



Enstar Announces Business Updates

August 19, 2022

HAMILTON, Bermuda, Aug. 19, 2022 (GLOBE NEWSWIRE) -- Enstar Group Limited (NASDAQ: ESGR) ("Enstar") has announced updates relating to its joint venture with Allianz SE ("Allianz"), Enhanced Reinsurance Ltd. ("Enhanced Re"), and its recent investment portfolio performance.

Enstar Enters into Master Agreement Regarding Enhanced Re

On August 18, 2022, Cavello Bay Reinsurance Limited ("Cavello Bay"), a wholly-owned subsidiary of Enstar, entered into a Master Agreement with Allianz and Enhanced Re. Pursuant to the Master Agreement, Cavello Bay and Allianz have agreed to a series of transactions that will:

- commute or novate all of the reinsurance contracts written by Enhanced Re, except for one reinsurance transaction related to a block of annuity policies written by an affiliate of Allianz (the "Annuities Portfolio"), which the parties will cooperate in good faith to novate to a third party on commercially reasonable terms;
- repay the \$70.0 million of subordinated notes issued by Enhanced Re to an affiliate of Allianz; and
- distribute Enhanced Re's excess capital to Cavello Bay and Allianz in accordance with their respective equity ownership.

The completion of the transactions contemplated by the Master Agreement is subject to customary closing conditions, including the receipt of certain regulatory approvals. The transactions will eliminate Enstar's direct exposure to catastrophe business and are expected to result in an approximate \$62 million increase in Enstar's book value, which represents an increase of approximately \$3.57 in book value per share, exclusive of the potential impact of a future novation of the Annuities Portfolio.

Investments Update

During the six months ending June 30, 2022, Enstar reported total recognized and unrecognized investment losses of \$1.3 billion, which were driven by continued volatility in the global financial markets. In the month of July 2022, our investment portfolio recognized an estimated unrealized gain of \$221 million, or \$12.72 per share, which was driven by an improvement in equity and credit markets and a drop in interest rates. These figures exclude the results of Enhanced Re and certain other investments that are reported on a quarterly lag as disclosed in Enstar's Quarterly Report on Form 10-Q for the period ended June 30, 2022.

In addition to the strong July month end investment results, market conditions in August continue to improve which has favourably impacted our risk assets. As of today, equity markets were up and credit spreads have continued to improve. All in yields remain elevated year-to-date which allows us to invest new premium at attractive levels. Regardless of near-term volatility, we continue to have conviction that our investment portfolio is well positioned to deliver long term value.

About Enstar

Enstar is a NASDAQ-listed leading global insurance group that offers innovative capital release solutions through its network of group companies in Bermuda, the United States, the United Kingdom, Continental Europe, Australia, and other international locations. A market leader in completing legacy acquisitions, Enstar has acquired over 100 companies and portfolios since its formation in 2001. For further information about Enstar, see www.enstargroup.com.

Cautionary Statement Regarding Forward Looking Statements

This Press Release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements regarding the intent, belief or current expectations of Enstar and its management team. Investors are cautioned that any such forward-looking statements speak only as of the date they are made, are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. In particular, the parties may not be able to complete the proposed transactions due to the failure of the closing conditions being satisfied or for other reasons. In addition, the capital markets remain volatile and there can be no assurance that the quarter to date unrealized investment gains will be maintained through the end of the quarter. Important risk factors regarding Enstar can be found under the heading "Risk Factors" in Enstar's Form 10-K for the year ended December 31, 2021, which are incorporated herein by reference. Furthermore, Enstar undertakes no obligation to update any written or oral forward-looking statements or publicly announce any updates or revisions to any of the

forward-looking statements contained herein, to reflect any change in its expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements, except as required by law.

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Source: Enstar Group Limited