baldwin, they may have conflicting interests with holders of shares of our Class A common stock. For example, the Holders may be in a different tax position than holders of shares of our Class A common stock, which could influence their decisions regarding whether and when Baldwin Holdings should dispose of assets or incur new or refinance existing indebtedness, especially in light of the existence of the Tax Receivable Agreement, and whether and when we should undergo certain changes of control for purposes of the Tax Receivable Agreement or terminate the Tax Receivable Agreement. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to holders of shares of our Class A common stock. Pursuant to the Bipartisan Budget Act of 2015, for tax years beginning after December 31, 2017, if the IRS makes audit adjustments to Baldwin Holdings' federal income tax returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from Baldwin Holdings. If, as a result of any such audit adjustment, Baldwin Holdings is required to make payments of taxes, penalties and interest, Baldwin Holdings' cash available for distributions to us may be substantially reduced. These rules are not applicable to Baldwin Holdings for tax years beginning on or prior to December 31, 2017. In addition, the Holders' significant ownership in us and approval rights under the 2019 Stockholders Agreement and/or the 2024 Stockholders Agreement may discourage someone from making a significant equity investment in us, or could discourage transactions involving a change in control, including transactions in which you as a holder of shares of our Class A common stock might otherwise receive a premium for your shares over the then-current market price.

In certain circumstances, Baldwin Holdings will be required to make distributions to us and the other holders of LLC Units, and the distributions that Baldwin Holdings will be required to make may be substantial.

Under the Amended LLC Agreement, Baldwin Holdings will generally be required from time to time to make pro rata distributions in cash to us and the other holders of LLC Units at certain assumed tax rates in amounts that are intended to be sufficient to cover the taxes on our and the other LLC Unit holders' respective allocable shares of the taxable income of Baldwin Holdings. As a result of (i) potential differences in the amount of net taxable income allocable to us and the other LLC Unit holders, (ii) the lower tax rate applicable to corporations than individuals and (iii) the favorable tax benefits that we anticipate receiving from (a) previous acquisitions by Baldwin of LLC Units and future taxable redemptions or exchanges of LLC Units for shares of our Class A common stock or cash and (b) payments under the Tax Receivable Agreement, we expect that these tax distributions will be in amounts that exceed our tax liabilities and obligations to make payments under the Tax Receivable Agreement. Our board of directors will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, dividends, repurchases of our Class A common stock, the payment of obligations under the Tax Receivable Agreement and the payment of other expenses. We will have no obligation to distribute such cash (or other available cash other than any declared dividend) to our stockholders. No adjustments to the redemption or exchange ratio of LLC Units for shares of Class A common stock will be made as a result of either (i) any cash distribution by us or (ii) any cash that we retain and do not distribute to our stockholders. To the extent that we do not distribute such excess cash as dividends on our Class A common stock and instead, for example, hold such cash balances or lend them to Baldwin Holdings, holders of LLC Units would benefit from any value attributable to such cash balances as a result of their ownership of Class A common stock following a redemption or exchange of their LLC Units.

We will be required to pay Baldwin Holdings' LLC Members and any other persons that become parties to the Tax Receivable Agreement for certain tax benefits we may receive, and the amounts we may pay could be significant.

Previous acquisitions by Baldwin of LLC Units from Baldwin Holdings' LLC Members and future taxable redemptions or exchanges by Baldwin Holdings' LLC Members of LLC Units for shares of our Class A common stock or cash, as well as other transactions described herein, are expected to result in tax basis adjustments to the assets of Baldwin Holdings that will be allocated to us and thus produce favorable tax attributes. These tax attributes would not be available to us in the absence of those transactions. The tax basis adjustments are expected to reduce the amount of tax that we would otherwise be required to pay in the future.

The Tax Receivable Agreement with Baldwin Holdings' LLC Members provides for the payment by us to Baldwin Holdings' LLC Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of (i) any increase in tax basis in Baldwin's assets resulting from (a) previous acquisitions by Baldwin of LLC Units from Baldwin Holdings' LLC Members, (b) the purchase of LLC Units from Baldwin Holdings' LLC Members using the net proceeds from any future offering, (c) redemptions or exchanges by Baldwin Holdings' LLC Members of LLC Units for shares of our Class A common stock or cash or (d) payments under the Tax Receivable Agreement and (ii) tax benefits related to imputed interest resulting from payments made under the Tax Receivable Agreement. The payment obligations under the Tax Receivable Agreement are our obligations and not obligations of Baldwin Holdings.

The actual increases in tax basis with respect to future taxable redemptions, exchanges or purchases of LLC Units, as well as the amount and timing of any payments we are required to make under the Tax Receivable Agreement will depend on a number of factors, including the market value of our Class A common stock at the time of future redemptions or exchanges, the prevailing federal tax rates applicable to us over the life of the Tax Receivable Agreement (as well as the assumed combined state and local tax rate), the amount and timing of the taxable income that we generate in the future and the extent to which future redemptions, exchanges or purchases of LLC Units are taxable transactions.

Payments under the Tax Receivable Agreement are not conditioned on Baldwin Holdings' LLC Members' continued ownership of us. There may be a material negative effect on our liquidity if the payments under the Tax Receivable Agreement exceed the actual benefits we receive in respect of the tax attributes subject to the Tax Receivable Agreement and/or distributions to us by Baldwin Holdings are not sufficient to permit us to make payments under the Tax Receivable Agreement.

In addition, although we are not aware of any issue that would cause the IRS to challenge the tax basis increases or other benefits arising under the Tax Receivable Agreement, Baldwin Holdings' LLC Members will not reimburse us for any payments previously made if such tax basis increases or other tax benefits are subsequently disallowed, except that any excess payments made to Baldwin Holdings' LLC Members will be netted against future payments otherwise to be made under the Tax Receivable Agreement, if any, after our determination of such excess. As a result, in such circumstances, we could make payments to Baldwin Holdings' LLC Members under the Tax Receivable Agreement that are greater than our actual cash tax savings and we may not be able to recoup those payments, which could negatively impact our liquidity.

In addition, the Tax Receivable Agreement provides that, upon certain mergers, asset sales or other forms of business combination, or certain other changes of control, our or our successor's obligations with respect to tax benefits would be based on certain assumptions, including that we or our successor would have sufficient taxable income to fully utilize the increased tax deductions and tax basis and other benefits covered by the Tax Receivable Agreement. As a result, upon a change of control, we could be required to make payments under the Tax Receivable Agreement that are greater than the specified percentage of our actual cash tax savings, which could negatively impact our liquidity.

This provision of the Tax Receivable Agreement may result in situations where Baldwin Holdings' LLC Members have interests that differ from or are in addition to those of our other stockholders. In addition, we could be required to make payments under the Tax Receivable Agreement that are substantial and in excess of our, or a potential acquirer's, actual cash savings in income tax.

Our obligations under the Tax Receivable Agreement will also apply with respect to any person who is issued LLC Units in the future and who becomes a party to the Tax Receivable Agreement.

Finally, because we are a holding company with no operations of our own, our ability to make payments under the Tax Receivable Agreement depends on the ability of Baldwin Holdings to make distributions to us. The JPM Credit Agreement restricts the ability of Baldwin Holdings to make distributions to us, which could affect our ability to make payments under the Tax Receivable Agreement. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid, which could negatively impact our results of operations and could also affect our liquidity in periods in which such payments are made.

We are dependent upon distributions from Baldwin Holdings to pay dividends, if any, and taxes, make payments under the Tax Receivable Agreement and pay other expenses.

As the sole managing member of Baldwin Holdings, we intend to cause Baldwin Holdings to make distributions to the holders of LLC Units and us, in amounts sufficient to (i) cover all applicable taxes payable by us and the holders of LLC Units, (ii) allow us to make any payments required under the Tax Receivable Agreement and (iii) fund dividends to our stockholders in accordance with our dividend policy, to the extent that our board of directors declares such dividends.

Deterioration in the financial conditions, earnings or cash flow of Baldwin Holdings and its subsidiaries for any reason could limit or impair their ability to pay such distributions. Additionally, to the extent that we need funds and Baldwin Holdings is restricted from making such distributions to us under applicable law or regulation, as a result of covenants in its debt agreements or otherwise, we may not be able to obtain such funds on terms acceptable to us, or at all, and, as a result, could suffer a material adverse effect on our liquidity and financial condition.

Risks Relating to Ownership of our Class A Common Stock

Some provisions of Delaware law and our certificate of incorporation and by-laws may deter third parties from acquiring us and diminish the value of our Class A common stock.

Our certificate of incorporation and by-laws provide for, among other things:

- division of our board of directors into three classes of directors, with each class as equal in number as possible, serving staggered three-year terms;

- until the Substantial Ownership Requirement is no longer met, the Holders may designate a majority of the nominees for election to our board of directors, including the nominee for election to serve as Chairman of our board of directors;
- our ability to issue additional shares of Class A common stock and to issue preferred stock with terms that our board of directors may determine, in each case without stockholder approval (other than as specified in our certificate of incorporation);
- the absence of cumulative voting in the election of directors; and
- advance notice requirements for stockholder proposals and nominations.

These provisions in our certificate of incorporation and by-laws may discourage, delay or prevent a transaction involving a change in control of our company that is in the best interest of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our Class A common stock if they are viewed as discouraging future takeover attempts. These provisions could also make it more difficult for stockholders to nominate directors for election to our board of directors and take other corporate actions.

Certain statutory provisions afforded to stockholders are not applicable to us.

Our certificate of incorporation and Stockholders Agreement provides that, to the fullest extent permitted by law, the doctrine of “corporate opportunity” under Delaware law will only apply against our directors and officers and their respective affiliates for competing activities related to insurance brokerage activities. This doctrine will not apply to any business activity other than insurance brokerage activities. Furthermore, the Pre-IPO LLC Members have business relationships outside of our business.

Provisions of state insurance law, applicable to the AIF and any protected cells we may own from time to time in certain captive insurance companies (and/or other ownership or participation in similar risk-bearing structures or facilities), requiring prior approval of change of control may render more difficult or discourage takeover attempts that you may believe are in your best interests or that might result in a substantial profit to you.

State insurance codes generally require prior approval for a change of control of an insurance holding company by the applicable state's department of insurance. Under such state insurance law, the acquisition of 10% or more of the outstanding voting stock of an insurer or its holding company is usually presumed to be a change in control. Approval may be withheld even if the transaction would be in the stockholders' best interest if the state insurance department determines that the transaction would be detrimental to policyholders.

We may issue a substantial amount of our common stock in the future, which could cause dilution to investors and otherwise adversely affect the price of our Class A common stock.

A key element of our growth strategy is to make acquisitions. As part of our acquisition strategy, we may issue shares of our common stock, as well as LLC Units of Baldwin Holdings, as consideration for such acquisitions. These issuances could be significant. For example, we issued an aggregate of 23,951,021 shares of Class A common stock pursuant to various acquisition agreements we entered into in January 2026, including the CAC Group Transaction. To the extent that we make acquisitions and issue our shares of common stock as consideration, your equity interest in us will be diluted. Any such issuance will also increase the number of outstanding shares of common stock that will be eligible for sale in the future. Persons receiving shares of our common stock in connection with these acquisitions may be more likely to sell off their common stock, which may influence the price of our common stock. In addition, the potential issuance of additional shares in connection with anticipated acquisitions could lessen demand for our common stock and result in a lower price than might otherwise be obtained. We may issue a significant amount of our common stock in the future for other purposes as well, including in connection with financings, including to finance the cash portion of acquisition consideration to execute on our partnership strategy, for compensation purposes, in connection with strategic transactions or for other purposes.

We expect that the price of our Class A common stock will be volatile, which could cause the value of your investment to decline, and you may not be able to resell your shares for a profit.

Securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our Class A common stock regardless of our results of operations. The trading price of our Class A common stock is likely to be volatile and subject to wide price fluctuations in response to various factors, including:

- market conditions in the broader stock market in general, or in our industry in particular;
- actual or anticipated fluctuations in our quarterly financials and results of operations;
- introduction of new products and services by us or our competitors;
- issuance of new or changed securities analysts' reports or recommendations;

- investor perceptions of us and the industries in which we or our clients operate;
- low trading volumes or sales, or anticipated sales, of large blocks of our Class A common stock, including those by our existing investors or our partners;
- concentration of Class A common stock ownership;
- additions or departures of key personnel;
- regulatory or political developments;
- litigation and governmental investigations;
- changing economic and political conditions;
- the perceived adequacy of our ESG efforts;
- our ability or perceived ability to:
 - attract new clients, successfully deploy and implement our products, obtain client renewals and provide our clients with excellent client support;
 - increase our network of insurance company partners and the profit-sharing, override and/or contingent commissions that we earn from such insurance company partners;
 - adequately expand, train, integrate and retain our colleagues, including our executive officers and senior leaders, and maintain or increase our sales force's productivity;
 - improve our internal control over financial reporting and disclosure controls and procedures to ensure timely and accurate reporting of our operational and financial results;
 - successfully introduce new products and enhance existing products;
 - successfully deploy information technology assets for use by our colleagues and interaction with our clients and insurance company partners;
 - adapt to the ever-changing regulatory and legal landscape;
 - protect sensitive, personal and confidential information and data within Baldwin's custody from third-party bad actors;
 - successfully identify and acquire new partners;
 - successfully integrate partnerships into the Company in an operationally efficient manner;
 - service our existing indebtedness;
 - access the capital markets or otherwise obtain access to capital to satisfy future needs of the Company;
 - successfully introduce our products to new markets and geographies; and
 - successfully compete against larger companies and new market entrants.
- announced or completed acquisitions of businesses or technologies by us or our competitors; and
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business, including developments relating to the health care industry and the marketing and sale of Medicare plans.

These and other factors may cause the market price and demand for shares of our Class A common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of Class A common stock and may otherwise negatively affect the liquidity of our Class A common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation.

Our ability to pay dividends to our Class A common stockholders may be limited by our holding company structure, contractual restrictions and regulatory requirements.

We are a holding company and have no material assets other than our ownership of LLC Units in Baldwin Holdings and we do not have any independent means of generating commissions and fees. We intend to cause Baldwin Holdings to make pro rata distributions to Baldwin Holdings' LLC Members and us in an amount at least sufficient to allow us and Baldwin Holdings' LLC Members to pay all applicable taxes, to make payments under the Tax Receivable Agreement and to pay our corporate and other overhead expenses. Baldwin Holdings is a distinct legal entity and may be subject to legal or contractual restrictions that, under certain circumstances, may limit our ability to obtain cash from them. If Baldwin Holdings is unable to make distributions, we may not receive adequate distributions, which could materially and adversely affect our dividends and financial position and our ability to fund any dividends to Class A common stock.

Our board of directors will periodically review the cash generated from our business and the capital expenditures required to finance our global growth plans and determine whether to declare periodic dividends to our stockholders. Our board of directors will take into account general economic and business conditions, including our financial condition and results of operations, capital requirements, contractual restrictions, including restrictions and covenants contained in the JPM Credit Agreement, business prospects and other factors that our board of directors considers relevant. In addition, the JPM Credit Agreement limits the amount of distributions that Baldwin Holdings can make to us and the purposes for which distributions could be made. Accordingly, we may not be able to pay dividends to our Class A common stockholders even if our board of directors would otherwise deem it appropriate. Refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources for additional information.

Short selling could increase the volatility of the price of our Class A Common Stock.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed or intends to borrow from a third party with the intention of buying identical securities at a later date to return to the lender. A short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is therefore in the short seller's interest for the price of the stock to decline, some short sellers publish, or arrange for the publication of, opinions or characterizations regarding the relevant issuer, its business prospects and similar matters, calculated to or which may create negative market momentum, and which may permit them to obtain profits for themselves as a result of selling the stock short. These opinions and characterizations may contain falsehoods, incomplete and deceptive statements and/or otherwise be misleading. Issuers whose securities have historically had limited trading volumes, and issuers who are susceptible to relatively high volatility levels, can be particularly vulnerable to such short seller attacks. In addition to impacting the pricing of our stock, such short seller attacks could also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our Class A common stock, the price of our Class A common stock could decline.

The trading market for our Class A common stock will rely in part on the research and reports that industry or securities analysts publish about us or our business. We currently have research coverage by industry and securities analysts. If no or few analysts continue coverage of us, the trading price of our Class A common stock would likely decrease. If one or more of the analysts covering our business downgrade their evaluations of our Class A common stock, the price of our Class A common stock could decline. If one or more of these analysts cease to cover our Class A common stock, we could lose visibility in the trading market for our Class A common stock, which in turn could cause the price of our Class A common stock to decline.

If we experience material weaknesses or significant deficiencies in the future, or otherwise fail to maintain an effective environment of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

If we identify material weaknesses or significant deficiencies in our internal control over financial reporting in the future, or if we are unable to comply with the demands that will be placed upon us as a public company, including the requirements of Section 404 of the Sarbanes-Oxley Act, in a timely manner, we may be unable to accurately report our financial results, or report them within the timeframes required by the SEC. In addition, if we are unable to disclose that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets, and the price of our Class A common stock may be adversely affected.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We face significant and persistent cybersecurity risks due to: the scope of geographies, networks and systems we must defend against cybersecurity attacks; the complexity, technical sophistication, value, and widespread use of our systems, products and processes; the attractiveness of our systems, products and processes to threat actors (including state-sponsored organizations) seeking to inflict harm on us or our clients; and our use of third-party products, services and components.

While we have not, as of the date of this Form 10-K, experienced a cybersecurity threat or incident that resulted in a material adverse impact to our business or operations, there can be no guarantee that we will not experience such an incident in the future. Such incidents, whether or not successful, could result in our incurring significant costs related to, for example, rebuilding our internal systems, implementing additional threat protection measures, providing modifications or replacements to our products and services, defending against litigation, responding to regulatory inquiries or actions, paying damages, providing clients with incentives to maintain a business relationship with us, or taking other remedial steps with respect to third parties, as well as incurring significant reputational harm. In addition, these threats are constantly evolving, thereby increasing the difficulty of successfully defending against them or implementing adequate preventative measures. We seek to detect and investigate unauthorized attempts and attacks against our network, products and services, and to prevent their occurrence and recurrence where practicable through changes or updates to our internal processes and tools and changes or updates to our products and services; however, we remain potentially vulnerable to known or unknown threats. In some instances, we, our trading partners, our clients, and our service providers and contractors can be unaware of a threat or incident or its magnitude and effects. Further, there is increasing regulation regarding responses to cybersecurity incidents, including reporting to regulators, which could subject us to additional liability and reputational harm. Refer to Item 1A. Risk Factors of this Annual Report on Form 10-K for more information on our cybersecurity risks.

Our business involves the storage and transmission of a significant amount of confidential and sensitive information. As a result, we take the confidentiality, integrity and availability of this highly sensitive information seriously and invest significant time, effort and resources into protecting such information. Our cybersecurity strategy was designed with the foregoing principles in mind and prioritizes detecting and responding to threats and effective management of security risks.

To implement our cybersecurity strategy, we maintain various safeguards to secure the data we hold, including encrypting sensitive data, utilizing a robust 24/7/365 security monitoring system, regularly assessing product features for security vulnerabilities, conducting continuous internal penetration tests, and leveraging multi-factor authentication to help effectively protect sensitive information and appropriate access rights. We also have data and cybersecurity protection and control policies to facilitate a secure environment for sensitive information and to preserve the availability of critical data and systems. We have processes in place to assess and manage vendor cybersecurity risks, which include initial and periodic security program reviews through the use of third-party vendors who specialize in this subject matter. We have engaged our independent, internal audit team that reports directly to the Chair of the Audit Committee of our board of directors to audit our adherence to our cybersecurity policies. These audits help us assess our internal preparedness, guidance based on best practices and industry standards, and compliance with applicable laws and regulations as well as help us to identify areas for continued focus and improvement. We conduct annual information security awareness training for employees involved in the systems or processes connected to confidential and sensitive information. We also carry insurance that provides certain, limited protection against potential losses arising from a cybersecurity incident.

The Technology & Cyber Risk Committee of our board of directors (the "TCRC") is responsible for overseeing and reviewing our cybersecurity program and cybersecurity risk exposure and the steps taken to monitor and mitigate such exposure. The TCRC also monitors and reviews our strategic artificial intelligence initiatives, the risk exposure related to such initiatives, and the steps being taken to mitigate such exposure. The Retail CTO (as defined below), the Chief Information Security Officer ("CISO") for IAS, MIS and Corporate, who also serves as our General Counsel, and the UCTS CTO/CISO (as defined below) report to the TCRC periodically, and the TCRC updates the full board of directors on cybersecurity matters periodically.

Our information security team for IAS, MIS and Corporate is led by our Retail Brokerage Chief Technology Officer ("Retail CTO"). Our Retail CTO reports to our President, The Baldwin Group & CEO, Retail Brokerage Operations. Our Retail CTO has served in the role since 2025 and has experience in application security, intrusion detection, penetration testing, Continuous Threat Exposure Management ("CTEM"), and unconventional cyber-attack vectors, having previously led technology teams at Players Health, Everest Reinsurance, Quanta Holdings, and Converium (now part of SCOR). Among other functions, our Retail CTO oversees a team of information security professionals who are devoted full time to assessing and managing cybersecurity threats on a day-to-day basis. Our Retail CTO attends each quarterly meeting of the TCRC to brief members on information security matters and discuss cybersecurity risks generally.

Our information security team for UCTS is led by our Chief Technology Officer—UCTS (“UCTS CTO”), who also serves as our CISO for UCTS. Our UCTS CTO/CISO reports to our President, The Baldwin Group & CEO, Underwriting, Capacity and Technology Operations. Our UCTS CTO/CISO has served in the role since 2024 and has experience in application security, intrusion detection, penetration testing, CTEM, and unconventional cyber-attack vectors, having previously led technology teams across various sectors, including financial services and travel management. Among other functions, our UCTS CTO/CISO oversees a team of information security professionals who are devoted full time to assessing and managing cybersecurity threats on a day-to-day basis. Our UCTS CTO/CISO also attends each quarterly meeting of the TCRC to brief members on information security matters and discuss cybersecurity risks generally.

In addition, our management team has established an internal Cyber Steering Committee (the “Cyber SteerCo”), which includes processes designed to identify, assess, categorize, and monitor key current and evolving risks facing us, including cybersecurity risks. Each of the Retail CTO and UCTS CTO/CISO sits on the Cyber SteerCo along with our General Counsel and CISO.

Management is made aware of current and evolving cybersecurity risks through the Cyber SteerCo reporting. Furthermore, in the event of a material or potentially material cybersecurity event, our process as designed is intended to result in senior members of management being promptly informed of such event and oversee triage, response, and disclosure efforts pursuant to the terms of a documented incident response plan.

ITEM 2. PROPERTIES

Our corporate headquarters is located in leased offices in Tampa, Florida. The leases consist of approximately 105,000 square feet and expire in August 2030. Our insurance brokerage business leases office space in approximately 125 operating locations located in 24 states throughout the U.S. These offices are generally located in shopping centers, small office parks and office buildings, with lease terms expiring through the next ten years. These facilities are suitable for our needs and we believe that they are well maintained.

ITEM 3. LEGAL PROCEEDINGS

Please refer to Note 22 to our consolidated financial statements included in Part II, Item 8. Financial Statements and Supplementary Data of this report for a discussion of legal proceedings to which the Company is subject.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Class A common stock is listed on the Nasdaq Global Select Market ("Nasdaq") under the symbol "BWIN." Our Class B common stock is not listed nor traded on any stock exchange.

On February 20, 2026, there were 358 stockholders of record of our Class A common stock and 50 stockholders of record of our Class B common stock. The number of record holders does not include persons who held shares of our Class A common stock in nominee or "street name" accounts through brokers.

Dividend Policy

Subject to funds being legally available, we intend to cause Baldwin Holdings to make pro rata distributions to the holders of LLC Units and us in an amount at least sufficient to allow us and the holders of LLC Units to pay all applicable taxes, to make payments under the Tax Receivable Agreement and to pay our corporate and other overhead expenses. The declaration and payment of any dividends will be at the sole discretion of our board of directors, which may change our dividend policy at any time. We do not currently pay dividends outside of tax payments. Should that change, our board of directors will take into account:

- general economic and business conditions;
- our financial condition and operating results;
- our available cash and current and anticipated cash needs;
- our capital requirements;
- contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries (including Baldwin Holdings) to us; and
- such other factors as our board of directors may deem relevant.

Baldwin is a holding company and has no material assets other than its ownership of LLC Units in Baldwin Holdings, and as a consequence, our ability to declare and pay dividends to the holders of our Class A common stock will be subject to the ability of Baldwin Holdings to provide distributions to us. If Baldwin Holdings makes such distributions, the holders of LLC Units will be entitled to receive equivalent distributions from Baldwin Holdings. However, because we must pay taxes, make payments under the Tax Receivable Agreement and pay our expenses, amounts ultimately distributed as dividends to holders of our Class A common stock are expected to be less than the amounts distributed by Baldwin Holdings to the holders of LLC Units on a per share basis.

Assuming Baldwin Holdings makes distributions to its members in any given year, the determination to pay dividends, if any, to our Class A common stockholders out of the portion, if any, of such distributions remaining after our payment of taxes, Tax Receivable Agreement payments and expenses (any such portion, an "excess distribution") will be made by our board of directors. Because our board of directors may determine to pay or not pay dividends to our Class A common stockholders, our Class A common stockholders may not necessarily receive dividend distributions relating to excess distributions, even if Baldwin Holdings makes such distributions to us.

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

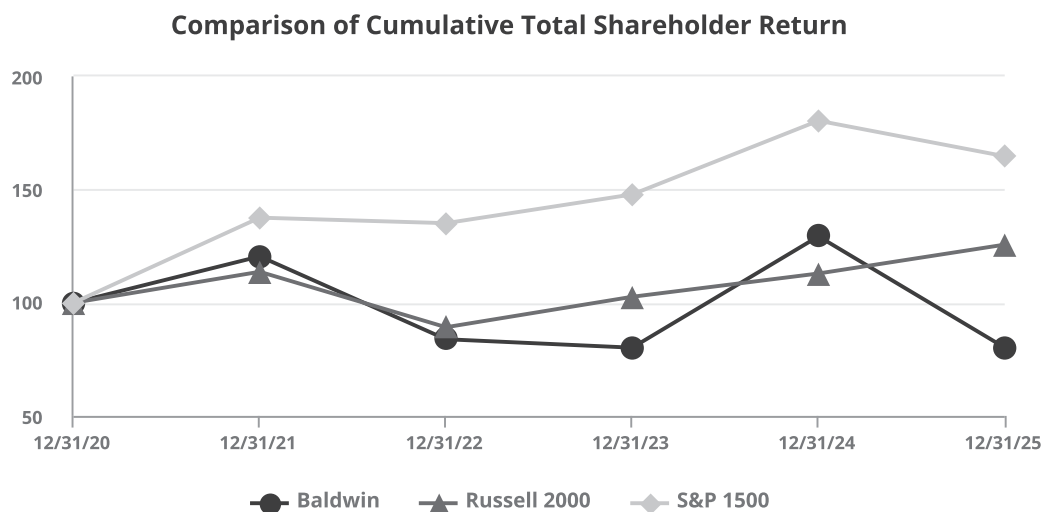
The following table provides information about our repurchase of shares of our Class A common stock during the three months ended December 31, 2025:

	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Value that may yet be Purchased under the Plans or Programs
October 1, 2025 to October 31, 2025	75,791	\$ 27.16	—	\$ —
November 1, 2025 to November 30, 2025	349	27.38	—	—
December 1, 2025 to December 31, 2025	21,795	27.92	—	—
Total	97,935	\$ 27.33	—	\$ —

(1) We purchased 97,935 shares during the three months ended December 31, 2025, which were acquired from our employees to cover required tax withholding on the vesting of shares granted under the Baldwin Omnibus Incentive and Partnership Inducement Award Plans.

Performance Graph

The following performance graph compares the cumulative total shareholder return of an investment in our Class A common stock from December 31, 2020 through December 31, 2025 to the cumulative total return of the Russell 2000 Index ("Russell 2000") and the Standard & Poor Composite 1500 Insurance Brokers Index ("S&P 1500"). The graph assumes that \$100 was invested on December 31, 2020 and the reinvestment of dividends, if any. The share price performance presented below is not necessarily indicative of future results.



ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes and other financial information included elsewhere in this Annual Report on Form 10-K. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in Item 1A. Risk Factors and included elsewhere in this Annual Report on Form 10-K.

See also "Note Regarding Forward-Looking Statements."

EXECUTIVE SUMMARY OF 2025 FINANCIAL RESULTS

We are an independent insurance distribution firm providing indispensable expertise and insights that strive to give our clients the confidence to pursue their purpose, passion and dreams. The following is a summary of our 2025 financial results.

Revenues for the year ended December 31, 2025 were \$1.5 billion, an increase of \$115.8 million, or 8%, year over year. Core commissions and fees grew organically by \$98.5 million as a result of new and renewal business from clients across industry sectors and continued outperformance from MSI. Commissions and fees contributed by partnership activity were \$23.6 million. In addition, profit-sharing and other revenue grew organically by \$1.5 million. This growth was offset in part by a decrease in commissions and fees of \$5.8 million related to the divestiture of our Wholesale Business in the first quarter of 2024.

Operating expenses for the year ended December 31, 2025 were \$1.4 billion, an increase of \$102.6 million, or 8%, year over year. The increase in operating expenses was driven by higher other operating expenses, including increased technology outlay as we continue to invest in automation and efficiency and higher incurred losses and loss adjustment expense related to our newly established Captive business, as well as higher colleague compensation and benefits and outside commissions, largely reflecting the correlation between compensation and revenue growth, and increased amortization expense associated with our partnership activity.

Interest expense, net, for the year ended December 31, 2025 was \$121.4 million, a decrease of \$2.2 million, or 2%, year over year, as a result of lower average interest rates due to the 2025 Refinancings and federal rate reductions, offset in part by higher average borrowings. We expect interest expense to grow in the near term on a year-over-year basis due to higher borrowings under the JPM Credit Facility to fund partnership opportunities and the settlement of deferred payment obligations, offset slightly by lower expected average interest rates.

During the year ended December 31, 2025, we reported a loss on extinguishment and modification of debt of \$6.2 million related to the 2025 Refinancings.

Net loss for the year ended December 31, 2025 was \$54.2 million, or a \$0.50 loss per fully diluted share, compared to a net loss of \$41.1 million, or a \$0.39 loss per fully diluted share, in the same period of 2024.

Adjusted EBITDA for the year ended December 31, 2025 was \$341.5 million, an increase of \$29.0 million year over year. Adjusted EBITDA margin was 22.7% for 2025, a 20 basis point expansion compared to 22.5% in 2024.

Adjusted net income for the year ended December 31, 2025 was \$198.9 million, an increase of \$22.0 million year over year. Adjusted diluted EPS was \$1.67 for 2025, an increase of 11% over \$1.50 for 2024.

Organic revenue for the year ended December 31, 2025 was \$1.47 billion compared to \$1.38 billion for the same period of 2024. Organic revenue growth was \$100.0 million, or 7%, for 2025 compared to \$196.9 million, or 17%, for 2024.

Refer to the Non-GAAP Financial Measures section below for reconciliations of adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted EPS, organic revenue and organic revenue growth to the most directly comparable GAAP financial measures.

RECENT DEVELOPMENTS

Effective January 1, 2026, the Company acquired the outstanding equity interests of the business of CAC Group for aggregate consideration paid by the Company at closing consisting of \$438.0 million of cash (subject to customary purchase price adjustments) and 23,200,000 shares of the Company'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 CAC Group Transaction. CAC Group may be entitled to receive up to \$250.0 million of additional contingent consideration payable in cash based upon the achievement of certain post-closing revenue focused performance measures. The partnership with CAC Group will significantly expand the specialty capabilities of the Company's IAS operating group and strengthen its specialty product lines and data and analytics platform.

RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

For a discussion of our 2023 financial results and a comparison of financial results for the years ended December 31, 2024 to 2023, refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K filed with the SEC on February 25, 2025.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 and the related notes and other financial information included in Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under Item 1A. Risk Factors.

The following is a discussion of our consolidated results of operations for the years ended December 31, 2025 and 2024.

(in thousands, except percentages)	For the Years Ended December 31,		Variance	
	2025	2024	Amount	%
Revenues:				
Core commissions and fees	\$ 1,383,055	\$ 1,268,790	\$ 114,265	9 %
Profit-sharing and other income	110,625	108,326	2,299	2 %
Commissions and fees	1,493,680	1,377,116	116,564	8 %
Investment income	11,204	11,921	(717)	(6)%
Total revenues	1,504,884	1,389,037	115,847	8 %
Operating expenses:				
Colleague compensation and benefits	777,531	762,219	15,312	2 %
Outside commissions	279,711	269,829	9,882	4 %
Other operating expenses	240,282	192,366	47,916	25 %
Amortization expense	121,316	102,730	18,586	18 %
Change in fair value of contingent consideration	5,594	(4,949)	10,543	n/m
Depreciation expense	6,514	6,194	320	5 %
Total operating expenses	1,430,948	1,328,389	102,559	8 %
Operating income	73,936	60,648	13,288	22 %
Other income (expense):				
Interest expense, net	(121,428)	(123,644)	2,216	(2)%
Gain on divestitures	290	38,953	(38,663)	(99)%
Loss on extinguishment and modification of debt	(6,226)	(15,113)	8,887	(59)%
Other income (expense), net	635	(194)	829	n/m
Total other expense	(126,729)	(99,998)	(26,731)	27 %
Loss before income taxes and share of net earnings of equity method investee	\$ (52,793)	\$ (39,350)	\$ (13,443)	34 %

n/m not meaningful

Seasonality

The insurance brokerage market is seasonal and our results of operations are somewhat affected by seasonal trends. Our adjusted EBITDA and adjusted EBITDA margins are typically highest in the first quarter and lowest in the fourth quarter. This variation is primarily due to fluctuations in our revenues, while overhead remains consistent throughout the year. Our revenues are generally highest in the first quarter due to a higher degree of first quarter policy commencements and renewals in certain IAS and MIS lines of business such as employee benefits, commercial and Medicare. In addition, a higher proportion of our first quarter revenue is derived from our highest margin businesses.

Partnerships can significantly impact adjusted EBITDA and adjusted EBITDA margins in a given year and may increase the amount of seasonality within the business, especially results attributable to partnerships that have not been fully integrated into our business or owned by us for a full year.

Commissions and Fees

We earn commissions and fees by facilitating the arrangement between insurance company and reinsurance company partners and clients for the insurance and/or reinsurance company to provide insurance and/or reinsurance to the insured party. Our commissions are usually a percentage of the premium paid by the insured and generally depend on the type of insurance, the particular insurance or reinsurance company partner and the nature of the services provided. Under certain arrangements with clients, we earn pre-negotiated service fees for insurance placement services. Additionally, we earn policy fees for acting in the capacity of an MGA and fulfilling certain administrative functions on behalf of insurance or reinsurance company partners, including delivery of policy documents, processing payments and other administrative functions, and the Captive business earns revenue from assumed premium. We may also receive profit-sharing commissions, which represent forms of variable consideration paid by insurance company partners and reinsurance company partners associated with the placement of coverage. Profit-sharing commissions are generally based on underwriting results, but may also contain considerations for volume, growth or retention. Other revenue streams include other ancillary income, premium financing income, and marketing income based on negotiated cost reimbursement for fulfilling specific targeted Medicare marketing campaigns.

Commissions and fees increased \$116.6 million, or 8%, year over year to \$1.5 billion, driven by organic growth in core commissions and fees of \$98.5 million related to new and renewal business across client industry sectors and continued outperformance from MSI, partnership activity of \$23.6 million, and organic growth in profit-sharing and other revenue of \$1.5 million. This growth was offset in part by a decrease in commissions and fees of \$5.8 million related to the divestiture of our Wholesale Business in the first quarter of 2024.

Colleague Compensation and Benefits

Colleague compensation and benefits is our largest expense. It consists of (i) base compensation comprising salary, bonuses and benefits paid and payable to colleagues, and commissions paid to colleagues, and (ii) equity-based compensation associated with the grants of restricted and unrestricted stock awards to senior management, colleagues, risk advisors and directors. We expect to continue to experience a general rise in colleague compensation and benefits expense commensurate with expected revenue growth as our compensation arrangements with our colleagues and risk advisors contain significant bonus or commission components driven by the results of our operations. In addition, we operate in competitive markets for human capital and need to maintain competitive compensation levels as we expand geographically and create new products and services.

Colleague compensation and benefits expense increased \$15.3 million, or 2%, year over year. Partnership activity contributed \$8.2 million to the increase in colleague compensation and benefits in 2025, offset in part by a \$1.4 million decrease related to our Wholesale Business, which was sold in the first quarter of 2024. After excluding colleague compensation and benefits expense related to our partnerships and divestitures, colleague compensation and benefits expense increased \$8.5 million due to increases in colleague compensation of \$33.8 million, inside advisor commissions of \$8.9 million and benefits and other of \$8.4 million as a result of the continued investment in our growth and elevated health plan costs, offset in part by a decrease in colleague earnout incentives of \$43.7 million resulting from settlement activity in 2025.

Outside Commissions

Outside commissions increased \$9.9 million, or 4%, year over year. After excluding outside commissions of \$3.0 million earned by the Wholesale Business during 2024 for which there was no comparable expense in 2025, outside commissions increased \$12.9 million, or 5%. Outside commissions increased at a lower rate than core commissions and fees primarily due to continued scaling of our UCTS business, product mix shift and contributions from the Capacity Solutions group (which generally does not have significant outside commissions).

Other Operating Expenses

Other operating expenses include travel, accounting, legal and other professional fees, placement fees, rent, office expenses and other costs associated with our operations. Our occupancy-related costs and professional services expenses, in particular, generally increase or decrease in relative proportion to the number of our colleagues and the overall size and scale of our business operations.

Other operating expenses increased \$47.9 million year over year, driven by higher incurred losses and loss adjustment expense ("LAE") of \$19.1 million related to our newly established Captive business, professional fees of \$14.0 million due to partnership activity and fees related to organizing the Reciprocal, technology and software-related costs of \$4.4 million, advertising and marketing of \$3.6 million in connection with the continued rollout of our rebranding, legal settlement expense of \$2.1 million, and licenses and taxes of \$2.1 million due to growth in the business.

Amortization Expense

Amortization expense increased \$18.6 million year over year, driven by our 2025 partnership activity and an increase in capitalized software, offset in part by the acceleration of trade names amortization during 2024 in connection with rebranding within IAS.

Change in Fair Value of Contingent Consideration

Change in fair value of contingent consideration was a \$5.6 million loss for the year ended December 31, 2025 compared to a \$4.9 million gain for the same period of 2024. The fair value loss related to contingent consideration for the year ended December 31, 2025 was impacted by positive changes in revenue growth trends of certain partners and accretion of the contingent earnout obligations approaching their respective measurement dates, in addition to a loss recognized in reclassifying \$1.8 million of earnouts from colleague earnout incentives.

Interest Expense, Net

Interest expense, net, decreased \$2.2 million year over year as a result of lower average interest rates due to the 2025 Refinancings and federal rate reductions, offset in part by higher average borrowings. We expect interest expense to grow in the near term on a year-over-year basis due to higher borrowings under the JPM Credit Facility to fund partnership opportunities and the settlement of deferred payment obligations, offset slightly by lower expected interest rates.

Refer to Item 7A. Quantitative and Qualitative Disclosures About Market Risk for further discussion of the impact of interest rates on our results of operations, financial condition and cash flows.

Gain on Divestitures

Gain on divestitures decreased \$38.7 million year over year, driven by a \$35.1 million gain recorded during 2024 in connection with the sale of our Wholesale Business.

Loss on Extinguishment and Modification of Debt

Loss on extinguishment and modification of debt of \$6.2 million for the year ended December 31, 2025 relates to the 2025 Refinancings. Loss on extinguishment and modification of debt of \$15.1 million for the same period of 2024 relates to the JPM Credit Facility refinancing completed in May 2024.

FINANCIAL CONDITION—COMPARISON OF CONSOLIDATED FINANCIAL CONDITION AT DECEMBER 31, 2025 TO DECEMBER 31, 2024.

Our total assets and total liabilities increased \$327.5 million and \$251.9 million, respectively, year over year. The most significant changes in assets and liabilities are described below.

Assumed premiums, commissions and fees receivable, net increased \$58.6 million as a result of overall revenue growth and the timing of cash collections.

Right-of-use assets and operating lease liabilities decreased \$10.4 million and \$10.1 million, respectively, due to ongoing measures to consolidate our facilities footprint in certain geographies.

Other assets increased \$34.4 million driven by investments in third party businesses that support the growth of our business, higher deferred commission expense related to new business growth and capitalization of implementation costs related to new technology platforms.

Intangible assets, net increased \$24.9 million driven by the intangible assets capitalized in conjunction with 2025 partnerships of \$118.4 million, and capitalized software development costs related to infrastructure to support our business of \$35.5 million, offset in part by amortization expense of \$121.3 million.

Goodwill increased \$104.8 million as a result of our 2025 partnerships.

Commissions payable decreased \$22.2 million driven primarily by the timing of commission payments relative to the timing of collections from clients.

Accrued expenses and other current liabilities increased \$86.7 million as a result of increases in accrued expenses relating, in part, to the timing of expenses incurred in connection with January 2026 partnerships, deferred payments relating to 2025 partnerships, and accrued compensation and benefits relating to our overall growth and increased health insurance costs.

Colleague earnout incentives decreased \$32.8 million as a result of settlement activity in 2025.

The revolving line of credit increased \$107.0 million driven by draws to support growth in our business, including the 2025 partnerships.

Long-term debt increased \$172.2 million due to the 2025 Refinancings during which we upsized the Term Loans by \$175.0 million in the aggregate to support growth in our business, including our 2025 partnerships.

Contingent earnout liabilities decreased \$122.3 million resulting from settlements of \$146.3 million, offset in part by issuances related to our 2025 partnerships of \$18.4 million and an increase in fair value of contingent consideration of \$5.6 million.

Fiduciary assets and liabilities increased \$78.5 million and \$79.0 million, respectively, attributable to overall growth in our business and higher volumes of agency bill premium activity, as well as the timing of cash collections and carrier payable settlements.

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA, adjusted EBITDA margin, organic revenue, organic revenue growth, adjusted net income and adjusted diluted earnings per share ("EPS"), are not measures of financial performance under GAAP and should not be considered substitutes for GAAP measures, including commissions and fees (for organic revenue and organic revenue growth), net income (loss) (for adjusted EBITDA and adjusted EBITDA margin), net income (loss) attributable to Baldwin (for adjusted net income) or diluted earnings (loss) per share (for adjusted diluted EPS), which we consider to be the most directly comparable GAAP measures. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these non-GAAP financial measures in isolation or as substitutes for commissions and fees, net income (loss), net income (loss) attributable to Baldwin, diluted earnings (loss) per share or other consolidated income statement data prepared in accordance with GAAP. Other companies in our industry may define or calculate these non-GAAP financial measures differently than we do, and accordingly, these measures may not be comparable to similarly titled measures used by other companies.

We calculate organic revenue based on commissions and fees for the relevant period by excluding (i) the first 12 months of commissions and fees generated from new partners and (ii) commissions and fees from divestitures. Organic revenue growth is the change in organic revenue period-to-period, with prior period results adjusted to (i) include commissions and fees that were excluded from organic revenue in the prior period because the relevant partners had not yet reached the 12-month owned mark, but which have reached the 12-month owned mark in the current period, and (ii) exclude commissions and fees related to divestitures from organic revenue. For example, commissions and fees from a partner acquired on June 1, 2024 are excluded from organic revenue for 2024. However, after June 1, 2025, results from June 1, 2024 to December 31, 2024 for such partners are compared to results from June 1, 2025 to December 31, 2025 for purposes of calculating organic revenue growth in 2025. Organic revenue growth is a key metric used by management and our board of directors to assess our financial performance. We believe that organic revenue and organic revenue growth are appropriate measures of operating performance as they allow investors to measure, analyze and compare growth in a meaningful and consistent manner.

We define adjusted EBITDA as net income (loss) before interest, taxes, depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related partnership and integration expenses, transformation costs, severance, and certain non-recurring items, including those related to raising capital. We believe that adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance.

Adjusted EBITDA margin is calculated as adjusted EBITDA divided by total revenue. Adjusted EBITDA margin is a key metric used by management and our board of directors to assess our financial performance. We believe that adjusted EBITDA margin is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance. We believe that adjusted EBITDA margin is helpful in measuring profitability of operations on a consolidated level.

Adjusted EBITDA and adjusted EBITDA margin have important limitations as analytical tools. For example, adjusted EBITDA and adjusted EBITDA margin:

- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, our working capital needs;
- do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations;
- do not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- do not reflect share-based compensation expense and other non-cash charges; and
- exclude certain tax payments that may represent a reduction in cash available to us.

We define adjusted net income as net income (loss) attributable to Baldwin adjusted for depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related partnership and integration expenses, transformation costs, severance, and certain non-recurring costs that, in the opinion of management, significantly affect the period-over-period assessment of operating results, and the related tax effect of those adjustments. We believe that adjusted net income is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance.

Adjusted diluted EPS measures our per share earnings excluding certain expenses as discussed above for adjusted net income and assuming all shares of Class B common stock were exchanged for Class A common stock on a one-for-one basis. Adjusted diluted EPS is calculated as adjusted net income divided by adjusted diluted weighted-average shares outstanding. We believe adjusted diluted EPS is useful to investors because it enables them to better evaluate per share operating performance across reporting periods.

Organic Revenue and Organic Revenue Growth

The following table reconciles organic revenue and organic revenue growth to commissions and fees, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Years Ended December 31,	
	2025	2024
Commissions and fees	\$ 1,493,680	\$ 1,377,116
Partnership commissions and fees ⁽¹⁾	(23,588)	—
Organic revenue	<u>\$ 1,470,092</u>	<u>\$ 1,377,116</u>
Organic revenue growth ⁽²⁾	\$ 100,049	\$ 196,922
Organic revenue growth % ⁽²⁾	7 %	17 %

(1) Includes the first 12 months of such commissions and fees generated from newly acquired partners.

(2) Organic revenue for the year ended December 31, 2024 used to calculate organic revenue growth for the year ended December 31, 2025 was \$1.37 billion, which is adjusted to exclude commissions and fees from divestitures that occurred during 2025 and 2024.

Adjusted EBITDA and Adjusted EBITDA Margin

The following table reconciles adjusted EBITDA and adjusted EBITDA margin to net loss, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Years Ended December 31,	
	2025	2024
Revenues	\$ 1,504,884	\$ 1,389,037
Net loss	\$ (54,154)	\$ (41,081)
Adjustments to net loss:		
Interest expense, net	122,778	123,644
Amortization expense	121,316	102,730
Share-based compensation	71,113	65,503
Transaction-related partnership and integration expenses	23,051	10,501
Transformation costs ⁽¹⁾	7,003	—
Severance	6,790	5,756
Depreciation expense	6,514	6,194
Loss on extinguishment and modification of debt	6,226	15,113
Change in fair value of contingent consideration	5,594	(4,949)
Income and other taxes ⁽²⁾	4,255	7,184
Colleague earnout incentives	(1,779)	41,917
Impairment of right-of-use assets	1,275	—
Gain on divestitures	(290)	(38,953)
Loss on interest rate caps	18	244
Other ⁽³⁾	21,762	18,682
Adjusted EBITDA	<u>\$ 341,472</u>	<u>\$ 312,485</u>
Net loss margin	(4)%	(3)%
Adjusted EBITDA margin	22.7 %	22.5 %

(1) Transformation costs represent certain non-recurring colleague compensation and technology-related expenses related to our \$3B/30 Catalyst Program, which is designed to accelerate the infusion of automation, business process optimization and artificial intelligence to transform and elevate our workforce and unlock new avenues for growth.

(2) Income and other taxes include the Tax Receivable Agreement expense and other operating tax expense, such as state taxes, under GAAP.

(3) Other addbacks to adjusted EBITDA include certain income and expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses.

Adjusted Net Income and Adjusted Diluted EPS

The following table reconciles adjusted net income to net loss attributable to Baldwin and reconciles adjusted diluted EPS to diluted loss per share, which we consider to be the most directly comparable GAAP financial measures:

(in thousands, except per share data)	For the Years Ended December 31,	
	2025	2024
Net loss attributable to Baldwin	\$ (33,813)	\$ (24,518)
Net loss attributable to noncontrolling interests	(20,341)	(16,563)
Amortization expense	121,316	102,730
Share-based compensation	71,113	65,503
Transaction-related partnership and integration expenses	23,051	10,501
Transformation costs ⁽¹⁾	7,003	—
Severance	6,790	5,756
Depreciation	6,514	6,194
Loss on extinguishment and modification of debt	6,226	15,113
Change in fair value of contingent consideration	5,594	(4,949)
Other amortization/accretion, net	4,190	5,841
Income tax expense ⁽²⁾	2,172	6,537
Colleague earnout incentives	(1,779)	41,917
Impairment of right-of-use assets	1,275	—
Gain on divestitures	(290)	(38,953)
Loss on interest rate caps, net of cash settlements	18	2,544
Other ⁽³⁾	21,762	18,682
Adjusted pre-tax income	220,801	196,335
Adjusted income taxes ⁽⁴⁾	21,859	19,437
Adjusted net income	<u>\$ 198,942</u>	<u>\$ 176,898</u>
Weighted-average shares of Class A common stock outstanding - diluted	67,939	63,455
Dilutive weighted-average shares of Class A common stock	3,229	3,598
Exchange of Class B common stock ⁽⁵⁾	47,737	50,896
Adjusted diluted weighted-average shares outstanding	<u>118,905</u>	<u>117,949</u>
Diluted loss per share	\$ (0.50)	\$ (0.39)
Effect of exchange of Class B common stock and net loss attributable to noncontrolling interests per share	0.04	0.04
Other adjustments to loss per share	2.31	2.01
Adjusted income taxes per share	(0.18)	(0.16)
Adjusted diluted EPS	<u>\$ 1.67</u>	<u>\$ 1.50</u>

(1) Transformation costs represent certain non-recurring colleague compensation and technology-related expenses related to our \$3B/30 Catalyst Program, which is designed to accelerate the infusion of automation, business process optimization and artificial intelligence to transform and elevate our workforce and unlock new avenues for growth.

(2) Income tax expense includes the Tax Receivable Agreement expense.

(3) Other addbacks to adjusted net income include certain income and expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses.

(4) Represents corporate income taxes at assumed effective tax rate of 9.9% applied to adjusted pre-tax income.

(5) Assumes the full exchange of Class B common stock for Class A common stock pursuant to the Amended LLC Agreement.

INSURANCE ADVISORY SOLUTIONS OPERATING GROUP RESULTS

IAS provides expertly-designed commercial risk management, employee benefits and private risk management solutions for businesses and high-net-worth individuals, as well as their families, through our national footprint, which has assimilated some of the highest quality independent insurance brokers in the country with vast and varied strategic capabilities and expertise.

(in thousands, except percentages)	For the Years Ended December 31,		Variance	
	2025	2024	Amount	%
Revenues:				
Core commissions and fees	\$ 661,590	\$ 641,286	\$ 20,304	3 %
Profit-sharing and other income	61,384	64,871	(3,487)	(5)%
Commissions and fees	722,974	706,157	16,817	2 %
Investment income	4,350	5,779	(1,429)	(25)%
Total revenues	727,324	711,936	15,388	2 %
Operating expenses:				
Colleague compensation and benefits	510,028	523,370	(13,342)	(3)%
Outside commissions	11,431	11,009	422	4 %
Other operating expenses	86,064	79,323	6,741	8 %
Amortization expense	56,702	60,222	(3,520)	(6)%
Change in fair value of contingent consideration	5,544	(10,458)	16,002	(153)%
Depreciation expense	1,255	1,485	(230)	(15)%
Total operating expenses	671,024	664,951	6,073	1 %
Operating income	56,300	46,985	9,315	20 %
Total other income, net	1,656	5,172	(3,516)	(68)%
Income before income taxes and share of net earnings of equity method investee	\$ 57,956	\$ 52,157	\$ 5,799	11 %

Commissions and Fees

IAS generates (i) commissions for placing insurance policies on behalf of its insurance company partners; (ii) profit-sharing income based on either the underlying book of business or performance, such as loss ratios; and (iii) fees from consulting and service fee arrangements, which are in place with certain clients for a negotiated fee.

IAS commissions and fees increased \$16.8 million, or 2%, year over year to \$723.0 million, primarily due to organic growth in core commissions and fees. Growth in our core commissions and fees of \$20.3 million was driven by 19% sales velocity (new business as a percentage of prior year commissions and fees) compared to 21% in the prior year. Organic growth was pressured by 380 bps of headwind in underlying rate and exposure during the year, attributable to softening insurance rates, particularly in the property line of business, construction project work weakness and overall lower economic activity. This growth was offset by a decrease in profit-sharing and other income of \$3.5 million resulting from rate softness and competition amongst insurance carriers. We expect rate softness to continue into 2026, with a focus on commercial property lines.

Colleague Compensation and Benefits

Colleague compensation and benefits expense for IAS decreased \$13.3 million, or 3%, year over year primarily due to a decrease in colleague earnout incentives of \$41.0 million resulting from settlement activity in 2025, partially offset by increases in colleague compensation of \$14.6 million and inside advisor commissions of \$7.6 million related to our growth, and benefits and other of \$5.2 million related to elevated health plan costs.

Other Operating Expenses

Other operating expenses for IAS increased \$6.7 million year over year, primarily due to continued investment in our growth and higher costs relating to professional fees of \$5.2 million, legal settlement expense of \$3.2 million and advertising and marketing of \$1.8 million in connection with the continued rollout of our rebranding, partially offset by lower technology and software-related costs of \$1.6 million and travel and entertainment of \$1.4 million.

Amortization Expense

Amortization expense for IAS decreased \$3.5 million year over year as a result of the acceleration of trade names amortization during 2024 in connection with rebranding within IAS.

Change in Fair Value of Contingent Consideration

Change in fair value of contingent consideration for IAS was a \$5.5 million loss for the year ended December 31, 2025 compared to a \$10.5 million gain for the same period of 2024. The fair value loss related to contingent consideration for the year ended December 31, 2025 was impacted by positive changes in revenue growth trends of certain IAS partners and accretion of the contingent earnout obligations approaching their respective measurement dates, in addition to a loss recognized in reclassifying \$1.6 million of earnouts from colleague earnout incentives.

Total Other Income, Net

Total other income, net for IAS decreased \$3.5 million year over year, driven by a \$3.8 million gain on divestitures in 2024 related to the sale of certain books of business.

UNDERWRITING, CAPACITY & TECHNOLOGY SOLUTIONS OPERATING GROUP RESULTS

UCTS consists of three distinct divisions—MSI, our Capacity Solutions group (which includes our reinsurance brokerage business, Juniper Re; our reinsurance MGA business, MultiStrat; and our captive management business), and the Captive business. Through MSI, we manufacture proprietary, technology-enabled insurance products with a focus on sheltered channels where our products deliver speed, ease of use and certainty of execution, an example of which is our national embedded renters insurance product sold at point of lease via integrations with property management software providers. Our MGA product suite is now comprised of more than 20 products across personal, commercial and professional lines. UCTS' Wholesale Business was sold in the first quarter of 2024, and its operations are included in our results through February 29, 2024.

(in thousands, except percentages)	For the Years Ended December 31,		Variance	
	2025	2024	Amount	%
Revenues:				
Core commissions and fees	\$ 527,245	\$ 455,845	\$ 71,400	16 %
Profit-sharing and other income	17,345	13,032	4,313	33 %
Commissions and fees	544,590	468,877	75,713	16 %
Investment income	4,862	4,062	800	20 %
Total revenues	549,452	472,939	76,513	16 %
Operating expenses:				
Colleague compensation and benefits	116,504	101,513	14,991	15 %
Outside commissions	264,910	260,204	4,706	2 %
Other operating expenses	75,452	41,313	34,139	83 %
Amortization expense	21,114	14,950	6,164	41 %
Change in fair value of contingent consideration	(1,405)	5,085	(6,490)	(128)%
Depreciation expense	656	568	88	15 %
Total operating expenses	477,231	423,633	53,598	13 %
Operating income	72,221	49,306	22,915	46 %
Total other income (expense), net	(426)	34,107	(34,533)	(101)%
Income before income taxes and share of net earnings of equity method investee	\$ 71,795	\$ 83,413	\$ (11,618)	(14)%

Commissions and Fees

UCTS generates (i) commissions for underwriting and placing insurance policies and/or treaties on behalf of its insurance company partners and reinsurance company partners; (ii) policy fee and installment fee revenue for acting in the capacity of an MGA and fulfilling certain administrative functions on behalf of insurance or reinsurance company partners, including delivery of policy documents, processing payments and other administrative functions; (iii) profit-sharing income, generally based on the profitability of the underlying book of business of the policies it generates on behalf of its insurance company partners and reinsurance company partners; (iv) fees from service fee arrangements, which are in place with certain clients for a negotiated fee; and (v) assumed premium earned in the Captive business.

UCTS commissions and fees increased \$75.7 million, or 16%, year over year to \$544.6 million, primarily due to organic growth in core commissions and fees. Total growth in our core commissions and fees of \$71.4 million was driven by continued outperformance in MSI (accounting for \$41.2 million of the increase in core commissions and fees), the introduction of the Captive (accounting for \$22.6 million of the increase in core commissions and fees), and building momentum in our Capacity Solutions group (accounting for \$13.9 million of the increase in core commissions and fees). Total growth in our core commissions and fees includes the partnership contribution of \$6.8 million, as well as the impact of the divestiture of our Wholesale Business in the first quarter of 2024 of \$(5.5) million. In addition, profit sharing and other increased \$4.3 million in 2025. Core commissions and fees growth, excluding amounts related to the Wholesale Business during 2024, was 17%.

Colleague Compensation and Benefits

Colleague compensation and benefits expense for UCTS increased \$15.0 million, or 15%, year over year. Partnership activity contributed \$6.4 million to the increase in colleague compensation and benefits in 2025, offset in part by a \$1.4 million decrease related to the divestiture of our Wholesale Business during 2024. After excluding colleague compensation and benefits expense related to partnership and divestiture activity, colleague compensation and benefits increased \$10.0 million, or 10%, as a result of the continued investment in UCTS' growth and elevated health plan costs.

Outside Commissions

Outside commissions for UCTS consist of outside commissions paid to partners that distribute our MGA products. Outside commissions for UCTS increased \$4.7 million, or 2%, year over year. After excluding outside commissions of \$3.0 million attributable to the Wholesale Business during 2024 for which there was no comparable expense in 2025, outside commissions for UCTS increased \$7.7 million, or 3%. Outside commissions for 2025 increased at a lower rate than core commissions and fees due to continued scaling of the business, product mix shift and increased contributions from the Capacity Solutions group (which generally does not have significant outside commissions).

Other Operating Expenses

Other operating expenses for UCTS increased \$34.1 million year over year, driven by higher incurred losses and LAE of \$19.1 million related to our newly established Captive business, professional fees of \$4.4 million due to partnership activity and fees related to the setup of the Reciprocal, advertising and marketing of \$1.8 million due to growth in the business, licenses and taxes of \$1.7 million and technology and software-related costs of \$1.5 million.

Amortization Expense

Amortization expense for UCTS increased \$6.2 million year over year, driven by an increase in capitalized software and our 2025 partnership activity.

Change in Fair Value of Contingent Consideration

The change in fair value of contingent consideration for UCTS was a \$1.4 million gain for the year ended December 31, 2025 compared to a \$5.1 million loss for the same period of 2024. The fair value gain related to contingent consideration for the year ended December 31, 2025 was impacted by negative changes in revenue growth trends of certain UCTS partners.

Total Other Income (Expense), Net

Total other income (expense), net for UCTS decreased \$34.5 million year over year, driven by a \$35.1 million gain recorded during 2024 in connection with the sale of our Wholesale Business.

MAINSTREET INSURANCE SOLUTIONS OPERATING GROUP RESULTS

MIS offers personal insurance, commercial insurance, and life and health solutions to individuals and businesses in their communities, with a focus on accessing clients via sheltered distribution channels, which include, but are not limited to, new home builders, realtors, mortgage originators/lenders, master planned communities, and various other community centers of influence. MIS also offers consultation for government assistance programs and solutions, including traditional Medicare, Medicare Advantage and Affordable Care Act, to seniors and eligible individuals through a network of primarily independent contractor agents.

(in thousands, except percentages)	For the Years Ended December 31,		Variance	
	2025	2024	Amount	%
Revenues:				
Core commissions and fees	\$ 265,283	\$ 250,825	\$ 14,458	6 %
Profit-sharing and other income	32,265	30,423	1,842	6 %
Commissions and fees	297,548	281,248	16,300	6 %
Investment income	199	35	164	n/m
Total revenues	297,747	281,283	16,464	6 %
Operating expenses:				
Colleague compensation and benefits	104,707	98,374	6,333	6 %
Outside commissions	74,802	77,782	(2,980)	(4)%
Other operating expenses	39,167	35,593	3,574	10 %
Amortization expense	41,078	26,452	14,626	55 %
Change in fair value of contingent consideration	1,455	424	1,031	n/m
Depreciation expense	732	715	17	2 %
Total operating expenses	261,941	239,340	22,601	9 %
Operating income	35,806	41,943	(6,137)	(15)%
Total other expense, net	(593)	(15)	(578)	n/m
Income before income taxes and share of net earnings of equity method investee	\$ 35,213	\$ 41,928	\$ (6,715)	(16)%

n/m not meaningful

Commissions and Fees

MIS generates (i) commissions for placing insurance policies on behalf of its insurance company partners; (ii) profit-sharing income based on either the underlying book of business or performance, such as loss ratios; and (iii) commissions and fees in the form of marketing income, which is earned through co-branded marketing campaigns with our insurance company partners.

MIS commissions and fees increased \$16.3 million, or 6%, year over year to \$297.5 million. MIS core commissions and fees grew \$14.5 million in total resulting from the recently acquired Hippo's Homebuilder Distribution Network (accounting for \$15.8 million of the increase in core commissions and fees), our national mortgage and real estate channel (accounting for \$2.6 million of the increase in core commissions and fees), our Westwood business (accounting for \$1.5 million of the increase in core commissions and fees), and our legacy Mainstreet business (accounting for \$0.8 million of the increase in core commissions and fees), partially offset by lower core commissions and fees from our Medicare business of \$5.0 million. Overall growth in MIS core commissions and fees was negatively impacted by headwinds in the health business and continued pressure in our legacy Mainstreet business. MIS profit-sharing and other revenue increased \$1.8 million driven by overall growth in the MIS business.

Effective May 1, 2025, we are receiving reduced commissions from QBE Insurance Corporation and its affiliates on the portion of our builder-sourced homeowners book of business we are in the process of migrating to the Reciprocal; a temporary headwind that is expected to persist through the first half of 2026 before reversing into a tailwind over time.

Colleague Compensation and Benefits

Colleague compensation and benefits expense for MIS increased \$6.3 million, or 6%, year over year. After excluding colleague compensation and benefits expense of \$1.8 million related to partnership activity, colleague compensation and benefits increased \$4.5 million, which is in line with the prior year as a percentage of our core commissions and fees.

Other Operating Expenses

Other operating expenses for MIS increased \$3.6 million year over year, driven by higher legal settlement expense and rent expense of \$0.7 million each, and technology-related costs and professional fees of \$0.6 million each.

Amortization Expense

MIS amortization expense increased \$14.6 million year over year, driven by our 2025 partnership activity and an increase in capitalized software.

CORPORATE AND OTHER RESULTS

(in thousands, except percentages)	For the Years Ended December 31,		Variance	
	2025	2024	Amount	%
Revenues:				
Commissions and fees	\$ (71,432)	\$ (79,166)	\$ 7,734	(10)%
Investment income	1,793	2,045	(252)	(12)%
Total revenues	(69,639)	(77,121)	7,482	(10)%
Operating expenses:				
Colleague compensation and benefits	46,292	38,962	7,330	19 %
Outside commissions	(71,432)	(79,166)	7,734	(10)%
Other operating expenses	39,599	36,137	3,462	10 %
Amortization expense	2,422	1,106	1,316	119 %
Depreciation expense	3,871	3,426	445	13 %
Total operating expenses	20,752	465	20,287	n/m
Operating loss	(90,391)	(77,586)	(12,805)	17 %
Other income (expense):				
Interest expense, net	(120,975)	(123,642)	2,667	(2)%
Loss on divestitures	(1,611)	—	(1,611)	— %
Loss on extinguishment and modification of debt	(6,226)	(15,113)	8,887	(59)%
Other income (expense), net	1,446	(507)	1,953	n/m
Total other expense, net	(127,366)	(139,262)	11,896	(9)%
Loss before income taxes and share of net earnings of equity method investee	<u>\$ (217,757)</u>	<u>\$ (216,848)</u>	<u>\$ (909)</u>	— %

n/m not meaningful

Commissions and Fees

Corporate and Other records the elimination of intercompany commission revenue from the operating groups. During 2025, IAS recorded commission revenue shared with other operating groups of \$0.4 million and UCTS recorded commission revenue shared with other operating groups of \$71.1 million.

Colleague Compensation and Benefits

Colleague compensation and benefits expense in Corporate and Other increased \$7.3 million year over year, driven by an increase in colleague compensation in IT to support our continued growth and technology investments, as well as elevated health plan costs.

Outside Commissions

Outside commissions for Corporate and Other results from the elimination of intercompany commission expense from the operating groups.

Other Operating Expenses

Other operating expenses in Corporate and Other increased \$3.5 million year over year primarily due to higher professional fees of \$3.8 million due to partnership activity.

Interest Expense, Net

Interest expense, net, in Corporate and Other decreased \$2.7 million year over year as a result of lower average interest rates due to the 2025 Refinancings and federal rate reductions, offset in part by higher average borrowings. We expect interest expense to grow in the near term on a year-over-year basis due to higher borrowings under the JPM Credit Facility to fund partnership opportunities and the settlement of deferred payment obligations, offset slightly by lower expected interest rates.

Loss on Extinguishment and Modification of Debt

Loss on extinguishment and modification of debt in Corporate and Other of \$6.2 million for year ended December 31, 2025 relates to the 2025 Refinancings. Loss on extinguishment and modification of debt of \$15.1 million for the same period of 2024 relates to the JPM Credit Facility refinancing completed in May 2024.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs for the foreseeable future will include cash to (i) provide capital to facilitate the organic growth of our business and to fund future partnerships, (ii) pay operating expenses, including cash compensation to our colleagues and expenses related to being a public company, (iii) make payments under the Tax Receivable Agreement, (iv) pay interest and principal due on borrowings under the JPM Credit Facility and Senior Secured Notes, (v) pay contingent earnout liabilities, (vi) pay income taxes, and (vii) fund potential investments in third party businesses that support the growth of our business, which may include sponsorship of, and a minority, non-controlling interest in, other investment funds, the purpose of which may include facilitating the establishment of additional and alternative capacity that supports the growth of our MSI business.

We have historically financed our operations and funded our debt service through the sale of our insurance products and services, and we have financed significant cash needs to fund growth through the acquisition of partners through debt and equity financing.

As of December 31, 2025, the JPM Credit Agreement provides for senior secured credit facilities in an aggregate principal amount of \$1.606 billion, which consisted of (i) a term loan facility in the principal amount of \$1.006 billion, bearing interest at a rate of term SOFR, plus an applicable margin of 250 bps, maturing May 24, 2031 (the loans thereunder, the "Term Loans") and (ii) a revolving credit facility with commitments in an aggregate principal amount of \$600.0 million, bearing interest at term SOFR plus 185 bps to term SOFR plus 260 bps based on total net leverage ratio, maturing May 24, 2029 (the "Revolving Facility"). As of December 31, 2025, we had \$107.0 million outstanding under our Revolving Facility and \$16.0 million of undrawn letters of credit issued thereunder.

As of December 31, 2025, Baldwin Holdings also had \$600.0 million outstanding of 7.125% Senior Secured Notes due May 15, 2031. Refer to Note 12 to our consolidated financial statements included in Part II, Item 8. Financial Statements and Supplementary Data of this report for more information relating to the terms of the Senior Secured Notes and JPM Credit Facility.

On January 2, 2026, the Company entered into Amendment No. 4 to the JPM Credit Agreement (the "January 2026 Refinancing") to provide for \$600.0 million of incremental term B loans (the "Incremental Term Loans"), increasing the aggregate principal amount of outstanding term loans under the JPM Credit Agreement to approximately \$1.604 billion. The Company has used, and intends to use, the net proceeds for cash consideration in connection with partnership opportunities, to pay down outstanding borrowings under the Revolving Facility, and any remaining proceeds for general corporate purposes.

During September 2025, we entered into a floating-to-fixed interest rate swap agreement with a notional amount of \$500.0 million, which exchanges the variable rate of the Term Loans, which are indexed to 1-month term SOFR, for a fixed rate of 3.244%. Interest payments will be made on a monthly basis commencing on October 14, 2025 through the termination date of September 14, 2028. The objective of the swap, for which we elected hedge accounting, is to manage our exposure to interest rate risk by converting a portion of the floating rate cash flows of the Term Loans into fixed rate payments.

In the near term, we intend to fund our earnout obligations with cash and cash equivalents, including unused proceeds from the issuance of the Incremental Term Loans, cash flow from operations and available borrowings under the Revolving Facility. From time to time, we will consider raising additional debt or equity financing if and as necessary to support our growth, including in connection with the exploration of partnership opportunities or to refinance existing obligations on an opportunistic basis.

In addition, we continue to evaluate our capital structure and current market conditions related to our capital structure. In addition to exploring partnership or refinancing opportunities, our Board of Directors has authorized the repurchase of up to \$250 million of our outstanding common stock, pursuant to which we may repurchase our common stock in open market or privately negotiated transactions. Refer to Item 9B. Other Information for more information regarding the repurchase program. We have broad discretion over the deployment of our capital and these initiatives may not be successful or could limit our liquidity otherwise available.

As of December 31, 2025, our cash and cash equivalents were \$123.7 million and we had \$477.0 million of available borrowing capacity on the Revolving Facility. We believe that our cash and cash equivalents, cash flow from operations and available borrowings will be sufficient to fund our working capital and meet our commitments for the next 12 months and beyond.

See Item 1A. “Risk Factors—Risks Relating to our Business Operations and Industry—Partnerships have been, and may in the future continue to be, important to our growth. We may not be able to successfully identify and acquire partners or integrate partners into our company, and we may become subject to certain liabilities assumed or incurred in connection with our partnerships that could harm our business, results of operations and financial condition.”

Contractual Obligations and Commitments

The following table represents our contractual obligations and commitments, aggregated by type, at December 31, 2025:

(in thousands)	Total	Payments Due by Period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases ⁽¹⁾	\$ 85,889	\$ 21,723	\$ 36,953	\$ 22,182	\$ 5,031
Debt obligations payable ⁽²⁾	2,298,087	124,499	242,080	335,452	1,596,056
Undiscounted estimated contingent earnout obligations ⁽³⁾	26,594	8,814	14,571	1,680	1,529
USF Grant	2,496	864	1,632	—	—
Total	<u>\$2,413,066</u>	<u>\$ 155,900</u>	<u>\$ 295,236</u>	<u>\$ 359,314</u>	<u>\$1,602,616</u>

(1) Represents noncancelable operating leases for our facilities. Operating lease expense was \$20.8 million and \$21.5 million for the years ended December 31, 2025 and 2024, respectively.

(2) Represents scheduled debt obligation and estimated interest payments for our Senior Secured Notes, Term Loans and the Revolving Facility.

(3) Represents the total expected future payments to be made to partners and colleagues for earnout-related obligations at December 31, 2025.

Our contractual obligations and commitments are comprised of operating lease obligations, principal and interest payments on our borrowings under the Senior Secured Notes, Term Loans and Revolving Facility, estimated payments of contingent earnout liabilities and our commitment to the University of South Florida (“USF”).

Our operating lease obligations represent noncancelable agreements for our corporate headquarters and office space for our insurance brokerage business. Our operating lease agreements expire through August 2035. These obligations do not include leases with an initial term of 12 months or less, which are expensed as incurred. We may extend, terminate or otherwise modify or sub-lease facilities as needed to best suit the needs of our business. The lease term is the non-cancelable period of the lease and includes options to extend or terminate the lease when it is reasonably certain that an option will be exercised.

Our debt obligations at December 31, 2025 include borrowings outstanding under the Senior Secured Notes of \$600.0 million, the Term Loan of \$1.004 billion and the Revolving Facility of \$107.0 million. Estimated interest payments for outstanding borrowings under the Senior Secured Notes, Term Loans, and Revolving Facility in the table above were calculated based on the applicable interest rates at December 31, 2025 of 7.125%, 6.25%, and 6.39%, respectively, through their respective maturity dates of May 15, 2031, May 24, 2031, and May 24, 2029.

Substantially all of our partnerships and certain acquisitions of select books of business that do not constitute a complete business enterprise include contractual earnout provisions. We record an estimation of the fair value of the contingent earnout obligations at the partnership date as a component of the consideration paid. Our contingent earnout obligations are measured at fair value each reporting period based on the present value of the expected future payments to be made to partners in accordance with the provisions outlined in the respective purchase agreements. The recorded obligations are based on estimates of the partners' future performance using financial projections for the earnout period. The aggregate estimated contingent earnout liabilities included on our condensed consolidated balance sheet of \$23.3 million at December 31, 2025 includes \$9.2 million that must be settled in cash and the remaining \$14.1 million can be settled in cash or stock at our option. The undiscounted estimated contingent earnout obligation presented in the table above represents the total expected future payments to be made to the partners. The undiscounted estimated contingent earnout obligation of \$26.6 million at December 31, 2025 includes \$9.2 million that must be settled in cash and the remaining \$17.4 million can be settled in cash or stock at our option. The maximum estimated exposure to the contingent earnout liabilities was \$50.0 million at December 31, 2025. In January 2026, the Company completed additional partnerships that give rise to additional potential contingent earnout obligations based on varying metrics. For example, in connection with the CAC Group Transaction, we may be obligated to pay up to \$250.0 million of contingent consideration payable in cash in accordance with the terms of the post-closing earnout based upon achievement of certain net commission and fee thresholds.

As of December 31, 2025, we have a remaining commitment to USF to donate \$2.5 million through October 2028. The gift will provide support for the School of Risk Management and Insurance in the USF Muma College of Business. It is currently anticipated that Lowry Baldwin, the Company's Chairman, will fund half of this commitment.

Effects of Inflation

Certain of our lease agreements feature annual rent escalations either fixed or based on a consumer price index or other index, which, historically, have not had a material impact on our results of operations, including our results of operations for the years ended December 31, 2025, 2024 and 2023. Although we have recently sustained high levels of inflation, we do not anticipate the inflation rates for 2026 to have a material impact on our results of operations. We have monitored and will continue to monitor the components of compensation costs and operating expenses for the potential impact of inflation.

Off-Balance Sheet Arrangements

We do not invest in any off-balance sheet vehicles that provide liquidity, capital resources, market or credit risk support, or engage in any activities that expose us to any liability that is not reflected in our consolidated financial statements except for those described under this Liquidity and Capital Resources section.

Dividend Policy

Assuming Baldwin Holdings makes distributions to its members in any given year, the determination to pay dividends, if any, to our Class A common stockholders out of the portion, if any, of such distributions remaining after our payment of taxes, Tax Receivable Agreement payments and expenses (any such portion, an "excess distribution") will be made at the sole discretion of our board of directors. Our board of directors may change our dividend policy at any time. Refer to Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Dividend Policy for additional information.

Tax Receivable Agreement

Baldwin is a party to the Tax Receivable Agreement with Baldwin Holdings' LLC Members that provides for the payment by Baldwin to Baldwin Holdings' LLC Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that Baldwin actually realizes as a result of (i) any increase in tax basis in Baldwin Holdings assets resulting from (a) previous acquisitions by Baldwin of LLC Units from Baldwin Holdings' LLC Members, (b) the acquisition of LLC Units from Baldwin Holdings' LLC Members using the net proceeds from any future offering, (c) redemptions or exchanges by Baldwin Holdings' LLC Members of LLC Units and the corresponding number of shares of Class B common stock for shares of Class A common stock or cash or (d) payments under the Tax Receivable Agreement, and (ii) tax benefits related to imputed interest resulting from payments made under the Tax Receivable Agreement.

Holders of LLC Units (other than Baldwin) may, subject to certain conditions and transfer restrictions described above, redeem or exchange their LLC Units for shares of Class A common stock of Baldwin on a one-for-one basis. Baldwin Holdings intends to make an election under Section 754 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the “Code”) effective for each taxable year in which a redemption or exchange of LLC Units for shares of Class A common stock occurs, which is expected to result in increases to the tax basis of the assets of Baldwin Holdings at the time of a redemption or exchange of LLC Units. The redemptions or exchanges are expected to result in increases in the tax basis of the tangible and intangible assets of Baldwin Holdings. These increases in tax basis may reduce the amount of tax that Baldwin would otherwise be required to pay in the future. The Tax Receivable Agreement with Baldwin Holdings’ LLC Members provides for the payment by us to Baldwin Holdings’ LLC Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that Baldwin actually realizes as a result of the transactions listed in the preceding paragraph. This payment obligation is an obligation of Baldwin and not of Baldwin Holdings. For purposes of the Tax Receivable Agreement, the cash tax savings in income tax will be computed by comparing the actual income tax liability of Baldwin (calculated with certain assumptions) to the amount of such taxes that Baldwin would have been required to pay had there been no increase to the tax basis of the assets of Baldwin Holdings as a result of the redemptions or exchanges and had Baldwin not entered into the Tax Receivable Agreement. Estimating the amount of payments that may be made under the Tax Receivable Agreement is by its nature imprecise, insofar as the calculation of amounts payable depends on a variety of factors. The actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of redemptions or exchanges, the price of shares of our Class A common stock at the time of the redemption or exchange, the extent to which such redemptions or exchanges are taxable, the amount and timing of our income, the tax rates then applicable and the portion of our payments under the Tax Receivable Agreement constituting imputed interest. We account for the effects of these increases in tax basis and associated payments under the Tax Receivable Agreement arising from future redemptions or exchanges as follows:

- we record an increase in deferred tax assets for the estimated income tax effects of the increases in tax basis based on enacted federal and state tax rates at the date of the redemption or exchange;
- to the extent we estimate that we will not realize the full benefit represented by the deferred tax asset, based on an analysis that will consider, among other things, our expectation of future earnings, we reduce the deferred tax asset with a valuation allowance; and
- we record 85% of the estimated realizable tax benefit (which is the recorded deferred tax asset less any recorded valuation allowance) as an increase to the liability due under the Tax Receivable Agreement and the remaining 15% of the estimated realizable tax benefit as an increase to additional paid-in capital.

All of the effects of changes in any of our estimates after the date of the redemption or exchange will be included in net income. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income.

During 2025, we exchanged 2,848,868 LLC Units of Baldwin Holdings on a one-for-one basis for shares of Class A common stock and cancelled the corresponding shares of Class B common stock. We receive an increase in our share of the tax basis in the net assets of Baldwin Holdings due to the interests being redeemed. We have assessed the realizability of the net deferred tax assets and in that analysis have considered the relevant positive and negative evidence available to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized. We have recorded a full valuation allowance against the deferred tax assets at Baldwin as of December 31, 2025, which will be maintained until there is sufficient evidence to support the reversal of all or some portion of these allowances.

As of December 31, 2025 and 2024, we have recorded a Tax Receivable Agreement liability of \$4.5 million and \$4.8 million, respectively, associated with the payments to be made to current or former Baldwin Holdings’ LLC Members subject to the Tax Receivable Agreement.

Deferred Tax Assets

To determine the realizability of our deferred tax assets, we analyzed all evidence – both positive and negative. This includes, but is not limited to, history and/or projections of future earnings, future reversals of existing temporary tax differences and tax planning strategies. The Company has a history of cumulative losses over a three-year period (2023, 2024 and 2025), which indicates significant negative evidence. Based on the weight of evidence, the Company has determined that its deferred tax assets are not more likely than not to be realized. Accordingly, we maintain a full valuation allowance against our deferred tax assets. As the Company emerges from its cumulative loss position, we will reassess the realizability of our deferred tax assets and the necessity for a full valuation allowance.

Sources and Uses of Cash

The following table summarizes our cash flows from operating, investing and financing activities for the periods indicated:

(in thousands)	For the Years Ended December 31,		Variance
	2025	2024	
Net cash provided by (used in) operating activities	\$ (29,418)	\$ 51,453	\$ (80,871)
Net cash provided by (used in) investing activities	(140,276)	13,299	(153,575)
Net cash provided by financing activities	203,822	21,054	182,768
Net increase in cash and cash equivalents and fiduciary cash	34,128	85,806	(51,678)
Cash and cash equivalents and fiduciary cash at beginning of period	312,769	226,963	85,806
Cash and cash equivalents and fiduciary cash at end of period	<u>\$ 346,897</u>	<u>\$ 312,769</u>	<u>\$ 34,128</u>

Operating Activities

The primary sources and uses of cash for operating activities are net loss adjusted for non-cash items and changes in assets and liabilities, or operating working capital, and payment of contingent earnout consideration. Net cash used in operating activities increased \$80.9 million year over year, primarily as a result of a \$62.4 million increase in payments of contingent earnout consideration in excess of purchase price accrual.

Investing Activities

The primary sources and uses of cash for investing activities relate to cash consideration paid to fund partnerships, proceeds from divested assets, and other investments to grow our business. Net cash used in investing activities increased \$153.6 million year over year, driven by an increase in cash consideration paid for partnership activity of \$85.7 million, a decrease in cash proceeds from divestitures, net of cash transferred of \$55.1 million, relating primarily to the sale of our Wholesale Business during 2024, and an increase in investments in and loans to business ventures, net of repayments of \$14.3 million related to our investment in the Reciprocal in 2025.

Financing Activities

The primary sources and uses of cash for financing activities relate to the issuance of our Class A common stock, debt servicing costs in connection with our long-term debt and revolving line of credit, payment of contingent earnout consideration, and other equity transactions. Net cash provided by financing activities increased \$182.8 million year over year driven by an increase in net proceeds from borrowings on our credit facilities of \$196.6 million primarily resulting from the 2025 Refinancings and borrowings on the Revolving Facility to fund partnerships and the payment of our earnout obligations during 2025, and a decrease in payments of contingent earnout consideration of \$32.5 million. This increase was partially offset by a decrease in cash of \$50.2 million related to the change in fiduciary receivables and liabilities.

RECENT ACCOUNTING PRONOUNCEMENTS

Please refer to Note 1 to our consolidated financial statements included in Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K for a discussion of recent accounting pronouncements that may impact us.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements are prepared in accordance with GAAP, which requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our estimates, judgments and assumptions are continually evaluated based on historical experience, known or expected trends, independent valuations and other factors we believe to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Our most critical accounting policies and estimates, as discussed below, govern the more significant judgments and estimates used in the preparation of our consolidated financial statements and could have a material impact on our financial condition or results of operations.

Critical Accounting Policies

Revenue Recognition

Commission revenue is earned at a point in time upon the effective date of bound insurance coverage, as no performance obligation exists after coverage is bound. The Company makes its best estimate of direct bill commissions at the policy effective date, particularly in employee benefits within IAS, which is subject to change based on enrollment and other factors over the policy period.

Commission revenue is recorded net of an allowance for estimated policy cancellations. The allowance for estimated policy cancellations is determined based on an evaluation of historical and current cancellation data.

Medicare contracts in MIS are multi-year arrangements in which we are entitled to renewal commissions. However, we have applied a constraint to renewal commissions that limits revenue recognized when a risk of significant reversals exists based on: (i) historical renewal patterns; and (ii) the influence of external factors outside of our control, including policyholder discretion over plans and insurance company partner relationship, political influence, and a contractual provision, which limits our right to receive renewal commissions to ongoing compliance and regulatory approval of the relevant insurance company partner and compliance with the Centers for Medicare and Medicaid Services.

Profit-sharing commissions represent a form of variable consideration, which includes additional commissions over base commissions received from insurance company partners. A constraint of variable consideration is necessary when commissions and fees are subject to significant reversal. Profit-sharing commissions associated with loss performance are uncertain, and therefore, are subject to significant reversal as loss data remains subject to material change. Management estimates profit-sharing commissions using historical outcomes and known trends impacting premium volume or loss ratios, subject to a constraint. The constraint is relieved when management estimates commissions and fees that are not subject to significant reversal, which often coincides with the earlier of written notification from the insurance company partner that the target has been achieved or cash collection. Year-end amounts incorporate estimates subject to a constraint or where applicable, are based on confirmation from insurance company partners after calculation of premium volume or loss ratios that are impacted by catastrophic losses.

Costs to obtain contracts include compensation in the form of producer commissions paid on new business. These incremental costs are capitalized as deferred commission expense and amortized over five years, which represents management's estimate of the average period over which a client maintains its initial coverage relationship with the original insurance company partner.

The nature of estimates used in recognizing commissions and fees revenue do not involve a significant level of subjectivity, judgment, or estimation uncertainty that could have a material impact on the Company's results of operations.

Critical Accounting Estimates

We have determined that there are significant judgments and uncertainties included in the application of guidance for the valuation of acquired relationships, impairment of intangible assets and goodwill, valuation of contingent consideration and valuation allowance for deferred tax assets. The nature of the estimates and assumptions used and the impact the estimates and assumptions could have on our actual results are discussed in the tables below.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Valuation of Acquired Relationships		
We acquire significant intangible assets in connection with our strategic acquisitions of a business. The valuation of the acquired business includes determining the fair value of the assets acquired and liabilities assumed on the acquisition date. We anticipate that for most acquisitions, we will exercise significant judgment in estimating the fair value of intangible assets.	Future revenue growth, future operating performance margin as a percentage of revenues, attrition rate, and discount rate applied are the significant assumptions used in the excess earnings method to determine the fair value of the relationships. These assumptions are influenced by many factors, including historical financial information, estimated retention rates, and management's expectations for future growth as a combined company.	During the last three years, we have not made any changes in the accounting methodology used to value acquired relationships.
In a typical acquisition, acquired relationships are our most significant definite-lived intangible asset. In valuing these relationships, we engage a third-party valuation expert to fair value these assets using a version of the income approach known as the "excess earnings method."	Another estimate that impacts the valuation is the contributory charge for (i) the acquired workforce, which involves management assumptions based on historical experience, including interview time and new hire productivity, and (ii) the use of trade names or technology, which involves the selection of an appropriate royalty rate for the use of these intangible assets.	If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop the values of the identifiable intangible assets, then we could record material impairment losses.
The excess earnings method uses a discounted cash flow approach that is derived from historical information, future revenue and operating profit margins, contributory asset charges, and the selection of an appropriate discount rate. We consider this approach the most appropriate valuation technique because the inherent value of these assets is their ability to generate current and future income.	The estimated life is determined by calculating the number of years necessary to obtain 95% of the value of the discounted cash flows of the relationships and is directly tied to the accuracy of the above assumptions.	With all other assumptions held constant, a 10% increase in the calculated fair value of the acquired relationships from Hippo's Homebuilder Distribution Network would have increased our annualized amortization expense by \$1.3 million in 2025.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Impairment of Intangible Assets		
We evaluate our definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. These events and circumstances include, but are not limited to: higher than expected attrition for relationships; a current expectation that an intangible asset will be disposed of significantly before the end of its previously estimated useful life, such as when we classify a business as held for sale; or a significant adverse change in the extent or manner in which we use an intangible asset. Undiscounted cash flow analyses are used to determine if impairment exists; if impairment is determined to exist, the loss is calculated based on estimated fair value.	Our impairment evaluations require us to apply judgment in determining whether a triggering event has occurred, including the evaluation of whether it is more-likely-than-not that an intangible asset will be disposed of significantly before the end of its previously estimated useful life. Incorrect estimation of useful lives may result in inaccurate amortization charges over future periods leading to future impairment. Our impairment loss calculations contain uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.	During the last three years, we have not made any changes in the accounting methodology used to evaluate the impairment of intangible assets or to estimate the useful lives of our intangible assets. At December 31, 2025, we had \$978.4 million of intangible assets, which are recorded in each asset class at the following amounts: Acquired relationships—\$908.4 million Software—\$68.0 million Trade Names—\$2.1 million We performed a qualitative analysis for each of our asset classes as of October 1, 2025 and determined that there were no events or changes in circumstances that had occurred to indicate that the carrying amount of our intangible assets may not be recoverable. The Company also determined there were no triggering events through December 31, 2025 that would cause the Company to perform an interim period analysis. We did not record impairment charges for intangible assets in 2025, 2024 or 2023.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Impairment of Goodwill		
Goodwill is not amortized but rather tested at least annually for impairment, or more often if events or changes in circumstances indicate it is more-likely-than-not that the carrying amount of the asset may not be recoverable. Goodwill is tested for impairment at the reporting unit level. Goodwill is tested for impairment by either performing a qualitative evaluation or a quantitative test. The qualitative evaluation is an assessment of factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, including goodwill. We may elect not to perform the qualitative assessment for some or all of our reporting units and instead perform a quantitative impairment test.	Our impairment evaluations require us to apply judgment in determining whether a triggering event has occurred.	During the last three years, we have not made any changes in the accounting methodology used to evaluate impairment of goodwill.
We estimate the fair value of each reporting unit using a combination of the income approach and the market approach.	The valuation of our reporting units requires significant judgment in evaluation of recent indicators of market activity and estimated future cash flows, discount rates, and other factors. Our impairment analyses contain inherent uncertainties due to uncontrollable events that could positively or negatively impact anticipated future economic and operating conditions.	At December 31, 2025, we had \$1.5 billion of goodwill. Our goodwill is included in each of our operating groups at the following amounts:
The income approach incorporates the use of a discounted cash flow method in which the estimated future cash flows and terminal value are calculated for each reporting unit and then discounted to present value using an appropriate discount rate.	In making these estimates, the weighted-average cost of capital is utilized to calculate the present value of future cash flows and terminal value. Many variables go into estimating future cash flows, including estimates of our future revenue growth and operating results. When estimating our projected revenue growth and future operating results, we consider historical performance, industry trends, economic data, and our competitive advantage.	Insurance Advisory Solutions—\$932.5 million
The market approach estimates fair value of a reporting unit by using market comparables for reasonably similar public companies.		Underwriting, Capacity & Technology Solutions—\$241.9 million
		Mainstreet Insurance Solutions —\$342.8 million
		On October 1, 2025, we performed an impairment evaluation for each of our reporting units beginning with a qualitative assessment. We determined that based on the overall results of the qualitative analysis and the outlook of our reporting units, company and industry, there was no indication of goodwill impairment. Therefore, no further testing was required. We did not record goodwill impairment charges during 2025, 2024 or 2023.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Valuation of Contingent Consideration		
Substantially all of our partnerships and certain acquisitions of select books of business that do not constitute a complete business enterprise include contingent consideration arrangements, which are based on the acquired company achieving thresholds related to future revenues, EBITDA or retention rates. The structure of these contingent earnout arrangements can reduce the risk of overpaying for acquisitions if the projected financial results are not achieved.	The fair value of the contingent consideration arrangements is estimated by simulating the metrics corresponding to a payment using a Monte Carlo Simulation approach and discounting the expected future contingent payments to present value. The key assumptions used in our valuation were: (i) forecast of revenue, EBITDA or retention rates, (ii) the volatility associated with the revenues, EBITDA or retention rates, (iii) risk-adjusted discount rate applied to forecasted revenues, EBITDA or retention rates, and (iv) the credit-adjusted discount rate related to the payment of the contingent consideration.	During the last three years, we have not made any changes in the accounting methodology used to value contingent consideration.
The fair values of these contingent consideration arrangements are included as part of the purchase price of the acquired companies on their respective acquisition dates. For each transaction, we estimate the fair value of contingent earnout payments as part of the initial purchase price and record the estimated fair value of contingent consideration as a liability on the consolidated balance sheets. The fair values of the earnout arrangements are estimated by discounting the expected future contingent payments to present value using a variation of the income approach, specifically using a Monte Carlo Simulation approach. We have five partners with a corresponding contingent consideration liability still outstanding at December 31, 2025.	These estimates are influenced by many factors, including historical financial information, guideline public company data, and management's expectations for future revenue, EBITDA or retention rates of the acquired businesses, as well as market conditions, economic conditions and the company's performance. Changes in these inputs could have a significant impact on the fair value of the contingent consideration liability.	We review and re-assess the estimated fair value of contingent consideration on a quarterly basis, and the updated fair value could be materially different from the initial estimates or prior quarterly amounts; however, the fair value of contingent consideration liabilities becomes less uncertain as partners approach their respective measurement dates. Any changes in the estimated fair value of contingent consideration and adjustments to the estimated fair value related to unobservable inputs will be recognized within change in fair value of contingent consideration in the consolidated statements of comprehensive loss. We recognized a \$5.6 million expense related to the change in fair value of contingent consideration in 2025. At December 31, 2025, we recorded \$23.3 million of contingent consideration liabilities related to the five contingent consideration arrangements still outstanding and the total potential maximum of the remaining contingent consideration payments is \$50.0 million. If all remaining revenue, EBITDA and retention rate targets were to be achieved, our partners would be entitled to payments of up to \$39.0 million in calendar year 2026 for achieving targets through September 30, 2026; and \$5.5 million in calendar year 2027 for achieving targets through September 30, 2027; and \$5.5 million in calendar year 2028 for achieving targets through September 30, 2028. If the actual achievement of contingent consideration payments in 2026 through 2028 was at the maximum target amounts, we would record an additional \$26.7 million of expense over the next three years. This analysis does not take into account the assumed obligation from Hippo's Homebuilder Distribution Network, which does not have a maximum.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Valuation Allowance for Deferred Tax Assets		
We record a tax provision for the anticipated tax consequences of the reported results of operations. We compute the provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. We measure deferred tax assets and liabilities using the currently enacted tax rates in each jurisdiction that applies to taxable income in effect for the years in which those tax assets are expected to be realized or settled. We are required to establish a valuation allowance for deferred tax assets and record a charge to income if it is determined, based on available evidence at the time the determination is made, that it is more likely than not that some portion or all of the deferred tax assets will not be realized.	Our evaluation of the realizability of the deferred tax assets contains uncertainties because it requires management to make assumptions and to apply judgment to estimate future taxable income or loss. Many variables go into estimating future taxable income or loss, including estimates of our future revenue growth and management's expectations of ongoing investments. Our evaluation also requires management to consider significant, objective evidence to determine if it is more likely than not that we will be able to realize our deferred tax assets in the future. Considerations include recent results of operations, projected future taxable income, tax-planning strategies, potential changes in tax law and rates, and future reversals of existing taxable temporary differences.	During the last three years, we have not made any changes in the accounting methodology used to evaluate the realizability of the deferred tax assets. We review and re-assess our cumulative three-year loss before income taxes on a quarterly basis. Deferred tax assets have been reduced by a full valuation allowance at December 31, 2025 due to a determination that it is more likely than not that all of the deferred tax assets will not be realized based on the weight of all available evidence. If we had concluded that it was more likely than not that the full deferred tax assets will be realized, our valuation allowance would have been reversed and we would have recognized deferred tax assets of approximately \$210.7 million, before indirect tax considerations, on our consolidated balance sheet at December 31, 2025. If we did not have a valuation allowance established, we would have recognized an income tax benefit of approximately \$13.7 million, before indirect tax considerations, for the year ended December 31, 2025.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the potential loss arising from adverse changes in market rates and prices, such as premium amounts, interest rates and equity prices. We are exposed to market risk through our investments and borrowings under the JPM Credit Facility. We use derivative instruments to mitigate our risk related to the effect of rising interest rates on our cash flows. However, we do not use derivative instruments for trading or speculative purposes.

Our invested assets are held primarily as cash and cash equivalents and fiduciary cash. To a lesser extent, we may also utilize certificates of deposit, U.S. treasury securities and professionally managed short duration fixed income funds. These investments are subject to market risk. The fair values of our invested assets at December 31, 2025 and 2024 approximated their respective carrying values due to their short-term duration and therefore, such market risk is not considered to be material.

In January 2025, the JPM Credit Agreement was amended to provide for \$100 million of incremental term B loans. In September 2025, the JPM Credit Agreement was amended to (i) reprice the Existing 2025 Term Loans with interest at term SOFR, plus an applicable margin of 250 bps; (ii) provide for \$75 million of incremental term B loans; and (iii) reduce the applicable margin for the Revolving Facility to term SOFR, plus a credit spread adjustment of 10 bps, plus an applicable margin of 175 bps to 250 bps based on total net leverage ratio.

Also in September 2025, we entered into a floating-to-fixed interest rate swap agreement with a notional amount of \$500 million, which exchanges the variable rate of the Term Loans, which are indexed to 1-month term SOFR, for a fixed rate of 3.244%. The objective of the swap, for which we elected hedge accounting, is to manage our exposure to interest rate risk by converting a portion of the floating rate cash flows of the Term Loans into fixed rate payments. This strategy provides predictability in interest expense and aligns with our risk management policy.

At December 31, 2025, we had outstanding borrowings of \$1.004 billion under the Term Loans and \$107.0 million under our Revolving Facility. Taking the interest rate swap into consideration, an increase of 100 basis points on the term SOFR rate at December 31, 2025 would have increased our annual interest expense under the JPM Credit Facility by \$6.1 million.

Other than the amendments to the JPM Credit Agreement to increase the aggregate principal amount of the Term Loans to \$1.006 billion and reprice the Term Loans and Revolving Facility, and entering into the interest rate swap agreement, there have been no material changes in market risk from the information presented in Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of The Baldwin Insurance Group, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of The Baldwin Insurance Group, Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive loss, of stockholders' equity and mezzanine equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above 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 each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Annual Report on Internal Control Over Financial Reporting, management has excluded two partnerships (MultiStrat and Hippo's Homebuilder Distribution Network) from its assessment of internal control over financial reporting as of December 31, 2025 because they were acquired by the Company in purchase business combinations during 2025. We have also excluded these two partnerships from our audit of internal control over financial reporting. These partnerships are wholly-owned entities whose total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting collectively represent less than 1% and approximately 2%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2025.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Acquisition of Hippo's Homebuilder Distribution Network - Valuation of Acquired Relationships

As described in Notes 2 and 3 to the consolidated financial statements, on July 1, 2025, the Company acquired Hippo's Homebuilder Distribution Network for an aggregate purchase price of \$104.8 million. Of the assets acquired, the Company recognized an intangible asset, acquired relationships, with a fair value of \$111.2 million. The principal valuation technique and assumptions used by management to measure the fair value of the acquired relationships was the income approach, which uses assumptions related to revenue and expense growth rates, customer attrition rates and discount rates.

The principal considerations for our determination that performing procedures relating to the valuation of the acquired relationships in the acquisition of Hippo's Homebuilder Distribution Network is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the acquired relationships; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to revenue and expense growth rates, customer attrition rates and discount rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the acquisition accounting, including controls over management's valuation of the acquired relationships and the development of the significant assumptions related to revenue and expense growth rates, customer attrition rates and discount rates. These procedures also included, among others, (i) reading the purchase agreement; (ii) testing management's process for developing the fair value estimate of the acquired relationships; (iii) testing the completeness and accuracy of the underlying data used in the income approach; and (iv) evaluating the reasonableness of the significant assumptions used by management related to revenue and expense growth rates. Evaluating management's significant assumptions related to revenue and expense growth rates involved considering the historical performance of the acquired partnership, the historical performance of the Company, as well as industry and economic performance and forecasts. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the income approach used by management and (ii) the reasonableness of the significant assumptions used by management related to customer attrition rates and discount rates.

/s/ PricewaterhouseCoopers LLP

Tampa, Florida
February 26, 2026

We have served as the Company's auditor since 2019.

THE BALDWIN INSURANCE GROUP, INC.
Consolidated Balance Sheets

(in thousands, except share and per share data)	December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 123,669	\$ 90,045
Fiduciary cash	223,228	222,724
Assumed premiums, commissions and fees receivable, net	342,136	283,553
Fiduciary receivables	497,035	418,543
Prepaid expenses and other current assets	13,650	11,625
Total current assets	1,199,718	1,026,490
Property and equipment, net	22,502	21,972
Right-of-use assets	61,976	72,367
Other assets	82,419	48,041
Intangible assets, net	978,434	953,492
Goodwill	1,517,171	1,412,369
Total assets	<u>\$ 3,862,220</u>	<u>\$ 3,534,731</u>
Liabilities, Mezzanine Equity and Stockholders' Equity		
Current liabilities:		
Fiduciary liabilities	\$ 720,263	\$ 641,267
Commissions payable	50,933	73,126
Accrued expenses and other current liabilities	252,560	160,631
Related party notes payable	—	5,635
Colleague earnout incentives	—	32,826
Current portion of contingent earnout liabilities	9,004	142,949
Total current liabilities	1,032,760	1,056,434
Revolving line of credit	107,000	—
Long-term debt, less current portion	1,566,122	1,398,054
Contingent earnout liabilities, less current portion	14,289	2,610
Operating lease liabilities, less current portion	57,651	68,775
Other liabilities	—	61
Total liabilities	<u>2,777,822</u>	<u>2,525,934</u>
Commitments and contingencies (Note 22)		
Mezzanine equity:		
Redeemable noncontrolling interest	519	453
Stockholders' equity:		
Class A common stock, par value \$0.01 per share, 300,000,000 shares authorized; 71,779,608 and 67,979,419 shares issued and outstanding at December 31, 2025 and 2024, respectively	718	680
Class B common stock, par value \$0.0001 per share, 100,000,000 shares authorized; 46,703,818 and 49,552,686 shares issued and outstanding at December 31, 2025 and 2024, respectively	5	5
Additional paid-in capital	844,236	793,954
Accumulated deficit	(245,236)	(211,423)
Accumulated other comprehensive income	492	—
Total stockholders' equity attributable to Baldwin	600,215	583,216
Noncontrolling interest	483,664	425,128
Total stockholders' equity	<u>1,083,879</u>	<u>1,008,344</u>
Total liabilities, mezzanine equity and stockholders' equity	<u>\$ 3,862,220</u>	<u>\$ 3,534,731</u>

See accompanying Notes to Consolidated Financial Statements.

THE BALDWIN INSURANCE GROUP, INC.
Consolidated Balance Sheets (Continued)

The following table presents the assets and liabilities of the Company's consolidated variable interest entities, which are included on the consolidated balance sheets above. The assets in the table below include those assets that can only be used to settle obligations of the consolidated variable interest entities.

	December 31,	
	2025	2024
(in thousands)		
Assets of Consolidated Variable Interest Entities That Can Only be Used to Settle the Obligations of Consolidated Variable Interest Entities:		
Cash and cash equivalents	\$ 2,523	\$ 1,032
Assumed premiums, commissions and fees receivable, net	1,198	491
Prepaid expenses and other current assets	76	—
Total current assets	3,797	1,523
Right-of-use assets	20	53
Other assets	5	7
Intangible assets, net	63,336	—
Goodwill	50,834	—
Total assets	<u>\$ 117,992</u>	<u>\$ 1,583</u>
Liabilities of Consolidated Variable Interest Entities for Which Creditors Do Not Have Recourse to the Company:		
Commissions payable	\$ 77	\$ 62
Accrued expenses and other current liabilities	4,910	63
Total current liabilities	4,987	125
Operating lease liabilities, less current portion	—	21
Total liabilities	<u>\$ 4,987</u>	<u>\$ 146</u>

See accompanying Notes to Consolidated Financial Statements.

THE BALDWIN INSURANCE GROUP, INC.
Consolidated Statements of Comprehensive Loss

(in thousands, except share and per share data)	For the Years Ended December 31,		
	2025	2024	2023
Revenues:			
Commissions and fees	\$ 1,493,680	\$ 1,377,116	\$ 1,211,828
Investment income	11,204	11,921	6,727
Total revenues	1,504,884	1,389,037	1,218,555
Operating expenses:			
Colleague compensation and benefits	777,531	762,219	699,936
Outside commissions	279,711	269,829	211,418
Other operating expenses	240,282	192,366	190,267
Amortization expense	121,316	102,730	92,704
Change in fair value of contingent consideration	5,594	(4,949)	61,083
Depreciation expense	6,514	6,194	5,698
Total operating expenses	1,430,948	1,328,389	1,261,106
Operating income (loss)	73,936	60,648	(42,551)
Other income (expense):			
Interest expense, net	(121,428)	(123,644)	(119,465)
Gain on divestitures	290	38,953	—
Loss on extinguishment and modification of debt	(6,226)	(15,113)	—
Other income (expense), net	635	(194)	(718)
Total other expense	(126,729)	(99,998)	(120,183)
Loss before income taxes and share of net earnings of equity method investee	(52,793)	(39,350)	(162,734)
Share of net earnings of equity method investee	368	—	—
Loss before income taxes	(52,425)	(39,350)	(162,734)
Income tax expense	1,729	1,731	1,285
Net loss	(54,154)	(41,081)	(164,019)
Less: net loss attributable to noncontrolling interests	(20,341)	(16,563)	(73,878)
Net loss attributable to Baldwin	<u>\$ (33,813)</u>	<u>\$ (24,518)</u>	<u>\$ (90,141)</u>
Basic and diluted loss per share	\$ (0.50)	\$ (0.39)	\$ (1.50)
Basic and diluted weighted-average shares of Class A common stock outstanding	67,938,680	63,455,148	60,134,776
Net loss	\$ (54,154)	\$ (41,081)	\$ (164,019)
Other comprehensive income	815	—	—
Comprehensive loss	(53,339)	(41,081)	(164,019)
Less: comprehensive loss attributable to noncontrolling interests	(20,018)	(16,563)	(73,878)
Comprehensive loss attributable to Baldwin	<u>\$ (33,321)</u>	<u>\$ (24,518)</u>	<u>\$ (90,141)</u>

See accompanying Notes to Consolidated Financial Statements.

THE BALDWIN INSURANCE GROUP, INC.
Consolidated Statements of Stockholders' Equity and Mezzanine Equity

	Stockholders' Equity										Mezzanine Equity								
	Class A Common Stock					Class B Common Stock		Additional Paid-in Capital		Accumulated Deficit		Stockholder Notes Receivable		Accumulated Other Comprehensive Income		Non- controlling Interest		Total	
	Shares		Amount		Shares	Amount													
(in thousands, except share data)																			
Balance at December 31, 2022	61,447,368	\$	614	\$	54,504,918	\$	5	\$	704,291	\$	(96,764)	\$	(42)	\$	—	\$	531,448	\$	1,139,552
Net income (loss)	—		—		—		—		—		(90,141)		—		—		(74,170)		(164,311)
Share-based compensation, net of forfeitures	676,512		7		—		—		23,685		—		—		—		19,995		43,687
Redemption and cancellation of Class B common stock	2,082,424		21		(2,082,424)		—		19,975		—		—		—		(19,996)		—
Cancellation of Class A common stock	(72,354)		(1)		—		—		(1,280)		—		—		—		1,281		—
Tax distributions to Baldwin Holdings' LLC Members	—		—		—		—		—		—		—		—		(482)		(482)
Repayment of stockholder notes receivable	—		—		—		—		—		—		42		—		—		42
Distributions to variable interest entities	—		—		—		—		—		—		—		—		—		—
Balance at December 31, 2023	64,133,950		641		52,422,494		5		746,671		(186,905)		—		—		458,076		1,018,488
Net income (loss)	—		—		—		—		—		(24,518)		—		—		(16,886)		(41,404)
Share-based compensation, net of forfeitures	975,661		10		—		—		23,926		—		—		—		18,400		42,336
Redemption of Class B common stock	2,869,808		29		(2,869,808)		—		23,357		—		—		—		(23,386)		—
Tax distributions to Baldwin Holdings' LLC Members	—		—		—		—		—		—		—		—		(11,076)		(11,076)
Distributions to variable interest entities	—		—		—		—		—		—		—		—		—		—
Balance at December 31, 2024	67,979,419		680		49,552,686		5		793,954		(211,423)		—		—		425,128		1,008,344
Net income (loss)	—		—		—		—		—		(33,813)		—		—		(20,612)		(54,425)
Equity issued in business combinations	23,202		—		—		—		515		—		—		—		348		863
Noncontrolling interest acquired in business combinations	—		—		—		—		—		—		—		—		97,920		97,920
Share-based compensation, net of forfeitures	928,119		9		—		—		21,064		—		—		—		14,232		35,305
Redemption of Class B common stock	2,848,868		29		(2,848,868)		—		28,703		—		—		—		(28,732)		—
Distributions to variable interest entities	—		—		—		—		—		—		—		—		(4,943)		(4,943)
Other comprehensive income	—		—		—		—		—		—		—		492		323		815
Balance at December 31, 2025	71,779,608	\$	718		46,703,818	\$	5		\$ 844,236	\$	(245,236)	\$	—	\$	492	\$	483,664	\$	1,083,879
																			\$ 519

See accompanying Notes to Consolidated Financial Statements.

THE BALDWIN INSURANCE GROUP, INC.
Consolidated Statements of Cash Flows

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net loss	\$ (54,154)	\$ (41,081)	\$ (164,019)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	127,830	108,924	98,402
Payment of contingent earnout consideration in excess of purchase price accrual	(85,784)	(23,395)	(24,326)
Share-based compensation expense	71,113	65,503	60,008
Change in fair value of contingent consideration	5,594	(4,949)	61,083
Amortization of deferred financing costs	5,690	5,841	5,129
Gain on divestitures	(290)	(38,953)	—
Loss on extinguishment of debt	26	1,034	—
Other operating activity	(602)	909	2,031
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
Assumed premiums, commissions and fees receivable, net	(45,062)	(42,411)	(50,302)
Prepaid expenses and other current assets	(9,660)	(7,213)	(6,849)
Right-of-use assets	16,007	16,703	17,963
Accounts payable, accrued expenses and other current liabilities	(11,220)	(488)	6,090
Colleague earnout incentives	(32,813)	24,806	8,020
Operating lease liabilities	(16,093)	(13,777)	(13,184)
Net cash provided by (used in) operating activities	(29,418)	51,453	46
Cash flows from investing activities:			
Cash consideration paid for business combinations, net of cash received	(85,511)	—	—
Capital expenditures	(39,527)	(41,049)	(21,376)
Investments in and loans to business ventures	(16,679)	(3,861)	(1,687)
Proceeds from divestitures, net of cash transferred	1,901	56,977	3,259
Cash consideration paid for asset acquisitions	(460)	(268)	(2,118)
Proceeds from repayment of loans to business ventures	—	1,500	—
Net cash provided by (used in) investing activities	(140,276)	13,299	(21,922)
Cash flows from financing activities:			
Change in fiduciary assets and liabilities, net	504	50,698	44,598
Payment of contingent earnout consideration up to amount of purchase price accrual	(66,171)	(98,678)	(27,949)
Proceeds from revolving line of credit	263,000	106,000	111,000
Payments on revolving line of credit	(156,000)	(447,000)	(275,000)
Proceeds from refinancing of long-term debt	1,941,921	1,440,000	170,000
Payments relating to extinguishment and modification of long-term debt	(1,766,921)	(996,177)	—
Payments on long-term debt	(7,194)	(6,761)	(9,376)
Payments of deferred financing costs	(164)	(17,988)	(4,998)
Proceeds from the sale and settlement of interest rate caps	—	2,300	10,918
Tax distributions to Baldwin Holdings' LLC Members	—	(11,076)	(482)
Other financing activity	(5,153)	(264)	(343)
Net cash provided by financing activities	203,822	21,054	18,368
Net increase (decrease) in cash and cash equivalents and fiduciary cash	34,128	85,806	(3,508)
Cash and cash equivalents and fiduciary cash at beginning of period	312,769	226,963	230,471
Cash and cash equivalents and fiduciary cash at end of period	\$ 346,897	\$ 312,769	\$ 226,963

See accompanying Notes to Consolidated Financial Statements.

THE BALDWIN INSURANCE GROUP, INC.
Consolidated Statements of Cash Flows (Continued)

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Supplemental schedule of cash flow information:			
Cash paid for interest	\$ 115,276	\$ 111,397	\$ 105,386
Cash paid for taxes	1,700	2,745	1,430
Disclosure of non-cash investing and financing activities:			
Noncontrolling interest acquired in business combinations	\$ 97,920	\$ —	\$ —
Deferred payment obligations recognized in business combinations	32,346	—	—
Contingent earnout liabilities assumed in business combinations and asset acquisitions	18,447	224	723
Right-of-use assets obtained in exchange for operating lease liabilities	3,248	2,794	6,414
Capital expenditures incurred but not yet paid	3,344	2,804	3,583
Right-of-use assets increased through lease modifications and reassessments	2,731	767	1,063
Equity interest issued in business combinations	863	—	—
Conversion of contingent earnout liability to related party notes payable	—	5,636	—
Decrease in goodwill resulting from measurement period adjustments for prior year business combinations	—	—	(211)

See accompanying Notes to Consolidated Financial Statements.

THE BALDWIN INSURANCE GROUP, INC.
Notes to Consolidated Financial Statements

1. Business and Basis of Presentation

The Baldwin Insurance Group, Inc. was incorporated in the state of Delaware on July 1, 2019 as BRP Group, Inc. and, on May 2, 2024, was renamed The Baldwin Insurance Group, Inc.

The Baldwin Insurance Group, Inc. is a holding company and sole managing member of The Baldwin Insurance Group Holdings, LLC ("Baldwin Holdings") and its sole material asset is its ownership interest in Baldwin Holdings, through which all of its business has been and is conducted. In these consolidated financial statements, unless the context otherwise requires, the words "Baldwin," and the "Company" refer to The Baldwin Insurance Group, Inc., together with its consolidated subsidiaries, including Baldwin Holdings and its consolidated subsidiaries and affiliates.

Baldwin is a diversified insurance agency and services organization that markets and sells insurance products and services to its clients throughout the U.S. A significant portion of the Company's business is concentrated in the Southeastern U.S., with several other regional concentrations. Baldwin and its subsidiaries operate through three reportable segments ("operating groups"), including Insurance Advisory Solutions, Underwriting, Capacity & Technology Solutions and Mainstreet Insurance Solutions, which are discussed in more detail in Note 23.

Principles of Consolidation

The consolidated financial statements include the accounts of Baldwin and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

As the sole manager of Baldwin Holdings, Baldwin operates and controls all the business and affairs of Baldwin Holdings, and has the sole voting interest in, and controls the management of, Baldwin Holdings. Accordingly, Baldwin consolidates Baldwin Holdings in its consolidated financial statements, resulting in a noncontrolling interest related to the membership interests of Baldwin Holdings (the "LLC Units") held by Baldwin Holdings' members in the Company's consolidated financial statements.

The Company has prepared these consolidated financial statements in accordance with Accounting Standards Codification ("ASC") Topic 810, Consolidation ("Topic 810"). Topic 810 requires that if an enterprise is the primary beneficiary of a variable interest entity, the assets, liabilities, and results of operations of the variable interest entity should be included in the consolidated financial statements of the enterprise. The Company has recognized certain entities as variable interest entities, of which the Company is the primary beneficiary, and has included the accounts of these entities in the consolidated financial statements. Refer to Note 5 for additional information regarding the Company's variable interest entities.

Topic 810 also requires that the equity of a noncontrolling interest shall be reported on the consolidated balance sheets within total equity of the Company. Certain redeemable noncontrolling interests are reported on the consolidated balance sheets as mezzanine equity. Topic 810 also requires revenues, expenses, gains, losses, net income or loss, and other comprehensive income or loss to be reported in the consolidated financial statements at consolidated amounts, which include amounts attributable to the owners of the parent and the noncontrolling interests. Refer to the Redeemable Noncontrolling Interest and Noncontrolling Interest sections of Note 2 for additional information.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("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, impairment of intangible assets and goodwill, the valuation of acquired relationships, the valuation of contingent consideration and the valuation allowance for deferred tax assets.

Recently Issued Accounting Standards

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)—Disaggregation of Income Statement Expenses* ("ASU 2024-03") to improve the disclosures about a public business entity's expenses and supply more detailed information about the types of expenses in commonly presented expense captions. These expense captions include purchases of inventory, employee compensation, depreciation, amortization, and depletion in commonly presented expense captions such as cost of sales, selling, general and administrative expense, and research and development. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The Company expects the adoption of this standard to expand its expense disclosures, but otherwise have no impact on the consolidated financial statements.

In May 2025, the FASB issued ASU No. 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity* ("ASU 2025-03"). This ASU amends the guidance for identifying the accounting acquirer in a business combination effected primarily by exchanging equity interests when the legal acquiree is a variable interest entity ("VIE") that meets the definition of a business. Under the new guidance, entities must consider the factors in ASC 805-10-55-12 through 55-15—such as relative voting rights, composition of the governing body and management, and size of the combining entities—regardless of whether the legal acquiree is a VIE. This change is intended to improve consistency and comparability in financial reporting for economically similar transactions. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual periods, with early adoption permitted. The Company will apply the amendments prospectively to business combinations occurring after the initial application. The Company expects the adoption of this standard to change how it evaluates the accounting acquirer in future business combinations involving a VIE, but otherwise have no impact on the consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). ASU 2025-06 updates the accounting framework for internal-use software development costs to better reflect modern development practices, including agile methodologies. Key changes include replacing the traditional project stage model with a capitalization threshold based on management's authorization and commitment to fund the project, along with a requirement that completion of the project be probable. ASU 2025-06 also supersedes guidance on website development costs. This guidance is effective for fiscal years beginning after December 15, 2027 and interim periods within those fiscal years. The Company is currently evaluating the impact this standard will have on the interim or annual consolidated financial statements.

Recently Adopted Accounting Standards

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740)—Improvements to Income Tax Disclosures* ("ASU 2023-09") to enhance the transparency and usefulness of income tax disclosures. ASU 2023-09 requires disclosure of specific categories and disaggregation of information in the rate reconciliation table using both percentages and reporting currency amounts. ASU 2023-09 also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The requirements of ASU 2023-09 became effective for the Company January 1, 2025, at which time it was adopted. The Company has included the new disclosures in Note 19 as required.

Changes in Presentation

Certain prior year amounts have been reclassified to conform to current year presentation, including the addition of a new operating expense classification, outside commissions, to provide more detailed information about the Company's expenses. With the exception of the change in presentation for fiduciary assets and liabilities as discussed below, these reclassifications had no impact on the Company's previously reported consolidated financial position, results of operations or cash flows.

Change in Presentation for Fiduciary Assets and Liabilities

Beginning January 1, 2025, the Company is presenting assets and liabilities that arise from activities in which the Company engages as an intermediary, where we collect premiums from insureds to remit to insurance companies, as fiduciary assets and fiduciary liabilities on the consolidated balance sheets. Premiums receivable are no longer presented in the same caption with uncollected commissions and fees, but rather represented in a separate caption as fiduciary receivables. Premiums payable to insurance companies are now presented as fiduciary liabilities. In addition, restricted cash is now reflected as fiduciary cash along with non-restricted fiduciary cash balances previously reported within cash and cash equivalents. Fiduciary cash represents funds in the Company's possession that have been collected from customers to be remitted to insurance companies.

The net change in fiduciary cash is represented by the net change in fiduciary receivables and liabilities and is presented as cash flows from financing activities in the consolidated statements of cash flows. Previously, the net change in cash balances held to remit to insurance carriers was presented as cash flows from operating activities. All prior period amounts and related disclosures included in these financial statements have been recast to conform to the current basis of presentation.

The table below presents the changes in the relevant balance sheet captions at December 31, 2024 from amounts as previously reported to the revised presentation.

(in thousands)	At December 31, 2024		
	As Previously Reported	Change in Presentation	As Revised
Cash and cash equivalents	\$ 148,120	\$ (58,075)	\$ 90,045
Restricted cash	164,649	(164,649)	—
Fiduciary cash	—	222,724	222,724
Total	<u>\$ 312,769</u>	<u>\$ —</u>	<u>\$ 312,769</u>
Premiums, commissions and fees receivables, net	\$ 702,096	\$ (702,096)	\$ —
Assumed premiums, commissions and fees receivable, net	—	283,553	283,553
Fiduciary receivables	—	418,543	418,543
Total	<u>\$ 702,096</u>	<u>\$ —</u>	<u>\$ 702,096</u>
Premiums payable to insurance companies	\$ 641,267	\$ (641,267)	\$ —
Fiduciary liabilities	—	641,267	641,267
Total	<u>\$ 641,267</u>	<u>\$ —</u>	<u>\$ 641,267</u>

The tables below present the changes in the relevant statement of cash flow captions for the years ended December 31, 2024 and 2023 from amounts as previously reported to the revised presentation.

(in thousands)	For the Year Ended December 31, 2024		
	As Previously Reported	Change in Presentation	As Revised
Cash flows from operating activities:			
Changes in operating assets and liabilities:			
Premiums, commissions and fees receivable, net	\$ (73,762)	\$ 73,762	\$ —
Assumed premiums, commissions and fees receivable, net	—	(42,411)	(42,411)
Accounts payable, accrued expenses and other current liabilities	81,561	(82,049)	(488)
Cash flows from financing activities:			
Change in fiduciary assets and liabilities, net	—	50,698	50,698
Total represented changes in cash flows	<u>\$ 7,799</u>	<u>\$ —</u>	<u>\$ 7,799</u>

(in thousands)	For the Year Ended December 31, 2023		
	As Previously Reported	Change in Presentation	As Revised
Cash flows from operating activities:			
Changes in operating assets and liabilities:			
Premiums, commissions and fees receivable, net	\$ (132,269)	\$ 132,269	\$ —
Assumed premiums, commissions and fees receivable, net	—	(50,302)	(50,302)
Accounts payable, accrued expenses and other current liabilities	132,655	(126,565)	6,090
Cash flows from financing activities:			
Change in fiduciary assets and liabilities, net	—	44,598	44,598
Total represented changes in cash flows	<u>\$ 386</u>	<u>\$ —</u>	<u>\$ 386</u>

2. Significant Accounting Policies

Revenue Recognition

The Company generally recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606").

The Company earns commission revenue by providing insurance placement services to insureds or insurance companies ("clients") under direct bill and agency bill arrangements with insurance company partners or reinsurance company partners for private risk management, commercial risk management, employee benefits and Medicare insurance types. Commission revenues are usually a percentage of the premium paid by clients and generally depend upon the type of insurance, the insurance company partner or reinsurance company partner, and the nature of the services provided. In some cases, the Company shares commissions with other agents or brokers who have acted jointly with the Company in a transaction. The Company controls the fulfillment of the performance obligation and its relationship with its insurance company partners, reinsurance company partners, and the outside agents. Commissions shared with downstream agents or brokers are recorded in outside commissions in the consolidated statements of comprehensive loss.

Commission revenue is recorded net of allowances for estimated policy cancellations, which are determined based on an evaluation of historical and current cancellation data.

Commissions for brokerage services may be invoiced near the effective date of the underlying policy or over the term of the arrangement in installments during the policy period. However, regardless of the payment terms, commissions are recognized at a point in time upon the effective date of bound insurance coverage, as no performance obligation exists after coverage is bound.

The Company earns service fee revenue for providing insurance placement services to clients for a negotiated fee, and consulting revenue is earned by providing specialty insurance consulting and other advisory services. Service fee and consulting revenues from certain agreements are recognized over time depending on when the services within the contract are satisfied and when the Company has transferred control of the related services to the customer.

Profit-sharing commissions represent bonus-type revenue that is earned by the Company as a sales incentive provided by certain insurance company partners and reinsurance company partners. The Company receives profit-sharing commissions based primarily on underwriting results, but may also contain considerations for volume, growth, loss performance or retention. Profit-sharing commissions associated with relatively predictable measures are estimated and recognized over time. The profit-sharing commissions are recorded as the underlying policies that contribute to the achievement of the metric are placed with any adjustments recognized when payments are received or as additional information that affects the estimate becomes available. Profit-sharing commissions associated with loss performance are uncertain, and therefore, are subject to significant reversal as loss data remains subject to material change. Management estimates profit-sharing commissions using historical outcomes and known trends impacting premium volume or loss ratios, subject to a constraint. The constraint is relieved when management estimates the revenue is not subject to significant reversal, which often coincides with the earlier of written notice from the insurance company partner that the target has been achieved, or cash collection. Year-end and quarter-end amounts incorporate estimates subject to a constraint or where applicable, are based on confirmation from insurance company partners after calculation of premium volume or loss ratios that are impacted by catastrophic losses.

The Company earns policy fee revenue for acting in its capacity as a managing general agent (“MGA”) on behalf of the insurance company partner and fulfilling certain services, including delivery of policy documents, processing payments and other administrative functions during the term of the insurance policy. Policy fee revenue is deferred and recognized over the life of the policy. These deferred amounts are recognized as contract liabilities, which are included as a component of accrued expenses and other current liabilities on the consolidated balance sheets. The Company earns installment fee revenue for payment processing services performed on behalf of the insurance company partner related to policy premiums paid on an installment basis. The Company recognizes installment fee revenue in the period the services are performed.

The Company pays an incremental amount of compensation in the form of producer commissions on new business. These incremental costs are capitalized as deferred commission expense and amortized over five years, which represents management’s estimate of the average benefit period for new business. The Company has concluded that this period is consistent with the transfer to the client of the services to which the asset relates.

With respect to costs to fulfill a contract, because costs relating to unsatisfied performance obligations are not able to be distinguished from those relating to satisfied performance obligations, such costs are expensed as incurred.

The Company recognizes revenue for the Captive business (as defined further below) in accordance with ASC Topic 944, *Financial Services—Insurance*, in the form of assumed premium earned. Assumed premium earned is recognized ratably over the associated policy periods.

The Company also earns investment income, which primarily consists of interest earnings on available cash invested in treasury money market funds. The Company recognizes investment income in the period the revenue is earned.

Captive Insurance Operations

The Company’s Underwriting, Capacity & Technology Solutions operating group includes TBG Assurance Company, LLC, a wholly-owned protected cell captive insurance company (“PCC”) domiciled in Tennessee, which was established to allow Baldwin to further participate in the underwriting results of a small portion of its MGA programs. The PCC allows for the creation of multiple independent cells (series) within a single legal entity, TBG Assurance Company, LLC (the “Core”).

Effective January 1, 2025, the initial series, MSI Multifamily Series Protected Cell (the “MSI Cell” and, collectively with the Core, the “Captive”), was licensed and participates as a quota share reinsurer on two of MSI’s multifamily programs, renters and master tenant legal liability, for the purpose of further participating in the programs’ underwriting results. The reinsurance quota share contracts feature an adjustment to assumed premium based on the loss ratio performance of the business ceded.

Assumed premiums are recognized as income over the coverage period of the related policies. Unearned premiums represent the portion of premiums written that relate to the unexpired terms of the policies in force and are determined on a pro rata basis. Assumed premium earned is recorded to commissions and fees in the consolidated statements of comprehensive loss. Assumed premiums receivable are included as a component of assumed premiums, commissions and fees receivable, net on the consolidated balance sheets. Unearned premiums are included as a component of accrued expenses and other current liabilities on the consolidated balance sheets.

The Company establishes its assumed insurance loss reserves for the estimated total unpaid costs of losses, including the loss adjustment expense (“LAE”). Loss and LAE reserves reflect management’s best estimate of the total cost of (i) claims that have been incurred, but not yet paid in full, and (ii) claims that have been incurred but not yet reported to the Company. Reserves established by management represent an estimate of the outcome of future events and, as such, cannot be considered an exact calculation of the Company’s liability. Rather, loss and LAE reserves represent management’s best estimate of the Company’s liability based on the application of actuarial techniques and other projection methodologies and taking into consideration other facts and circumstances known at the balance sheet date.

The Company engages the services of an outside actuarial consulting firm (the “Actuary”) to assist on an annual basis to render an opinion on the sufficiency of the Company’s estimates for unpaid losses and related LAE reserves. The Actuary utilizes both industry experience and the Company’s own experience to develop estimates of those amounts as of year-end. These estimated liabilities are subject to the impact of future changes in claim severity, frequency and other factors. Despite the variability inherent in such estimates, management believes that the liabilities for unpaid losses and related LAE reserves are adequate. Unpaid losses and LAE reserves are included as a component of accrued expenses and other current liabilities on the consolidated balance sheets.

Cash and Cash Equivalents

The Company defines cash equivalents as highly liquid short-term investments with original maturities of three months or less. These investments include money market funds, which are carried at cost and approximate fair value.

Fiduciary Cash, Fiduciary Receivables, and Fiduciary Liabilities

The Company engages in intermediary activities in which it collects insurance premiums from insureds for remittance to insurance or reinsurance companies and receives funds from insurance or reinsurance companies to distribute to insureds for covered claims or as policy refunds. Assets and liabilities arising from these activities are recorded as fiduciary assets and fiduciary liabilities.

Fiduciary receivables represent premiums due from clients when the Company acts in its capacity as insurance agent or broker on behalf of the insurance or reinsurance company partner. In an agency bill contract, the Company typically collects premiums from clients and, after deducting its authorized commissions, remits the net premiums to the appropriate insurance or reinsurance company partners. Fiduciary liabilities represent amounts payable to insurance or reinsurance companies and premium deposits or refunds due to clients.

Fiduciary cash represents funds held by the Company on behalf of others, including premiums collected from clients for remittance to insurance or reinsurance companies and claims or refund proceeds received from insurance or reinsurance companies for distribution to insureds. Changes in fiduciary cash are driven by changes in fiduciary receivables and fiduciary liabilities and are presented as financing activities in the consolidated statements of cash flows.

Unremitted net insurance premiums are held in a fiduciary capacity until disbursed. The use of these funds is restricted by applicable laws in certain jurisdictions and by contractual arrangements with certain insurance or reinsurance companies. Where permitted by law, the Company may invest these funds in cash and money market funds. In jurisdictions where the Company operates, the use and investment of these funds may be further regulated by state laws and governmental agencies. Interest income earned on such funds, where allowed by law, is reported as investment income in the consolidated statements of comprehensive loss.

Assumed Premiums, Commissions and Fees Receivable, Net

Assumed premiums receivable represent premiums due from clients in connection with the Company's captive insurance operations. Commissions receivable reflect commissions due from insurance or reinsurance company partners for direct bill contracts, wherein the insurance or reinsurance company partners collect the premiums directly from clients and remit the applicable commissions to the Company. Fees receivable represent policy fees, consulting fees, service fees and other related amounts due from clients in service transactions.

Assumed premiums, commissions and fees receivable are reported net of allowances for estimated policy cancellations of \$22.3 million and \$18.7 million at December 31, 2025 and 2024, respectively. The allowance for estimated policy cancellations, which is established through a charge to revenues, 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 offset in part by a producer commissions chargeback of \$10.5 million and \$10.3 million at December 31, 2025 and 2024, respectively. The producer commissions chargeback is established through a charge to colleague compensation and benefits expense and is netted against producer commissions payable on the consolidated balance sheets.

The Company recognizes an allowance for credit losses that reflects the Company's estimate of expected credit losses for its assumed premiums, commissions and fees receivable. This allowance is not significant during any periods presented.

Property and Equipment, Net

Property and equipment is stated at cost less accumulated depreciation. For financial reporting purposes, depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Useful Life (in Years)
Leasehold improvements	5 - 10
Furniture	7
Equipment	5
Other	3

Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful life or the reasonably assured lease term at inception of the lease. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts. The difference between the net book value of the assets and proceeds from disposal is recognized as a gain or loss on disposal, which is included in other income (expense), net in the consolidated statements of comprehensive loss. Routine maintenance and repairs are charged to expense as incurred, while costs of improvements and renewals are capitalized.

Property and equipment is evaluated for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An asset is considered to be impaired when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition does not exceed its carrying amount. The amount of the impairment loss, if any, is measured as the amount by which the carrying value of the asset exceeds its fair value.

Capitalized Software

The Company capitalizes certain costs to develop software for internal use as capitalized software in accordance with ASC Topic 350-40, *Internal-Use Software* ("Subtopic 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 software under intangible assets, net on the consolidated balance sheets. The Company amortizes capitalized software on the straight-line basis over estimated useful lives of two to five years. At December 31, 2025 and 2024, capitalized software had a gross carrying value of \$92.3 million and \$66.9 million, respectively, and accumulated amortization of \$32.9 million and \$10.3 million, respectively.

Intangible Assets, Net and Goodwill

The Company has recognized separately identifiable intangible assets in connection with strategic acquisitions made by the Company ("partnerships"), as well as those related to software purchased and developed for internal use. Intangible assets identified in a partnership are recorded at fair value on the acquisition date. The excess of the purchase price in a business combination over the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed is assigned to goodwill.

Intangible assets are stated at cost, less accumulated amortization, and consist of acquired relationships, software and trade names. Acquired relationships and trade names are being amortized based on a pattern of economic benefit over estimated useful lives of 10 to 20 years and one to five years, respectively. Software is amortized on the straight-line basis over estimated useful lives of two to five years.

The principal valuation technique and assumptions used by management to measure the fair value of acquired relationships, software and trade names was the income approach, which uses assumptions related to revenue and expense growth rates, customer attrition rates and discount rates.

The Company reviews its definite-lived intangible assets and other long-lived assets for impairment whenever an event occurs that indicates the carrying amount of an asset may not be recoverable. No impairment was recorded for the years ended December 31, 2025, 2024 or 2023.

Goodwill is subject to an impairment assessment on an annual basis or whenever indicators of impairment are present. On October 1, 2025, the Company performed an impairment evaluation for each of its reporting units beginning with a qualitative assessment. The qualitative factors we considered included general economic conditions, limitations on accessing capital, industry and market considerations, cost factors such as commissions expense that could have a negative effect on future cash flows, overall financial performance including declining cash flows and a decline in actual or anticipated commissions and fees, earnings or key statistics, and other entity-specific events such as changes in management and loss of key personnel or clients. We determined that based on the overall results of the qualitative analysis and the outlook of our reporting units, company and industry, there was no indication of goodwill impairment. As such, no further testing was required. No impairment was recorded for the years ended December 31, 2025, 2024 and 2023.

Cloud Computing Arrangements

The Company capitalizes implementation costs associated with hosting arrangements that are service contracts in accordance with ASC Subtopic 350-40. Amortization of the implementation costs is calculated using the straight-line method based on the term of the service contract and commence once the module or component is ready for its intended use, regardless of whether the hosted software has been placed into service, and will be recognized over the remaining life of the service contract. Capitalized costs associated with cloud computing arrangements, which are recorded within other assets on the consolidated balance sheets, were \$7.5 million as of December 31, 2025.

Deferred Financing Costs, Net

Deferred financing costs consist of origination fees and debt issuance costs related to obtaining and amending credit facilities. The Company has recorded these costs as an asset and liability on the consolidated balance sheets in accordance with ASC Topic 835-30, *Interest*. Deferred financing costs associated with revolving credit facilities are included in other assets on the consolidated balance sheets while those related to term loans and senior secured notes are recorded as an offset to long-term debt. At December 31, 2025 and 2024, deferred financing costs included in other assets were \$9.5 million and \$9.5 million, net of accumulated amortization of \$5.7 million and \$4.6 million, respectively. Deferred financing costs and original issue discount included in long-term debt totaled \$45.3 million and \$45.1 million, net of accumulated amortization of \$20.3 million and \$15.8 million, at December 31, 2025 and 2024, respectively. Such costs are amortized using the effective interest method over the terms of the respective debt. Amortization of deferred financing costs, which is included in interest expense, net in the accompanying consolidated statements of comprehensive loss, was approximately \$5.7 million, \$5.8 million and \$5.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Derivative Instruments

The Company utilizes derivative financial instruments, including, from time to time, interest rate caps and swaps, to manage the Company's interest rate exposure. The Company does not use derivative instruments for trading or speculative purposes. Derivative instruments are recognized as assets or liabilities at fair value on the consolidated balance sheets. The Company's interest rate swap has been designated as a cash flow hedge under ASC Topic 815, *Derivatives and Hedging* ("Topic 815") and, accordingly, the changes in fair value of the derivative are recorded in accumulated other comprehensive income, which is a component of stockholders' equity on the consolidated balance sheets. The net cash settlements of the interest rate swap are classified within cash flows from operating activities in the consolidated statements of cash flows. The Company's hedging program extends through September 2028.

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 Topic 323, *Investments—Equity Method and Joint Ventures*. Under the equity method of accounting, equity method investments, which are included in 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 or loss of the investee. The income or loss from equity method investments is included as share of net earnings in equity method investee in the consolidated statements of comprehensive loss.

At December 31, 2025 and 2024, the Company holds a 2.5% ownership interest in Emerald Bay Risk Solutions LLC ("Emerald Bay"), with a carrying value of \$2.3 million and \$2.1 million, respectively. Despite the Company owning less than 3-5% of the outstanding voting stock, the Company exercises significant influence over Emerald Bay due to the Company's representation on Emerald Bay's board of directors and the significance of transactions completed between Emerald Bay and the Company.

At December 31, 2025, the Company holds a 75% ownership interest in Builder Risk Management, LLC, the Attorney-in-Fact (the "AIF") of the Reciprocal, a variable interest entity for which Baldwin is not the primary beneficiary. Despite the fact that Baldwin absorbs the majority of the economic benefit of the AIF, the presence of a certain kickout right held by a third party shifts the power over the most substantial activity away from Baldwin and to the third party. However, because Baldwin exercises significant influence via its equity ownership and representation on the AIF's board of directors, the Company applies the equity method of accounting to its ownership in the AIF. The Company's investment in the AIF had a carrying value of \$11.7 million at December 31, 2025.

Investments in Equity Securities

The Company accounts for investments in equity securities that do not qualify for equity method accounting in accordance with ASC Topic 321, *Investments—Equity Securities* ("Topic 321"). Under Topic 321, the Company has elected to measure investments in equity securities without readily determinable fair value at cost minus impairment. The Company holds investments in equity securities with a carrying value of \$5.9 million and \$6.1 million at December 31, 2025 and 2024, respectively, which are included in other assets on the consolidated balance sheets.

Self-Insurance Reserve

The Company has a self-insured health insurance plan for which it carries an insurance program with specific retention levels or high per-claim deductibles for expected losses. The Company records a liability for all unresolved claims and for an estimate of incurred but not reported ("IBNR") claims at the anticipated cost that falls below its specified retention levels or per-claim deductible amounts. In establishing reserves, the Company considers actuarial assumptions and judgments regarding economic conditions and the frequency and severity of claims. The Company had an IBNR reserve of \$3.3 million and \$3.2 million at December 31, 2025 and 2024, respectively, which is included in accrued expenses and other current liabilities on the consolidated balance sheets.

Leases

The Company accounts for leases under ASC Topic 842, *Leases* ("Topic 842"). A lease is an agreement between two or more parties that creates enforceable rights and obligations that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Topic 842 requires an entity to determine whether a contract is a lease or contains a lease at the inception of the contract, considering all relevant facts and circumstances. There are two main components in determining if a contract is a lease: (i) a right to use an identified asset and (ii) control over the use of the identified asset. A customer does not have the right to use an identified asset if, at inception of the contract, a supplier has the substantive right to substitute the asset throughout the period of use. Control over the use of the identified asset requires a customer to obtain "substantially all the economic benefits" and to have the "ability to direct the use of the asset."

Topic 842 requires the recognition of right-of-use assets and lease liabilities on the balance sheet. Leases are classified at their commencement date, which is defined as the date on which the lessor makes the underlying asset available for use by the lessee, as either operating or finance leases based on the economic substance of the agreement. The Company recognizes right-of-use assets and lease liabilities on its consolidated balance sheets for operating leases. Lease liabilities are measured at the lease commencement date as the present value of the future lease payments determined using either (i) the interest rate implicit in the lease, if readily determinable, or (ii) the Company's incremental borrowing rate on the lease commencement date. Right-of-use assets are measured as the lease liability plus initial direct costs and prepaid lease payments less lease incentives. The lease term is the non-cancelable period of the lease and includes options to extend or terminate the lease when it is reasonably certain that an option will be exercised.

The Company elected to not separate lease and non-lease components and instead accounts for them as a single lease component for all classes of underlying assets. The Company does not include variable payments that are not based on an index or rate in the single lease component, regardless of whether they are related to the lease or non-lease component.

The Company elected to not recognize a lease liability or right-of-use asset on the consolidated balance sheets for leases with an initial term of 12 months or less. Operating lease expenses on capitalized leases and short-term leases are recognized on a straight-line basis over the respective lease term, inclusive of rent escalation provisions and rent holidays, as a component of other operating expense in the consolidated statements of comprehensive loss.

Colleague Earnout Incentives

Colleague earnout incentives represents the unpaid portion of contingent earnout liabilities that were reclassified, at the partner's option, to an earnout incentive bonus payable to colleagues. Refer to the contingent earnout liabilities rollforward in Note 21 for additional information.

Contingent Earnout Liabilities

The Company accounts for contingent consideration relating to business combinations as a contingent earnout 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 change in fair value of contingent consideration in the consolidated statements of comprehensive loss. The ultimate settlement of contingent earnout 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 accounts for contingent consideration relating to asset acquisitions as a contingent earnout liability and an increase to the cost of the acquired assets on a relative fair value basis at the date of acquisition. Once recognized, the contingent earnout liability is not derecognized until the contingency is resolved and the consideration is issued or becomes issuable. If the amount initially recognized as a liability exceeds the fair value of the contingent consideration issued or issuable, the entity recognizes that amount as a reduction to the cost of the acquired assets. The ultimate settlement of contingent earnout liabilities relating to asset acquisitions may be for amounts that are materially different from the amounts initially recorded.

The Company determines the fair value of contingent earnout liabilities based on future cash flow projections under various potential scenarios and weighs the probability of these outcomes as discussed further in Note 21.

Redeemable Noncontrolling Interest

ASC Topic 480, *Distinguishing Liabilities from Equity*, requires noncontrolling interests that are redeemable for cash or other assets to be classified outside of permanent equity if they are redeemable (i) at a fixed or determinable price on a fixed or determinable date, (ii) at the option of the holder, or (iii) upon the occurrence of an event that is not solely within the control of the issuer.

Redeemable noncontrolling interests are reported at estimated redemption value measured as the greater of estimated fair value at the end of each reporting period or the historical cost basis of the redeemable noncontrolling interest adjusted for cumulative earnings or loss allocations. The resulting increases or decreases to redemption value, if applicable, are recognized as adjustments to retained earnings.

Noncontrolling Interest

Noncontrolling interests are reported at historical cost basis adjusted for cumulative earnings or loss allocations and classified as a component of stockholders' equity on the consolidated balance sheets.

Income Taxes

Baldwin Holdings is treated as a partnership for U.S. federal, state and local income tax purposes. As a partnership, Baldwin Holdings' taxable income or loss is included in the taxable income of its members. Baldwin and The Baldwin Group Colleague Inc., an indirect subsidiary of Baldwin, are both C corporations and taxable entities.

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*. 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 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.

Tax Receivable Agreement

The Company's future exchanges of LLC Units from Baldwin Holdings' LLC Members and the corresponding number of shares of Class B common stock for shares of Class A common stock, is expected to result in increases in its share of the tax basis of the tangible and intangible assets of Baldwin Holdings, which will increase the tax depreciation and amortization deductions that otherwise would not have been available to Baldwin. These increases in tax basis and tax depreciation and amortization deductions are expected to reduce the amount of cash taxes that Baldwin would otherwise be required to pay in the future. Baldwin has entered into a Tax Receivable Agreement with the other members of Baldwin Holdings that requires Baldwin to pay them 85% of the amount of cash savings, if any, in U.S. federal, state, and local income tax that Baldwin actually realizes (or, under certain circumstances, is deemed to realize) as a result of the increases in tax basis in connection with exchanges by the recipients described above and certain other tax benefits attributable to payments under the Tax Receivable Agreement.

Share-Based Compensation

Share-based payments to directors, officers, colleagues and consultants are measured based on the estimated grant-date fair value. The grant-date fair value of restricted and unrestricted stock awards is equal to the market value of Baldwin's Class A common stock on the date of grant. The Company also issues stock awards that vest based on service conditions, performance conditions, or market conditions. The Company applies the Black-Scholes option-pricing model, a Monte Carlo Simulation, or a lattice model, depending on the vesting conditions, in determining the fair value of performance-based restricted stock unit awards to colleagues. The Company recognizes share-based compensation expense over the requisite service period for awards expected to ultimately vest. The Company recognizes forfeitures as they occur. Refer to Note 17 for additional information regarding our share-based compensation plans.

Fair Value of Financial Instruments

The carrying values of the Company's financial assets and liabilities, including cash and cash equivalents, restricted cash, fiduciary receivables, assumed premiums, commissions and fees receivable, fiduciary liabilities, commissions payable and accrued expenses 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*. 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. In certain cases, where a range of loss exists, the Company accrues the minimum amount in the range if no amount within the range is a better estimate than any other amount. Refer to Note 22 for additional information regarding the Company's contingencies.

Concentrations

For each of the years ended December 31, 2025 and 2024, one insurance company partner accounted for approximately 10% of the Company's commissions and fees. There were no revenue concentrations for the year ended December 31, 2023.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and restricted cash. The Company manages this risk by using high credit worthy financial institutions. Interest-bearing accounts and noninterest-bearing accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Deposits exceed amounts insured by the FDIC. The Company has not experienced any losses from its deposits.

3. Business Combinations

The Company completed two business combinations for an aggregate purchase price of \$129.1 million during the year ended December 31, 2025. In accordance with ASC Topic 805, *Business Combinations* ("Topic 805"), total consideration was first allocated to the fair value of assets acquired, including liabilities assumed, with the excess being recorded as goodwill. For financial statement purposes, goodwill is not amortized but rather is evaluated for impairment at least annually or more frequently if an event or change in circumstances occurs that indicates goodwill may be impaired. For tax purposes, goodwill is generally deductible and will be amortized over a period of 15 years.

The Company completed the following business combinations during the year ended December 31, 2025:

- The Company acquired certain assets and equity interests of entities used in the operation of Bermuda-based reinsurance underwriting platform MultiStrat Group ("MultiStrat"), an Underwriting, Capacity & Technology Solutions partner effective April 1, 2025, to add an important capability to source alternative reinsurance capital for Baldwin's cedant clients and MSI, without taking balance sheet risk.
- The Company acquired from Hippo Holdings, Inc. ("Hippo") and its affiliates all the outstanding equity interests of the various entities comprising Hippo's homebuilder distribution network ("Hippo's Homebuilder Distribution Network"), a Mainstreet Insurance Solutions partner effective July 1, 2025. This partnership enhances Baldwin's ability to deliver property and casualty insurance solutions to homebuilder clients through expanded distribution capabilities.

The recorded purchase price for the MultiStrat partnership also includes an estimation of the fair value of equity interests, which was calculated based on the value of the Company's Class A common stock on the closing date taking into account a discount for lack of marketability.

In addition, the recorded purchase price allocation for Hippo's Homebuilder Distribution Network includes an estimation of the fair value of the pre-existing noncontrolling interest acquired in Lennar Insurance Agency. The fair value of the noncontrolling interest acquired in Lennar Insurance Agency was estimated using a discounted cash flow model under the income approach. The valuation relied on management-prepared financial projections and a discount rate consistent with market participant assumptions and the broader valuation of Hippo's Homebuilder Distribution Network. Refer to Note 5 for more information regarding the noncontrolling interest acquired in Lennar Insurance Agency.

The operating results of these business combinations have been included in the consolidated statements of comprehensive loss since their respective acquisition dates. The Company recognized total revenues and net loss from its business combinations of \$23.6 million and \$2.3 million, respectively, for the year ended December 31, 2025.

Due to the complexity of valuing the consideration paid and the purchase price allocation and the timing of these activities, certain amounts included in the consolidated financial statements may be provisional and subject to additional adjustments within the measurement period as permitted by Topic 805. Specifically, the Company's valuations of the fair value of contingent earnout consideration and intangible assets are estimates based on assumptions of factors such as discount rates and growth rates. Accordingly, these assets and liabilities are subject to measurement period adjustments as determined after the passage of time. Any measurement period adjustments related to prior period business combinations are reflected as current period adjustments in accordance with Topic 805.

The table below provides a summary of the total consideration and the estimated purchase price allocations made for each of the business acquisitions that became effective during the year ended December 31, 2025.

(in thousands)	Hippo's Homebuilder Distribution Network		
	MultiStrat		Totals
Cash consideration paid	\$ 12,054	\$ 75,345	\$ 87,399
Fair value of contingent earnout consideration	8,470	—	8,470
Fair value of equity interest	863	—	863
Deferred payment	2,901	29,445	32,346
Total consideration	<u>\$ 24,288</u>	<u>\$ 104,790</u>	<u>\$ 129,078</u>
Recognized amounts of identifiable assets acquired and liabilities assumed:			
Cash	\$ 355	\$ 1,533	\$ 1,888
Assumed premiums, commissions and fees receivable	12,190	1,331	13,521
Other assets	1,687	999	2,686
Intangible assets	7,167	111,190	118,357
Accrued expenses and other current liabilities	(3,427)	(852)	(4,279)
Contingent earnout liability	—	(9,977)	(9,977)
Total identifiable net assets acquired	17,972	104,224	122,196
Noncontrolling interest in partnership	—	(97,920)	(97,920)
Goodwill	6,316	98,486	104,802
	<u>\$ 24,288</u>	<u>\$ 104,790</u>	<u>\$ 129,078</u>
Maximum potential contingent obligations	\$ 16,500	(1)	(1)

(1) Hippo's Homebuilder Distribution Network has an uncapped earnout related to a previous business combination based on legacy account revenue.

The factors contributing to the recognition of goodwill are based on expanded product offerings, expanded distribution capabilities and vertical integration within the reinsurance and insurance brokerage industry.

The intangible assets acquired in connection with the partnerships have the following values and estimated weighted-average lives:

(in thousands, except weighted-average lives)	Amount	Weighted-Average Life
Acquired relationships ⁽¹⁾	\$ 117,070	10.0 years
Trade names	550	5.0 years
Software ⁽²⁾	737	

(1) Includes \$111.2 million relating to the partnership with Hippo's Homebuilder Distribution Network.

(2) Software acquired in the MultiStrat partnership consists of internally-developed software, which will not be placed in service or amortized until it reaches technological feasibility.

The following pro forma consolidated results of operations are provided for illustrative purposes only and have been presented as if MultiStrat and Hippo's Homebuilder Distribution Network occurred on January 1, 2024. This pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisition had occurred on that date, nor of the results that may be obtained in the future.

(unaudited) (in thousands)	For the Years Ended December 31,	
	2025	2024
Pro forma results:		
Total revenues ⁽¹⁾	\$ 1,523,375	\$ 1,426,876
Net loss ⁽¹⁾	(50,680)	(40,588)

(1) Reflects annual GAAP revenue/net loss, plus revenue/net income (loss) from partnerships in the unowned portion of the period based on a quality of earnings review and not an audit, in each case, at the time the due diligence was conducted and may not include full revenue run rate for partial period impacts in the quality of earnings review.

4. Business Divestitures

On March 1, 2024, the Company closed on the sale of its specialty wholesale broker business (the "Wholesale Business"), operating within the Underwriting, Capacity & Technology Solutions operating group for proceeds of approximately \$58.9 million, subject to certain customary purchase price adjustments. The Company derecognized assets of \$61.8 million, which included \$9.5 million of goodwill, and liabilities of \$39.9 million. The Company recognized a pre-tax gain on the sale of \$35.1 million (after post-closing adjustments), which is included as a component of gain on divestitures in the consolidated statements of comprehensive loss for the year ended December 31, 2024.

5. Variable Interest Entities

Topic 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. The Company continually assesses whether it has a controlling financial interest in each of its VIEs to determine if it is the primary beneficiary of the VIE and should, therefore, consolidate each of the VIEs. 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 part of the Hippo's Homebuilder Distribution Network partnership discussed further in Note 3, the Company acquired Hippo's 100% Class A membership interest (representing a 20% total interest) in Lennar Insurance Agency ("LIA"), a joint venture formed between Hippo and Lennar Title Group, LLC ("Lennar"), which holds 100% of the Class B membership interest (representing an 80% total interest). The joint venture was established to provide property and casualty insurance placement services to Lennar's homebuyers. The Company determined that LIA is a VIE under Topic 810 and that the Company is the primary beneficiary. As a result, LIA has been consolidated effective July 1, 2025, and its assets, liabilities, and results of operations are included in the Company's consolidated financial statements as of that date. The assets and liabilities of LIA and the noncontrolling interest in LIA issued to Lennar are included as components of the purchase price allocation for Hippo's Homebuilder Distribution Network in Note 3.

In addition to LIA, the Company has determined that it is the primary beneficiary of certain of its other VIEs, which include Laureate Insurance Partners, LLC, BKS Smith, LLC, BKS MS, LLC and BKS Partners Galati Marine Solutions, LLC. The Company has consolidated these VIEs into the accompanying consolidated financial statements.

Total revenues and expenses of the Company's consolidated VIEs included in the consolidated statements of comprehensive loss were as follows:

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Consolidated VIEs:			
Revenues	\$ 12,028	\$ 2,293	\$ 2,005
Expenses	11,061	1,068	1,056

The assets of the consolidated VIEs can only be used to settle the obligations of the consolidated VIEs and the creditors of the liabilities of the consolidated VIEs do not have recourse to the Company.

6. Revenue

The following table provides disaggregated revenues by major source:

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Commission revenue ⁽¹⁾	\$ 1,186,469	\$ 1,129,903	\$ 967,552
Profit-sharing revenue ⁽²⁾	94,090	95,532	93,437
Consulting and service fee revenue ⁽³⁾	95,373	78,168	74,637
Policy fee and installment fee revenue ⁽⁴⁾	78,642	60,719	65,386
Assumed premium earned ⁽⁵⁾	22,571	—	—
Other income ⁽⁶⁾	16,535	12,794	10,816
Investment income ⁽⁷⁾	11,204	11,921	6,727
Total revenues	<u>\$ 1,504,884</u>	<u>\$ 1,389,037</u>	<u>\$ 1,218,555</u>

- (1) Commission revenue is earned by providing insurance placement services to clients under direct bill and agency bill arrangements with insurance company partners for private risk management, commercial risk management, employee benefits and Medicare insurance types.
- (2) Profit-sharing revenue represents bonus-type revenue that is earned by the Company as a sales incentive provided by certain insurance company partners.
- (3) Service fee revenue is earned for providing insurance placement services to clients for a negotiated fee and consulting revenue is earned by providing specialty insurance consulting and other advisory services.
- (4) Policy fee revenue represents revenue earned for acting in the capacity of an MGA and fulfilling certain administrative functions on behalf of insurance company partners, including delivery of policy documents, processing payments and other administrative functions. Installment fee revenue represents revenue earned by the Company for providing payment processing services on behalf of insurance company partners related to policy premiums paid on an installment basis.
- (5) Assumed premium earned relates to the premiums earned in the Captive. Refer to Note 24 for additional information.
- (6) Other income includes other ancillary income, premium financing income, and marketing income that is based on agreed-upon cost reimbursement for fulfilling specific targeted Medicare marketing campaigns.
- (7) Investment income represents interest earnings on available cash invested in treasury money market funds.

The application of Topic 606 requires the use of management judgment. The following are the areas of most significant judgment as it relates to Topic 606:

- The Company considers the policyholders as representative of its customers in the majority of contractual relationships, with the exception of Medicare contracts in its Mainstreet Insurance Solutions operating group, where the insurance company partner is considered its customer.
- Medicare contracts in the Mainstreet Insurance Solutions operating group are multi-year arrangements in which the Company is entitled to renewal commissions. However, the Company has applied a constraint to renewal commissions that limits revenue recognized when a risk of significant reversals exists based on: (i) historical renewal patterns; and (ii) the influence of external factors outside of the Company's control, including policyholder discretion over plans and insurance company partner relationship, political influence, and a contractual provision, which limits the Company's right to receive renewal commissions to ongoing compliance and regulatory approval of the relevant insurance company partner and compliance with the Centers for Medicare and Medicaid Services.
- The Company recognizes separately contracted commission revenue at the effective date of insurance placement and considers any ongoing interaction with the customer to be insignificant in the context of the obligations of the contract.
- Variable consideration includes estimates of direct bill commissions, reserves for policy cancellations and accruals for profit-sharing income.
- Costs to obtain a contract are deferred and recognized over five years, which represents management's estimate of the average benefit period for new business.
- With respect to costs to fulfill a contract, because costs relating to unsatisfied performance obligations are not able to be distinguished from those relating to satisfied performance obligations, such costs are expensed as incurred.

7. Contract Assets and Liabilities

Contract assets arise when the Company recognizes revenue for amounts which have not yet been billed. Contract liabilities relate to payments received in advance of performance under the contract before the transfer of a good or service to the customer. Contract assets are included in assumed premiums, commissions and fees receivable, net and contract liabilities are included in accrued expenses and other current liabilities on the consolidated balance sheets. The balances of contract assets and liabilities arising from contracts with customers were as follows:

(in thousands)	December 31,	
	2025	2024
Contract assets	\$ 279,517	\$ 249,579
Contract liabilities	38,206	40,780

During the year ended December 31, 2025, the Company recognized revenue of \$39.3 million related to the contract liabilities balance at December 31, 2024.

8. 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*, these incremental costs are deferred and amortized over five years, which represents management's estimate of the average benefit period for new business. Deferred commission expense represents producer commissions that are capitalized and not yet expensed and are included in other assets on the consolidated balance sheets. The table below provides a rollforward of deferred commission expense:

(in thousands)	For the Years Ended December 31,	
	2025	2024
Balance at beginning of year	\$ 33,844	\$ 26,205
Costs capitalized	17,521	17,383
Amortization	(12,720)	(9,744)
Balance at end of year	<u>\$ 38,645</u>	<u>\$ 33,844</u>

9. Property and Equipment, Net

Property and equipment, net consists of the following:

(in thousands)	December 31,	
	2025	2024
Equipment	\$ 21,562	\$ 21,666
Leasehold improvements	11,997	11,452
Furniture	7,360	8,075
Construction in process	3,353	316
Other	522	522
Total property and equipment	44,794	42,031
Accumulated depreciation	(22,292)	(20,059)
Property and equipment, net	<u>\$ 22,502</u>	<u>\$ 21,972</u>

Depreciation expense recorded for property and equipment was \$6.5 million, \$6.2 million and \$5.7 million for the years ended December 31, 2025, 2024 and 2023, respectively.

10. Intangible Assets, Net and Goodwill

Intangible assets consist of the following:

(in thousands)	December 31, 2025			December 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Acquired relationships	\$ 1,253,396	\$ (344,992)	\$ 908,404	\$ 1,136,326	\$ (259,125)	\$ 877,201
Software	163,514	(95,547)	67,967	138,119	(65,190)	72,929
Trade names	28,474	(26,411)	2,063	27,924	(24,562)	3,362
Total intangible assets	<u>\$ 1,445,384</u>	<u>\$ (466,950)</u>	<u>\$ 978,434</u>	<u>\$ 1,302,369</u>	<u>\$ (348,877)</u>	<u>\$ 953,492</u>

Amortization expense recorded for intangible assets was \$121.3 million, \$102.7 million and \$92.7 million for the years ended December 31, 2025, 2024 and 2023, respectively.

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

For the Years Ending December 31,	Amortization
2026	\$ 126,061
2027	108,232
2028	90,334
2029	79,422
2030	72,271

The changes in carrying value of goodwill by operating group are as follows:

(in thousands)	Insurance Advisory Solutions	Underwriting, Capacity & Technology Solutions	Mainstreet Insurance Solutions	Total
Balance at December 31, 2023 and 2024	\$ 932,487	\$ 235,589	\$ 244,293	\$ 1,412,369
Goodwill of acquired businesses	—	6,316	98,486	104,802
Balance at December 31, 2025	<u>\$ 932,487</u>	<u>\$ 241,905</u>	<u>\$ 342,779</u>	<u>\$ 1,517,171</u>

11. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

(in thousands)	December 31,	
	2025	2024
Accrued compensation and benefits	\$ 78,271	\$ 67,036
Accrued expenses	57,397	12,351
Contract liabilities	38,206	40,780
Deferred payments	29,336	123
Current portion of operating lease liabilities	18,088	17,078
Current portion of long-term debt	12,577	8,400
Accrued interest	9,447	6,194
Other	9,238	8,669
Accrued expenses and other current liabilities	<u>\$ 252,560</u>	<u>\$ 160,631</u>

12. Long-Term Debt

On May 24, 2024, Baldwin Holdings refinanced the amounts outstanding under that certain Amended and Restated Credit Agreement, dated as of May 24, 2024, which is attached as Annex I to the Amendment and Restatement Agreement, dated May 24, 2024, between Baldwin Holdings, as borrower, JPMorgan Chase Bank, N.A., as the Administrative Agent, the Guarantors party thereto and the Lenders party thereto, as amended by Amendment No. 1 to Amended and Restated Credit Agreement, dated as of December 4, 2024, Amendment No. 2 to Amended and Restated Credit Agreement, dated as of January 10, 2025, Amendment No. 3 to Amended and Restated Credit Agreement, dated as of September 18, 2025, and Amendment No. 4 to Amended and Restated Credit Agreement, dated as of January 2, 2026 (the "JPM Credit Agreement") with a portion of the proceeds from an offering of \$600 million in aggregate principal amount of 7.125% senior secured notes due May 15, 2031 (the "Senior Secured Notes") and borrowings under a new \$840 million senior secured first lien term loan facility maturing May 24, 2031 (the "2024 Term Loans"). In connection with the refinancing, Baldwin Holdings also established a new senior secured first lien revolving facility with commitments in an aggregate principal amount of \$600 million maturing May 24, 2029 (the "Revolving Facility" and, together with the 2024 Term Loans, the "JPM Credit Facility").

Senior Secured Notes

The Senior Secured Notes were issued by Baldwin Holdings and a wholly-owned corporate subsidiary of Baldwin Holdings (the "co-issuer" and, together with Baldwin Holdings, the "issuers") pursuant to an indenture, dated as of May 24, 2024 (the "indenture"), by and among the issuers, the guarantors named therein and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent. Interest on the Senior Secured Notes is payable semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2024. The Senior Secured Notes are jointly, severally and unconditionally guaranteed on a senior secured basis by the guarantors that guarantee or will guarantee indebtedness under the JPM Credit Facility (the "guarantees"). The Senior Secured Notes and the guarantees rank pari passu in right of payment with all existing and future senior indebtedness of the issuers and the guarantors, including indebtedness under the JPM Credit Facility, and are secured on a first-lien basis by the collateral that secures indebtedness under the JPM Credit Facility.

The Senior Secured Notes may be redeemed in whole or in part, at any time on or after May 15, 2027 at the redemption prices set forth in the indenture, plus accrued and unpaid interest. Prior to May 15, 2027, the issuers may also redeem some or all of the Senior Secured Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, plus the applicable "make-whole" premium described in the indenture. In addition, the issuers may redeem (i) until May 15, 2027, up to 40% of the then outstanding principal amount of the Senior Secured Notes (which includes additional notes, if any) with an amount not to exceed the net cash proceeds from certain equity offerings, at a redemption price equal to 107.125% of the aggregate principal amount thereof and (ii) at any time prior to May 15, 2027, up to 10% of the then outstanding principal amount of the Senior Secured Notes (which includes additional notes, if any) during any 12-month period following the issue date of the Senior Secured Notes (provided that such period commencing on the issue date of the Senior Secured Notes shall end on May 15, 2025) at a redemption price equal to 103% of the aggregate principal amount thereof, in each case, plus accrued and unpaid interest, if any, up to the redemption date. In addition, if certain kinds of "changes of control" occur, the issuers must offer to purchase the Senior Secured Notes at the prices set forth in the indenture, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase.

The indenture governing the Senior Secured Notes contains covenants that, among other things, limit the ability of the issuers and their restricted subsidiaries to:

- incur additional debt or issue certain preferred shares;
- incur liens or use assets as security in other transactions;
- make certain distributions, investments and other restricted payments;
- engage in certain transactions with affiliates; and
- merge or consolidate or sell, transfer, lease or otherwise dispose of all or substantially all of their assets.

The issuers were in compliance with all such covenants at December 31, 2025.

The indenture also provides for customary events of default.

JPM Credit Facility

The 2024 Term Loans were issued at 99.75% of par and bears interest at a rate of term SOFR, plus an applicable margin of 325 bps, with a margin step-down to 300 bps at a first lien net leverage ratio of 4.00x or below. At December 31, 2024, the outstanding borrowings on the 2024 Term Loans of \$835.8 million had an applicable interest rate of 7.61%.

The outstanding borrowings under the 2024 Term Loans are required to be prepaid with: (a) up to 50% of excess cash flow (which will be reduced to 25% and 0% if specified total first lien net leverage ratios are met); (b) 100% of the net cash proceeds of certain asset dispositions, subject to certain thresholds and reinvestment provisions; and (c) 100% of the net proceeds of debt that is incurred in violation of the JPM Credit Agreement.

The interest rate for the Revolving Facility is term SOFR, plus a credit spread adjustment of 10 bps, plus an applicable margin of 200 bps to 300 bps based on a total first lien net leverage ratio. There were no outstanding borrowings on the Revolving Facility at December 31, 2024; however, the Revolving Facility was subject to a commitment fee of 0.40% on the unused capacity at December 31, 2024, which may be reduced to 0.35%, 0.30% or 0.25% if total net leverage ratio reduces to certain specified levels in the future. The Company will pay a letter of credit fee equal to the margin then in effect with respect to term SOFR loans under the Revolving Facility multiplied by the daily amount available to be drawn under any letter of credit, a fronting fee and any customary documentary and processing charges for any letter of credit issued under the JPM Credit Agreement. At December 31, 2024, the Company had unused letters of credit issued under the Revolving Facility of \$12.0 million.

All obligations under the JPM Credit Facility are jointly, severally and unconditionally guaranteed on a senior secured basis by certain of Baldwin Holdings' direct and indirect subsidiaries (the "guarantors") that also guarantee the Senior Secured Notes, subject to certain legal and tax limitations and other agreed exceptions, and are secured by substantially all the assets of Baldwin Holdings and the guarantors, subject to certain agreed limitations.

The JPM Credit Agreement, the definitive agreement for the JPM Credit Facility, provides that Baldwin Holdings has the right at any time to request incremental facilities in an aggregate principal amount not to exceed the sum of (a) the greater of (1) \$285.0 million and (2) 100% of Consolidated EBITDA (as defined in the JPM Credit Agreement) for the most recently completed four fiscal quarter period for which internal financial statements are available plus (b) all voluntary prepayments and/or redemptions of term loan facilities and certain other indebtedness secured on a pari passu basis with the obligations under the JPM Credit Facility and all voluntary commitment reductions of the Revolving Facility (except in each case to the extent financed with proceeds from the incurrence of long-term indebtedness) plus (c) an amount such that, after giving effect to the incurrence of any such incremental facility pursuant to this clause (c) (which shall be deemed to include the full amount of any incremental revolving facility assuming that the full amount of such facility was drawn) and after giving effect to any acquisition, disposition, debt incurrence, debt retirement and other transactions to be consummated in connection therewith, Baldwin Holdings would be in compliance, on a pro forma basis, with a total first lien net leverage ratio of 5.50x or below. The lenders under the JPM Credit Agreement are not under any obligation to provide any such incremental facilities and any such incremental facilities will be subject to certain customary conditions.

The JPM Credit Agreement contains certain financial, affirmative and negative covenants that are customary for a senior credit facility of this type. The negative covenants in the JPM Credit Agreement include limitations (subject to agreed exceptions) on the ability of Baldwin Holdings and its material subsidiaries to:

- incur additional indebtedness (including guarantees);
- incur liens;
- make investments, loans and advances;
- implement mergers, consolidations and sales of assets (including sale and lease-back transactions);
- make restricted payments or enter into restrictive agreements (including those with negative pledge clauses);
- enter into transactions with affiliates on non-arm's-length terms;
- change the business conducted by Baldwin Holdings and its subsidiaries;
- prepay, or make redemptions and repurchases of specified indebtedness;
- use the proceeds of the loans under the JPM Credit Agreement in certain prohibited manners;
- make certain amendments to the organizational documents of Baldwin Holdings and its material subsidiaries;
- and
- change Baldwin Holdings' fiscal year.

The JPM Credit Agreement contains a financial maintenance covenant requiring Baldwin Holdings to maintain a total first lien net leverage ratio at or below 7.00 to 1.00 on a pro forma basis. The JPM Credit Agreement also contains certain customary events of default with certain cure periods, as applicable. Baldwin Holdings was in compliance with all such covenants at December 31, 2025.

January 2025 Refinancing

On January 10, 2025, the JPM Credit Agreement was amended to, among other things, provide for \$100.0 million of incremental term B loans (the loans thereunder, the “January 2025 Term Loans”), increasing the aggregate principal amount of Baldwin Holdings’ existing \$835.8 million senior secured first lien term loan facility to \$935.8 million (the “January 2025 Refinancing”). The proceeds of the January 2025 Term Loans were used to repay in full all of the 2024 Term Loans outstanding under the JPM Credit Agreement.

The January 2025 Term Loans bear interest at term SOFR, plus an applicable margin of 300 bps, with a margin step-down to 275 bps at a first lien net leverage ratio of 4.00x or below. The January 2025 Term Loans are otherwise subject to the same terms to which the 2024 Term Loans were subject under the JPM Credit Agreement.

September 2025 Refinancing

On September 18, 2025, the JPM Credit Agreement was amended to, among other things, (i) reprice the January 2025 Term Loans; (ii) provide for \$75.0 million of incremental term B loans (the loans thereunder, the “Term Loans”), increasing the aggregate principal amount of the Term Loans from \$931.1 million to \$1.006 billion; and (iii) reduce the applicable margin for the Revolving Facility (together, the “September 2025 Refinancing” and, together with the January 2025 Refinancing, the “2025 Refinancings”). The proceeds of the Term Loans were used to pay down outstanding borrowings under the Revolving Facility.

Under the September 2025 Refinancing, the Term Loans bear interest at term SOFR, plus an applicable margin of 250 bps. The Term Loans are otherwise subject to the same terms to which the 2024 Term Loans were subject under the JPM Credit Agreement. The interest rate for the Revolving Facility is term SOFR, plus a credit spread adjustment of 10 bps, plus an applicable margin of 175 bps to 250 bps based on a total first lien net leverage ratio.

The Term Loans require quarterly principal payments of \$2.5 million, with the balance payable in full on the maturity date thereof. Quarterly amortization payments may be reduced by any mandatory or voluntary prepayments including excess cash flow payments.

As of December 31, 2025, the Company’s outstanding borrowings under the Term Loans of \$1.004 billion had an applicable interest rate of 6.25%. Outstanding borrowings under the Revolving Facility of \$107.0 million at December 31, 2025 had a weighted-average applicable interest rate of 6.39% and the unused capacity was subject to a commitment fee of 0.40%. The Company had unused letters of credit issued under the Revolving Facility of \$16.0 million as of December 31, 2025, which are subject to letter of credit fees.

Debt Maturities

Future annual maturities of long-term debt are as follows as of December 31, 2025:

(in thousands)	Amount
Payments for the years ending December 31,	
2026	\$ 12,577
2027	10,061
2028	10,061
2029	10,061
2030	10,061
Thereafter	1,550,785
Principal amount of long-term debt	1,603,606
Less: unamortized debt discount and issuance costs	(24,907)
Net long-term debt	<u>\$ 1,578,699</u>

13. Derivative Instruments and Hedging

The Company is exposed to interest rate risk resulting from its long-term debt and revolving facility. The Company uses derivative instruments, including, from time to time, interest rate caps and swaps, to mitigate its exposure to variability in cash flows due to changes in interest rates on its floating-rate debt. However, the Company does not use derivative instruments for trading or speculative purposes.

Effective September 14, 2025, the Company entered into a floating-to-fixed interest rate swap agreement with a notional amount of \$500 million, which exchanges the variable rate of the Term Loans, which are indexed to 1-month term SOFR, for a fixed rate of 3.244%. Interest payments will be made on a monthly basis commencing on October 14, 2025 through the termination date of September 14, 2028.

At December 31, 2025, the fair value of the interest rate swap was a \$0.8 million asset, which is included in other assets on the consolidated balance sheets. The Company recorded a \$0.8 million gain in accumulated other comprehensive income related to the interest rate swap during the year ended December 31, 2025.

14. Leases

The Company has operating leases relating to its facilities and office equipment with terms expiring through August 2035. Determination of whether a new contract is a lease is made at contract inception or at the modification date for a modified contract. The Company's operating leases may require fixed rental payments, variable lease payments based on usage or sales and fixed non-lease costs relating to the leased asset. Fixed non-lease costs such as common-area maintenance costs are included in the measurement of the right-of-use asset and lease liability as the Company does not separate lease and non-lease components. Variable lease payments are generally not included in the measurement of the right-of-use asset and lease liability and are recorded as lease expense in the period incurred. Short-term leases of 12 months or less are expensed in conjunction with the Company's short-term policy election.

The Company's operating leases may include renewal or termination options. Options to extend or terminate leases are excluded from balance sheet recognition until the options are reasonably certain to be exercised. The Company only included executed options to extend its leases in its calculation of right-of-use assets and lease liabilities at December 31, 2025.

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

(in thousands)	December 31,	
	2025	2024
Assets:		
Right-of-use assets	\$ 61,976	\$ 72,367
Liabilities:		
Operating lease liabilities, current portion	\$ 18,088	\$ 17,078
Operating lease liabilities, non-current	57,651	68,775
Total operating lease liabilities	\$ 75,739	\$ 85,853

The components of the lease costs were as follows:

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Operating lease costs	\$ 20,775	\$ 21,504	\$ 23,195
Variable lease costs	1,263	5,175	3,677

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

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Cash paid for amounts included in measurement of lease liabilities:			
Operating cash flows used in operating leases	\$ 21,775	\$ 21,719	\$ 19,587
Operating lease non-cash items:			
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 3,248	\$ 2,794	\$ 6,414
Right-of-use assets increased through lease modifications and reassessments	2,731	767	1,063

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

	December 31,	
	2025	2024
Operating leases:		
Remaining lease term	4.5 years	5.2 years
Discount rate	5.5 %	5.4 %

Future minimum lease payments under non-cancelable operating lease agreements at December 31, 2025 were as follows:

(in thousands)	Minimum Future Lease Payments
For the years ending December 31,	
2026	\$ 21,723
2027	20,318
2028	16,635
2029	14,299
2030	7,883
Thereafter	5,031
Total minimum lease payments	85,889
Less: amounts representing interest or imputed interest	(10,150)
Present value of lease liabilities	\$ 75,739

15. Stockholders' Equity and Noncontrolling Interest

Capital Stock

Baldwin's certificate of incorporation authorized capital stock consisting of 300 million shares of Class A common stock with a par value \$0.01 per share, 100 million shares of Class B common stock with a par value of \$0.0001 per share, and 50 million shares of preferred stock with a par value of \$0.01 per share.

The following table shows a rollforward of our common stock outstanding for the prior three years:

	Class A Common Stock	Class B Common Stock
Shares issued at December 31, 2022	61,447,368	54,504,918
Common stock and restricted stock grants under Omnibus Incentive Plan, net of forfeitures and shares withheld for taxes	854,067	—
Common stock and restricted stock grants under Partnership Inducement Award Plan, net of forfeitures and shares withheld for taxes	(177,555)	—
Redemption of Class B shares of common stock for Class A shares	2,082,424	(2,082,424)
Cancellation of Class A shares to settle obligation from partner	(72,354)	—
Shares issued at December 31, 2023	64,133,950	52,422,494
Common stock and restricted stock grants under Omnibus Incentive Plan, net of forfeitures and shares withheld for taxes	1,203,880	—
Common stock and restricted stock grants under Partnership Inducement Award Plan, net of forfeitures and shares withheld for taxes	(228,219)	—
Redemption of Class B shares of common stock for Class A shares	2,869,808	(2,869,808)
Shares issued at December 31, 2024	67,979,419	49,552,686
Common stock and restricted stock grants under Omnibus Incentive Plan, net of forfeitures and shares withheld for taxes	1,028,343	—
Common stock and restricted stock grants under Partnership Inducement Award Plan, net of forfeitures and shares withheld for taxes	(100,224)	—
Redemption of Class B shares of common stock for Class A shares	2,848,868	(2,848,868)
Shares issued in connection with partnerships	23,202	—
Shares issued at December 31, 2025	71,779,608	46,703,818

Class A Common Stock

Stockholders of Baldwin's Class A common stock are entitled to one vote for each share held of record on all matters on which stockholders are entitled to vote generally, including the election or removal of directors, although they do not have cumulative voting rights in the election of directors. Stockholders of Class A common stock are entitled to receive dividends when and if declared by our board of directors, subject to any restrictions on the payment of dividends.

Upon our liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the stockholders of Class A common stock will be entitled to receive pro rata our remaining assets available for distribution.

Class B Common Stock

The Class B common stock can be exchanged (together with a corresponding number of LLC Units) for shares of Class A common stock on a one-for-one basis, subject to certain restrictions, and the shares of Class B common stock will be cancelled on a one-for-one basis with the redemption or exchange. Except for transfers to us pursuant to the Amended LLC Agreement or to certain permitted transferees, Baldwin Holdings' LLC Members are not permitted to sell, transfer or otherwise dispose of any LLC Units or shares of Class B common stock.

Each share of Class B common stock entitles the stockholder to one vote per share, together with holders of Class A common stock as a single class, on all matters submitted to a vote of our stockholders. If at any time the ratio at which LLC Units are redeemable or exchangeable for shares of Class A common stock changes from one-for-one, the number of votes to which Class B common stockholders are entitled will be adjusted accordingly. Class B common stockholders will vote together with Class A common stockholders as a single class on all matters on which stockholders are entitled to vote generally, except as otherwise required by law. Class B common stockholders do not have cumulative voting rights in the election of directors, nor do they have any right to receive dividends or to receive a distribution upon a liquidation or winding up of Baldwin.

Noncontrolling Interest

Baldwin is the sole managing member of Baldwin Holdings. As such, Baldwin consolidates Baldwin Holdings in its consolidated financial statements, resulting in a noncontrolling interest related to the LLC Units held by Baldwin Holdings' LLC Members in its consolidated financial statements.

The following table summarizes the ownership interest in Baldwin Holdings:

	December 31, 2025		December 31, 2024	
	LLC Units	Percentage	LLC Units	Percentage
Interest in Baldwin Holdings held by Baldwin	71,779,608	61 %	67,979,419	58 %
Noncontrolling interest in Baldwin Holdings held by Baldwin Holdings' LLC Members	46,703,818	39 %	49,552,686	42 %
Total	118,483,426	100 %	117,532,105	100 %

16. Related Party Transactions

Due to/from Related Parties

Baldwin Holdings holds an ownership interest in Emerald Bay, an entity formed for the benefit of the MGA business, to which Baldwin Holdings, Lowry Baldwin (the Company's Chairman), and members of the Company's executive management team have made capital commitments. The carrying value of the Company's investment in Emerald Bay was \$2.3 million and \$2.1 million at December 31, 2025 and 2024, respectively.

Related party notes payable of \$5.6 million at December 31, 2024 relate to the settlement of contingent earnout consideration through the issuance of related party notes payable for one of the Company's partners. These related party notes payable were subsequently paid in the first quarter of 2025.

Commission Revenue

The Company serves as a broker for Holding Company of the Villages, Inc. ("The Villages"), a significant shareholder, and certain affiliated entities. Commission revenue recorded from transactions with The Villages and affiliated entities was \$2.5 million, \$2.4 million and \$2.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company serves as a broker for certain entities in which a member of our board of directors has a noncontrolling ownership interest. Commission revenue recorded from transactions with these entities was \$0.3 million, \$0.2 million and \$0.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Commissions and Consulting Expense

Two brothers of Lowry Baldwin, the Company's Chairman, collectively received producer commissions from the Company comprising approximately \$0.5 million for the year ended December 31, 2025, and \$0.6 million for each of the years ended December 31, 2024 and 2023.

Rent Expense

The Company has various agreements to lease office space from wholly-owned subsidiaries of The Villages. Rent expense ranges from approximately \$3,000 to \$18,000 per month, per lease. Lease agreements expire on various dates through November 2030. Total rent expense incurred with respect to The Villages and its wholly-owned subsidiaries was approximately \$0.8 million, \$0.7 million and \$0.4 million for the years ended December 31, 2025, 2024 and 2023, respectively. Total right-of-use assets and operating lease liabilities included on the Company's balance sheets relating to these lease agreements were \$1.7 million and \$1.8 million, respectively, at December 31, 2025, and \$1.3 million and \$1.4 million, respectively, at December 31, 2024.

The Company has various agreements to lease office space from other related parties. Rent expense ranges from approximately \$2,000 to \$61,000 per month, per lease. Lease agreements expire on various dates through May 2031. Total rent expense incurred with respect to other related parties was approximately \$3.1 million, \$3.7 million and \$3.9 million for the years ended December 31, 2025, 2024 and 2023, respectively. Total right-of-use assets and operating lease liabilities included on the Company's balance sheets relating to these lease agreements were \$7.6 million and \$8.8 million, respectively, at December 31, 2025 and \$9.7 million and \$10.3 million, respectively, at December 31, 2024.

Other

Lowry Baldwin, the Company's Chairman, paid \$0.4 million, \$0.4 million, and \$0.3 million of Baldwin Holdings' commitment to the University of South Florida ("USF") during the years ended December 31, 2025, 2024 and 2023, respectively. Refer to Note 22 for additional information regarding this commitment.

17. Share-Based Compensation

Omnibus Incentive Plan and Partnership Inducement Award Plan

The Company adopted an Omnibus Incentive Plan (the “Omnibus Plan”) and a Partnership Inducement Award Plan (the “Inducement Plan” and collectively with the Omnibus Plan, the “Plans”) to motivate and reward colleagues and certain other individuals to perform at the highest level and contribute significantly to the Company's success, thereby furthering the best interests of Baldwin Insurance Group's stockholders. The Plans permit the grant of both nonqualified and incentive stock options, stock appreciation rights, restricted stock awards (“RSAs”), restricted stock unit awards (“RSUs”), other performance awards (including performance-based RSUs (“PSUs”) issued in connection with the Long-Term Incentive Plan (“LTIP”) for executives), cash-based awards and share-based awards to the Company's directors, officers, colleagues and, solely with respect to the Omnibus Plan, consultants. The aggregate value of all compensation paid to a non-employee director under the Omnibus Plan in any calendar year may not exceed \$250,000 and awards granted under the Inducement Plan require a minimum vesting period of one year.

The Plans are administered by the Compensation Committee, the members of which are independent members of the board of directors. The Compensation Committee assesses issuances under the Plans in the context of the Company's fully-diluted capital composition, which includes shares of Class A common stock and Class B common stock.

The total number of shares of Class A common stock authorized for issuance under the Omnibus Plan and Inducement Plan was 13,143,677 and 3,000,000, respectively, at December 31, 2025. Under the Omnibus Plan, the number of shares of Class A common stock reserved for issuance will increase on the first day of each fiscal year by the lesser of (i) 2% of the aggregate shares of Class A and Class B common stock outstanding on the last day of the immediately preceding fiscal year and (ii) such number of shares as determined by the Company's board of directors. In accordance therewith, the number of authorized shares of Class A common stock reserved for issuance under the Omnibus Plan increased by 2,369,668 shares effective January 1, 2026.

At December 31, 2025, there were 3,339,994 and 1,954,897 shares of Class A common stock available for grant under the Omnibus Plan and Inducement Plan, respectively. The Company issues new shares of Class A common stock upon the grant of RSAs and the vesting of PSUs. During the year ended December 31, 2025, the Company made awards of RSAs, PSUs and fully-vested shares under the Plans to its non-employee directors, officers, colleagues and consultants. Fully-vested shares issued to directors, officers and colleagues during the year ended December 31, 2025 were vested upon issuance while RSAs issued to colleagues and consultants generally either cliff vest after three to four years or vest ratably over three to five years. The vesting of RSAs and PSUs issued to the Company's executive officers is discussed below under Long-Term Incentive Plan.

The following table summarizes the activity for awards granted by the Company under the Plans:

	Shares	Average Grant-Date Fair Value Per Share
Non-vested awards outstanding at December 31, 2022	3,595,303	\$ 28.26
Granted	1,855,051	28.97
Vested and settled	(1,541,042)	25.93
Forfeited	(387,722)	32.17
Non-vested awards outstanding at December 31, 2023	3,521,590	29.22
Granted	1,992,423	31.80
Vested and settled	(1,708,427)	28.37
Forfeited	(334,204)	29.52
Non-vested awards outstanding at December 31, 2024	3,471,382	31.08
Granted	1,833,423	40.84
Vested and settled	(1,894,588)	32.26
Forfeited	(315,949)	30.44
Non-vested awards outstanding at December 31, 2025	3,094,268	36.03
Non-vested awards outstanding at December 31, 2025 that are expected to vest	2,467,982	35.38

The total fair value of shares that vested and settled under the Plans was \$61.1 million, \$48.5 million and \$40.0 million for the years ended December 31, 2025, 2024 and 2023, respectively. Non-vested awards outstanding at December 31, 2025 include 651,897 PSUs expected to vest, which have an aggregate intrinsic value of \$15.7 million and a weighted-average remaining contractual term of 1.0 years.

Share-based compensation is recognized ratably over the vesting period of the respective awards and includes expense related to issuances under the Plans and the portion of annual bonuses that are payable in fully-vested shares of Class A common stock. The Company recognizes share-based compensation expense for the Plans net of actual forfeitures. The Company recorded share-based compensation expense of \$71.1 million, \$65.5 million and \$56.2 million for the years ended December 31, 2025, 2024 and 2023, respectively. Share-based compensation expense is included in colleague compensation and benefits expense in the consolidated statements of comprehensive loss. The Company had \$59.0 million of total unrecognized compensation cost related to non-vested shares at December 31, 2025, which is expected to be recognized over a weighted-average period of 1.8 years.

Long-Term Incentive Plan

During the years ended December 31, 2025, 2024 and 2023, the Compensation Committee awarded the Company's executive officers incentive compensation awards under the LTIP consisting of (i) PSUs with an aggregate target grant date value of \$5.9 million, \$5.8 million and \$7.6 million, respectively, and (ii) RSAs with an aggregate grant date value of \$0.3 million, \$0.4 million and \$0.4 million, respectively. The incentive compensation awards granted during the years ended December 31, 2025, 2024 and 2023 have an aggregate maximum value of \$20.2 million, \$19.6 million and \$25.9 million, respectively.

As part of the adoption of the LTIP each year, the Compensation Committee approves the form of PSU award agreement (the "Form PSU Award Agreement") under the Omnibus Plan in connection with the granting of PSUs to its executive officers. The Form PSU Award Agreement provides for the granting of PSUs, which generally vest in the quarter following the end of a performance period of three years. The number of PSUs, if any, that will actually be earned pursuant to a PSU award will depend on the level of performance achieved with respect to applicable performance goals during the applicable performance period. The RSAs vest in equal annual installments over five years.

Valuation Assumptions

The fair value of PSUs with market conditions was estimated on the grant date using a Monte Carlo analysis to model the value of the PSUs using the following assumptions. Expected volatility is based on an average of implied volatility on the valuation date and the one-year historical volatility of Baldwin and publicly-traded companies within a peer group and, in 2023, the Russell 3000 Index. The risk-free interest rate is based on the U.S. Treasury rates in effect at the time of the grant. Expected term is based on the remaining measurement period of the awards at the grant date. The assumptions used in calculating the fair value of the PSUs with market conditions are set forth in the table below.

	For the Years Ended December 31,		
	2025	2024	2023
Expected volatility minimum	23 %	22 %	18 %
Expected volatility maximum	57 %	55 %	364 %
Risk-free interest rate	4.25 %	4.48 %	4.41 %
Expected term	2.9 years	2.8 years	2.9 years

18. Retirement Plan

The Company sponsors a 401(k) retirement plan for colleagues who meet specific age and service requirements. This plan allows for participants to make salary deferral contributions. Employer matching and profit-sharing contributions to this plan are discretionary. Company contributions were \$17.9 million, \$15.9 million and \$16.9 million for the years ended December 31, 2025, 2024 and 2023, respectively.

19. Income Taxes

Baldwin is the sole managing member of Baldwin Holdings, which is treated as a partnership for U.S. federal, state and local income tax purposes. As a partnership, Baldwin Holdings is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by Baldwin Holdings is passed through to and included in the taxable income or loss of its partners, including Baldwin, on a pro rata basis. Baldwin is subject to U.S. federal income taxes, in addition to state and local income taxes, with respect to Baldwin's allocable share of income of Baldwin Holdings.

Loss before income taxes consisted of the following:

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Domestic loss	\$ (51,758)	\$ (39,350)	\$ (162,734)
Foreign loss	(667)	—	—
Loss before income taxes	<u>\$ (52,425)</u>	<u>\$ (39,350)</u>	<u>\$ (162,734)</u>

Components of income tax expense include the following:

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Current			
Federal	\$ —	\$ 19	\$ 75
State and local	1,729	1,712	1,250
Total current income tax expense	<u>1,729</u>	<u>1,731</u>	<u>1,325</u>
Deferred			
Federal	—	—	(40)
State and local	—	—	—
Total deferred income tax expense	<u>—</u>	<u>—</u>	<u>(40)</u>
Total income tax expense	<u>\$ 1,729</u>	<u>\$ 1,731</u>	<u>\$ 1,285</u>

The Company has adopted ASU 2023-09 using a prospective transition method. A reconciliation of the provision for income taxes with the U.S. federal statutory income tax rate is as follows:

(in thousands, except percentages)	2025	
	Amount	Percent
Loss before income taxes	\$ (52,425)	
U.S. federal statutory income tax	(11,009)	21.0 %
Valuation allowance	10,079	(19.2)
Noncontrolling interest	4,372	(8.3)
Tax credits	(3,732)	7.1
State and local income taxes, net of federal income tax effect ⁽¹⁾	1,729	(3.3)
Nontaxable or nondeductible items	150	(0.3)
Foreign tax effects	140	(0.3)
Income tax expense	<u>\$ 1,729</u>	<u>(3.3)%</u>

(1) State taxes in Texas and Tennessee made 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 and 2023 in accordance with the guidance prior to the adoption of ASU 2023-09.

(in thousands, except percentages)	For the Years Ended December 31,	
	2024	2023
Loss before income taxes	\$ (39,350)	\$ (162,734)
Noncontrolling interest	3,088	18,357
Tax at federal statutory rate (21%)	(8,263)	(34,593)
Effect of:		
Valuation allowance	4,878	20,574
True-up and adjustments	4,463	128
State rate change	(3,517)	(479)
State and local income tax	1,310	(5,799)
Share-based compensation	(383)	778
IRC 162(m)	155	987
Other	—	1,332
Income tax expense	<u>\$ 1,731</u>	<u>\$ 1,285</u>

The following table summarizes the components of deferred tax assets and liabilities:

(in thousands)	December 31,	
	2025	2024
Deferred tax assets		
Investment in partnerships	\$ 124,101	\$ 117,799
163(j) limitation carryforward	46,601	36,005
Net operating loss	33,159	12,260
R&D credit	3,732	—
Capitalized transaction costs	1,707	1,898
Charitable contributions	1,404	1,107
Total deferred tax assets	<u>210,704</u>	<u>169,069</u>
Less: valuation allowance	<u>(210,704)</u>	<u>(169,069)</u>
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

Deferred tax balances reflect the impact of temporary differences between the carrying amount of assets and liabilities and their tax basis and are stated at the tax rates in effect when the temporary differences are expected to be recovered or settled. The Company assessed the future realization of the tax benefit of its existing deferred tax assets and concluded that it is more likely than not that all of the deferred tax assets will not be realized in the future. As a result, the Company recorded a valuation allowance of \$210.7 million and \$169.1 million against its deferred tax assets at December 31, 2025 and 2024, respectively.

Net cash paid for income taxes consisted of the following:

(in thousands)	For the Year Ended December 31, 2025
Aggregated state and local jurisdictions	\$ 229
Disaggregated state and local jurisdictions:	
Texas	1,165
Tennessee	306
Cash paid for taxes	<u>\$ 1,700</u>

As of December 31, 2025, the Company has not recognized any uncertain tax positions, penalties, or interest as management has concluded that no such positions exist. The Company is subject to federal examination for tax years beginning with the year ended December 31, 2020 and state examination for tax years beginning with the year ended December 31, 2019. The Company is not currently subject to income tax audits in any U.S. or state jurisdictions for any tax year. In addition, all of our federal net operating losses and 163(j) interest expense limitations can be carried forward indefinitely while our state net operating losses will begin to expire in 2030.

Tax Receivable Agreement

Baldwin Holdings makes an election under Section 754 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code") effective for each taxable year in which a redemption or exchange of LLC Units and corresponding Class B common stock for shares of Class A common stock occurs. Exchanges result in tax basis adjustments to the assets of Baldwin Holdings, which produce favorable tax attributes and reduce the amount of tax that Baldwin is required to pay. The Company has determined that it is more likely than not that these benefits will not be realized.

Baldwin is a party to the Tax Receivable Agreement with Baldwin Holdings' LLC Members that provides for the payment by Baldwin to Baldwin Holdings' LLC Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that Baldwin actually realizes as a result of (i) any increase in tax basis in Baldwin Holdings assets resulting from (a) previous acquisitions by Baldwin of LLC Units from Baldwin Holdings' LLC Members, (b) the acquisition of LLC Units from Baldwin Holdings' LLC Members using the net proceeds from any future offering, (c) redemptions or exchanges by Baldwin Holdings' LLC Members of LLC Units and the corresponding number of shares of Class B common stock for shares of Class A common stock or cash or (d) payments under the Tax Receivable Agreement, and (ii) tax benefits related to imputed interest resulting from payments made under the Tax Receivable Agreement.

This payment obligation is an obligation of Baldwin and not of Baldwin Holdings. For purposes of the Tax Receivable Agreement, the cash tax savings in income tax will be computed by comparing the actual income tax liability of Baldwin (calculated with certain assumptions) to the amount of such taxes that Baldwin would have been required to pay had there been no increase to the tax basis of the assets of Baldwin Holdings as a result of the redemptions or exchanges and had Baldwin not entered into the Tax Receivable Agreement. Estimating the amount of payments that may be made under the Tax Receivable Agreement is by its nature imprecise, insofar as the calculation of amounts payable depends on a variety of factors. While the actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of redemptions or exchanges, the price of shares of our Class A common stock at the time of the redemption or exchange, the extent to which such redemptions or exchanges are taxable and the amount and timing of our income. The Company accounts for the effects of these increases in tax basis and associated payments under the Tax Receivable Agreement arising from future redemptions or exchanges as follows:

- records an increase in deferred tax assets for the estimated income tax effects of the increases in tax basis based on enacted federal and state tax rates at the date of the redemption or exchange;
- to the extent it is estimated that the Company will not realize the full benefit represented by the deferred tax asset, based on an analysis that will consider, among other things, our expectation of future earnings, the Company reduces the deferred tax asset with a valuation allowance; and
- records 85% of the estimated realizable tax benefit (which is the recorded deferred tax asset less any recorded valuation allowance) as an increase to the liability due under the Tax Receivable Agreement and the remaining 15% of the estimated realizable tax benefit as an increase to additional paid-in capital.

All of the effects of changes in any of our estimates after the date of the redemption or exchange will be included in net income. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income.

As of December 31, 2025 and 2024, the Company has recorded a Tax Receivable Agreement liability of \$4.5 million and \$4.8 million, respectively, associated with the payments to be made to current or former Baldwin Holdings' LLC Members subject to the Tax Receivable Agreement, which is included in accrued expenses and other current liabilities on the consolidated balance sheets.

20. Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to Baldwin by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted earnings (loss) per share is computed giving effect to all potentially dilutive shares of common stock.

The following table sets forth the computation of basic and diluted loss per share:

(in thousands, except per share data)	For the Years Ended December 31,		
	2025	2024	2023
Basic and diluted loss per share:			
Loss attributable to Baldwin	\$ (33,813)	\$ (24,518)	\$ (90,141)
Shares used for basic and diluted loss per share:			
Basic and diluted weighted-average shares of Class A common stock outstanding	67,939	63,455	60,135
Basic and diluted loss per share	<u>\$ (0.50)</u>	<u>\$ (0.39)</u>	<u>\$ (1.50)</u>

Potentially dilutive securities consist of unvested stock awards, including RSAs and PSUs, in addition to shares of Class B common stock, which can be exchanged (together with a corresponding number of LLC Units) for shares of Class A common stock on a one-for-one basis. The following potentially dilutive securities were excluded from the Company's diluted weighted-average number of shares outstanding calculation for the periods presented as their inclusion would have been anti-dilutive.

	For the Years Ended December 31,		
	2025	2024	2023
Unvested RSAs and PSUs	3,229,248	3,597,954	3,874,639
Shares of Class B common stock	47,736,698	50,895,956	53,132,031

The shares of Class B common stock do not share in the earnings or losses attributable to Baldwin, and therefore, are not participating securities. Accordingly, a separate presentation of basic and diluted earnings per share of Class B common stock under the two-class method has not been included.

21. Fair Value Measurements

ASC Topic 820, *Fair Value Measurement* ("Topic 820") established 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 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.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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:

(in thousands)	Fair Value Hierarchy					
	Level 1		Level 2		Level 3	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Assets:						
Money market funds	\$ 229,922	\$ 237,452	\$ —	\$ —	\$ —	\$ —
Derivative instruments	—	—	815	18	—	—
Liabilities:						
Contingent earnout liabilities	—	—	—	—	23,293	145,559

Money Market Funds

The Company has investments in money market funds, which are included in cash and cash equivalents and fiduciary cash on the consolidated balance sheets. Fair value inputs for these investments are considered Level 1 measurements within the fair value hierarchy since money market fund fair values are known and observable through daily published floating values.

Derivative Instruments

Derivative instruments include an interest rate swap and interest rate caps. The fair value of the interest rate swap at December 31, 2025 was determined using an income approach based on the terms of the interest rate swap and inputs corroborated by observable market data, including interest rate curves. The fair value of interest rate caps at December 31, 2024 was determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the caps are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. Derivative instruments are classified within Level 2 of the fair value hierarchy.

Contingent Earnout Liabilities

Methodologies used for liabilities measured at fair value on a recurring basis within Level 3 of the fair value hierarchy 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 fair value of contingent earnout liabilities is based on sales projections for the acquired entities, which are reassessed each reporting period. Based on the Company's ongoing assessment of the fair value of its contingent earnout liabilities, the Company recorded a net increase (decrease) in the estimated fair value of such liabilities of \$5.6 million, \$(4.9) million and \$61.1 million for the years ended December 31, 2025, 2024 and 2023, respectively. The Company has assessed the maximum estimated exposure to the contingent earnout liabilities to be \$50.0 million at December 31, 2025.

The Company measures contingent earnout liabilities at fair value each reporting period using significant unobservable inputs classified within Level 3 of the fair value hierarchy. 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 sales projections 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 with a higher liability capped by the contractual maximum of the contingent earnout liabilities. 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 for business combinations, or as a change in the cost of the assets acquired for asset acquisitions.

The fair value of the contingent earnout liabilities is based on the present value of the expected future payments to be made to partners in accordance with the provisions outlined in the respective purchase agreements, which at times includes Monte Carlo simulations or a discounted cash flow analysis. In determining fair value, the Company estimates the partner's future performance using financial projections developed by management for the partner and market participant assumptions that were derived for revenue growth, EBITDA growth and retention rates. Revenue or EBITDA growth rates for earnouts with ongoing measurement periods were generally 20% at December 31, 2025 and from 20% to 25% at December 31, 2024. The Company estimates future payments using the earnout formula and performance targets specified in each purchase agreement and these financial projections. These payments are generally discounted to present value using a risk-adjusted rate that takes into consideration market-based rates of return that reflect the ability of the partner to achieve the targets. However, no significant discount rates have been applied to the remaining material contingent earnout liabilities at December 31, 2025 or 2024 due, in part, to the short-term nature of a substantial portion of the liabilities wherein their fair values approximate their carrying values. Changes in financial projections, market participant assumptions for revenue growth, or the risk-adjusted discount rate, would result in a change in the fair value of contingent consideration.

The following table sets forth a summary of the changes in the fair value of the Company's contingent earnout liabilities, which are measured at fair value on a recurring basis utilizing Level 3 assumptions in their valuation:

(in thousands)	For the Years Ended December 31,	
	2025	2024
Balance at beginning of year	\$ 145,559	\$ 276,467
Change in fair value of contingent consideration ⁽¹⁾	5,594	(4,949)
Fair value of contingent consideration issuances	18,447	224
Settlement of contingent consideration ⁽²⁾	(146,307)	(126,183)
Balance at end of year	<u>\$ 23,293</u>	<u>\$ 145,559</u>

- (1) The Company reclassified \$(1.8) million and \$41.9 million of its contingent earnout liabilities through the issuance (reduction) of colleague earnout incentives during the years ended December 31, 2025 and 2024, respectively, which results in a reclassification between the change in fair value of contingent consideration and colleague compensation and benefits expense in the consolidated statements of comprehensive loss.
- (2) The Company settled \$5.6 million of its contingent earnout liabilities through the issuance of related party notes payable during the year ended December 31, 2024. The consolidated statements of cash flows for the years ended December 31, 2025 and 2024 include \$5.6 million and \$1.5 million, respectively, of payments of contingent earnout consideration related to similar non-cash settlements in prior periods.

Fair Value of Assets and Liabilities Not Measured at Fair Value

The fair value of long-term debt and the revolving line of credit is based on an estimate using a discounted cash flow analysis and current borrowing rates for similar types of borrowing arrangements. The carrying amount and estimated fair value of long-term debt and the revolving line of credit were as follows:

(in thousands)	Fair Value Hierarchy	December 31, 2025		December 31, 2024	
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Long-term debt ⁽¹⁾	Level 2	\$ 1,603,606	\$ 1,620,092	\$ 1,435,800	\$ 1,450,479
Revolving line of credit	Level 2	107,000	107,985	—	—

- (1) The carrying amount of long-term debt reflects outstanding borrowings, which are presented net of unamortized debt discount and issuance costs of \$24.9 million and \$29.3 million at December 31, 2025 and 2024, respectively, on the consolidated balance sheets.

22. Commitments and Contingencies

Commitments

As of December 31, 2025, the Company has a remaining commitment to USF to donate \$2.5 million through October 2028. The gift will provide support for the School of Risk Management and Insurance in the USF Muma College of Business. It is currently anticipated that Lowry Baldwin, the Company's Chairman, will fund half of the amounts to be donated by the Company.

Legal Proceedings

The Company is involved in various claims and legal actions arising in the ordinary course of business. A liability is recorded when a loss is considered probable and is reasonably estimable in accordance with GAAP. When a material loss contingency is reasonably possible but not probable, the Company will disclose the nature of the claim and, if possible, an estimate of the loss or range of loss. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

On February 8, 2023, Ruby Wagner, a putative Class A stockholder of the Company, filed a class action lawsuit (the "Lawsuit"), on behalf of herself and other similarly situated stockholders in the Delaware Court of Chancery against the Company seeking declaratory judgment that certain provisions of the 2019 Stockholders Agreement between the Company and the Pre-IPO LLC Members are invalid and unenforceable as a matter of Delaware law. On May 28, 2024, the Court of Chancery issued an opinion (the "Chancery Court Opinion") that certain provisions of the 2019 Stockholders Agreement granting approval rights related to amending the Company's certificate of incorporation and making significant decisions relating to the Company's senior management, are facially invalid, void, and unenforceable under Delaware law. An implementing order, presently in effect, was entered on June 20, 2024. The Chancery Court Opinion also held that a severability provision in the 2019 Stockholders Agreement allows the Pre-IPO LLC Members to demand a "suitable and equitable substitute" for the approval rights that were deemed invalid, such as the issuance of a so-called golden share of preferred stock in the Company. Following the Chancery Court Opinion, a counterparty to the 2019 Stockholders Agreement requested the issuance of such golden share. An independent committee of our board of directors, advised by independent counsel, determined that entering into a contractual agreement containing substantially the same rights as those contained in the 2019 Stockholders Agreement, as authorized by a newly-enacted provision of Delaware law, rather than issuance of a golden share, would be in the best interests of the Company and our stockholders and, following negotiation, the Company entered into the 2024 Stockholders Agreement on October 30, 2024. On January 22, 2025, the Court of Chancery granted plaintiff an award of attorneys' fees and expenses in the amount of \$2.4 million (the "Fee Award"). On February 21, 2025, the Company filed an appeal from the Chancery Court Opinion and the Fee Award with the Delaware Supreme Court. Due to the Company's appeal, management has estimated the potential range of loss from the ultimate disposition of this matter to be between \$0, if the appeal is successful, and \$2.4 million, if the Fee Award is upheld, a significant portion of which may be covered by insurance.

23. Segment Information

Baldwin's business is divided into three operating groups: Insurance Advisory Solutions, Underwriting, Capacity & Technology Solutions and Mainstreet Insurance Solutions.

- The Insurance Advisory Solutions ("IAS") operating group provides expertly-designed commercial risk management, employee benefits and private risk management solutions for businesses and high-net-worth individuals, as well as their families, through our national footprint which has assimilated some of the highest quality independent insurance brokers in the country with vast and varied strategic capabilities and expertise.
- The Underwriting, Capacity & Technology Solutions ("UCTS") operating group consists of three distinct divisions—its MGA platform, MSI; its Capacity Solutions group (which consists of its reinsurance brokerage business, Juniper Re; its reinsurance MGA business, MultiStrat; and its captive management business); and the Captive. Through MSI, the Company manufactures proprietary, technology-enabled insurance products that are then distributed (in many instances via technology and/or API integrations) internally via risk advisors across its other operating groups and externally via select distribution partners, with a focus on sheltered channels where its products deliver speed, ease of use and certainty of execution, an example of which is the national embedded renters insurance product sold at point of lease via integrations with property management software providers. UCTS' Wholesale Business was sold in the first quarter of 2024 and its operations are included in UCTS' results through February 29, 2024.

- The Mainstreet Insurance Solutions (“MIS”) operating group offers personal insurance, commercial insurance and life and health solutions to individuals and businesses in their communities, with a focus on accessing clients via sheltered distribution channels, which include, but are not limited to, new home builders, realtors, mortgage originators/lenders, master planned communities, and various other community centers of influence. The MIS operating group also offers consultation for government assistance programs and solutions, including traditional Medicare, Medicare Advantage and Affordable Care Act, to seniors and eligible individuals through a network of primarily independent contractor agents.

In all its operating groups, the Company generates commissions from insurance placement under both agency bill and direct bill arrangements, and profit-sharing income based on either the underlying book of business or performance, such as loss ratios. All operating groups also generate other ancillary income.

In the IAS and UCTS operating groups, the Company generates fees from service fee and consulting arrangements. Service fee arrangements are in place with certain clients for providing insurance placement services.

In the UCTS operating group, the Company generates fees from policy fee and installment fee arrangements. Policy fee revenue is earned for acting in the capacity of an MGA and providing payment processing services and other administrative functions on behalf of insurance company partners. Additionally, the UCTS operating group generates assumed premium earned through the Captive business.

In the MIS operating group, the Company generates commissions and fees from marketing income, which is earned through co-branded Medicare marketing campaigns with the Company's insurance company partners.

In addition, the Company generates investment income in all its operating groups and the Corporate and Other non-reportable segment.

The Company's chief operating decision maker, the chief executive officer, evaluates the performance of its reportable segments based on net income (loss) and adjusted EBITDA. The chief operating decision maker considers actual, actual-to-prior year variances, and budget-to-actual variances on a monthly basis for both profit measures to manage resources and make decisions about the business. However, only segment net income (loss), as the measure of segment profit or loss that is most consistent with GAAP measurement principles, is disclosed below.

Summarized financial information regarding the Company's operating groups is shown in the following tables. Corporate and Other includes any expenses not allocated to the operating groups and corporate-related items, including interest expense. Intersegment revenue and expenses are eliminated through Corporate and Other. Service center expenses and other overhead are allocated to the Company's operating groups based on either revenue or headcount as applicable to each expense.

For the Year Ended December 31, 2025					
(in thousands)	Insurance Advisory Solutions	Underwriting, Capacity & Technology Solutions	Mainstreet Insurance Solutions	Corporate and Other	Total
Revenues:					
Commission revenue ⁽¹⁾	\$ 572,256	\$ 420,093	\$ 265,183	\$ (71,063)	\$ 1,186,469
Profit-sharing revenue	52,969	16,051	25,070	—	94,090
Consulting and service fee revenue	89,334	5,939	100	—	95,373
Policy fee and installment fee revenue	—	78,642	—	—	78,642
Assumed premium earned	—	22,571	—	—	22,571
Other income	8,415	1,294	7,195	(369)	16,535
Investment income	4,350	4,862	199	1,793	11,204
Total revenue	727,324	549,452	297,747	(69,639)	1,504,884
Expenses:					
Inside advisor commissions	175,335	683	31,684	5	207,707
Fixed compensation	220,444	63,350	40,784	11,023	335,601
Benefits and other	88,144	33,989	26,406	9,560	158,099
Share-based compensation	25,680	16,344	5,328	23,761	71,113
Severance	2,096	2,246	505	1,943	6,790
Colleague earnout incentives	(1,671)	(108)	—	—	(1,779)
Colleague compensation and benefits	510,028	116,504	104,707	46,292	777,531
Outside commissions ⁽¹⁾	11,431	264,910	74,802	(71,432)	279,711
Selling expense	24,119	6,382	15,094	8,939	54,534
Operating expense	61,101	68,503	23,859	29,760	183,223
Administrative expense	58,800	22,730	42,085	134,394	258,009
All other expenses, net ⁽²⁾	3,905	(1,740)	1,988	1,877	6,030
Total expense	669,384	477,289	262,535	149,830	1,559,038
Net income (loss)	<u>\$ 57,940</u>	<u>\$ 72,163</u>	<u>\$ 35,212</u>	<u>\$ (219,469)</u>	<u>\$ (54,154)</u>
Other segment disclosures:					
Change in fair value of contingent consideration	\$ 5,544	\$ (1,405)	\$ 1,455	\$ —	\$ 5,594
Depreciation and amortization expense	57,957	21,770	41,810	6,293	127,830
Interest expense (income), net	(1)	393	61	120,975	121,428
Loss (gain) on divestitures	(1,901)	—	—	1,611	(290)
Loss on extinguishment and modification of debt	—	—	—	6,226	6,226
Capital expenditures	7,140	13,566	13,703	5,118	39,527
	At December 31, 2025				
Total assets	\$ 2,293,873	\$ 758,085	\$ 712,639	\$ 97,623	\$ 3,862,220

(1) During the year ended December 31, 2025, the IAS operating group recorded commission revenue shared with other operating groups of \$0.4 million and the UCTS operating group recorded commission revenue shared with other operating groups of \$71.1 million. Commission revenue shared within the same operating group and passed through to other operating groups is eliminated through Corporate and Other.

(2) All other expenses, net includes change in fair value of contingent consideration, gain or loss on divestitures, other income (expense), net, share of net earnings of equity method investee and income tax expense.

For the Year Ended December 31, 2024				
Insurance Advisory Solutions	Underwriting, Capacity & Technology Solutions	Mainstreet Insurance Solutions	Corporate and Other	Total
\$ 569,434	\$ 388,810	\$ 250,825	\$ (79,166)	\$ 1,129,903
60,935	12,464	22,133	—	95,532
71,852	6,316	—	—	78,168
—	60,719	—	—	60,719
3,936	568	8,290	—	12,794
5,779	4,062	35	2,045	11,921
711,936	472,939	281,283	(77,121)	1,389,037
167,695	1,618	29,560	—	198,873
206,029	53,453	38,601	4,965	303,048
82,925	32,757	22,974	8,466	147,122
25,511	9,326	6,719	23,947	65,503
1,895	1,757	520	1,584	5,756
39,315	2,602	—	—	41,917
523,370	101,513	98,374	38,962	762,219
11,009	260,204	77,782	(79,166)	269,829
23,098	4,414	15,754	6,866	50,132
54,714	36,602	19,449	28,172	138,937
63,016	15,681	27,511	144,390	250,598
(15,403)	(28,888)	495	2,199	(41,597)
659,804	389,526	239,365	141,423	1,430,118
\$ 52,132	\$ 83,413	\$ 41,918	\$ (218,544)	\$ (41,081)

Change in fair value of contingent consideration	\$ (10,458)	\$ 5,085	\$ 424	\$ —	\$ (4,949)
Depreciation and amortization expense	61,707	15,518	27,167	4,532	108,924
Interest expense (income), net	(4)	(26)	32	123,642	123,644
Gain on divestitures	(3,843)	(35,110)	—	—	(38,953)
Loss on extinguishment and modification of debt	—	—	—	15,113	15,113
Capital expenditures	6,110	17,626	8,897	8,416	41,049

	At December 31, 2021				
Total assets	\$ 2,329,152	\$ 621,407	\$ 524,576	\$ 59,596	\$ 3,534,731

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For the Year Ended December 31, 2023					
(in thousands)	Insurance Advisory Solutions	Underwriting, Capacity & Technology Solutions	Mainstreet Insurance Solutions	Corporate and Other	Total
Revenues:					
Commission revenue ⁽¹⁾	\$ 512,211	\$ 305,752	\$ 217,300	\$ (67,711)	\$ 967,552
Profit-sharing revenue	56,549	21,174	15,714	—	93,437
Consulting and service fee revenue	68,481	6,156	—	—	74,637
Policy fee and installment fee revenue	—	65,386	—	—	65,386
Other income	5,102	4,031	1,683	—	10,816
Investment income	3,732	2,040	—	955	6,727
Total revenue	646,075	404,539	234,697	(66,756)	1,218,555
Expenses:					
Inside advisor commissions	153,212	4,530	26,073	2,927	186,742
Fixed compensation	191,929	53,220	36,359	12,920	294,428
Benefits and other	79,500	26,974	20,808	8,729	136,011
Share-based compensation	3,693	3,727	1,343	47,458	56,221
Severance	3,362	469	1,196	13,487	18,514
Colleague earnout incentives	8,020	—	—	—	8,020
Colleague compensation and benefits	439,716	88,920	85,779	85,521	699,936
Outside commissions ⁽¹⁾	7,480	209,188	62,461	(67,711)	211,418
Selling expense	19,750	3,954	14,680	7,297	45,681
Operating expense	60,011	37,441	16,523	26,419	140,394
Administrative expense	56,962	17,124	23,821	123,879	221,786
All other expenses, net ⁽²⁾	38,520	20,131	2,011	2,697	63,359
Total expense	622,439	376,758	205,275	178,102	1,382,574
Net income (loss)	\$ 23,636	\$ 27,781	\$ 29,422	\$ (244,858)	\$ (164,019)
Other segment disclosures:					
Change in fair value of contingent consideration	\$ 38,306	\$ 20,930	\$ 1,847	\$ —	\$ 61,083
Depreciation and amortization expense	55,339	16,584	23,418	3,061	98,402
Interest expense (income), net	(157)	—	(30)	119,652	119,465
Capital expenditures	1,330	7,571	3,482	8,993	21,376

(1) During the year ended December 31, 2023, the UCTS operating group recorded commission revenue shared with other operating groups of \$65.9 million and the MIS operating group recorded commission revenue shared within the same operating group of \$1.8 million. Commission revenue shared within the same operating group is eliminated through Corporate and Other.

(2) All other expenses, net includes change in fair value of contingent consideration, other income (expense), net and income tax expense.

24. Captive Insurance Operations

Effective January 1, 2025, the MSI Cell was licensed and participates as a quota share reinsurer on two of MSI's multifamily programs, renters and master tenant legal liability, for the purpose of further participating in underwriting results. The reinsurance quota share contracts feature an adjustment to assumed premium based on the loss ratio performance of the business assumed.

As of December 31, 2025, assumed premium receivable was \$18.5 million and is included as a component of assumed premiums, commissions and fees receivable, net on the consolidated balance sheet and accounted for as a funds withheld receivable, net of actual claims paid. As of December 31, 2025, assumed premiums unearned was \$1.9 million and is included as a component of accrued expenses and other current liabilities on the consolidated balance sheet.

For the year ended December 31, 2025, assumed premium earned was \$22.6 million and is included in commissions and fees in the consolidated statement of comprehensive loss. Changes in estimates, or differences between estimates and amounts ultimately paid, are reflected in the operating results of the period during which such adjustments are made. No such adjustments were made during the year ended December 31, 2025.

The table below provides a rollforward of unpaid losses and loss adjustment reserve:

(in thousands)	For the Year Ended December 31, 2025
Balance at beginning of period	\$ —
Incurred losses and LAE	19,052
Actual claims paid	(5,980)
Balance at end of period	<u>\$ 13,072</u>

In December 2024, the initial funding to capitalize the Captive was \$12.1 million, provided by Baldwin Holdings substantially in the form of a letter of credit. During August 2025, the Tennessee Department of Commerce and Insurance accepted an amendment to the letter of credit, which reduced funding for the Captive to \$8.1 million. The Captive maintains capital of \$8.0 million in excess of the minimum statutory amount required by regulatory authorities. The statutory capital and surplus of the Captive was \$10.0 million as of December 31, 2025, as allowed by prescribed practices by the Tennessee Department of Commerce and Insurance.

25. Subsequent Events

Partnership Activity

Effective January 1, 2026, the Company acquired the outstanding equity interests of the business of Cobbs Allen Capital Holdings, LLC ("CAC Group") for aggregate consideration paid by the Company at closing consisting of \$438.0 million of cash (subject to customary purchase price adjustments) and 23,200,000 shares of the Company'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. CAC Group may be entitled to receive additional contingent consideration payable in cash based upon the achievement of certain post-closing revenue focused performance measures. The partnership with CAC Group will significantly expand the specialty capabilities of the Company's IAS operating group and strengthen its specialty product lines and data and analytics platform. The Company has not yet completed its evaluation and determination of consideration paid and the identifiable assets and liabilities acquired in accordance with Topic 805.

Effective January 2, 2026, the Company acquired the outstanding equity interests of the business of Creisoft, Inc. ("Obie") for aggregate consideration paid by the Company at closing consisting of \$90.0 million of cash (subject to customary purchase price adjustments) and 396,573 shares of the Company's Class A common stock. The purchase consideration also includes deferred payments of \$122.5 million in cash, shares of Class A common stock, or a combination of both, payable in three annual installments. Obie may be entitled to receive additional contingent consideration 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 focused performance measures. The partnership with Obie expands access to embedded insurance distribution capabilities for MSI and strengthens its offerings in the rapidly growing real estate investor market. The Company has not yet completed its evaluation and determination of consideration paid and the identifiable assets and liabilities acquired in accordance with Topic 805.

Effective January 2, 2026, the Company acquired the outstanding equity interests of the business of Foley Insurance Agency, Inc., doing business as Capstone Group ("Capstone"). The partnership with Capstone expands Baldwin's regional presence and enhances its ability to deliver comprehensive risk management solutions to a wider client base. The Company has not yet completed its evaluation and determination of consideration paid and the identifiable assets and liabilities acquired in accordance with Topic 805.

The relative significance of the aforementioned partnerships in the aggregate, in addition to the issuance of the aggregate 23,951,021 shares of Class A common stock pursuant to such partnerships, may have a significant impact on the Company's financial condition, results of operations and cash flows for the year ended December 31, 2026.

The acquisitions of CAC Group and Obie are subsequent events that could give rise to the recognition of deferred tax liabilities through opening balance sheet accounting that will exceed the Company's total deferred tax assets, which could result in the Company releasing a portion or the entirety of its valuation allowance on the total deferred tax assets. Despite this nuance related to partnership activity, the Company continues to expect to remain in a cumulative loss position in 2026. The Company is currently evaluating the impact on the interim consolidated financial statements for 2026.

On January 2, 2026, the Company made a payment of \$25.0 million to settle a deferred payment to one of its partners. Deferred payments are included in accrued expenses and other current liabilities on the consolidated balance sheets at December 31, 2025.

JPM Credit Agreement Amendment

On January 2, 2026, the Company entered into Amendment No. 4 to the JPM Credit Agreement (the "January 2026 Refinancing") to provide for \$600.0 million of incremental term loans, increasing the aggregate principal amount of outstanding term loans under the JPM Credit Agreement to approximately \$1.604 billion. The Company incurred approximately \$12.0 million of debt issuance costs in connection with the January 2026 Refinancing. The incremental term loans are subject to the same terms to which the Term Loans were subject under the JPM Credit Agreement.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this Annual Report on Form 10-K. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of December 31, 2025.

Management’s Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive officer and principal financial officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Management’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with authorizations of management, acting under authority delegated to them by our board of directors, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Management’s annual evaluation of internal control over financial reporting did not include an assessment of and conclusion on the effectiveness of internal control over financial reporting of two partnerships (MultiStrat and Hippo’s Homebuilder Distribution Network) that were acquired in purchase business combinations during the year ended December 31, 2025. The two partnerships collectively represent less than 1% of our consolidated total assets (the calculation excludes the goodwill and intangible assets of those acquired partnerships, which were subject to management’s assessment of internal control over financial reporting) and approximately 2% of total revenues as of and for the year ended December 31, 2025.

Management, including our Chief Executive Officer and our Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria established in Internal Control—Integrated Framework (2013) set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2025 to provide reasonable assurance regarding the reliability of financial reporting and preparation of the consolidated financial statements in accordance with generally accepted accounting principles. The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in the Report of Independent Registered Public Accounting Firm section under Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2025, which were identified in connection with management’s evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Insider Trading Arrangements and Policies

During the three months ended December 31, 2025, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Employment Agreement with Jim Roche

On February 26, 2026, Baldwin Holdings, a subsidiary of the Company, entered into a Second Amended and Restated Employment Agreement (the “Agreement”) with Jim Roche, effective as of February 26, 2026. The Agreement amends and restates in its entirety Mr. Roche’s prior Amended and Restated Employment Agreement, dated October 4, 2021 (the “Prior Agreement”). Pursuant to the terms of the Agreement, until January 1, 2027, the Prior Agreement shall remain in full force and effect and Mr. Roche shall be entitled to such compensation set forth in the Prior Agreement and previously disclosed by the Company, except as modified by any provisions of the Agreement that are expressly stated to be effective prior to January 1, 2027.

Pursuant to the Agreement, during the Employment Period (as defined in the Agreement), Mr. Roche shall serve (1) as Executive Chairman of Baldwin Holdings’ Underwriting, Capacity and Technology Solutions operating group, (2) as President of the attorneys-in-fact in which Baldwin Holdings directly or indirectly owns to support its sponsored reciprocal insurance exchanges (“Sponsored Reciprocals”), including but not limited to Builder Risk Management, LLC, a Texas limited liability company and indirect subsidiary of Baldwin Holdings (together, the “AIFs”), and (3) as President of the Sponsored Reciprocals. Once serving in such roles, Mr. Roche will no longer be considered an executive officer of the Company or otherwise be in charge of a principal business unit, division or function or perform any policy making functions for the Company.

Pursuant to the Agreement, during the Employment Period, Mr. Roche is entitled to an annual base salary of \$300,000 (“Base Salary”), which is subject to annual review and adjustment from time to time by the CEO of the Company in his sole discretion, subject to approval by the compensation committee (“Compensation Committee”) of the Company’s board of directors.

In addition to the Base Salary, pursuant to the Agreement, during the Employment Period, Mr. Roche is eligible for a targeted annual bonus of \$1,200,000 (the “Bonus”), based on achievement of financial or non-financial goals, or other performance objectives for the applicable period, in each case, with such goals to be established annually by the CEO of the Company, subject to the approval by the Compensation Committee. The Bonus with respect to the 2027 calendar year shall be payable in the form of cash and/or fully-vested shares of the Company’s Class A common stock.

Under the Agreement, Mr. Roche shall be eligible to participate in the Company’s Omnibus Incentive Plan (or any successor plan) (the “Plan”). Additionally, pursuant to the Agreement and subject to the terms set forth in the Plan and the applicable award agreement, as well as certain other conditions set forth in the Agreement, Mr. Roche shall be entitled to receive a one-time award (the “Equity Award”) of 240,000 restricted shares (the “Restricted Shares”) of the Company’s Class A common stock issued under the Plan. The Restricted Shares shall vest in four equal installments of 25% on each of January 1, 2027, January 1, 2028, January 1, 2029, and January 1, 2030, in each case, subject to Mr. Roche’s continued employment through the applicable vesting date (except for the last vesting date, where continued employment shall be through December 31, 2029). Additionally, any unvested portion of the Equity Award may be fully accelerated upon a Double-Trigger Vesting Event (as defined herein). A “Double-Trigger Vesting Event” shall occur if, at any time during the Employment Period, without Mr. Roche’s consent, either (a) Mr. Roche no longer reports to the CEO or the board of directors of the Company or (b) a Change in Control (as defined in the Agreement) occurs and either (c) Mr. Roche resigns for Good Reason (as defined in the Agreement) or (d) Mr. Roche is terminated by Baldwin Holdings without Cause (as defined in the Agreement).

Except in certain circumstances specified in the Agreement, upon termination of Mr. Roche’s employment for any reason, Mr. Roche shall be entitled to (a) any Base Salary that is accrued, but unpaid through the date of employment termination (the “Termination Date”), (b) reimbursement for reasonable expenses incurred, but not paid prior to the Termination Date, (c) receive any non-forfeitable benefits already earned and payable in accordance with the terms and provisions of any agreements, plans or programs of Baldwin Holdings, and (d) the Bonus (as defined below), if any, earned for the year of termination as set forth in the Agreement. Additionally, Mr. Roche shall be eligible to receive certain severance compensation and benefits equivalent to those available to certain senior management of the Company.

Pursuant to the Agreement, Mr. Roche will be entitled to receive approximately 25% of a management incentive pool to be established by Baldwin Holdings in the event Baldwin Holdings consummates a spin-off and/or an initial public offering of its AIFs business during the Employment Period. The management incentive pool will consist of 20% of the net accretion in value realized by Baldwin Holdings in connection with such transaction. Mr. Roche’s distribution from the management incentive pool will not be subject to any vesting or continued service requirements, except as otherwise set forth in the Agreement.

The Agreement also contains certain provisions related to non-disparagement, cooperation and non-compete. Mr. Roche also remains party to his existing restrictive covenant agreement with the Company.

The foregoing summary of the Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement, a copy of which is filed as Exhibit 10.8 to this Annual Report on Form 10-K and is incorporated herein by reference.

Authorization of Share Repurchase Program

On February 26, 2026, the Company announced that the Company's Board of Directors has authorized the repurchase of up to \$250 million of its outstanding common stock.

The Company's common stock may be repurchased from time to time in open market transactions, privately negotiated transactions or by any other means in compliance with applicable law (including pursuant to repurchase plans in compliance with Rule 10b5-1 and/or Rule 10b-18). The timing and number of shares repurchased may depend on a variety of factors, including the Company's stock price, availability of stock, market and economic conditions, the Company's financial performance, alternative uses for capital, and other considerations. Repurchases may be commenced or suspended from time to time without further notice. There can be no assurances how many shares of common stock, if any, the Company may repurchase.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

We have adopted a Code of Business Conduct and Ethics that applies to all employees, including executive officers, and to directors. The Code of Business Conduct and Ethics is available on the Governance Overview page of our investor relations website at ir.baldwin.com. Any approved amendments to, or waiver of, any provision of the Code of Business Conduct and Ethics will be posted on our investor relations website at the aforementioned address.

We have adopted a statement of trading policies that governs the trading in our securities by our directors, officers and certain other covered persons, and which is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to the Company. A copy of the Statement of Policy Concerning Trading in Company Securities is included as Exhibit 19.1 to this Annual Report on Form 10-K. In addition, with regard to any trading in our own securities, it is our policy to comply with the federal securities laws and the applicable exchange listing requirements.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Annual Report on Form 10-K.

- (1) Consolidated financial statements: Refer to Item 8. Financial Statements and Supplementary Data elsewhere in this Annual Report on Form 10-K.
- (2) Consolidated financial statement schedules. All schedules are omitted for the reason that the information is included in the consolidated financial statements or the notes thereto or that they are not required or are not applicable.
- (3) Exhibits: The exhibits listed in the accompanying index are filed, furnished or incorporated by reference as part of this Annual Report on Form 10-K.

Exhibit No.	Description of Exhibit
3.1	<u>Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019).</u>
3.2	<u>Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 15, 2020).</u>
3.3	<u>Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.3 of the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 7, 2024).</u>
3.4	<u>Second Amended and Restated By-Laws of the Company (incorporated herein by reference to Exhibit 3.4 of the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 7, 2024).</u>
3.5	<u>First Amendment to the Second Amended and Restated By-laws of The Baldwin Insurance Group, Inc. (incorporated herein by reference to Exhibit 3.1 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2024).</u>
4.1	<u>Indenture, dated as of May 24, 2024, by and among The Baldwin Insurance Group Holdings, LLC, The Baldwin Insurance Group Holdings Finance, Inc., the guarantors named on the signature pages thereto and U.S. Bank Trust Company, National Association, as trustee and notes collateral agent (incorporated herein by reference to Exhibit 4.1 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 29, 2024).</u>
4.2	<u>Form of 7.125% Senior Secured Notes due 2031 (included in Exhibit 4.1) (incorporated herein by reference to Exhibit 4.2 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 29, 2024).</u>
4.3	<u>Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, as Amended (incorporated herein by reference to Exhibit 4.3 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).</u>
10.1†	<u>Employment Agreement, dated as of October 28, 2019, between Baldwin Holdings and Trevor L. Baldwin (incorporated herein by reference to Exhibit 10.1 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 24, 2020).</u>
10.2†	<u>Amended and Restated Employment Agreement, dated as of October 28, 2019, between Baldwin Holdings and Daniel Galbraith (incorporated herein by reference to Exhibit 10.9 of the registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on June 22, 2020).</u>
10.3†	<u>Summary of Mr. Galbraith's One-Time Promotion Bonus Payment (incorporated herein by reference to Exhibit 10.3 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2024).</u>
10.4†	<u>Amended and Restated Employment Agreement, dated as of October 28, 2019, between Baldwin Holdings and Bradford Hale (incorporated herein by reference to Exhibit 10.4 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022).</u>
10.5†	<u>Amendment No. 1 to Amended and Restated Employment Agreement, dated as of March 23, 2020, between Baldwin Holdings and Bradford Hale (incorporated herein by reference to Exhibit 10.5 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022).</u>

Exhibit No.	Description of Exhibit
10.6†	<u>Amendment No. 2 to Amended and Restated Employment Agreement, dated as of April 1, 2021, between Baldwin Holdings and Bradford Hale (incorporated herein by reference to Exhibit 10.6 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022).</u>
10.7†	<u>Amended and Restated Employment Agreement, dated as of October 4, 2021, between Baldwin Holdings and Jim Roche (incorporated herein by reference to Exhibit 10.7 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).</u>
10.8†*	<u>Second Amended and Restated Employment Agreement, dated as of February 26, 2026, between Baldwin Holdings and Jim Roche.</u>
10.9†	<u>Amended and Restated Employment Agreement, dated as of January 31, 2022, between Baldwin Holdings and Seth Cohen (incorporated herein by reference to Exhibit 10.10 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2023).</u>
10.10†*	<u>Employment Agreement, dated as of February 26, 2026, between Cobbs Allen Capital, LLC and Paul Sparks.</u>
10.11†	<u>The Company's Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.6 of the registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on September 23, 2019).</u>
10.12†	<u>Form of the Company's Omnibus Incentive Plan Restricted Stock Award Agreement (incorporated herein by reference to Exhibit 10.10 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).</u>
10.13†	<u>Form of the Company's Omnibus Incentive Plan Performance-Based Restricted Stock Unit Award Agreement (incorporated herein by reference to Exhibit 10.11 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).</u>
10.14†	<u>Form of Baldwin Holdings' Restricted Unit Agreement (incorporated herein by reference to Exhibit 10.11 of the registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on September 23, 2019).</u>
10.15†	<u>The Company's Partnership Inducement Award Plan (as amended November 16, 2021) (incorporated herein by reference to Exhibit 99 of the registrant's Registration Statement on Form S-8 (Registration No. 333-261126) filed with the Securities and Exchange Commission on November 16, 2021).</u>
10.16†	<u>The Baldwin Insurance Group Holdings, LLC Executive Severance and Change in Control Benefit Program, dated as of November 1, 2024 (incorporated herein by reference to Exhibit 10.1 of the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2024).</u>
10.17†	<u>Form of Acknowledgement of The Baldwin Insurance Group Holdings, LLC Executive Severance and Change in Control Benefit Program (incorporated herein by reference to Exhibit 10.2 of the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2024).</u>
10.18	<u>Third Amended and Restated Limited Liability Company Agreement of Baldwin Holdings dated as of October 7, 2019, by and among Baldwin Holdings and its members (incorporated herein by reference to Exhibit 10.5 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 24, 2020).</u>
10.19	<u>First Amendment to the Third Amended and Restated Limited Liability Company Agreement of Baldwin Holdings dated as of November 3, 2020, by and among Baldwin Holdings and its members (incorporated herein by reference to Exhibit 10.15 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2023).</u>
10.20	<u>Second Amendment to the Third Amended and Restated Limited Liability Company Agreement of Baldwin Holdings, effective as of May 2, 2024 (incorporated herein by reference to Exhibit 10.1 of the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 7, 2024).</u>
10.21†	<u>Form of Director and Executive Officer Indemnification Agreement (incorporated herein by reference to Exhibit 10.12 of the registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on September 23, 2019).</u>
10.22	<u>Stockholders Agreement, dated as of October 28, 2019, by and among the Company and the other persons and entities party thereto (incorporated herein by reference to Exhibit 10.3 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019).</u>

Exhibit No.	Description of Exhibit
10.23	<u>Consent and Defense Agreement, dated as of May 8, 2023, by and between the Company and BIGH, LLC (f/k/a Baldwin Insurance Group Holdings, LLC) (incorporated herein by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 9, 2023).</u>
10.24	<u>Stockholders Agreement, dated as of October 30, 2024, by and among the Company and the Holders (as defined therein) (incorporated herein by reference to Exhibit 10.22 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).</u>
10.25	<u>Registration Rights Agreement, dated as of October 28, 2019, by and among the Company and the other persons and entities party thereto (incorporated herein by reference to Exhibit 10.2 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019).</u>
10.26	<u>Tax Receivable Agreement, dated as of October 28, 2019, by and among the Company, Baldwin Holdings and each of the other persons and entities party thereto (incorporated herein by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019).</u>
10.27	<u>Amended and Restated Credit Agreement, dated as of May 24, 2024, by and among Baldwin Holdings, the Guarantors party thereto, the several Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated herein by reference to Annex 1 of Exhibit 10.1 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 29, 2024).</u>
10.28	<u>Amendment No. 1 to Amended and Restated Credit Agreement, dated as of December 4, 2024, by and among Baldwin Holdings, the Guarantors party thereto, the several Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated herein by reference to Exhibit 10.26 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).</u>
10.29	<u>Amendment No. 2 to Amended and Restated Credit Agreement, dated as of January 10, 2025, by and among Baldwin Holdings, the Guarantors party thereto, the several Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated herein by reference to Exhibit 10.27 of the registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).</u>
10.30	<u>Amendment No. 3 to Amended and Restated Credit Agreement, dated as of September 18, 2025, by and among Baldwin Holdings, the Guarantors party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 18, 2025).</u>
10.31	<u>Amendment No. 4 to Amended and Restated Credit Agreement, dated as of January 2, 2026, by and among The Baldwin Insurance Group Holdings, LLC, the Guarantors party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated herein by reference to Exhibit 10.2 of the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 2, 2026).</u>
10.32	<u>Transaction Agreement, dated December 2, 2025, by and among The Baldwin Insurance Group, Inc., Red Rock Merger Sub I, Inc., Red Rock Merger Sub II, LLC, Cobbs Allen Capital Holdings, LLC, CAH Holdings, Inc., and Grantland Rice IV and Johnathan Daniel, solely in their capacity as the representatives for the members of the Seller (incorporated herein by reference to Exhibit 2.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 2, 2025).</u>
10.33*	<u>Amendment to Transaction Agreement, dated December 30, 2025, by and among The Baldwin Insurance Group, Inc., Red Rock Merger Sub I, Inc., Red Rock Merger Sub II, LLC, Cobbs Allen Capital Holdings, LLC, CAH Holdings, Inc., and Grantland Rice IV and Johnathan Daniel, solely in their capacity as the representatives for the members of the Seller.</u>
10.34	<u>Voting Agreement, dated January 1, 2026, by and among The Baldwin Insurance Group, Inc. and the seller parties thereto (incorporated herein by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 2, 2026).</u>
19.1*	<u>Statement of Policy Concerning Trading in Company Securities.</u>
21.1*	<u>List of Subsidiaries of The Baldwin Insurance Group, Inc.</u>
23.1*	<u>Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.</u>
31.1*	<u>Certification of the Registrant's Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.</u>

Exhibit No.	Description of Exhibit
31.2*	<u>Certification of the Registrant's Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.</u>
32**	<u>Certification of the Registrant's Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
97.1*	<u>The Baldwin Insurance Group, Inc. Clawback Policy.</u>
101.INS*	Inline XBRL Instance Document - the Instance document does not appear in the Interactive Data file because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith

** Furnished herewith and as such are deemed not "filed" for purposes of Section 18 of the Exchange Act, nor shall they be deemed incorporated by reference in any filing under the Securities Act, except as shall be expressly set forth by specific reference in such filing.

† Management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE BALDWIN INSURANCE GROUP, INC.

Date: February 26, 2026

By: /s/ Trevor L. Baldwin

Trevor L. Baldwin

Chief Executive Officer

Pursuant to requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Lowry Baldwin</u> Lowry Baldwin	Chairman of the Board of Directors	February 26, 2026
<u>/s/ Trevor L. Baldwin</u> Trevor L. Baldwin	Chief Executive Officer and Director (Principal Executive Officer)	February 26, 2026
<u>/s/ Bradford L. Hale</u> Bradford L. Hale	Chief Financial Officer (Principal Financial Officer)	February 26, 2026
<u>/s/ Corbyn Lichon</u> Corbyn Lichon	Chief Accounting Officer (Principal Accounting Officer)	February 26, 2026
<u>/s/ Jay Cohen</u> Jay Cohen	Director	February 26, 2026
<u>/s/ Joseph J. Kadow</u> Joseph J. Kadow	Director	February 26, 2026
<u>/s/ Barbara Matas</u> Barbara Matas	Director	February 26, 2026
<u>/s/ Sathish Muthukrishnan</u> Sathish Muthukrishnan	Director	February 26, 2026
<u>/s/ Sunita Parasuraman</u> Sunita Parasuraman	Director	February 26, 2026
<u>/s/ Ellyn Shook</u> Ellyn Shook	Director	February 26, 2026
<u>/s/ Paul Sparks</u> Paul Sparks	Director	February 26, 2026
<u>/s/ Chris Sullivan</u> Chris Sullivan	Director	February 26, 2026
<u>/s/ Myron Williams</u> Myron Williams	Director	February 26, 2026

APPENDIX

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA, adjusted EBITDA margin, organic revenue, organic revenue growth, adjusted net income, adjusted diluted earnings per share ("EPS"), pro forma revenue, pro forma adjusted EBITDA, pro forma adjusted EBITDA margin and adjusted net cash provided by operating activities ("adjusted free cash flow") are not measures of financial performance under GAAP and should not be considered substitutes for GAAP measures, including commissions and fees (for organic revenue and organic revenue growth), revenues (for pro forma revenue), net income (loss) (for adjusted EBITDA, adjusted EBITDA margin, pro forma adjusted EBITDA and pro forma adjusted EBITDA margin), net income (loss) attributable to Baldwin (for adjusted net income), diluted earnings (loss) per share (for adjusted diluted EPS) or net cash provided by (used in) operating activities (for adjusted free cash flow), which we consider to be the most directly comparable GAAP measures. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these non-GAAP financial measures in isolation or as substitutes for commissions and fees, revenues, net income (loss), net income (loss) attributable to Baldwin, diluted earnings (loss) per share, net cash provided by (used in) operating activities or other consolidated income statement data prepared in accordance with GAAP. Other companies in our industry may define or calculate these non-GAAP financial measures differently than we do, and accordingly, these measures may not be comparable to similarly titled measures used by other companies.

We define adjusted EBITDA as net income (loss) before interest, taxes, depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related partnership and integration expenses, transformation costs, severance, and certain non-recurring items, including those related to raising capital. We believe that adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance.

Adjusted EBITDA margin is adjusted EBITDA divided by total revenues. Adjusted EBITDA margin is a key metric used by management and our board of directors to assess our financial performance. We believe that adjusted EBITDA margin is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance. We believe that adjusted EBITDA margin is helpful in measuring profitability of operations on a consolidated level.

Adjusted EBITDA and adjusted EBITDA margin have important limitations as analytical tools. For example, adjusted EBITDA and adjusted EBITDA margin:

- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, our working capital needs;
- do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations;
- do not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- do not reflect share-based compensation expense and other non-cash charges; and
- exclude certain tax payments that may represent a reduction in cash available to us.

We calculate organic revenue based on commissions and fees for the relevant period by excluding (i) the first 12 months of commissions and fees generated from new partners and (ii) commissions and fees from divestitures. Organic revenue growth is the change in organic revenue period-to-period, with prior period results adjusted to (i) include commissions and fees that were excluded from organic revenue in the prior period because the relevant partners had not yet reached the 12-month owned mark, but which have reached the 12-month owned mark in the current period, and (ii) exclude commissions and fees related to divestitures from organic revenue. For example, commissions and fees from a partner acquired on June 1, 2024 are excluded from organic revenue for 2024. However, after June 1, 2025, results from June 1, 2024 to December 31, 2024 for such partners are compared to results from June 1, 2025 to December 31, 2025 for purposes of calculating organic revenue growth in 2025. Organic revenue growth is a key metric used by management and our board of directors to assess our financial performance. We believe that organic revenue and organic revenue growth are appropriate measures of operating performance as they allow investors to measure, analyze and compare growth in a meaningful and consistent manner.

We define adjusted net income as net income (loss) attributable to Baldwin adjusted for depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related partnership and integration expenses, transformation costs, severance, and certain non-recurring costs that, in the opinion of management, significantly affect the period-over-period assessment of operating results, and the related tax effect of those adjustments. We believe that adjusted net income is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance.

Adjusted diluted EPS measures our per share earnings excluding certain items of income and expense as discussed above for adjusted net income and assuming all shares of Class B common stock were exchanged for Class A common stock on a one-for-one basis. Adjusted diluted EPS is calculated as adjusted net income divided by adjusted diluted weighted-average shares outstanding. We believe adjusted diluted EPS is useful to investors because it enables them to better evaluate per share operating performance across reporting periods.

For the years ended December 31, 2021 through 2022, pro forma revenue reflects GAAP revenues plus revenue from partnerships in the unowned periods, and pro forma net income (loss) reflects GAAP net income (loss) plus net income or loss from partnerships in the unowned periods, eliminating the effects of financing, depreciation and amortization.

For the years ended December 31, 2023 and 2024, pro forma revenue reflects GAAP revenues less revenue derived from business divestitures that occurred during 2024, and pro forma net income (loss) reflects GAAP net income (loss) less net income or loss derived from business divestitures that occurred during 2024, including the gain on divestitures.

For the year ended December 31, 2025, the pro forma information presented herein (i) assumes 2025 partnerships were consummated on January 1, 2025, such that our 2025 financial pro forma figures take into account adjusted EBITDA from 2025 partnerships in the unowned periods of 2025, and (ii) removes the effects of 2025 divestitures as if the divestitures had occurred on January 1, 2025. Pro forma revenue reflects GAAP revenue, plus revenue from 2025 partnerships in the unowned periods of 2025, less revenue derived from 2025 business divestitures. Pro forma net income (loss) reflects GAAP net income (loss) plus net income or loss from 2025 partnerships in the unowned periods, less net income or loss derived from 2025 business divestitures, including the gains or loss on divestitures.

We define pro forma adjusted EBITDA as pro forma net income (loss) before interest, taxes, depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related partnership and integration expenses, transformation costs, severance, and certain non-recurring costs, including those related to raising capital, after removing the effect of divestitures. We believe that pro forma adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to ongoing business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance.

Pro forma adjusted EBITDA margin is pro forma adjusted EBITDA divided by pro forma revenue. Pro forma adjusted EBITDA margin is a key metric used by management and our board of directors to assess our ongoing business performance. We believe that pro forma adjusted EBITDA margin is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to ongoing business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance. We believe that pro forma adjusted EBITDA margin is helpful in measuring profitability of operations on a consolidated level.

We calculate adjusted free cash flow because we incur substantial earnout liabilities in conjunction with our partnership strategy. Adjusted free cash flow is calculated as net cash provided by (used in) operating activities excluding the impact of: (i) the payment of contingent earnout consideration in excess of purchase price accrual, and (ii) the payment of colleague earnout incentives. We believe that adjusted free cash flow is an important measure of our ability to generate cash from our business operations.

Beginning January 1, 2025, the Company is presenting its fiduciary assets and liabilities separately on the consolidated balance sheets. Previously, these assets and liabilities were commingled on the consolidated balance sheets and the net change in cash balances held to remit to insurance carriers was presented as cash flows from operating activities. The net change in fiduciary cash is now presented as cash flows from financing activities in the consolidated statements of cash flows. As a result, the change in premiums, commissions and fees receivable, net and the change in accounts payable, accrued expenses and other current liabilities are no longer excluded from net cash provided by (used in) operating activities in calculating adjusted free cash flow for the 2025 reporting period and comparable prior periods. However, because the change in fiduciary receivables and fiduciary liabilities previously was combined with the change in premiums, commissions and fees receivable, net and the change in accounts payable, accrued expenses and other current liabilities in the consolidated statements of cash flows, this change in presentation has resulted in a change in our previously reported adjusted free cash flow for previous periods. Adjusted free cash flow for 2021 and 2022 have not been recast and are not presented herein.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The following table reconciles adjusted EBITDA and adjusted EBITDA margin to net loss, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Years Ended December 31,				
	2025	2024	2023	2022	2021
Revenues	\$1,504,884	\$1,389,037	\$1,218,555	\$ 980,720	\$ 567,290
Net loss	\$ (54,154)	\$ (41,081)	\$ (164,019)	\$ (76,748)	\$ (58,120)
Adjustments to net loss:					
Interest expense, net	122,778	123,644	119,465	71,072	26,899
Amortization expense	121,316	102,730	92,704	81,738	48,720
Share-based compensation	71,113	65,503	56,222	47,389	19,193
Transaction-related partnership and integration expenses	23,051	10,501	20,728	34,588	19,182
Transformation costs ⁽¹⁾	7,003	—	—	—	—
Severance	6,790	5,756	18,514	1,255	871
Depreciation expense	6,514	6,194	5,698	4,620	2,788
Loss on extinguishment and modification of debt	6,226	15,113	—	—	—
Change in fair value of contingent consideration	5,594	(4,949)	61,083	32,307	45,196
Income and other taxes ⁽²⁾	4,255	7,184	1,285	715	19
Colleague earnout incentives	(1,779)	41,917	8,020	—	—
Impairment of right-of-use assets	1,275	—	—	—	—
Gain on divestitures	(290)	(38,953)	—	—	—
(Gain) loss on interest rate caps	18	244	1,670	(26,220)	123
Other ⁽³⁾	21,762	18,682	28,834	25,774	8,038
Adjusted EBITDA	<u>\$ 341,472</u>	<u>\$ 312,485</u>	<u>\$ 250,204</u>	<u>\$ 196,490</u>	<u>\$ 112,909</u>
Net loss margin	(4)%	(3)%	(13)%	(8)%	(10)%
Adjusted EBITDA margin	23 %	22 %	21 %	20 %	20 %

(1) Transformation costs represent certain non-recurring colleague compensation and technology-related expenses related to our \$3B/30 Catalyst Program, which is designed to accelerate the infusion of automation, business process optimization and artificial intelligence to transform and elevate our workforce and unlock new avenues for growth.

(2) Income and other taxes include the Tax Receivable Agreement expense and other operating tax expense, such as state taxes, under GAAP.

(3) Other addbacks to adjusted EBITDA include certain income and expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses. In 2022 and 2021, these addbacks also included certain expenses related to remediation efforts.

ORGANIC REVENUE AND ORGANIC REVENUE GROWTH

The following table reconciles organic revenue and organic revenue growth to commissions and fees, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Years Ended December 31,				
	2025	2024	2023	2022	2021
Commissions and fees	\$1,493,680	\$1,377,116	\$1,211,828	\$ 980,720	\$ 567,290
Partnership commissions and fees ⁽¹⁾	(23,588)	—	(44,696)	(280,660)	(272,272)
Organic revenue	<u>\$1,470,092</u>	<u>\$1,377,116</u>	<u>\$1,167,132</u>	<u>\$ 700,060</u>	<u>\$ 295,018</u>
Organic revenue growth ⁽²⁾	\$ 100,049	\$ 196,922	\$ 187,213	\$ 132,610	\$ 54,004
Organic revenue growth % ⁽²⁾	7 %	17 %	19 %	23 %	22 %

(1) Includes the first 12 months of such commissions and fees generated from newly acquired partners.

(2) Organic revenue for the year ended December 31, 2024 used to calculate organic revenue growth for the year ended December 31, 2025 was \$1.37 billion, which is adjusted to exclude commissions and fees from divestitures that occurred during 2024 and 2025.

ADJUSTED NET INCOME AND ADJUSTED DILUTED EPS

The following table reconciles adjusted net income to net loss attributable to Baldwin and reconciles adjusted diluted EPS to diluted loss per share, which we consider to be the most directly comparable GAAP financial measures:

(in thousands, except per share data)	For the Years Ended December 31,				
	2025	2024	2023	2022	2021
Net loss attributable to Baldwin	\$ (33,813)	\$ (24,518)	\$ (90,141)	\$ (41,772)	\$ (30,646)
Net loss attributable to noncontrolling interests	(20,341)	(16,563)	(73,878)	(34,976)	(27,474)
Amortization expense	121,316	102,730	92,704	81,738	48,720
Share-based compensation	71,113	65,503	56,222	47,389	19,193
Transaction-related partnership and integration expenses	23,051	10,501	20,728	34,588	19,182
Transformation costs ⁽¹⁾	7,003	—	—	—	—
Severance	6,790	5,756	18,514	1,255	871
Depreciation	6,514	6,194	5,698	4,620	2,788
Loss on extinguishment and modification of debt	6,226	15,113	—	—	—
Change in fair value of contingent consideration	5,594	(4,949)	61,083	32,307	45,196
Other amortization/accretion, net	4,190	5,841	5,129	5,120	3,506
Income tax expense ⁽²⁾	2,172	6,537	—	—	—
Colleague earnout incentives	(1,779)	41,917	8,020	—	—
Impairment of right-of-use assets	1,275	—	—	—	—
Gain on divestitures	(290)	(38,953)	—	—	—
(Gain) loss on interest rate caps, net of cash settlements	18	2,544	12,588	(24,012)	123
Other ⁽³⁾	21,762	18,682	28,834	25,774	8,038
Adjusted pre-tax income	220,801	196,335	145,501	132,031	89,497
Adjusted income taxes ⁽⁴⁾	21,859	19,437	14,405	13,071	8,860
Adjusted net income	<u>\$ 198,942</u>	<u>\$ 176,898</u>	<u>\$ 131,096</u>	<u>\$ 118,960</u>	<u>\$ 80,637</u>
Weighted-average shares of Class A common stock outstanding - diluted	67,939	63,455	60,135	56,825	47,588
Dilutive weighted-average shares of Class A common stock	3,229	3,598	3,874	3,526	1,982
Exchange of Class B common stock ⁽⁵⁾	47,737	50,896	53,132	55,450	51,811
Adjusted diluted weighted-average shares outstanding	<u>118,905</u>	<u>117,949</u>	<u>117,141</u>	<u>115,801</u>	<u>101,381</u>
Diluted loss per share	\$ (0.50)	\$ (0.39)	\$ (1.50)	\$ (0.74)	\$ (0.64)
Effect of exchange of Class B common stock and net loss attributable to noncontrolling interests per share	0.04	0.04	0.10	0.08	0.07
Other adjustments to loss per share	2.31	2.01	2.64	1.80	1.46
Adjusted income taxes per share	(0.18)	(0.16)	(0.12)	(0.11)	(0.09)
Adjusted diluted EPS	<u>\$ 1.67</u>	<u>\$ 1.50</u>	<u>\$ 1.12</u>	<u>\$ 1.03</u>	<u>\$ 0.80</u>

(1) Transformation costs represent certain non-recurring colleague compensation and technology-related expenses related to our \$3B/30 Catalyst Program, which is designed to accelerate the infusion of automation, business process optimization and artificial intelligence to transform and elevate our workforce and unlock new avenues for growth. In 2022 and 2021, these addbacks also included certain expenses related to remediation efforts.

(2) Income and other taxes include the Tax Receivable Agreement expense and other operating tax expense, such as state taxes, under GAAP.

(3) Other addbacks to adjusted net income include certain income and expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses.

- (4) Represents corporate income taxes at assumed effective tax rate of 9.9% applied to adjusted pre-tax income.
- (5) Assumes the full exchange of Class B common stock for Class A common stock pursuant to the Amended LLC Agreement.

PRO FORMA REVENUE

The following table reconciles pro forma revenue and pro forma revenue growth to revenues, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Years Ended December 31,				
	2025	2024	2023	2022	2021
Revenues	\$1,504,884	\$1,389,037	\$1,218,555	\$ 980,720	\$ 567,290
Revenue for partnerships in the unowned period ⁽¹⁾	18,491	—	—	33,768	152,030
Less revenue from divestitures ⁽²⁾	(103)	(6,260)	(35,161)	—	—
Pro forma revenue	<u>\$1,523,272</u>	<u>\$1,382,777</u>	<u>\$1,183,394</u>	<u>\$1,014,488</u>	<u>\$ 719,320</u>
Pro forma revenue growth	\$ 140,495	\$ 199,383	\$ 168,906	\$ 295,168	
Pro forma revenue growth %	10 %	17 %	17 %	41 %	

- (1) The adjustments for the year ended December 31, 2025 reflect revenues from MultiStrat Group and Hippo's Homebuilder Distribution Network as if the Company had acquired the partners on January 1, 2025. The adjustments for the year ended December 31, 2022 reflect revenues for Westwood Insurance Agency, Venture Captive Management, LLC and National Health Plans & Benefits Agency, LLC as if the Company had acquired the partners on January 1, 2022. The adjustments for the year ended December 31, 2021 reflect revenues for LeaseTrack Services LLC/Effective Coverage LLC, Riley Financial, Inc. (operating as "Medicare Help Now"), Tim Altman, Inc. (operating as "Only Medicare Solutions"), Seniors' Insurance Services of Washington, Inc., Mid-Continent Companies, Ltd., RogersGray Inc., EBSME, LLC, FounderShield LLC, The Capital Group, LLC, River Oak Risk, LLC, White Hill Plaza, Inc., Jacobson, Goldfarb & Scott, Inc, Wood Guttman & Bogart Insurance Brokers, Construction Risk Partners, LLC, Brush Creek, LLC and Arcana Insurance Services, LP as if the Company had acquired the partners on January 1, 2021. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had occurred on that date, nor the results that may be obtained in the future.
- (2) The adjustments for the year ended December 31, 2025 exclude revenues from 2025 divestitures as if the divestitures had occurred on January 1, 2025. The adjustments for the years ended December 31, 2024 and 2023 exclude revenues from 2024 divestitures as if the divestitures had occurred on January 1, 2024 and January 1, 2023, respectively.

PRO FORMA ADJUSTED EBITDA AND PRO FORMA ADJUSTED EBITDA MARGIN

The following table reconciles pro forma adjusted EBITDA and pro forma adjusted EBITDA margin to net loss, which we consider to be the most directly comparable GAAP financial measure:

(in thousands, except percentages)	For the Years Ended December 31,				
	2025	2024	2023	2022	2021
Pro forma revenue	\$1,523,272	\$1,382,777	\$1,183,394	\$1,014,488	\$ 719,320
Net loss	\$ (54,154)	\$ (41,081)	\$ (164,019)	\$ (76,748)	\$ (58,120)
Add net income (loss) from partnerships ⁽¹⁾	3,474	—	—	(2,069)	29,078
Less net income from divestitures ⁽²⁾	(1,984)	(39,264)	(3,616)	—	—
Pro forma net loss	(52,664)	(80,345)	(167,635)	(78,817)	(29,042)
Adjustments to pro forma net loss:					
Interest expense, net	125,317	123,644	119,465	72,789	39,852
Amortization expense	128,030	102,730	90,800	88,537	68,805
Share-based compensation	71,113	65,503	56,222	47,389	19,193
Transaction-related partnership and integration expenses	23,051	9,451	20,728	34,588	19,182
Transformation costs ⁽³⁾	7,003	—	—	—	—
Severance	6,790	5,729	18,262	1,255	871
Depreciation expense	6,514	6,194	5,653	4,620	2,788
Loss on extinguishment and modification of debt	6,226	15,113	—	—	—
Change in fair value of contingent consideration	5,594	(4,949)	61,061	32,307	45,196
Income and other taxes ⁽⁴⁾	4,255	7,184	1,285	715	19
Colleague earnout incentives	(1,779)	41,917	8,020	—	—
Impairment of right-of-use assets	1,275	—	—	—	—
(Gain) loss on interest rate caps	18	244	1,670	(26,220)	123
Other ⁽⁵⁾	21,762	18,473	28,464	25,774	8,038
Pro forma adjusted EBITDA	<u>\$ 352,505</u>	<u>\$ 310,888</u>	<u>\$ 243,995</u>	<u>\$ 202,937</u>	<u>\$ 175,025</u>
Net loss margin	(4)%	(3)%	(13)%	(8)%	(10)%
Pro forma adjusted EBITDA margin	23 %	22 %	21 %	20 %	24 %

(1) The adjustments for the year ended December 31, 2025 reflect net income (loss) from MultiStrat Group and Hippo's Homebuilder Distribution Network as if the Company had acquired the partners on January 1, 2025. The adjustments for the year ended December 31, 2022 reflect net income (loss) for Westwood Insurance Agency, Venture Captive Management, LLC and National Health Plans & Benefits Agency, LLC as if the Company had acquired the partners on January 1, 2022. The adjustments for the year ended December 31, 2021 reflect net income (loss) for LeaseTrack Services LLC/Effective Coverage LLC, Riley Financial, Inc. (operating as "Medicare Help Now"), Tim Altman, Inc. (operating as "Only Medicare Solutions"), Seniors' Insurance Services of Washington, Inc., Mid-Continent Companies, Ltd., RogersGray Inc., EBSME, LLC, FounderShield LLC, The Capital Group, LLC, River Oak Risk, LLC, White Hill Plaza, Inc., Jacobson, Goldfarb & Scott, Inc, Wood Guttman & Bogart Insurance Brokers, Construction Risk Partners, LLC, Brush Creek, LLC and Arcana Insurance Services, LP as if the Company had acquired the partners on January 1, 2021. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had occurred on that date, nor the results that may be obtained in the future.

(2) The adjustments for the year ended December 31, 2025 exclude net income from 2025 divestitures, including gain on divestitures, as if the divestitures had occurred on January 1, 2025. The adjustments for the years ended December 31, 2024 and 2023 exclude net income from 2024 divestitures, including gain on divestitures, as if the divestitures had occurred on January 1, 2024 and January 1, 2023, respectively.

(3) Transformation costs represent certain non-recurring colleague compensation and technology-related expenses related to our \$3B/30 Catalyst Program, which is designed to accelerate the infusion of automation, business process optimization and artificial intelligence to transform and elevate our workforce and unlock new avenues for growth.

(4) Income and other taxes include the Tax Receivable Agreement expense and other operating tax expense, such as state taxes, under GAAP.

(5) Other addbacks to pro forma adjusted EBITDA include certain expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses.

ADJUSTED NET CASH PROVIDED BY OPERATING ACTIVITIES (“ADJUSTED FREE CASH FLOW”)

The following table reconciles adjusted free cash flow to net cash provided by (used in) operating activities, which we consider to be the most directly comparable GAAP financial measure:

(in thousands)	For the Years Ended December 31,		
	2025	2024	2023
Net cash provided by (used in) operating activities	\$ (29,418)	\$ 51,453	\$ 46
Adjustments to net cash provided by (used in) operating activities:			
Payment of contingent earnout consideration in excess of purchase price accrual	85,784	23,395	24,326
Payment of colleague earnout incentives	30,854	17,112	—
Adjusted free cash flow	<u>\$ 87,220</u>	<u>\$ 91,960</u>	<u>\$ 24,372</u>

