



ENSTAR GROUP LIMITED

Investor Financial Supplement

June 30, 2021

enstargroup.com

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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.

Basis of Presentation

In this Investor Financial Supplement, the terms "we," "us," "our," "Enstar," or "the Company" refer to Enstar Group Limited and its consolidated subsidiaries. All information contained herein is unaudited. Unless otherwise noted, amounts are in thousands of U.S. Dollars, except for share and per share amounts. Certain prior period comparatives have been reclassified to conform to the current presentation. This Investor Financial Supplement is being provided for informational purposes only. It should be read in conjunction with documents filed by Enstar with the U.S. Securities and Exchange Commission, including its Annual Reports on Form 10-K and its Quarterly Reports on Form 10-Q.

Segment Change

During the first quarter of 2021, we revised our segment structure to align with how our chief operating decision maker ("CODM"), who was determined to be our Chief Executive Officer, views our business, assesses performance and allocates resources to our business components. Effective January 1, 2021, our business is organized into three reportable segments: **(i) Run-off**: consists of our acquired property and casualty and other (re)insurance business and StarStone's non-U.S. operations ("StarStone International") (from January 1, 2021) following our decision to place it into an orderly run-off (the "StarStone International Run-off"). This segment also includes our consulting and management business, which manages the run-off portfolios of third parties through our service companies. Management's primary objective with respect to the Run-off segment is to generate reserve/claims savings over time by settling claims in a timely, cost efficient manner using our internal claims management expertise, including settling claims for lower than outstanding ultimate loss estimates and implementing reinsurance and commutation strategies; **(ii) Investments**: consists of our investment activities and the performance of our investment portfolio, excluding those investable assets attributable to our Legacy Underwriting segment. Management's primary objective of the Investments segment is to obtain the highest possible risk and capital adjusted returns while maintaining prudent diversification of assets and operating within the constraints on a global regulated (re)insurance company. We additionally consider the liquidity requirements and duration of our claims and contract liabilities; and **(iii) Legacy Underwriting**: consists of businesses that we have either, in the case of Atrium Underwriting Group Limited and its subsidiaries ("Atrium"), exited via the sale of the majority of our interest in or, in the case of StarStone International (included in the Legacy Underwriting Segment through December 31, 2020), placed into run-off. Prior to January 1, 2021, this segment comprised SGL No. 1 Limited's ("SGL No.1's") 25% net share of Atrium's Syndicate 609 business at Lloyd's and StarStone International (through December 31, 2020). From January 1, 2021, this segment comprises SGL No.1's 25% gross share of the 2020 and prior underwriting years of Atrium's Syndicate 609 at Lloyd's, offset by the contractual transfer of the results of that business to the Atrium entities that were divested. There is no net retention for Enstar on Atrium's 2020 and prior underwriting years. For further information regarding these activities, refer to Note 3 - "Divestitures, Held-for-Sale Businesses and Discontinued Operations" to our unaudited condensed consolidated financial statements included within Item 1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2021.

In addition, our corporate and other activities, which do not qualify as an operating segment, includes income and expense items that are not directly attributable to our reportable segments. These include (a) holding company income and expenses, (b) the amortization of deferred charge assets and deferred gain liabilities on retroactive reinsurance contracts, (c) the amortization of fair value adjustments associated with the acquisition of companies, (d) changes in the fair value of assets and liabilities related to our assumed retroactive reinsurance contracts for which we have elected the fair value option, (e) corporate expenses not allocated to our reportable segments, (f) debt servicing costs, (g) net foreign exchange (gains) losses, (h) gains (losses) arising on the sales of subsidiaries (if any), (i) income tax benefit (expense), (j) net earnings (losses) from discontinued operations, net of income tax (if any), (k) net (earnings) loss attributable to noncontrolling interest, and (l) preferred share dividends. Items (b), (c) and (d) highlighted above are included within corporate and other activities since the CODM evaluates the performance of the Run off and Legacy Underwriting segments without consideration of these amounts. Refer to "(p) Acquisitions, Goodwill and Intangible Assets" and "(q) Retroactive Reinsurance" within Note 2 - "Significant Accounting Policies" in the notes to our consolidated financial statements included within our Form 10-K for the year ended December 31, 2020 for further information on these items.

Following the re-organization of our reportable segments during the first quarter of 2021 as described above, we restated the prior period comparatives to conform to the current period presentation.

Non-GAAP Operating Income (Loss) Attributable to Enstar Ordinary Shareholders

In addition to presenting net earnings (loss) attributable to Enstar ordinary shareholders and diluted earnings (loss) per ordinary share determined in accordance with U.S. GAAP, we believe that presenting non-GAAP operating income (loss) attributable to Enstar ordinary shareholders and diluted non-GAAP operating income (loss) per ordinary share, both of which are non-GAAP financial measures as defined in SEC Regulation G, provides investors with valuable measures of our performance.

Non-GAAP operating income (loss) is net earnings attributable to Enstar ordinary shareholders excluding: (i) net realized and unrealized (gains) losses on fixed maturity investments and funds held - directly managed included in net earnings (loss), (ii) change in fair value of insurance contracts for which we have elected the fair value option, (iii) (gain) loss on sales of subsidiaries, if any, (iv) net (earnings) loss from discontinued operations, if any, (v) tax effect of these adjustments where applicable, and (vi) attribution of share of adjustments to noncontrolling interest where applicable. We eliminate the impact of net realized and unrealized (gains) losses on fixed maturity investments and funds held - directly managed, included in net earnings (loss), and change in fair value of insurance contracts for which we have elected the fair value option because these items are subject to significant fluctuations in fair value from period to period, driven primarily by market conditions and general economic conditions, and therefore their impact on our earnings is not reflective of the performance of our core operations.

We eliminate the impact of (gain) loss on sale of subsidiaries and net earnings (loss) from discontinued operations because these are also not reflective of the performance of our core operations. Diluted Non-GAAP operating income (loss) per ordinary share is diluted net earnings per ordinary share excluding the per diluted share amounts of each of the adjustments used to calculate non-GAAP operating income (loss).

Reserve/Claims Savings - Non-GAAP

Reserve/Claims Savings is a non-GAAP measure calculated using components of amounts determined in accordance with U.S. GAAP for our Run-off segment. Reserve/Claims Savings is calculated by adding (i) the reduction (increase) in estimates of net ultimate losses relating to prior periods, included in net incurred losses and LAE, and (ii) the reduction (increase) in estimates of ultimate net defendant asbestos and environmental (“Defendant A&E”) liabilities relating to prior periods, included in other income (expense). Because the reduction (increase) in estimates of ultimate Defendant A&E liabilities for prior periods is presented as a component of other income (expense) in our consolidated statement of earnings, there is not a U.S. GAAP measure that is directly comparable to Reserve/Claims Savings presented on a non-GAAP basis. However, we believe Reserve/Claims Savings provides investors with a meaningful measure of claims management performance within our Run-off segment that is consistent with management’s view of the business because it combines the reduction (increase) in estimates of net ultimate losses related to our direct exposure to certain acquired asbestos and environmental liabilities with the reduction (increase) in estimates of net ultimate losses related to liabilities that we have insured. For a reconciliation showing the calculation of Reserve/Claims Savings using the applicable components of amounts determined in accordance with U.S. GAAP for our Run-off segment, refer to “Reserve/Claims Savings” on Page 13.

Investment Composition - Non-GAAP

In certain instances, U.S. GAAP requirements result in classifications of our investment assets that may not correspond to management’s view of the underlying economic exposure of a particular investment. As such, we have prepared a non-GAAP view of our invested assets based on our assessment of the underlying economic exposure of each investment, which is consistent with the manner in which management views our investment portfolio composition. U.S. GAAP requires, in part, that invested assets be classified based upon the legal form of the investment without regard to the underlying economic exposure. Management’s view “looks through” the legal form of an investment and aggregates the classification based upon the underlying economic exposure of each investment. For example:

1. Enstar has certain private equity funds, privately held equity (which are direct investments in companies), public equity, private credit funds and real estate equity funds that are collectively held in limited partnerships. U.S. GAAP requires that the investment be classified as “Private equity funds” within “Other Investments.” For management reporting purposes, we disaggregate private equity funds, privately held equity, public equity, private credit funds and real estate equity funds and present them separately based on the underlying investment.
2. Enstar has certain public equity investments that are held directly on its balance sheet and some that are held in a fund. U.S. GAAP requires that the investment on our balance sheet be classified as “Equities” in our financial statements. Public equity held in fund format is classified as “Equity funds” within “Other Investments”. For management reporting purposes, we have aggregated all directly held public equity and public equity funds into one line item “Equities.”
3. Enstar has certain investments in public shares of exchange traded funds (“ETF”) where the underlying exposure of the ETF is an investment in investment grade fixed income securities. U.S. GAAP requires that the investment be classified as “Equities”. For management reporting, we have classified the investment as “Bond/loan funds.”
4. Enstar has certain investments in public equity investments where the underlying investments are CLO mezzanine debt, CLO equity and Private debt. For management reporting purposes, we have classified these investments as “Bond/loan funds”, “CLO equities” and “Private debt” respectively.
5. Enstar has certain investments in direct CLO equities and some in fund format. For management reporting purposes, we have aggregated all CLO equities into one line item of “CLO equities.”
6. Effective April 1, 2021, the InRe Fund was consolidated by Enstar and the variable interest entity assets and liabilities are presented separately on our balance sheet, which together comprise the the investable assets of the InRe Fund. For management reporting purposes, we have classified the investable assets of the InRe Fund as “Hedge funds.”

Pro Forma Fully Diluted Book Value Per Ordinary Share - Non-GAAP

In addition to presenting fully diluted book value per ordinary share calculated as of June 30, 2021, we have presented pro forma fully diluted book value per share, which reflects adjustments to fully diluted book value per share as of June 30, 2021 to give effect to share repurchases that were completed subsequent to June 30, 2021. On July 22, 2021, we completed a repurchase of 3,749,400 of our ordinary shares held by funds managed by Hillhouse Group for a price of \$234.52 per share, totaling \$879.3 million in aggregate. The shares represented these funds’ entire interest in Enstar, which constituted 16.9% of total ordinary shares and 9.4% of voting ordinary shares. Subsequent to June 30, 2021, we have also repurchased 45,311 shares for \$10.7 million as part of our ordinary share Repurchase Program before terminating the Repurchase Program on July 15, 2021. We believe that the presentation of pro forma fully diluted book value per share to give effect to these transactions provides readers of our financial statements with useful information regarding the impact of this significant strategic share repurchase that had a material impact on the number of our outstanding ordinary shares. We do not expect to present this measure in future periods.

Pro forma fully diluted book value per share is calculated by adjusting the numerator and denominator of fully diluted book value per share to give effect to the completed share repurchase transactions described above.

Cautionary Statement

This investor financial supplement 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, including the ongoing COVID-19 pandemic and the related uncertainty and volatility in the financial markets. Important risk factors regarding Enstar can be found under the heading “Risk Factors” in our Form 10-K for the year ended December 31, 2020 and our Form 10-Q for the period ended June 30, 2021, and 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.

Financial Highlights



| | Three Months Ended | | Six Months Ended | |
|--|--------------------|---------------|------------------|---------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| Key Earnings Metrics | | | | |
| Net earnings attributable to Enstar ordinary shareholders | \$ 377,326 | \$ 798,553 | \$ 560,523 | \$ 281,732 |
| Non-GAAP operating income attributable to Enstar ordinary shareholders ⁽¹⁾ | \$ 290,540 | \$ 567,642 | \$ 574,271 | \$ 229,838 |
| Basic net earnings per ordinary share | \$ 17.44 | \$ 37.03 | \$ 25.95 | \$ 13.07 |
| Diluted net earnings per ordinary share | \$ 17.28 | \$ 36.65 | \$ 25.60 | \$ 12.93 |
| Diluted non-GAAP operating income per ordinary share ⁽¹⁾ | \$ 13.31 | \$ 26.05 | \$ 26.23 | \$ 10.55 |
| Key Run-off Metrics | | | | |
| Reduction in estimates of net ultimate losses - prior periods | \$ 41,696 | \$ 55,910 | \$ 67,063 | \$ 83,473 |
| Reduction in estimates of net ultimate defendant A&E liabilities - prior periods | 4,450 | 1,978 | 14,002 | 26,893 |
| Total reserve / claims savings ⁽¹⁾ | \$ 46,146 | \$ 57,888 | \$ 81,065 | \$ 110,366 |
| Key Investment Return Metrics | | | | |
| Net investment income | \$ 76,147 | \$ 94,443 | \$ 138,236 | \$ 169,157 |
| Net realized gains | 340,202 | 58,195 | 346,341 | 61,406 |
| Net unrealized gains, trading | 65,018 | 909,413 | 38,091 | 277,141 |
| Total investment return included in net earnings | \$ 481,367 | \$ 1,062,051 | \$ 522,668 | \$ 507,704 |
| Unrealized gains (losses), on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange | 58,557 | 90,418 | (46,901) | 40,781 |
| Total investment return | \$ 539,924 | \$ 1,152,469 | \$ 475,767 | \$ 548,485 |
| Total investable assets | \$ 20,170,374 | \$ 15,584,281 | \$ 20,170,374 | \$ 15,584,281 |
| Annualized investment book yield | 2.75 % | 3.26 % | 2.30 % | 2.88 % |
| Investment return included in net earnings | 2.64 % | 7.39 % | 2.95 % | 3.58 % |
| Total investment return | 2.96 % | 8.02 % | 2.68 % | 3.87 % |
| Earnings (losses) from equity method investments | \$ (3,059) | \$ (8,790) | \$ 114,972 | \$ 3,660 |
| Key Shareholder Metrics | | | | |
| Ordinary shareholders' equity | \$ 6,677,308 | \$ 4,676,913 | \$ 6,677,308 | \$ 4,676,913 |
| Total Enstar shareholders' equity | \$ 7,187,308 | \$ 5,186,913 | \$ 7,187,308 | \$ 5,186,913 |
| Basic book value per ordinary share | \$ 309.07 | \$ 216.74 | \$ 309.07 | \$ 216.74 |
| Fully diluted book value per ordinary share | \$ 304.59 | \$ 213.06 | \$ 304.59 | \$ 213.06 |
| Change in fully diluted book value per ordinary share | 7.0 % | 23.3 % | 8.3 % | 7.6 % |
| Annualized GAAP return on opening ordinary shareholders' equity | 24.1 % | 84.8 % | 18.2 % | 13.0 % |
| Ordinary shares repurchased under repurchase program: | | | | |
| Shares | 30,364 | — | 48,367 | 92,510 |
| Cost | \$ 7,208 | \$ — | \$ 11,433 | \$ 12,526 |
| Average price per share | \$ 237.39 | \$ — | \$ 236.39 | \$ 135.40 |
| Total ordinary shares outstanding | 21,604,803 | 21,578,769 | 21,604,803 | 21,578,769 |
| Fully diluted ordinary shares outstanding | 21,922,183 | 22,045,791 | 21,922,183 | 22,045,791 |
| Key Balance Sheet Metrics | | | | |
| Total assets | \$ 24,621,331 | \$ 21,293,915 | \$ 24,621,331 | \$ 21,293,915 |
| Debt obligations | \$ 1,364,212 | \$ 1,542,022 | \$ 1,364,212 | \$ 1,542,022 |
| Total liabilities | \$ 17,243,939 | \$ 15,726,916 | \$ 17,243,939 | \$ 15,726,916 |
| Total investable assets to ordinary shareholders' equity | 3.02x | 3.33x | 3.02x | 3.33x |
| Debt to total capitalization attributable to Enstar | 16.0 % | 22.9 % | 16.0 % | 22.9 % |

(1) Non-GAAP financial measure, refer to the explanatory notes on pages 3 and 4 for further details. See also pages 12 and 13 for a reconciliation of these measures to the most directly comparable GAAP measures.

Recent Transactions



2021 Transactions Announced or Completed subsequent to June 30, 2021

| Date Announced or Completed | Initial Estimate of Liabilities Assumed | Primary Nature of Business |
|-----------------------------|---|---|
| Completed on August 4, 2021 | \$ 500,000 | LPT of U.S. discontinued workers' compensation and excess workers' compensation lines of business and ADC on a diversified mix of general liability classes of business |
| Announced on July 27, 2021 | 97,222 | ADC on a diversified mix of commercial and personal insurance lines across the U.K. and Ireland |
| | \$ 597,222 | |

2021 Transactions Completed Between January 1, 2021 and June 30, 2021

| Date Completed | Total Assets Assumed | Deferred Charge Asset ⁽¹⁾ | Total Assets from Transactions | Total Liabilities Assumed | Net Fair Value Adjustment ⁽²⁾ | Total Liabilities from Transactions | Primary Nature of Business |
|------------------|----------------------|--------------------------------------|--------------------------------|---------------------------|--|-------------------------------------|---|
| June 3, 2021 | \$ 532,394 | N/A | \$ 532,394 | \$ 532,394 | N/A | \$ 532,394 | LPT of diversified legacy insurance business, including surplus lines broker business |
| May 24, 2021 | 41,928 | 6,143 | 48,071 | 48,071 | N/A | 48,071 | LPT of U.S. workers' compensation liability |
| May 3, 2021 | 1,395,000 | 91,988 | 1,486,988 | 1,486,988 | N/A | 1,486,988 | ADC on a diversified mix of global casualty and professional lines |
| February 5, 2021 | 651,736 | 105,479 | 757,215 | 757,215 | N/A | 757,215 | LPT of U.S. excess workers' compensation liabilities |
| January 8, 2021 | 363,159 | 25,402 | 388,561 | 388,561 | N/A | 388,561 | LPT of U.S. energy liability, construction liability and homebuilders liability |
| Total | \$ 2,984,217 | \$ 229,012 | \$ 3,213,229 | \$ 3,213,229 | \$ — | \$ 3,213,229 | |

2020 Completed Transactions

| Date Completed | Total Assets Assumed | Deferred Charge Asset ⁽¹⁾ | Total Assets from Transactions | Total Liabilities Assumed | Net Fair Value Adjustment ⁽²⁾ | Total Liabilities from Transactions | Primary Nature of Business |
|----------------|----------------------|--------------------------------------|--------------------------------|---------------------------|--|-------------------------------------|--|
| August 6, 2020 | \$ 182,498 | N/A | \$ 182,498 | \$ 209,713 | \$ (27,215) | \$ 182,498 | Novation of U.S. asbestos, environmental and workers' compensation liabilities |
| July 1, 2020 | 100,956 | N/A | 100,956 | 100,956 | N/A | 100,956 | Business Transfer of Australian public liability, professional liability and builders' warranty liabilities |
| June 1, 2020 | 179,681 | N/A | 179,681 | 179,681 | N/A | 179,681 | LPT of U.S. construction general liability |
| June 1, 2020 | 770,000 | 11,746 | 781,746 | 781,746 | N/A | 781,746 | ADC on a diversified mix of property, liability and specialty lines of business across the U.S., U.K. and Europe |
| March 31, 2020 | 465,000 | N/A | 465,000 | 465,000 | N/A | 465,000 | LPT of U.S. motor liabilities |
| Total | \$ 1,698,135 | \$ 11,746 | \$ 1,709,881 | \$ 1,737,096 | \$ (27,215) | \$ 1,709,881 | |

⁽¹⁾ Where the estimated ultimate losses payable exceed the premium consideration received at the inception of the agreement, a deferred charge asset is recorded.

⁽²⁾ When the fair value option is elected for any retroactive reinsurance agreement, an initial net fair value adjustment is recorded at the inception of the agreement.

⁽³⁾ We have ceded 10% of these transactions to Enhanced Reinsurance Ltd. ("Enhanced Re"), in which we have an investment, on the same terms and conditions as those received by us. Refer to Note 20 - "Related Party Transactions" to our unaudited condensed consolidated financial statements included within Item 1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2021 for additional information.

Book Value Per Share



| | June 30, 2021 | December 31, 2020 |
|--|---------------|-------------------|
| Numerator: | | |
| Total Enstar shareholder's equity | \$ 7,187,308 | \$ 6,674,395 |
| Less: Series D and E preferred shares | 510,000 | 510,000 |
| Total Enstar ordinary shareholders' equity (A) | 6,677,308 | 6,164,395 |
| Proceeds from assumed conversion of warrants ⁽¹⁾ | — | 20,229 |
| Numerator for fully diluted book value per ordinary share calculations (B) | \$ 6,677,308 | \$ 6,184,624 |
| July Share Repurchases ⁽²⁾ | (890,023) | — |
| Numerator for pro forma fully diluted book value per ordinary share calculations (C) | 5,787,285 | — |
| Denominator: | | |
| Ordinary shares outstanding (D) ⁽³⁾ | 21,604,803 | 21,519,602 |
| Effect of dilutive securities: | | |
| Share-based compensation plans ⁽⁴⁾ | 317,380 | 298,095 |
| Warrants ⁽¹⁾ | — | 175,901 |
| Fully diluted ordinary shares outstanding (E) | 21,922,183 | 21,993,598 |
| July Share Repurchases ⁽²⁾ | (3,794,711) | — |
| Pro forma fully diluted ordinary shares outstanding (F) | 18,127,472 | — |
| Book value per ordinary share: | | |
| Basic book value per ordinary share = (A) / (D) | \$ 309.07 | \$ 286.45 |
| Fully diluted book value per ordinary share = (B) / (E) | \$ 304.59 | \$ 281.20 |
| Pro forma fully diluted book value per ordinary share = (C) / (F) | \$ 319.25 | — |

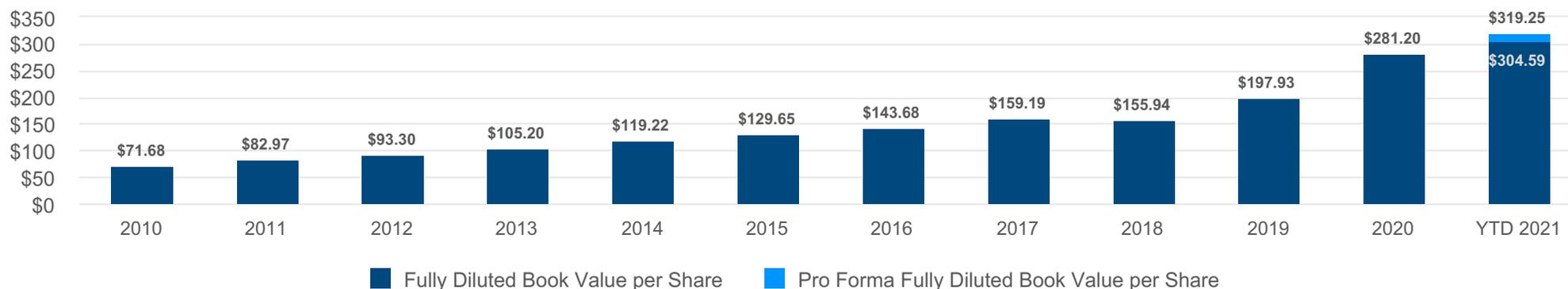
⁽¹⁾ Warrants to acquire 175,901 Series C Non-Voting Ordinary Shares for an exercise price of \$115.00 per share were exercised on a non-cash basis during the six months ended June 30, 2021, which resulted in a total of 89,590 Series C Non-Voting Ordinary Shares being issued in the period.

⁽²⁾ Represents shares repurchased in transactions described within the explanatory notes on page 4.

⁽³⁾ Ordinary shares outstanding includes voting and non-voting shares but excludes ordinary shares held in the Enstar Group Limited Employee Benefit Trust (the "EB Trust") in respect of awards made under our Joint Share Ownership Plan, a sub-plan to our Amended and Restated 2016 Equity Incentive Plan (the "JSOP").

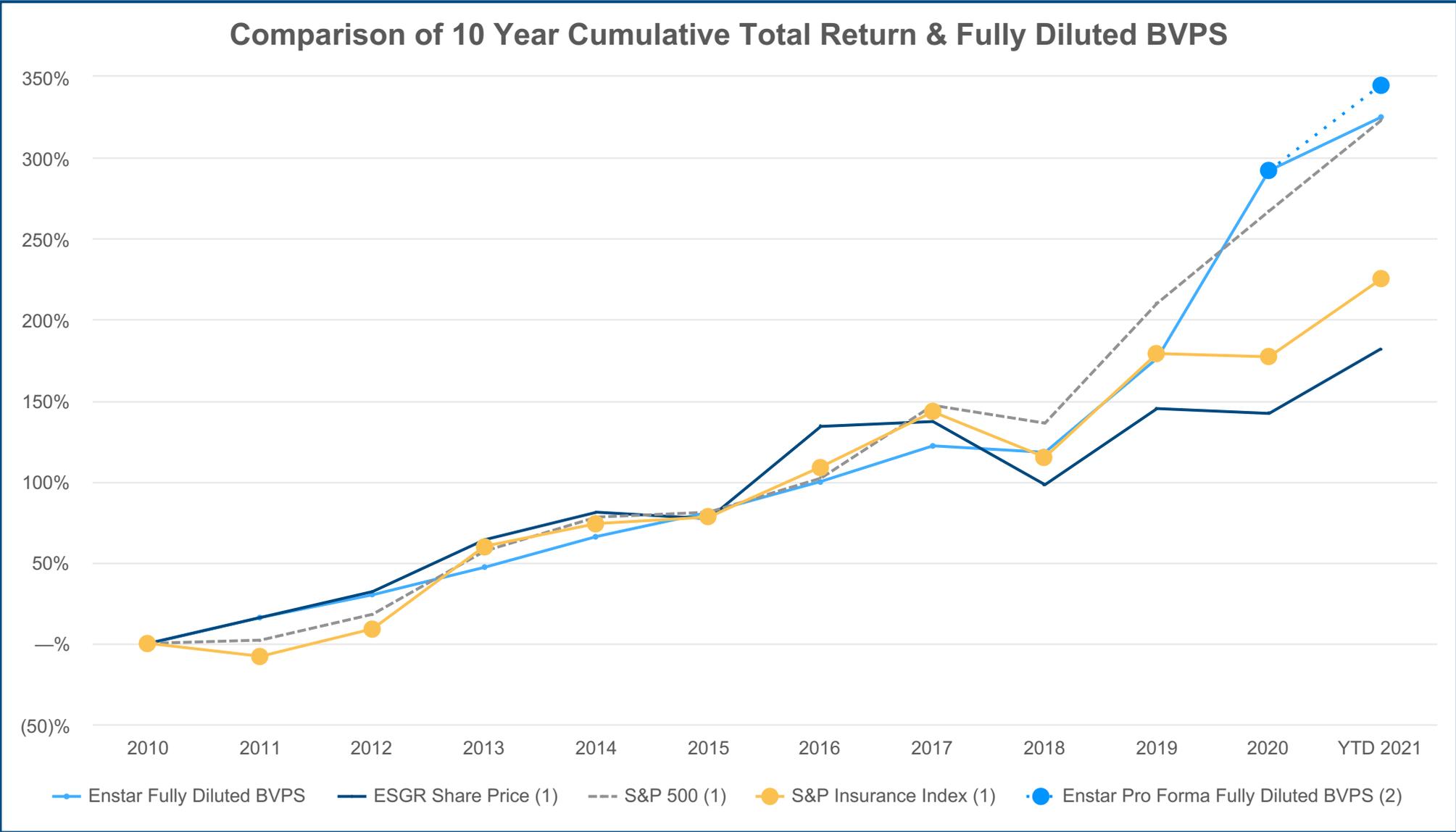
⁽⁴⁾ Share-based dilutive securities include restricted shares, restricted share units, and performance share units ("PSUs"). The amounts for PSUs, and for ordinary shares held in the EB Trust in respect of the JSOP, are adjusted at the end of each period end to reflect the latest estimated performance multipliers for the respective awards. The JSOP shares did not have a dilutive effect as at June 30, 2021.

Growth in Fully Diluted Book Value Per Share





Comparison of 10 Year Cumulative Total Return & Fully Diluted BVPS



(1) Source: S&P Market Intelligence

(2) Refer to the explanatory notes on page 4 for further details. See also page 7 for a reconciliation of fully diluted book value per share to pro forma fully diluted book value per share.

Summary Balance Sheets



| | June 30, 2021 | December 31, 2020 |
|---|----------------------|----------------------|
| ASSETS | | |
| Short-term and fixed maturity investments, trading | \$ 4,108,190 | \$ 4,600,021 |
| Short-term and fixed maturity investments, AFS | 5,576,511 | 3,658,895 |
| Funds held - directly managed | 1,028,503 | 1,074,890 |
| Other investments, including equities | 2,972,812 | 5,090,829 |
| Equity method investments | 936,430 | 832,295 |
| Total investments | 14,622,446 | 15,256,930 |
| Cash and restricted cash | 1,126,258 | 1,373,116 |
| Premiums receivable | 379,981 | 405,793 |
| Reinsurance balances recoverable | 1,976,727 | 2,089,163 |
| Insurance balances recoverable | 245,979 | 249,652 |
| Funds held by reinsured companies | 2,201,958 | 635,819 |
| Variable interest entity assets of the InRe Fund | 2,913,522 | — |
| Other assets | 1,154,460 | 925,533 |
| Assets held for sale | — | 711,278 |
| TOTAL ASSETS | \$ 24,621,331 | \$ 21,647,284 |
| LIABILITIES | | |
| Losses and loss adjustment expenses | \$ 13,037,858 | \$ 10,593,282 |
| Defendant asbestos and environmental liabilities | 677,919 | 706,329 |
| Insurance and reinsurance balances payable | 584,084 | 494,412 |
| Debt obligations | 1,364,212 | 1,373,259 |
| Variable interest entity liabilities of the InRe Fund | 693,810 | — |
| Other liabilities | 886,056 | 942,905 |
| Liabilities held for sale | — | 483,657 |
| TOTAL LIABILITIES | 17,243,939 | 14,593,844 |
| COMMITMENTS AND CONTINGENCIES | | |
| REDEEMABLE NONCONTROLLING INTEREST | 177,449 | 365,436 |
| SHAREHOLDERS' EQUITY | | |
| Ordinary shareholders' equity ⁽¹⁾ | 6,677,308 | 6,164,395 |
| Series D & E preferred shares | 510,000 | 510,000 |
| Total Enstar shareholders' equity | 7,187,308 | 6,674,395 |
| Noncontrolling interest | 12,635 | 13,609 |
| TOTAL SHAREHOLDERS' EQUITY | 7,199,943 | 6,688,004 |
| TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITY | \$ 24,621,331 | \$ 21,647,284 |

⁽¹⁾ Ordinary shareholders' equity includes voting ordinary shares, non-voting convertible ordinary Series C and Series E shares, Series C preferred shares, treasury shares, JSOP voting ordinary shares, additional paid-in capital, accumulated other comprehensive income and retained earnings.

Summary Earnings Statements



| | Three Months Ended | | Six Months Ended | |
|--|--------------------|---------------|------------------|---------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| INCOME | | | | |
| Net premiums earned | \$ 59,644 | \$ 142,871 | \$ 152,520 | \$ 302,222 |
| Fees and commission income | 8,274 | 10,010 | 17,872 | 17,538 |
| Net investment income ⁽¹⁾ | 76,147 | 94,443 | 138,236 | 169,157 |
| Net realized and unrealized gains ⁽¹⁾ | 405,220 | 967,608 | 384,432 | 338,547 |
| Other income (expense) | (3,359) | (1,087) | (2,808) | 19,357 |
| Net gain on sales of subsidiaries | — | — | 14,894 | — |
| | 545,926 | 1,213,845 | 705,146 | 846,821 |
| EXPENSES | | | | |
| Net incurred losses and LAE | 39,304 | 186,692 | (16,203) | 229,992 |
| Acquisition costs | 4,956 | 49,067 | 38,970 | 95,110 |
| General and administrative expenses | 92,717 | 144,830 | 175,717 | 243,258 |
| Interest expense | 16,301 | 14,018 | 32,480 | 27,433 |
| Net foreign exchange (gains) losses | (9,139) | 5,158 | (6,505) | (6,781) |
| | 144,139 | 399,765 | 224,459 | 589,012 |
| EARNINGS BEFORE INCOME TAXES | | | | |
| | 401,787 | 814,080 | 480,687 | 257,809 |
| Income tax expense | (9,422) | (16,652) | (3,440) | (11,380) |
| Earnings (loss) from equity method investments | (3,059) | (8,790) | 114,972 | 3,660 |
| NET EARNINGS FROM CONTINUING OPERATIONS | | | | |
| | 389,306 | 788,638 | 592,219 | 250,089 |
| Net loss from discontinued operations, net of income taxes | — | (1,152) | — | (3,221) |
| NET EARNINGS | | | | |
| | 389,306 | 787,486 | 592,219 | 246,868 |
| Net (earnings) loss attributable to noncontrolling interest | (3,055) | 19,992 | (13,846) | 52,714 |
| NET EARNINGS ATTRIBUTABLE TO ENSTAR | | | | |
| | 386,251 | 807,478 | 578,373 | 299,582 |
| Dividends on preferred shares | (8,925) | (8,925) | (17,850) | (17,850) |
| NET EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS | | | | |
| | \$ 377,326 | \$ 798,553 | \$ 560,523 | \$ 281,732 |
| COMPREHENSIVE INCOME (LOSS) | | | | |
| NET EARNINGS | | | | |
| | \$ 389,306 | \$ 787,486 | \$ 592,219 | \$ 246,868 |
| Other comprehensive income (loss), net of income taxes: | | | | |
| Unrealized gains (losses) arising during the period, net of reclassification adjustments | 51,397 | 97,522 | (47,971) | 52,211 |
| Cumulative currency translation adjustment | (399) | (1,205) | 1,019 | (1,891) |
| Total other comprehensive income (loss) | 50,998 | 96,317 | (46,952) | 50,320 |
| Comprehensive income | | | | |
| | 440,304 | 883,803 | 545,267 | 297,188 |
| Comprehensive (income) loss attributable to noncontrolling interest | (3,260) | 9,616 | (14,476) | 46,508 |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO ENSTAR | | | | |
| | \$ 437,044 | \$ 893,419 | \$ 530,791 | \$ 343,696 |

⁽¹⁾ Includes amounts attributed to the InRe Fund. Refer to Note 11 - "Variable Interest Entities" to our unaudited condensed consolidated financial statements included within Item 1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2021 for additional information.

Earnings Per Share



| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Numerator: | | | | |
| Earnings attributable to Enstar ordinary shareholders: | | | | |
| Net earnings from continuing operations ⁽¹⁾ | \$ 377,326 | \$ 799,232 | \$ 560,523 | \$ 283,632 |
| Net loss from discontinued operations ⁽²⁾ | — | (679) | — | (1,900) |
| Net earnings attributable to Enstar ordinary shareholders: | 377,326 | 798,553 | 560,523 | 281,732 |
| Denominator: | | | | |
| Weighted-average ordinary shares outstanding — basic ⁽³⁾ | 21,631,749 | 21,565,240 | 21,597,236 | 21,557,542 |
| Effect of dilutive securities: | | | | |
| Share equivalents: | | | | |
| Share-based compensation plans ⁽⁴⁾ | 200,469 | 185,300 | 214,849 | 177,264 |
| Warrants ⁽⁵⁾ | — | 38,702 | 80,659 | 53,525 |
| Weighted-average ordinary shares outstanding — diluted | 21,832,218 | 21,789,242 | 21,892,744 | 21,788,331 |
| Earnings per share attributable to Enstar ordinary shareholders: | | | | |
| Basic: | | | | |
| Net earnings from continuing operations | \$ 17.44 | \$ 37.06 | \$ 25.95 | \$ 13.16 |
| Net loss from discontinued operations | — | (0.03) | — | (0.09) |
| Net earnings per ordinary share | \$ 17.44 | \$ 37.03 | \$ 25.95 | \$ 13.07 |
| Diluted: | | | | |
| Net earnings from continuing operations | \$ 17.28 | \$ 36.68 | \$ 25.60 | \$ 13.02 |
| Net loss from discontinued operations | — | (0.03) | — | (0.09) |
| Net earnings per ordinary share | \$ 17.28 | \$ 36.65 | \$ 25.60 | \$ 12.93 |

⁽¹⁾ Net earnings from continuing operations attributable to Enstar ordinary shareholders equals net earnings from continuing operations, plus net loss (earnings) from continuing operations attributable to noncontrolling interest, less dividends on preferred shares.

⁽²⁾ Net loss from discontinued operations attributable to Enstar ordinary shareholders equals net loss from discontinued operations, net of income tax benefit (expense), plus net loss from discontinued operations attributable to noncontrolling interest; refer to Note 3 - "Divestitures, Held-for-Sale Businesses and Discontinued Operations" to our unaudited condensed consolidated financial statements included within Item 1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2021 for a breakdown by period.

⁽³⁾ Weighted-average ordinary shares for basic earnings per share includes ordinary shares (voting and non-voting) but excludes ordinary shares held in the EB Trust in respect of JSOP awards.

⁽⁴⁾ Share-based dilutive securities include restricted shares, restricted share units, and performance share units. Certain share-based compensation awards, including the ordinary shares held in the EB Trust in respect of JSOP awards, were excluded from the calculation for the three and six months ended June 30, 2021 and 2020 because they were anti-dilutive.

⁽⁵⁾ Warrants to acquire 175,901 Series C Non-Voting Ordinary Shares for an exercise price of \$115.00 per share were exercised on a non-cash basis during the six months ended June 30, 2021, which resulted in a total of 89,590 Series C Non-Voting Ordinary Shares being issued in the period. As of June 30, 2021, there were no warrants outstanding following the exercise described. The warrants presented in the table above are a weighted-average of the warrants outstanding for the period.

Non-GAAP Operating Income



| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|--------------|------------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net earnings attributable to Enstar ordinary shareholders (A) | \$ 377,326 | \$ 798,553 | \$ 560,523 | \$ 281,732 |
| Adjustments: | | | | |
| Net realized and unrealized (gains) losses on fixed maturity investments and funds held - directly managed ⁽¹⁾ | (110,145) | (417,364) | 96,039 | (139,803) |
| Change in fair value of insurance contracts for which we have elected the fair value option | 17,713 | 134,043 | (57,759) | 75,806 |
| Net gain on sales of subsidiaries | — | — | (14,894) | — |
| Net loss from discontinued operations | — | 1,152 | — | 3,221 |
| Tax effects of adjustments ⁽²⁾ | 4,869 | 39,264 | (11,279) | 13,299 |
| Adjustments attributable to noncontrolling interest ⁽³⁾ | 777 | 11,994 | 1,641 | (4,417) |
| Non-GAAP operating income attributable to Enstar ordinary shareholders (B) ⁽⁴⁾ | \$ 290,540 | \$ 567,642 | \$ 574,271 | \$ 229,838 |
| Diluted net earnings per ordinary share | \$ 17.28 | \$ 36.65 | \$ 25.60 | \$ 12.93 |
| Adjustments: | | | | |
| Net realized and unrealized (gains) losses on fixed maturity investments and funds held - directly managed ⁽¹⁾ | (5.04) | (19.15) | 4.40 | (6.42) |
| Change in fair value of insurance contracts for which we have elected the fair value option | 0.81 | 6.15 | (2.64) | 3.48 |
| Net gain on sales of subsidiaries | — | — | (0.68) | — |
| Net loss from discontinued operations | — | 0.05 | — | 0.15 |
| Tax effects of adjustments ⁽²⁾ | 0.22 | 1.80 | (0.52) | 0.61 |
| Adjustments attributable to noncontrolling interest ⁽³⁾ | 0.04 | 0.55 | 0.07 | (0.20) |
| Diluted non-GAAP operating income per ordinary share ⁽⁴⁾ | \$ 13.31 | \$ 26.05 | \$ 26.23 | \$ 10.55 |
| Weighted average ordinary shares outstanding: | | | | |
| Basic | 21,631,749 | 21,565,240 | 21,597,236 | 21,557,542 |
| Diluted | 21,832,218 | 21,789,242 | 21,892,744 | 21,788,331 |
| Opening ordinary shareholders' equity (C) | \$ 6,250,776 | \$ 3,766,599 | \$ 6,164,395 | \$ 4,332,183 |
| Annualized GAAP return on opening ordinary shareholders' equity = (A * (4 / # of Quarters) / (C) | 24.1 % | 84.8 % | 18.2 % | 13.0 % |

⁽¹⁾ Represents the net realized and unrealized gains and losses related to fixed maturity securities included in net earnings (loss). Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance. Refer to Note 4 - "Investments" to our unaudited condensed consolidated financial statements included within Item 1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2021 for further details on our net realized and unrealized gains and losses.

⁽²⁾ Represents an aggregation of the tax expense or benefit associated with the specific country to which the pre-tax adjustment relates, calculated at the applicable jurisdictional tax rate.

⁽³⁾ Represents the impact of the adjustments on the net earnings (loss) attributable to noncontrolling interest associated with the specific subsidiaries to which the adjustments relate.

⁽⁴⁾ Non-GAAP financial measure, refer to the explanatory notes on page 3 for further details.

| | FS Reference ⁽¹⁾ | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|--------------------------------|-----------|------------------------------|------------|
| | | 2021 | 2020 | 2021 | 2020 |
| <i>Reconciliation of reserve/claims savings to GAAP line items in the Run-off segment:</i> | | | | | |
| Net incurred losses and LAE: | | | | | |
| Reduction in estimates of net ultimate losses - prior periods (A) | Note 8 | \$ 41,696 | \$ 55,910 | \$ 67,063 | \$ 83,473 |
| Increase in estimates of net ultimate losses - current period | Note 8 | (40,445) | (8,086) | (83,135) | (15,935) |
| Reduction in provisions for unallocated LAE | Note 8 | 15,746 | 12,425 | 28,444 | 19,904 |
| Net incurred losses and LAE - Run-off | Note 8 | \$ 16,997 | \$ 60,249 | \$ 12,372 | \$ 87,442 |
| Other income: | | | | | |
| Reduction in estimates of net ultimate defendant A&E liabilities - prior periods (B) | Note 9 | \$ 4,450 | \$ 1,978 | \$ 14,002 | \$ 26,893 |
| Reduction in estimated future defendant A&E expenses | Note 9 | 745 | 975 | 3,508 | 3,003 |
| All other income - Run-off | | 1 | (2,054) | 1 | (1,234) |
| Other income - Run-off | Note 22 | \$ 5,196 | \$ 899 | \$ 17,511 | \$ 28,662 |
| Reserve/claims savings: total reduction in net ultimate losses ⁽²⁾ = (A) + (B) | | \$ 46,146 | \$ 57,888 | \$ 81,065 | \$ 110,366 |

⁽¹⁾ Refer to the corresponding note to our consolidated financial statements included within Item 1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2021 for further details.

⁽²⁾ Non-GAAP financial measure, refer to the explanatory notes on page 4 for further details.

Investment Composition - GAAP



| | June 30, 2021 | | | December 31, 2020 | | |
|---|---------------|-------------------|----------------|-------------------|-------------------|----------------|
| Short-term and fixed maturity investments, trading and AFS and funds held - directly managed | | | | | | |
| U.S. government & agency | \$ | 789,439 | 3.9 % | \$ | 951,048 | 5.5 % |
| U.K. government | | 41,696 | 0.2 % | | 51,082 | 0.3 % |
| Other government | | 480,279 | 2.4 % | | 502,153 | 2.9 % |
| Corporate | | 6,652,998 | 33.0 % | | 5,686,732 | 33.0 % |
| Municipal | | 244,459 | 1.2 % | | 162,669 | 0.9 % |
| Residential mortgage-backed | | 572,239 | 2.9 % | | 553,945 | 3.2 % |
| Commercial mortgage-backed | | 987,254 | 4.9 % | | 854,090 | 4.9 % |
| Asset-backed | | 935,593 | 4.6 % | | 557,460 | 3.2 % |
| Total | | 10,703,957 | 53.1 % | | 9,319,179 | 53.9 % |
| Other assets included within funds held - directly managed | | 9,247 | — % | | 14,627 | 0.1 % |
| Equities | | | | | | |
| Publicly traded equities | | 304,701 | 1.5 % | | 260,767 | 1.5 % |
| Exchange-traded funds | | 504,793 | 2.5 % | | 311,287 | 1.8 % |
| Privately held equities | | 348,725 | 1.7 % | | 274,741 | 1.6 % |
| Total | | 1,158,219 | 5.7 % | | 846,795 | 4.9 % |
| Other investments | | | | | | |
| Hedge funds ⁽¹⁾ | | 73,130 | 0.4 % | | 2,638,339 | 15.3 % |
| Fixed income funds | | 603,889 | 3.0 % | | 552,541 | 3.2 % |
| Private equity funds | | 536,368 | 2.7 % | | 363,103 | 2.1 % |
| Private credit funds | | 242,359 | 1.2 % | | 192,319 | 1.1 % |
| Equity funds | | 5,617 | — % | | 190,767 | 1.1 % |
| CLO equity funds | | 190,158 | 0.9 % | | 166,523 | 1.0 % |
| CLO equities | | 145,103 | 0.7 % | | 128,083 | 0.7 % |
| Other | | 17,969 | 0.1 % | | 12,359 | 0.1 % |
| Total | | 1,814,593 | 9.0 % | | 4,244,034 | 24.6 % |
| Equity method investments | | 936,430 | 4.7 % | | 832,295 | 4.8 % |
| Total investments | | 14,622,446 | 72.5 % | | 15,256,930 | 88.3 % |
| Cash and cash equivalents (including restricted cash) | | 1,126,258 | 5.6 % | | 1,373,116 | 8.0 % |
| Funds held by reinsured companies | | 2,201,958 | 10.9 % | | 635,819 | 3.7 % |
| Investable assets of the InRe Fund ⁽²⁾ | | 2,219,712 | 11.0 % | | — | — % |
| Total investable assets | \$ | 20,170,374 | 100.0 % | \$ | 17,265,865 | 100.0 % |
| Duration (in years) ⁽³⁾ | | 4.69 | | | 4.82 | |
| Average Credit Rating ⁽³⁾ | | A+ | | | A+ | |

⁽¹⁾ As of December 31, 2020, includes our investment in the InRe Fund of \$2.4 billion.

⁽²⁾ As of June 30, 2021, includes amounts of the InRe Fund as described in Note 11 - "Variable Interest Entities" to our unaudited condensed consolidated financial statements included within Item 1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2021.

⁽³⁾ Calculation includes cash and cash equivalents, short-term investments, fixed maturities and the fixed maturities within our funds held - directly managed portfolios at June 30, 2021 and December 31, 2020.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|---------------------|------------------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net investment income: | | | | |
| Fixed income securities ⁽¹⁾ | \$ 86,501 | \$ 87,656 | \$ 138,701 | \$ 150,659 |
| Cash and restricted cash | (379) | 717 | (467) | 2,867 |
| Other investments, including equities | 13,463 | 9,053 | 27,055 | 23,109 |
| Less: Investment expenses | (3,267) | (2,983) | (6,882) | (7,478) |
| Net investment expenses of the InRe Fund ⁽²⁾ | (20,171) | — | (20,171) | — |
| Total net investment income | \$ 76,147 | \$ 94,443 | \$ 138,236 | \$ 169,157 |
| Net realized gains (losses): | | | | |
| Fixed income securities ⁽¹⁾ | \$ 17,723 | \$ 56,309 | \$ 24,653 | \$ 60,527 |
| Other investments, including equities | 774 | 1,886 | (17) | 879 |
| Net realized gains of the InRe Fund ⁽²⁾ | 321,705 | — | 321,705 | — |
| Total net realized gains | \$ 340,202 | \$ 58,195 | \$ 346,341 | \$ 61,406 |
| Net unrealized gains (losses): | | | | |
| Fixed income securities, trading ⁽¹⁾ | \$ 57,541 | \$ 361,055 | \$ (155,572) | \$ 79,276 |
| Other investments, including equities | 112,452 | 183,304 | 222,031 | (122,331) |
| Net unrealized gains (losses) of the InRe Fund ⁽²⁾ | (104,975) | 365,054 | (28,368) | 320,196 |
| Total net unrealized losses | \$ 65,018 | \$ 909,413 | \$ 38,091 | \$ 277,141 |
| Total investment return included in earnings (A) | \$ 481,367 | \$ 1,062,051 | \$ 522,668 | \$ 507,704 |
| Other comprehensive income (loss): | | | | |
| Unrealized gains (losses), on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange (B) ⁽¹⁾ | \$ 58,557 | \$ 90,418 | \$ (46,901) | \$ 40,781 |
| Total investment return = (A) + (B) | \$ 539,924 | \$ 1,152,469 | \$ 475,767 | \$ 548,485 |
| Annualized income from fixed income assets ⁽³⁾ | \$ 344,488 | \$ 353,492 | \$ 276,468 | \$ 307,052 |
| Average aggregate fixed income assets, at cost ^{(3) (4)} | 12,539,108 | 10,832,768 | 12,025,875 | 10,648,355 |
| Annualized investment book yield | 2.75 % | 3.26 % | 2.30 % | 2.88 % |
| Average aggregate invested assets, at fair value ⁽⁴⁾ | \$ 18,238,026 | \$ 14,373,697 | \$ 17,733,688 | \$ 14,181,080 |
| Investment return included in net earnings | 2.64 % | 7.39 % | 2.95 % | 3.58 % |
| Total investment return | 2.96 % | 8.02 % | 2.68 % | 3.87 % |

⁽¹⁾ Fixed income securities includes both trading and available-for-sale ("AFS") short-term and fixed maturity investments as well as funds held - directly managed whereas, fixed income securities, trading excludes AFS investments and fixed income securities, AFS excludes trading investments.

⁽²⁾ Prior to the consolidation of the InRe Fund on April 1, 2021, all income or loss from the InRe Fund was determined by the change in net asset value (NAV) of our holdings in the fund, which was included within net unrealized gains (losses) from other investments, including equities. Prior period amounts have been reclassified to net unrealized gains of the InRe Fund to conform to current period presentation. Refer to Note 11 - "Variable Interest Entities" to our unaudited condensed consolidated financial statements included within Item 1 of our Quarterly Report on Form 10-Q for the period ended June 30, 2021 for further information.

⁽³⁾ Fixed income assets includes fixed income securities and cash and restricted cash.

⁽⁴⁾ These amounts are an average of the amounts disclosed in our quarterly and annual U.S. GAAP consolidated financial statements.

Investment Composition - Non-GAAP ⁽¹⁾



| Composition of investable assets | June 30, 2021 | | December 31, 2020 | | | |
|---|---------------|-------------------|-------------------|-----------|-------------------|----------------|
| Fixed maturities | \$ | 10,703,957 | 53.1 % | \$ | 9,319,179 | 54.0 % |
| Equities | | 885,478 | 4.4 % | | 830,600 | 4.8 % |
| Bond/loan funds | | 846,442 | 4.2 % | | 763,140 | 4.4 % |
| Hedge funds | | 2,292,842 | 11.4 % | | 2,638,339 | 15.3 % |
| Private equities | | 387,284 | 1.9 % | | 225,921 | 1.3 % |
| CLO equities | | 367,190 | 1.8 % | | 294,606 | 1.7 % |
| Private credit | | 365,464 | 1.8 % | | 298,597 | 1.7 % |
| Real estate | | 47,346 | 0.2 % | | 39,161 | 0.2 % |
| Other | | 478 | — % | | 465 | — % |
| Cash and cash equivalents (including restricted cash) | | 1,126,258 | 5.6 % | | 1,373,116 | 8.0 % |
| Funds held | | 2,211,205 | 11.0 % | | 650,446 | 3.8 % |
| Total managed cash and investments | | 19,233,944 | 95.4 % | | 16,433,570 | 95.2 % |
| Equity method investments | | 936,430 | 4.6 % | | 832,295 | 4.8 % |
| Total investable assets ⁽²⁾ | \$ | 20,170,374 | 100.0 % | \$ | 17,265,865 | 100.0 % |

⁽¹⁾ Non-GAAP financial measures, refer to the explanatory notes on page 4 for further details. See also Page 17 for a reconciliation to the most directly comparable GAAP measures.

⁽²⁾ Agrees to the total investable assets per GAAP on page 14.

Investment Composition - Non-GAAP Reconciliation ⁽¹⁾



| | June 30, 2021 | December 31, 2020 |
|--|---------------|-------------------|
| Equities - GAAP | \$ 1,158,219 | \$ 846,795 |
| Less: Exchange traded funds backed by fixed income securities | (181,642) | (156,362) |
| Less: Bond fund held in equity format | (60,911) | (54,248) |
| Less: CLO equity in equity format | (31,929) | — |
| Less: Private debt in equity format | (11,975) | — |
| Plus: Equities held in fund format | 5,617 | 190,767 |
| Plus: Privately held equity in fund format | 3,625 | 3,648 |
| Plus: LP structure with underlying public equities | 4,474 | — |
| Equities - Non-GAAP | 885,478 | 830,600 |
| Hedge funds - GAAP | 73,130 | 2,638,339 |
| Plus: Net assets of consolidated VIE | 2,219,712 | — |
| Hedge funds - Non-GAAP | 2,292,842 | 2,638,339 |
| Fixed income funds - GAAP | 603,889 | 552,541 |
| Plus: Exchange traded funds backed by fixed income securities | 181,642 | 156,362 |
| Plus: Bond fund held in equity format | 60,911 | 54,237 |
| Bond/loan funds - Non-GAAP | 846,442 | 763,140 |
| Private equity funds - GAAP | 536,368 | 363,103 |
| Less: Private credit held in fund format | (111,130) | (106,278) |
| Less: Real estate held in fund format | (29,855) | (27,256) |
| Less: Privately held equity in fund format | (3,625) | (3,648) |
| Less: LP Structure with underlying public equities | (4,474) | — |
| Private equities - Non-GAAP | 387,284 | 225,921 |
| CLO equities - GAAP | 145,103 | 128,083 |
| Plus: CLO equity funds | 190,158 | 166,523 |
| Plus: Equities in CLO equity format | 31,929 | — |
| CLO equities - Non-GAAP | 367,190 | 294,606 |
| Private credit funds - GAAP | 242,359 | 192,319 |
| Plus: Private credit held in fund format | 111,130 | 106,278 |
| Plus: Private debt in equity format | 11,975 | — |
| Private credit - Non-GAAP | 365,464 | 298,597 |
| Funds held by reinsured companies - GAAP | 2,201,958 | 635,819 |
| Plus: Other assets and liabilities in funds held format | 9,247 | 14,627 |
| Funds held - Non-GAAP | 2,211,205 | 650,446 |
| Real estate - GAAP | — | — |
| Plus: Real estate held in fund format | 29,855 | 27,256 |
| Plus: Real estate held in other | 17,491 | 11,905 |
| Real estate - Non-GAAP | 47,346 | 39,161 |
| Short-term and fixed maturity investments, trading and AFS and funds held - directly managed ⁽²⁾ | 10,703,957 | 9,319,179 |
| Other | 478 | 465 |
| Cash and cash equivalents (including restricted cash) | 1,126,258 | 1,373,116 |
| Total managed cash and investments | 19,233,944 | 16,433,570 |
| Equity method investments | 936,430 | 832,295 |
| Total investable assets | \$ 20,170,374 | \$ 17,265,865 |

⁽¹⁾ Non-GAAP financial measures, refer to the explanatory notes on page 4 for further details.

⁽²⁾ Agrees to fixed maturities - non-GAAP on page 16.

Capital Position & Credit Ratings



| Capital position | June 30, 2021 | December 31, 2020 | Change |
|--|---------------|-------------------|------------|
| Ordinary shareholders' equity | \$ 6,677,308 | \$ 6,164,395 | \$ 512,913 |
| Series D and E preferred shares | 510,000 | 510,000 | — |
| Total Enstar shareholders' equity (A) | 7,187,308 | 6,674,395 | 512,913 |
| Noncontrolling interest | 12,635 | 13,609 | (974) |
| Total shareholders' equity (B) | 7,199,943 | 6,688,004 | 511,939 |
| Senior notes | 844,269 | 843,447 | 822 |
| Junior subordinated notes | 344,943 | 344,812 | 131 |
| Revolving credit facility | 175,000 | 185,000 | (10,000) |
| Total debt (C) | 1,364,212 | 1,373,259 | (9,047) |
| Redeemable noncontrolling interest (D) | 177,449 | 365,436 | (187,987) |
| Total capitalization = (B) + (C) + (D) | \$ 8,741,604 | \$ 8,426,699 | \$ 314,905 |
| Total capitalization attributable to Enstar = (A) + (C) | \$ 8,551,520 | \$ 8,047,654 | \$ 503,866 |
| Debt to total capitalization | 15.6 % | 16.3 % | (0.7)% |
| Debt and Series D and E Preferred Shares to total capitalization | 21.4 % | 22.3 % | (0.9)% |
| Debt to total capitalization attributable to Enstar | 16.0 % | 17.1 % | (1.1)% |
| Debt and Series D and E Preferred Shares to total capitalization available to Enstar | 21.9 % | 23.4 % | (1.5)% |

| Credit ratings ⁽¹⁾ | Standard and Poor's | Fitch Ratings |
|-------------------------------|-------------------------|-------------------------|
| Long-term issuer | BBB (Outlook: Positive) | BBB (Outlook: Positive) |
| Senior notes | BBB | BBB- |
| Junior subordinated notes | BB+ | BB+ |
| Series D preferred shares | BB+ | BB+ |
| Series E preferred shares | BB+ | BB+ |

⁽¹⁾ Credit ratings are provided by third parties, Standard and Poor's and Fitch Ratings, and are subject to certain limitations and disclaimers. For information on these ratings, refer to the rating agencies' websites and other publications.

Consolidated Results by Segment - Quarter to Date



| | Three Months Ended | | | | | | | | | |
|---|--------------------|----------------|---------------------|----------------------------------|----------------|---------------|----------------|---------------------|----------------------------------|----------------|
| | June 30, 2021 | | | | | June 30, 2020 | | | | |
| | Run-off | Investments | Legacy Underwriting | Corporate & Other ⁽¹⁾ | Total | Run-off | Investments | Legacy Underwriting | Corporate & Other ⁽¹⁾ | Total |
| INCOME | | | | | | | | | | |
| Net premiums earned | \$ 42,404 | \$ — | \$ 17,240 | \$ — | \$ 59,644 | \$ 10,517 | \$ — | \$ 132,354 | \$ — | \$ 142,871 |
| Fees and commission income | 8,274 | — | — | — | 8,274 | 3,966 | — | 6,044 | — | 10,010 |
| Net investment income | — | 75,859 | 288 | — | 76,147 | — | 86,263 | 8,180 | — | 94,443 |
| Net realized and unrealized gains | — | 405,010 | 210 | — | 405,220 | — | 926,494 | 41,114 | — | 967,608 |
| Other income (expense) | 5,196 | — | (2,549) | (6,006) | (3,359) | 899 | — | 30 | (2,016) | (1,087) |
| | 55,874 | 480,869 | 15,189 | (6,006) | 545,926 | 15,382 | 1,012,757 | 187,722 | (2,016) | 1,213,845 |
| EXPENSES | | | | | | | | | | |
| Net incurred losses and loss adjustment expenses | (16,997) | — | 10,281 | 46,020 | 39,304 | (60,249) | — | 95,382 | 151,559 | 186,692 |
| Acquisition costs | 34 | — | 4,922 | — | 4,956 | 3,589 | — | 45,478 | — | 49,067 |
| General and administrative expenses ⁽²⁾ | 64,138 | 12,303 | 1,418 | 14,858 | 92,717 | 52,466 | 10,704 | 70,062 | 11,598 | 144,830 |
| | 47,175 | 12,303 | 16,621 | 60,878 | 136,977 | (4,194) | 10,704 | 210,922 | 163,157 | 380,589 |
| EARNINGS (LOSS) BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES | | | | | | | | | | |
| | 8,699 | 468,566 | (1,432) | (66,884) | 408,949 | 19,576 | 1,002,053 | (23,200) | (165,173) | 833,256 |
| Loss from equity method investments | — | (3,059) | — | — | (3,059) | — | (8,790) | — | — | (8,790) |
| SEGMENT INCOME (LOSS) | 8,699 | 465,507 | (1,432) | (66,884) | 405,890 | 19,576 | 993,263 | (23,200) | (165,173) | 824,466 |
| Interest expense | | | | (16,301) | (16,301) | | | | (14,018) | (14,018) |
| Net foreign exchange gains (losses) | | | | 9,139 | 9,139 | | | | (5,158) | (5,158) |
| Income tax expense | | | | (9,422) | (9,422) | | | | (16,652) | (16,652) |
| NET EARNINGS FROM CONTINUING OPERATIONS | | | | | 389,306 | | | | | 788,638 |
| Net loss from discontinued operations, net of income taxes | | | | — | — | | | | (1,152) | (1,152) |
| NET EARNINGS | | | | | 389,306 | | | | | 787,486 |
| Net (earnings) loss attributable to noncontrolling interest | | | | (3,055) | (3,055) | | | | 19,992 | 19,992 |
| NET EARNINGS ATTRIBUTABLE TO ENSTAR | | | | | 386,251 | | | | | 807,478 |
| Dividends on preferred shares | | | | (8,925) | (8,925) | | | | (8,925) | (8,925) |
| NET EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS | | | | (95,448) | 377,326 | | | | (191,086) | 798,553 |

⁽¹⁾ Other income (expense) for corporate and other activities includes the amortization of fair value adjustments associated with the acquisition of DCo and Morse TEC. Net incurred losses and loss adjustment expenses for corporate and other activities includes amortization of deferred charge assets and deferred gain liabilities on retroactive reinsurance contracts and fair value adjustments associated with the acquisition of companies and the changes in the fair value of liabilities related to our assumed retroactive reinsurance agreements for which we have elected the fair value option.

⁽²⁾ Includes refinement of first quarter 2021 and 2020 general and administrative expense allocations which increased general and administrative expenses of the Run-off and Investments segments by \$16.3 million and \$13.6 million, respectively, and \$2.6 million and \$2.5 million, respectively, and decreased general and administrative expenses for corporate and other activities by \$18.9 million and \$16.1 million, respectively.

Consolidated Results by Segment - Year to Date



| | Six Months Ended | | | | | | | | | |
|---|------------------|----------------|---------------------|----------------------------------|----------------|---------------|----------------|---------------------|----------------------------------|----------------|
| | June 30, 2021 | | | | | June 30, 2020 | | | | |
| | Run-off | Investments | Legacy Underwriting | Corporate & Other ⁽¹⁾ | Total | Run-off | Investments | Legacy Underwriting | Corporate & Other ⁽¹⁾ | Total |
| INCOME | | | | | | | | | | |
| Net premiums earned | \$ 115,240 | \$ — | \$ 37,280 | \$ — | \$ 152,520 | \$ 26,547 | \$ — | \$ 275,675 | \$ — | \$ 302,222 |
| Fees and commission income | 17,872 | — | — | — | 17,872 | 8,951 | — | 8,587 | — | 17,538 |
| Net investment income | — | 137,190 | 1,046 | — | 138,236 | — | 151,226 | 17,931 | — | 169,157 |
| Net realized and unrealized gains (losses) | — | 385,531 | (1,099) | — | 384,432 | — | 351,812 | (13,265) | — | 338,547 |
| Other income (expense) | 17,511 | — | (9,067) | (11,252) | (2,808) | 28,662 | — | 150 | (9,455) | 19,357 |
| Net gain of sale of subsidiaries | — | — | — | 14,894 | 14,894 | — | — | — | — | — |
| | 150,623 | 522,721 | 28,160 | 3,642 | 705,146 | 64,160 | 503,038 | 289,078 | (9,455) | 846,821 |
| EXPENSES | | | | | | | | | | |
| Net incurred losses and loss adjustment expenses | (12,372) | — | 14,759 | (18,590) | (16,203) | (87,442) | — | 200,913 | 116,521 | 229,992 |
| Acquisition costs | 29,071 | — | 9,899 | — | 38,970 | 10,496 | — | 84,614 | — | 95,110 |
| General and administrative expenses | 91,729 | 15,843 | 3,502 | 64,643 | 175,717 | 75,853 | 14,268 | 96,120 | 57,017 | 243,258 |
| | 108,428 | 15,843 | 28,160 | 46,053 | 198,484 | (1,093) | 14,268 | 381,647 | 173,538 | 568,360 |
| EARNINGS (LOSS) BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES | | | | | | | | | | |
| | 42,195 | 506,878 | — | (42,411) | 506,662 | 65,253 | 488,770 | (92,569) | (182,993) | 278,461 |
| Earnings from equity method investments | — | 114,972 | — | — | 114,972 | — | 3,660 | — | — | 3,660 |
| SEGMENT INCOME (LOSS) | <u>42,195</u> | <u>621,850</u> | <u>—</u> | <u>(42,411)</u> | <u>621,634</u> | <u>65,253</u> | <u>492,430</u> | <u>(92,569)</u> | <u>(182,993)</u> | <u>282,121</u> |
| Interest expense | | | | (32,480) | (32,480) | | | | (27,433) | (27,433) |
| Net foreign exchange gains | | | | 6,505 | 6,505 | | | | 6,781 | 6,781 |
| Income tax expense | | | | (3,440) | (3,440) | | | | (11,380) | (11,380) |
| NET EARNINGS FROM CONTINUING OPERATIONS | | | | | 592,219 | | | | | 250,089 |
| Net loss from discontinued operations, net of income taxes | | | | — | — | | | | (3,221) | (3,221) |
| NET EARNINGS | | | | | 592,219 | | | | | 246,868 |
| Net (earnings) loss attributable to noncontrolling interest | | | | (13,846) | (13,846) | | | | 52,714 | 52,714 |
| NET EARNINGS ATTRIBUTABLE TO ENSTAR | | | | | 578,373 | | | | | 299,582 |
| Dividends on preferred shares | | | | (17,850) | (17,850) | | | | (17,850) | (17,850) |
| NET EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS | | | | <u>(103,522)</u> | <u>560,523</u> | | | | <u>(183,382)</u> | <u>281,732</u> |

⁽¹⁾ Other income (expense) for corporate and other activities includes the amortization of fair value adjustments associated with the acquisition of DCo and Morse TEC. Net incurred losses and loss adjustment expenses for corporate and other activities includes amortization of deferred charge assets and deferred gain liabilities on retroactive reinsurance contracts and fair value adjustments associated with the acquisition of companies and the changes in the fair value of liabilities related to our assumed retroactive reinsurance agreements for which we have elected the fair value option.