

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of report (Date of earliest event reported): March 1, 2023

Enstar Group Limited
(Exact name of registrant as specified in its charter)

Bermuda (State or other jurisdiction of incorporation)	001-33289 (Commission File Number)	N/A (IRS Employer Identification No.)
P.O. Box HM 2267, Windsor Place 3 rd Floor 22 Queen Street, Hamilton HM JX Bermuda (Address of principal executive offices)	N/A (Zip Code)	
Registrant's telephone number, including area code: (441) 292-3645		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Ordinary shares, par value \$1.00 per share	ESGR	The NASDAQ Stock Market
Depository Shares, Each Representing a 1/1,000th Interest in a 7.00% Fixed-to-Floating Rate	ESGRP	The NASDAQ Stock Market
Perpetual Non-Cumulative Preferred Share, Series D, Par Value \$1.00 Per Share		LLC
Depository Shares, Each Representing a 1/1,000th Interest	ESGRO	The NASDAQ Stock Market
in a 7.00% Perpetual Non-Cumulative Preferred Share, Series E, Par Value \$1.00 Per Share		LLC

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

Emerging Growth Company

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

Item 2.02. Results of Operations and Financial Condition.

On March 1, 2023, Enstar Group Limited (the "Company") issued a press release announcing its results for the year ended December 31, 2022 (the "Press Release"), a copy of which is furnished with this report as Exhibit 99.1 and incorporated herein by reference, a Financial Supplement for the year ended December 31, 2022 (the "Financial Supplement"), a copy of which is furnished with this report as Exhibit 99.2 and incorporated herein by reference, and an audio update discussing its results for the year ended December 31, 2022 (the "Audio Update"). The Press Release, the Financial Supplement and the Audio Update will be available on the "Investor Relations" page of the Company's website located at www.enstargroup.com.

The information contained in the Press Release, the Financial Supplement and the Audio Update is summary information that is intended to be considered in the context of the Company's Securities and Exchange Commission ("SEC") filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in the Press Release, the Financial Supplement and the Audio Update, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information presented in Item 2.02 of this Current Report on Form 8-K and Exhibits 99.1 and 99.2 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, unless the Company specifically states that the information is to be considered "filed" under the Exchange Act or specifically incorporates it by reference into a filing under the Securities Act of 1933, as amended.

Item 7.01. Regulation FD Disclosure.

On March 1, 2023, the Company released a presentation (the "Investor Presentation"), a copy of which is attached hereto as Exhibit 99.3 and is incorporated herein by reference. The Company expects to use the Investor Presentation from time to time in connection with presentations to potential investors, industry analysts and others. The Investor Presentation is available under the "Events & Presentations" tab of the Company's "Investor Relations" website located at www.enstargroup.com/events-and-presentations.

By filing this Current Report on Form 8-K and furnishing the information in this Item 7.01, the Company makes no admission as to the materiality of any information in the Investor Presentation that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Investor Presentation includes summary information and forward-looking information relating to Enstar's performance that is intended to be considered in the context of the Company's SEC filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in the Investor Presentation, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

Item 8.01. Other Events.

As previously disclosed, on May 5, 2022, the Company's board of directors authorized the repurchase of up to \$200 million of the Company's ordinary shares (the "Repurchase Program"), such authorization to be effective through May 5, 2023. On February 23, 2023, the Company's board of directors authorized the repurchase of up to an additional \$105 million of the Company's ordinary shares under the Repurchase Program and extended the authorization effective date through February 23, 2024. Following this increase, the total remaining capacity under the Repurchase Program is now \$200 million.

Repurchases pursuant to the Repurchase Program are expected to be executed through open market transactions, privately negotiated transactions, or in such other manner as determined by the

Company, including through plans complying with Rule 10b5-1 of the Exchange Act. Repurchases will be subject to SEC regulations as well as certain price, market volume and timing constraints specified in any Rule 10b5-1 plan. As a result of these constraints, execution of the Repurchase Program may not result in all or any of the authorized shares being repurchased by the Company. The Repurchase Program may be modified, extended, suspended or terminated by the Company at any time without notice.

Item 9.01. Financial Statements and Exhibits

Exhibits

Exhibit No.	Description
99.1	Press Release, dated March 1, 2023.
99.2	Financial Supplement for the year ended December 31, 2022.
99.3	Investor Presentation.
101	Pursuant to Rule 406 of Regulation S-T, the cover page information in formatted in Inline XBRL.
104	Cover page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101).

SIGNATURES

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

ENSTAR GROUP LIMITED

March 1, 2023

By: /s/ Orla Gregory

Orla Gregory
Chief Financial Officer



Press Release

Date: March 1, 2023

Contact: Enstar Communications

For Release: Immediately

Telephone: +1 (441) 292-3645

Enstar Group Limited Reports Fourth Quarter and 2022 Year End Results

- **Fourth quarter Net Earnings of \$227 million and Return on Equity of 5.9%, driven by solid investment income and favorable reserve development of \$280 million. Adjusted Return on Equity*, which excludes unrealized gains and losses, of 4.2%.**
- **Book Value per Ordinary Share increased 8.4% to \$246.20 (\$243.09 Adjusted*) as of December 31, 2022.**
- **Closed Loss Portfolio Transfer ("LPT") with Argo and assumed net loss reserves of \$718 million.**
- **Substantially completed unwind of Enhanced Re's reinsurance transactions.**
- **Announced a \$1.9 billion global ground-up LPT with QBE and an AUD\$360 million LPT with Royal Automobile Club of Queensland covering Motor Compulsory Third Party insurance liabilities in Australia**

HAMILTON, Bermuda - March 1, 2023 - Enstar Group Limited (Nasdaq: ESGR) filed its annual report on Form 10-K with the SEC earlier today. An audio presentation reviewing the fourth quarter and full year 2022 results with expanded commentary is available on Enstar's investor relations website at investor.enstargroup.com.

Fourth Quarter 2022 Highlights:

- Net earnings of \$227 million, or \$13.26 per diluted ordinary share, compared to \$120 million, or \$6.66 per diluted ordinary share, for the three months ended December 31, 2021.
- Return on equity ("ROE") of 5.9% and Adjusted ROE* of 4.2% for the quarter compared to 2.1% and 2.5%, respectively, in the fourth quarter of 2021. Net investment income of \$153 million and favorable prior period development of \$280 million contributed to both ROE and Adjusted ROE*.
- Our Group regulatory solvency, or economic balance sheet, strengthened during the fourth quarter due to:
 - the impact of a higher discount rate on our reserves; and
 - our core fixed income securities being shorter in duration than our insurance liabilities.
- Run-off liability earnings ("RLE") of \$280 million were driven by reductions in the value of certain portfolios that are held at fair value and results from our annual loss reserve reviews where we recorded favorable development on our workers' compensation and marine, aviation and transit lines of business, and the recognition of a gain on commutation of Enhanced Re's catastrophe reinsurance business. RLE was impacted by adverse development on our general casualty and motor lines of business.
- Annualized total investment return ("TIR") of 3.5% and Annualized Adjusted TIR* of 1.9%, compared to 1.0% and 2.0%, respectively, for the three months ended December 31, 2021. Recognized investment results benefited from an increase in net investment income of \$72 million.

- Completed a LPT agreement with a wholly-owned subsidiary of Argo Group International Holdings, Ltd. ("Argo").

* Non-GAAP measure; refer to "Non-GAAP Financial Measures" further below for explanatory notes and a reconciliation to the most directly comparable GAAP measure.

Dominic Silvester, Enstar CEO, said:

"We are pleased to report strong fourth quarter results as we grew book value by 8.4% providing us with a positive end to a challenging 2022. While our annual performance was impacted by headwinds in the investment markets, our claims management function continues to outperform the industry driving prior period reserve savings of \$756 million for the year.

2022 was another record M&A year as we acquired \$2.7 billion of incremental reserves, including completing and integrating one of our largest-ever loss portfolio transfers with Aspen. That activity has continued into 2023, as we just announced a \$1.9 billion ground up LPT with QBE, and a second AUD\$360 million transaction with Royal Automobile Club of Queensland. We remain well-positioned to capitalize on our robust pipeline so long as opportunities align with our risk parameters and return hurdles.

We expect to continue as the dominant player in the legacy market in 2023. Our balance sheet remains strong, and our scale, operational capabilities, and highly differentiated claims expertise will support accretive opportunities with new and long-standing partners while driving long-term value to our shareholders."

Year ended December 31, 2022 Highlights:

- Net loss of \$906 million, or \$52.65 per diluted ordinary share, compared to net earnings of \$502 million, or \$24.94 per diluted ordinary share, for the year ended December 31, 2021.
- ROE of (15.6)% and Adjusted ROE* of (1.1)%, compared to 7.9% and 10.1%, respectively, for the year ended December 31, 2021. ROE was impacted by unrealized losses arising from interest rate increases on fixed maturity portfolios that are classified as trading combined with unrealized losses in Enstar's non-core portfolios.
- RLE of 6.3% and Adjusted RLE* of 3.9%, compared to 3.9% and 3.6%, respectively, for the year ended December 31, 2021. RLE benefited from reductions in the value of certain portfolios that are held at fair value, favorable development on our workers' compensation, marine, aviation and transit lines of business, and favorable results on Enstar's inactive catastrophe programs held by Enhanced Re, including the recognition of a gain on commutation of the reserves. RLE was impacted by adverse development on our general casualty and motor lines of business.
- TIR of (9.0)% and Adjusted TIR* of (0.2)%, compared to 2.0% and 3.6%, respectively, for the year ended December 31, 2021. Recognized investment results were impacted by the combination of interest rate increases, widening credit spreads and equity market declines.
- Completed LPT agreements with Aspen Insurance Holdings Limited and Argo totaling \$2.7 billion of incremental acquired reserves.
- Completed commutation of Enhanced Re's catastrophe book and novated Enhanced Re's portfolio of deferred annuities and whole life policies.

* Non-GAAP measure; refer to "Non-GAAP Financial Measures" further below for explanatory notes and a reconciliation to the most directly comparable GAAP measure.

Key Financial and Operating Metrics

We use the following GAAP and Non-GAAP measures to monitor the performance of and manage the company:

	Year Ended				
	December 31, 2022	December 31, 2021	\$ / pp / bp Change		December 31, 2020
	(in millions of U.S. dollars, except per share data)				
Key Earnings Metrics					
Net (loss) earnings attributable to Enstar ordinary shareholders	\$ (906)	\$ 502	\$ (1,408)	\$ 1,723	\$ (1,221)
Adjusted operating (loss) income attributable to Enstar ordinary shareholders*	\$ (61)	\$ 565	\$ (626)	\$ 1,580	\$ (1,015)
ROE	(15.6)%	7.9%	(23.5) pp	38.4%	(30.5) pp
Adjusted ROE*	(1.1)%	10.1%	(11.2) pp	41.9%	(31.8) pp
Key Run-off Metrics					
Prior period development	\$ 756	\$ 403	\$ 353	\$ 32	\$ 371
Adjusted prior period development*	\$ 489	\$ 381	\$ 108	\$ 287	\$ 94
RLE	6.3%	3.9%	2.4 pp	0.4%	3.5 pp
Adjusted RLE*	3.9%	3.6%	0.3 pp	3.5%	0.1 pp
Key Investment Return Metrics					
Total investable assets	\$ 19,540	\$ 21,708	\$ (2,168)	\$ 17,266	\$ 4,442
Adjusted total investable assets*	\$ 21,367	\$ 21,619	\$ (252)	\$ 16,706	\$ 4,913
Investment book yield	2.47%	1.84%	63 bp	2.53%	(69) bp
TIR	(9.0)%	2.0%	(11.0) pp	14.6%	(12.6) pp
Adjusted TIR*	(0.2)%	3.6%	(3.8) pp	12.4%	(8.8) pp
Key Shareholder Metrics					
Book value per ordinary share	\$ 246.20	\$ 329.20	\$ (83.00)	\$ 293.97	\$ 35.23
Adjusted book value per ordinary share*	\$ 243.09	\$ 323.43	\$ (80.34)	\$ 288.56	\$ 34.87

pp - Percentage point(s)

bp - Basis point(s)

*Non-GAAP measure; refer to "Non-GAAP Financial Measures" further below for explanatory notes and a reconciliation to the most directly comparable GAAP measure.

Results of Operations By Segment - For the Years Ended December 31, 2022, 2021 and 2020

Run-off Segment

The following is a discussion and analysis of the results of operations for our Run-off segment.

	2022	2021	Change	2020	Change
(in millions of U.S. dollars)					
INCOME					
Net premiums earned	\$ 40	\$ 182	\$ (142)	\$ 59	\$ 123
Other income:					
Reduction in estimates of net ultimate defendant A&E liabilities - prior periods	2	38	(36)	103	(65)
Reduction in estimated future defendant A&E expenses	1	5	(4)	9	(4)
All other income	19	30	(11)	20	10
Total other income	22	73	(51)	132	(59)
Total income	62	255	(193)	191	64
EXPENSES					
Net incurred losses and LAE:					
Current period	44	144	(100)	30	114
Prior period	(486)	(338)	(148)	(175)	(163)
Total net incurred losses and LAE	(442)	(194)	(248)	(145)	(49)
Acquisition costs	22	44	(22)	20	24
General and administrative expenses	143	188	(45)	173	15
Total expenses	(277)	38	(315)	48	(10)
SEGMENT NET EARNINGS	\$ 339	\$ 217	\$ 122	\$ 143	\$ 74

2022 versus 2021: Segment income from our Run-off segment increased by \$122 million, primarily due to:

- A \$148 million increase in favorable PPD, driven by a \$78 million increase in the reduction in estimates of net ultimate losses.
 - Results for the year ended December 31, 2022 were driven by favorable development of \$318 million on our workers' compensation line of business as a result of favorable claim settlements, most notably in the 2017 to 2021 acquisition years. We also had favorable development of \$56 million on our marine, aviation and transit lines of business relating to the 2014, 2018 and 2019 acquisition years as a result of favorable experience across a variety of claim types; partially offset by
 - Adverse development on our general casualty and motor lines of business of \$57 million and \$74 million, respectively, most notably impacting the 2020 acquisition year, as a result of worse than expected claims experience, adverse development on claims and higher than expected claims severity.
 - Results for the year ended December 31, 2021 were primarily related to favorable development on our workers' compensation, property and marine, aviation and transit lines of business as a result of better than expected claims experience and favorable results from actuarial reviews, partially offset by adverse development on our general casualty line of business due to an increase in opioid exposure and increased expectations of latent claims and a lengthening of the payment pattern related to our 2019 acquisition year.
- A decrease in general and administrative expenses of \$45 million, primarily driven by a continued decrease in salaries and benefits and other costs following our exit of our StarStone business beginning in 2020 and a reduction in IT costs as a result of reduced project activity; partially offset by
- A reduction in other income of \$51 million, primarily driven by lower favorable prior period development related to our defendant A&E liabilities; and
- Reductions in net premiums earned that were greater than the reductions in current period net incurred losses and LAE and acquisition costs, following our exit of our StarStone International business beginning in 2020.

2021 versus 2020: Net earnings from our Run-off segment increased by \$74 million, primarily due to:

- Net premiums earned increased by \$123 million from StarStone International business and new business transactions executed in recent periods. Net premiums earned of \$182 million included \$106 million of premiums from StarStone International, which was transferred into the Run-off Segment on January 1, 2021, whereas net premiums earned in 2020 were primarily related to AmTrust RITC transactions assumed in 2019.
 - Net incurred losses and LAE decreased by \$49 million due to a \$163 million increase in favorable PPD partially offset by an increase in current period losses of \$114 million due to the transfer of the StarStone International business from the Legacy Underwriting segment on January 1, 2021.
 - The \$163 million increase in favorable PPD primarily consists of:
 - \$51 million increase in favorable development on the workers' compensation line of business in 2021 as a result of reduced claims activity, favorable settlements on open claims and the completion of commutations;
 - \$105 million reduction in adverse development on the motor line of business compared to 2020. 2020 was impacted by higher than expected severity in respect of a recently assumed LPT;
 - \$41 million increase in favorable development on the construction defect line of business in 2021; and
 - \$82 million increase in favorable development on the property and other lines of business in 2021.This favorable prior period developments were partially offset by;
 - \$142 million increases in prior period estimates of net ultimate losses in our general casualty line of business due to an increase in opioid exposure and greater than expected adverse development.
- In addition:
- Other income decreased by \$59 million primarily driven by lower favorable prior period development related to our defendant A&E liabilities; and
 - Acquisition costs increased by \$24 million primarily due to the transfer of StarStone International from the Legacy Underwriting segment on January 1, 2021.

Investments Segment

The following is a discussion and analysis of the results of operations for our Investments segment.

	2022	2021	Change		2020	Change
	(in millions of U.S. dollars)					
INCOME						
Net investment income:						
Fixed income securities	\$ 380	\$ 273	\$ 107	\$ 243	\$ 30	
Cash and restricted cash	8	—	8	2	(2)	
Other investments, including equities	82	73	9	39	34	
Less: Investment expenses	(25)	(37)	12	(14)	(23)	
Total net investment income	445	309	136	270	39	
Net realized (losses) gains:						
Fixed income securities	(111)	(4)	(107)	16	(20)	
Other investments, including equities	(24)	(57)	33	1	(58)	
Total net realized (losses) gains	(135)	(61)	(74)	17	(78)	
Net unrealized (losses) gains:						
Fixed income securities, trading	(1,060)	(203)	(857)	284	(487)	
Other investments, including equities	(409)	384	(793)	1,327	(943)	
Total net unrealized (losses) gains	(1,469)	181	(1,650)	1,611	(1,430)	
Total income	(1,159)	429	(1,588)	1,898	(1,469)	
EXPENSES						
General and administrative expenses	37	37	—	35	2	
Total expenses	37	37	—	35	2	
(Losses) earnings from equity method investments	(74)	93	(167)	239	(146)	
SEGMENT NET (LOSS) EARNINGS	\$ (1,270)	\$ 485	\$ (1,755)	\$ 2,102	\$ (1,617)	

Overall Results

2022 versus 2021: Net loss from our Investments segment was \$1.3 billion compared to net earnings of \$485 million in 2021. The unfavorable movement of \$1.8 billion was primarily due to:

- An increase in net realized and unrealized losses on our fixed income securities of \$964 million, driven by rising interest rates and widening of investment grade credit spreads;
- Net realized and unrealized losses on our other investments, including equities, of \$433 million, in comparison to gains of \$327 million in 2021. The unfavorable variance of \$760 million was primarily driven by negative performance from our public equities, CLO equities and hedge funds as a result of significant volatility in global equity markets and widening high yield credit spreads; and
- Losses from equity method investments of \$74 million, in comparison to earnings of \$93 million in 2021, primarily due to the recognition of an other-than-temporary impairment to the carrying value of one of our equity method investments and our acquisition of the controlling interest in Enhanced Re, effective September 1, 2021. Prior to that date, the results of Enhanced Re were recorded in earnings from equity method investments. Our consolidated net loss from Enhanced Re for the year ended December 31, 2022 was \$235 million which compared to \$82 million from Enhanced Re that was included in equity method investment earnings in 2021; partially offset by
- An increase in our net investment income of \$136 million, which is primarily due to the investment of new premium and reinvestment of fixed income securities at higher yields and the impact of rising interest rates on the \$2.9 billion of our fixed income securities that are subject to floating interest rates. Our floating rate investments generated increased net investment income of \$59 million, which equates to an increase of 195 basis points on those investments in comparison to 2021.

Total investment losses on the fixed income securities that support our Enhanced Re life reinsurance business for the years ended December 31, 2022 and 2021 were \$304 million \$332 million and \$17 million, respectively.

2021 versus 2020: Net earnings from our Investments segment decreased by \$1.6 billion primarily as a result of decreases in net realized and unrealized gains of \$1.5 billion. The decrease is largely a result of 2021 net realized and unrealized losses of \$58 million related to the InRe Fund, in comparison to net unrealized gains of \$1.2 billion in 2020, and 2021 net realized and unrealized losses on our fixed income securities of \$207 million, in comparison to net realized and unrealized gains of \$300 million in 2020.

Income and (Loss) Earnings by Segment - For the Years Ended December 31, 2022, 2021 and 2020

	Year Ended				
	December 31, 2022	December 31, 2021	\$ Change	December 31, 2020	\$ Change
	(in millions of U.S. dollars)				
INCOME					
Run-off	\$ 62	\$ 255	\$ (193)	\$ 191	\$ 64
Assumed Life	17	5	12	—	5
Investments	(1,159)	429	(1,588)	1,898	(1,469)
Legacy Underwriting	10	43	(33)	587	(544)
Subtotal	(1,070)	732	(1,802)	2,676	(1,944)
Corporate and other	12	57	(45)	(16)	73
Total income	<u>\$ (1,058)</u>	<u>\$ 789</u>	<u>\$ (1,847)</u>	<u>\$ 2,660</u>	<u>\$ (1,871)</u>
SEGMENT NET (LOSS) EARNINGS					
Run-off	\$ 339	\$ 217	\$ 122	\$ 143	\$ 74
Assumed Life	40	6	34	—	6
Investments	(1,270)	485	(1,755)	2,102	(1,617)
Legacy Underwriting	—	—	—	(93)	93
Total segment net (loss) earnings	(891)	708	(1,599)	2,152	(1,444)
Corporate and other ⁽¹⁾	(15)	(206)	191	(429)	223
NET (LOSS) EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	<u>\$ (906)</u>	<u>\$ 502</u>	<u>\$ (1,408)</u>	<u>\$ 1,723</u>	<u>\$ (1,221)</u>

⁽¹⁾ Other income (expense) for corporate and other activities includes the amortization of fair value adjustments associated with the acquisition of DCo LLC and Morse TEC LLC.

For additional detail on the Assumed Life segment, the Legacy Underwriting segment and Corporate and other activities, please refer to our Annual Report on Form 10-K for the year ended December 31, 2022.

Cautionary Statement

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 can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as 'aim', 'ambition', 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target' and other words and terms of similar meaning in connection with any discussion of future events or performance. 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. Important risk factors regarding Enstar can be found under the heading "Risk Factors" in our Form 10-K for the year ended December 31, 2022 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.

About Enstar

Enstar is a NASDAQ-listed leading global (re)insurance group that offers 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 110 companies and portfolios since its formation in 2001. For further information about Enstar, see www.enstargroup.com.

Contacts

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For Media: Jenna Kerr (communications@enstargroup.com)

ENSTAR GROUP LIMITED
CONSOLIDATED STATEMENTS OF EARNINGS

For the Three Months Ended December 31, 2022 and 2021 and the Years Ended December 31, 2022, 2021, and 2020

	Three Months Ended December 31,		Year Ended December 31,		
	2022	2021	2022	2021	2020
	(expressed in millions of U.S. dollars, except share and per share data)				
INCOME					
Net premiums earned	\$ 14	\$ 41	\$ 66	\$ 245	\$ 572
Net investment income	153	81	455	312	303
Net realized (losses) gains	(24)	(62)	(135)	(61)	19
Net unrealized (losses) gains	39	68	(1,479)	178	1,623
Other income	2	15	35	42	140
Net gain on purchase and sales of subsidiaries	—	11	—	73	3
Total income	184	154	(1,058)	789	2,660
EXPENSES					
Net incurred losses and loss adjustment expenses					
Current Period	9	26	48	172	405
Prior Period	(280)	(159)	(756)	(403)	(32)
Total net incurred losses and loss adjustment expenses	(271)	(133)	(708)	(231)	373
Policyholder benefit expenses	—	(3)	25	(3)	—
Amortization of net deferred charge assets	20	17	80	55	39
Acquisition costs	3	7	23	57	171
General and administrative expenses	97	98	331	367	502
Interest expense	18	18	89	69	59
Net foreign exchange (gains) losses	12	(3)	(15)	(12)	16
Total expenses	(121)	1	(175)	302	1,160
(LOSS) EARNINGS BEFORE INCOME TAXES	305	153	(883)	487	1,500
Income tax benefit (expense)	16	(14)	12	(27)	(24)
(Losses) earnings from equity method investments	(86)	(8)	(74)	93	239
NET (LOSS) EARNINGS FROM CONTINUING OPERATIONS	235	131	(945)	553	1,715
Net earnings from discontinued operations, net of income taxes	—	—	—	—	16
NET (LOSS) EARNINGS	235	131	(945)	553	1,731
Net loss (earnings) attributable to noncontrolling interest	1	(2)	75	(15)	28
NET (LOSS) EARNINGS ATTRIBUTABLE TO ENSTAR	236	129	(870)	538	1,759
Dividends on preferred shares	(9)	(9)	(36)	(36)	(36)
NET (LOSS) EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	\$ 227	\$ 120	\$ (906)	\$ 502	\$ 1,723
(Loss) earnings per ordinary share attributable to Enstar:					
Basic					
Net (loss) earnings from continuing operations	\$ 13.34	\$ 6.74	\$ (52.65)	\$ 25.33	\$ 79.60
Net earnings from discontinued operations	—	—	—	—	0.35
Net (loss) earnings per ordinary share	\$ 13.34	\$ 6.74	\$ (52.65)	\$ 25.33	\$ 79.95
Diluted					
Net (loss) earnings from continuing operations	\$ 13.26	\$ 6.66	\$ (52.65)	\$ 24.94	\$ 78.62
Net earnings from discontinued operations	—	—	—	—	0.35
Net (loss) earnings per ordinary share	\$ 13.26	\$ 6.66	\$ (52.65)	\$ 24.94	\$ 78.97
Weighted average ordinary shares outstanding:					
Basic	17,021,348	17,798,994	17,207,229	19,821,259	21,551,408
Diluted	17,121,606	18,013,284	17,323,130	20,127,131	21,818,294

ENSTAR GROUP LIMITED
CONSOLIDATED BALANCE SHEETS
As of December 31, 2022 and December 31, 2021

ASSETS

Short-term investments, trading, at fair value	
Short-term investments, available-for-sale, at fair value (amortized cost: 2022 — \$37; 2021 — \$34)	
Fixed maturities, trading, at fair value	
Fixed maturities, available-for-sale, at fair value (amortized cost: 2022 — \$5,871; 2021 — \$5,689; net of allowance: 2022 — \$33; 2021 — \$10)	
Funds held - directly managed, at fair value	
Equities, at fair value (cost: 2022 — \$1,357; 2021 — \$1,831)	
Other investments, at fair value (includes \$3 in 2022 of consolidated variable interest entities)	
Equity method investments	
Total investments	
Cash and cash equivalents	
Restricted cash and cash equivalents	
Reinsurance balances recoverable on paid and unpaid losses (net of allowance: 2022 — \$131; 2021 — \$136)	
Reinsurance balances recoverable on paid and unpaid losses, at fair value	
Insurance balances recoverable (net of allowance: 2022 and 2021 — \$5)	
Funds held by reinsured companies	
Net deferred charge assets	
Other assets	

TOTAL ASSETS

LIABILITIES

Losses and loss adjustment expenses	
Losses and loss adjustment expenses, at fair value	
Future policyholder benefits	
Defendant asbestos and environmental liabilities	
Insurance and reinsurance balances payable	
Debt obligations	
Other liabilities	

TOTAL LIABILITIES

COMMITMENTS AND CONTINGENCIES

REDEEMABLE NONCONTROLLING INTERESTS

SHAREHOLDERS' EQUITY

Ordinary Shares (par value \$1 each, issued and outstanding 2022: 17,588,050; 2021: 18,223,574):	
Voting Ordinary Shares (issued and outstanding 2022: 15,990,338; 2021: 16,625,862)	
Non-voting convertible ordinary Series C Shares (issued and outstanding 2022 and 2021: 1,192,941)	
Non-voting convertible ordinary Series E Shares (issued and outstanding 2022 and 2021: 404,771)	
Preferred Shares:	
Series C Preferred Shares (issued and held in treasury 2022 and 2021: 388,571)	
Series D Preferred Shares (issued and outstanding 2022 and 2021: 16,000; liquidation preference \$400)	
Series E Preferred Shares (issued and outstanding 2022 and 2021: 4,400; liquidation preference \$110)	
Treasury shares, at cost (Series C Preferred Shares 2022 and 2021: 388,571)	
Joint Share Ownership Plan (voting ordinary shares, held in trust 2022 and 2021: 565,630)	
Additional paid-in capital	
Accumulated other comprehensive loss	
Retained earnings	
Total Enstar Shareholders' Equity	
Noncontrolling interests	
TOTAL SHAREHOLDERS' EQUITY	
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY	

	December 31, 2022	December 31, 2021
	(in millions of U.S. dollars, except share data)	
\$	14	\$ 6
	38	34
	2,370	3,756
	5,223	5,652
	2,040	3,007
	1,250	1,995
	3,296	2,333
	397	493
	<u>14,628</u>	<u>17,276</u>
	822	1,646
	508	446
	856	1,085
	275	432
	177	213
	3,582	2,340
	658	598
	648	620
\$	<u>22,154</u>	<u>\$ 24,656</u>
\$	11,721	\$ 11,269
	1,286	1,989
	1,184	1,502
	607	638
	100	254
	1,829	1,691
	462	581
	<u>17,189</u>	<u>17,924</u>
	168	179
	16	17
	1	1
	—	—
	—	—
	400	400
	110	110
	(422)	(422)
	(1)	(1)
	766	922
	(575)	(16)
	<u>4,406</u>	<u>5,312</u>
	4,701	6,323
	96	230
	<u>4,797</u>	<u>6,553</u>
\$	<u>22,154</u>	<u>\$ 24,656</u>

Non-GAAP Financial Measures

In addition to our key financial measures presented in accordance with GAAP, we present other non-GAAP financial measures that we use to manage our business, compare our performance against prior periods and against our peers, and as performance measures in our incentive compensation program.

These non-GAAP financial measures provide an additional view of our operational performance over the long-term and provide the opportunity to analyze our results in a way that is more aligned with the manner in which our management measures our underlying performance.

The presentation of these non-GAAP financial measures, which may be defined and calculated differently by other companies, is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with GAAP.

Some of the adjustments reflected in our non-GAAP measures are recurring items, such as the exclusion of adjustments to net realized and unrealized (gains)/losses on fixed income securities recognized in our income statement, the fair value of certain of our loss reserve liabilities for which we have elected the fair value option, and the amortization of fair value adjustments.

Management makes these adjustments in assessing our performance so that the changes in fair value due to interest rate movements, which are applied to some but not all of our assets and liabilities as a result of preexisting accounting elections, do not impair comparability across reporting periods.

It is important for the readers of our periodic filings to understand that these items will recur from period to period.

However, we exclude these items for the purpose of presenting a comparable view across reporting periods of the impact of our underlying claims management and investment without the effect of interest rate fluctuations on assets that we anticipate to hold to maturity and non-cash changes to the fair value of our reserves.

Similarly, our non-GAAP measures reflect the exclusion of certain items that we deem to be nonrecurring, unusual or infrequent when the nature of the charge or gain is such that it is not reasonably likely that such item may recur within two years, nor was there a similar charge or gain in the preceding two years. This includes adjustments related to bargain purchase gains on acquisitions of businesses, net gains or losses on sales of subsidiaries, net assets of held for sale or disposed subsidiaries classified as discontinued operations, and other items that we separately disclose.

We have changed our non-GAAP measures in 2022 as follows:

- The opening GAAP balances of our 2021 and 2020 Adjusted BVPS*, Adjusted ROE* and Adjusted RLE* measures have been retrospectively adjusted for a change in accounting principle.
- We no longer remove ULAE from our Adjusted RLE and RLE % calculations as our estimate of future claims handling costs is connected to our claims settlement strategies and outcomes and the RLE measures now reflect the direct and indirect performance of the management of our liabilities.

We have presented the results and GAAP reconciliations for these measures further below. The following tables present more information on each non-GAAP measure.

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
Adjusted book value per ordinary share	Total Enstar ordinary shareholders' equity Divided by Number of ordinary shares outstanding, adjusted for: <i>-the ultimate effect of any dilutive securities on the number of ordinary shares outstanding</i>	Increases the number of ordinary shares to reflect the exercise of equity awards granted but not yet vested as, over the long term, this presents both management and investors with a more economically accurate measure of the realizable value of shareholder returns by factoring in the impact of share dilution. We use this non-GAAP measure in our incentive compensation program.

Adjusted return on equity (%)	Adjusted operating income (loss) attributable to Enstar ordinary shareholders divided by adjusted opening Enstar ordinary shareholder's equity	Calculating the operating income (loss) as a percentage of our adjusted opening Enstar ordinary shareholders' equity provides a more consistent measure of the performance of our business by enabling comparison between the financial periods presented.
Adjusted operating income (loss) attributable to Enstar ordinary shareholders (numerator)	<p>Net earnings (loss) attributable to Enstar ordinary shareholders, adjusted for:</p> <ul style="list-style-type: none"> -net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed, -change in fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾, -amortization of fair value adjustments, -net gain/loss on purchase and sales of subsidiaries (if any), -net earnings from discontinued operations (if any), -tax effects of adjustments, and -adjustments attributable to noncontrolling interests 	<p>We eliminate the impact of net realized and unrealized (gains) losses on fixed maturity investments and funds-held directly managed and the change in fair value of insurance contracts for which we have elected the fair value option, as:</p> <ul style="list-style-type: none"> • we typically hold most of our fixed income securities until the earlier of maturity or the time that they are used to fund any settlement of related liabilities which are generally recorded at cost; and • removing the fair value option improves comparability since there are limited acquisition years for which we elected the fair value option. <p>Therefore, we believe that excluding their impact on our earnings improves comparability of our core operational performance across periods.</p>
Adjusted opening Enstar ordinary shareholders' equity (denominator)	<p>Opening Enstar ordinary shareholders' equity, less:</p> <ul style="list-style-type: none"> -net unrealized gains (losses) on fixed maturity investments and funds held-directly managed, -fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾, -fair value adjustments, and -net assets of held for sale or disposed subsidiaries classified as discontinued operations (if any) 	<p>We include fair value adjustments as non-GAAP adjustments to the adjusted operating income (loss) attributable to Enstar ordinary shareholders as they are non-cash charges that are not reflective of the impact of our claims management strategies on our loss portfolios.</p> <p>We eliminate the net gain (loss) on the purchase and sales of subsidiaries and net earnings from discontinued operations, as these items are not indicative of our ongoing operations.</p> <p>We use this non-GAAP measure in our incentive compensation program.</p>
Adjusted total investment return (%)	Adjusted total investment return (dollars) recognized in earnings for the applicable period divided by period average adjusted total investable assets.	Provides a key measure of the return generated on the capital held in the business and is reflective of our investment strategy.
Adjusted total investment return (\$) (numerator)	<p>Total investment return (dollars), adjusted for:</p> <ul style="list-style-type: none"> -net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed; and -unrealized (gains) losses on AFS investments included within OCI, net of reclassification adjustments and excluding foreign exchange. 	<p>Provides a consistent measure of investment returns as a percentage of all assets generating investment returns.</p> <p>We adjust our investment returns to eliminate the impact of the change in fair value of fixed income securities (both credit spreads and interest rates), as we typically hold most of these investments until the earlier of maturity or used to fund any settlement of related liabilities which are generally recorded at cost.</p>
Adjusted average aggregate total investable assets (denominator)	<p>Total average investable assets, adjusted for:</p> <ul style="list-style-type: none"> -net unrealized (gains) losses on fixed maturities, AFS investments included within AOCI -net unrealized (gains) losses on fixed maturities, trading instruments 	

Adjusted run-off liability earnings (%)

Adjusted PPD divided by average adjusted net loss reserves

Calculating the RLE as a percentage of our adjusted average net loss reserves provides a more meaningful and comparable measurement of the impact of our claims management strategies on our loss portfolios across acquisition years and also to our overall financial periods.

We use this measure to evaluate the impact of our claims management strategies because it provides visibility into our ability to settle our claims obligations for amounts less than our initial estimate at the point of acquiring the obligations.

The following components of periodic recurring net incurred losses and LAE and net loss reserves are not considered key components of our claims management performance for the following reasons:

- The results of our Legacy Underwriting segment have been economically transferred to a third party primarily through use of reinsurance and a Capacity Lease Agreement⁽²⁾; as such, the results are not a relevant contribution to Adjusted RLE, which is designed to analyze the impact of our claims management strategies;
- The results of our Assumed Life segment relate only to our exposure to active property catastrophe business; as this business is not in run-off, the results are not a relevant contribution to Adjusted RLE;
- The change in fair value of insurance contracts for which we have elected the fair value option⁽¹⁾ has been removed to support comparability between the two acquisition years for which we elected the fair value option in reserves assumed and the acquisition years for which we did not make this election (specifically, this election was only made in the 2017 and 2018 acquisition years and the election of such option is irrevocable); and
- The amortization of fair value adjustments are non-cash charges that obscure our trends on a consistent basis.

We include our performance in managing claims and estimated future expenses on our defendant A&E liabilities because such performance is relevant to assessing our claims management strategies even though such liabilities are not included within the loss reserves.

We use this measure to assess the performance of our claim strategies and part of the performance assessment of our past acquisitions.

Adjusted prior period development (numerator)

Prior period net incurred losses and LAE, adjusted to:

Remove⁽³⁾:

-Legacy Underwriting and Assumed Life operations
-amortization of fair value adjustments,
-change in fair value of insurance contracts for which we have elected the fair value option⁽¹⁾,
and

Add:

-the reduction/(increase) in estimates of net ultimate liabilities and reduction in estimated future expenses of our defendant A&E liabilities.

Adjusted net loss reserves (denominator)

Net losses and LAE, adjusted to:

Remove⁽³⁾:

-Legacy Underwriting and Assumed Life net loss reserves
-current period net loss reserves
-net fair value adjustments associated with the acquisition of companies,
-the fair value adjustments for contracts for which we have elected the fair value option⁽¹⁾ and

Add:

-net nominal defendant A&E liability exposures and estimated future expenses

⁽¹⁾ Comprises the discount rate and risk margin components.

⁽²⁾ As described in Note 5 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022.

⁽³⁾ Effective for 2022, we are no longer excluding ULAE as it relates to our losses and LAE liabilities and are now including estimated future expenses as it relates to our defendant A&E liabilities in the calculation of Adjusted RLE*, as these provisions are related to our insurance liabilities and contribute to our claims management performance. The comparative periods in 2021 and 2020 have been adjusted accordingly.

*Non-GAAP measure.

Reconciliation of GAAP to Non-GAAP Measures

The table below presents a reconciliation of BVPS to Adjusted BVPS*:

	December 31, 2022			December 31, 2021			December 31, 2020		
	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount
	(in millions of U.S. dollars, except share and per share data)								
Book value per ordinary share	\$ 4,191	17,022,420	\$ 246.20	\$ 5,813	17,657,944	\$ 329.20	\$ 6,326	21,519,602	\$ 293.97
Non-GAAP adjustment:									
Share-based compensation plans		218,171			315,205			298,095	
Warrants							20	175,901	
Adjusted book value per ordinary share*	\$ 4,191	17,240,591	\$ 243.09	\$ 5,813	17,973,149	\$ 323.43	\$ 6,346	21,993,598	\$ 288.56

⁽¹⁾ Equity comprises Enstar ordinary shareholders' equity, which is calculated as Enstar shareholders' equity less preferred shares (\$510 million) prior to any non-GAAP adjustments.

*Non-GAAP measure.

The tables below present a reconciliation of ROE to Adjusted ROE*:

	Three Months Ended					
	December 31, 2022			December 31, 2021		
	Net (loss) earnings	Opening equity ⁽¹⁾	(Adj) ROE	Net (loss) earnings	Opening equity ⁽¹⁾	(Adj) ROE
	(in millions of U.S. dollars)					
Net (loss) earnings/Opening equity/ROE⁽¹⁾	\$ 227	\$ 3,866	5.9 %	\$ 120	\$ 5,749	2.1 %
Non-GAAP adjustments:						
Remove:						
Net realized and unrealized losses (gains) on fixed maturity investments and funds held - directly managed / Net unrealized losses (gains) on fixed maturity investments and funds held - directly managed ⁽²⁾	20	1,926		27	(176)	
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option ⁽³⁾	28	(305)		(6)	(100)	
Amortization of fair value adjustments / Fair value adjustments	(29)	(95)		3	(109)	
Net gain on purchase and sales of subsidiaries	—	—		(11)	—	
Tax effects of adjustments ⁽⁴⁾	(1)	—		(3)	—	
Adjustments attributable to noncontrolling interests ⁽⁵⁾	(21)	—		2	—	
Adjusted operating (loss) income/Adjusted opening equity/Adjusted ROE*	\$ 224	\$ 5,392	4.2 %	\$ 132	\$ 5,364	2.5 %

⁽¹⁾ Net (loss) earnings comprises net (loss) earnings attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares (\$510 million), prior to any non-GAAP adjustments.

⁽²⁾ Represents the net realized and unrealized losses (gains) related to fixed maturity securities. Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance.

⁽³⁾ Comprises the discount rate and risk margin components.

⁽⁴⁾ 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.

⁽⁵⁾ Represents the impact of the adjustments on the net earnings (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

*Non-GAAP measure.

	Year Ended								
	December 31, 2022			December 31, 2021			December 31, 2020		
	Net (loss) earnings	Opening equity ⁽¹⁾	(Adj) ROE	Net (loss) earnings	Opening equity ⁽¹⁾	(Adj) ROE	Net (loss) earnings	Opening equity ⁽¹⁾	(Adj) ROE
	(in millions of U.S. dollars)								
Net (loss) earnings/Opening equity/ROE ⁽¹⁾	\$ (906)	\$ 5,813	(15.6)%	\$ 502	\$ 6,326	7.9%	\$ 1,723	\$ 4,490	38.4%
Non-GAAP adjustments:									
Net realized and unrealized losses on fixed maturity investments and funds held - directly managed / Net unrealized gains on fixed maturity investments and funds held - directly managed ⁽²⁾	1,181	(89)		210	(560)		(306)	(277)	
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option ⁽³⁾	(200)	(107)		(75)	(33)		119	(130)	
Amortization of fair value adjustments / Fair value adjustments	(18)	(106)		16	(128)		27	(152)	
Net gain on purchase and sales of subsidiaries	—	—		(73)	—		(3)	—	
Net earnings from discontinued operations / Net assets of entities classified as held for sale and discontinued operations	—	—		—	—		(16)	(266)	
Tax effects of adjustments ⁽⁴⁾	(7)	—		(21)	—		23	—	
Adjustments attributable to noncontrolling interests ⁽⁵⁾	(111)	—		6	—		13	109	
Adjusted operating (loss) income/Adjusted opening equity/Adjusted ROE*	\$ (61)	\$ 5,511	(1.1)%	\$ 565	\$ 5,605	10.1%	\$ 1,580	\$ 3,774	41.9%

⁽¹⁾ Net (loss) earnings comprises net (loss) earnings attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares (\$510 million), prior to any non-GAAP adjustments.

⁽²⁾ Represents the net realized and unrealized losses (gains) related to fixed maturity securities. Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance.

⁽³⁾ Comprises the discount rate and risk margin components.

⁽⁴⁾ 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.

⁽⁵⁾ Represents the impact of the adjustments on the net earnings (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

*Non-GAAP measure.

The tables below present a reconciliation of PPD to Adjusted PPD* and RLE to Adjusted RLE*:

	Year Ended		As of			Year Ended
	December 31, 2022		December 31, 2021	December 31, 2021	December 31, 2022	December 31, 2022
	PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	
			(in millions of U.S. dollars)			
PPD/net loss reserves/RLE	\$ 756	\$ 12,011	\$ 11,926	\$ 11,969	6.3 %	
Non-GAAP Adjustments:						
Assumed Life	(55)	—	(181)	(91)		
Legacy Underwriting	3	(135)	(153)	(144)		
Net loss reserves - current period	—	(45)	—	(23)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	(18)	124	106	115		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	(200)	294	107	201		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	572	573	573		
Increase (reduction) in estimated future expenses - Defendant A&E	1	35	37	36		
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*	\$ 489	\$ 12,856	\$ 12,415	\$ 12,636	3.9 %	

	Year Ended		As of			Year Ended
	December 31, 2021		December 31, 2020	December 31, 2021	December 31, 2021	December 31, 2021
	PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	
			(in millions of U.S. dollars)			
PPD/net loss reserves/RLE	\$ 403	\$ 11,926	\$ 8,763	\$ 10,344	3.9 %	
Non-GAAP Adjustments:						
Assumed Life	—	(179)	—	(90)		
Legacy Underwriting	(6)	(140)	(955)	(548)		
Net loss reserves - current period	—	(143)	—	(72)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	16	106	128	117		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	(75)	107	33	70		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	38	573	615	594		
Increase (reduction) in estimated future expenses - Defendant A&E	5	37	43	40		
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*	\$ 381	\$ 12,287	\$ 8,627	\$ 10,455	3.6 %	

	Year Ended		As of		Year Ended
	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2020
	PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
			(in millions of U.S. dollars)		
PPD/net loss reserves/RLE	\$ 32	\$ 8,763	\$ 7,941	\$ 8,352	0.4 %
Non-GAAP Adjustments:					
Legacy Underwriting	(4)	(702)	(1,184)	(943)	
Net loss reserves - current period	—	(273)	—	(137)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	28	128	152	140	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	119	33	130	82	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	103	615	561	588	
Increase (reduction) in estimated future expenses - Defendant A&E	9	43	52	48	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*	<u>\$ 287</u>	<u>\$ 8,607</u>	<u>\$ 7,652</u>	<u>\$ 8,129</u>	<u>3.5 %</u>

⁽¹⁾ Comprises the discount rate and risk margin components.

*Non-GAAP measure.

The tables below present a reconciliation of our TIR to our Adjusted TIR*:

	For the Three Months Ended December 31,		For the Year Ended December 31,		
	2022	2021	2022	2021	2020
Investment results					
Net investment income	\$ 153	\$ 81	\$ 455	\$ 312	\$ 303
Net realized (losses) gains	(24)	(62)	(135)	(61)	19
Net unrealized (losses) gains	39	68	(1,479)	178	1,623
Earnings (losses) from equity method investments	(86)	(8)	(74)	93	239
Other comprehensive income:					
Unrealized (losses) gains on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	87	(26)	(570)	(100)	70
TIR (\$)	\$ 169	\$ 53	\$ (1,803)	\$ 422	\$ 2,254
Non-GAAP adjustments:					
Net realized and unrealized losses (gains) on fixed maturity investments and funds held-directly managed	20	27	1,181	210	(306)
Unrealized (losses) gains on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	(87)	26	570	100	(70)
Adjusted TIR (\$)*	\$ 102	\$ 106	\$ (52)	\$ 732	\$ 1,878
Total investments	14,628	17,276	14,628	17,276	15,257
Cash and cash equivalents, including restricted cash and cash equivalents	1,330	2,092	1,330	2,092	1,373
Funds held by reinsured companies	3,582	2,340	3,582	2,340	636
Total investable assets	\$ 19,540	\$ 21,708	\$ 19,540	\$ 21,708	\$ 17,266
Average aggregate invested assets, at fair value ⁽¹⁾	\$ 19,503	\$ 21,569	\$ 20,079	\$ 20,840	\$ 15,443
Annualized TIR % ⁽²⁾	3.5 %	1.0 %	(9.0)%	2.0 %	14.6 %
Non-GAAP adjustment:					
Net unrealized losses (gains) on fixed maturities, AFS investments included within AOCI and net unrealized losses (gains) on fixed maturities, trading instruments	1,827	(89)	1,827	(89)	(560)
Adjusted investable assets*	\$ 21,367	\$ 21,619	\$ 21,367	\$ 21,619	\$ 16,706
Adjusted average aggregate invested assets, at fair value ⁽³⁾	\$ 21,380	\$ 21,438	\$ 21,165	\$ 20,561	\$ 15,153
Annualized adjusted TIR %* ⁽⁴⁾	1.9 %	2.0 %	(0.2)%	3.6 %	12.4 %

⁽¹⁾ This amount is a two period average of the total investable assets for the three months ended December 31, 2022 and 2021, respectively, and a five period average for the years ended December 31, 2022, 2021 and 2020, respectively, as presented above, and is comprised of amounts disclosed in our quarterly and annual U.S. GAAP consolidated financial statements.

⁽²⁾ Annualized TIR % is calculated by dividing the annualized TIR (\$) by average aggregate invested assets, at fair value.

⁽³⁾ This amount is a two period average of the total investable assets for the three months ended December 31, 2022 and 2021, respectively, and a five period average for the years ended December 31, 2022, 2021 and 2020, respectively, as presented above.

⁽⁴⁾ Annualized adjusted TIR %* is calculated by dividing annualized adjusted TIR* (\$) by adjusted average aggregate invested assets, at fair value*.

*Non-GAAP measure.



**ENSTAR GROUP
LIMITED**

**Investor Financial
Supplement**

December 31, 2022

enstargroup.com



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About Enstar

Enstar is a NASDAQ-listed leading global (re)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 110 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 millions of U.S. Dollars, except for share and per share amounts. 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.

Change in Accounting Principle

Effective for 2022, we changed our accounting principle for the treatment of DCA amortization and retrospectively applied this change to all prior period information. As of January 1, 2020, the cumulative effect of this change resulted in a \$158 million increase to retained earnings. We regard DCA as an adjustment to the liabilities that we acquire and record at book value. As a result, DCA reflects the time value of money difference between the premium received and liabilities recorded. In addition, we no longer adjust DCA amortization as if any change in the amount of related liabilities were known on inception, and we have separated DCA amortization from our measures of run-off liability earnings ("RLE") and RLE % as we now view DCA as a separate overall cost of the acquisition of the contract. For additional information, please refer to Note 2 and Note 9 of our consolidated financial statements included within Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2022.

GAAP Financial Measures

We amended our calculation of TIR to include the unrealized gains (losses) on our AFS securities, net of reclassification adjustments and excluding foreign exchange, included within other comprehensive income ("OCI"). We believe this represents a better measure of "total" investment return, and eliminates the discrepancy between the numerator and denominator, whereby the fair value of AFS securities includes any unrealized gains (losses) in AOCI.

Non-GAAP Financial Measures

In addition to our key financial measures presented in accordance with GAAP, we present other non-GAAP financial measures that we use to manage our business, compare our performance against prior periods and against our peers, and as performance measures in our incentive compensation program. These non-GAAP financial measures provide an additional view of our operational performance over the long-term and provide the opportunity to analyze our results in a way that is more aligned with the manner in which our management measures our underlying performance. The presentation of these non-GAAP financial measures, which may be defined and calculated differently by other companies, is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with GAAP.

Some of the adjustments reflected in our non-GAAP measures are recurring items, such as the exclusion of adjustments to net realized and unrealized (gains)/losses on fixed income securities recognized in our income statement, the fair value of certain of our loss reserve liabilities for which we have elected the fair value option, and the amortization of fair value adjustments. Management makes these adjustments in assessing our performance so that the changes in fair value due to interest rate movements, which are applied to some but not all of our assets and liabilities as a result of preexisting accounting elections, do not impair comparability across reporting periods. It is important for the readers of our periodic filings to understand that these items will recur from period to period. However, we exclude these items for the purpose of presenting a comparable view across reporting periods of the impact of our underlying claims management and investment without the effect of interest rate fluctuations on assets that we anticipate to hold to maturity and non-cash changes to the fair value of our reserves. Similarly, our non-GAAP measures reflect the exclusion of certain items that we deem to be nonrecurring, unusual or infrequent when the nature of the charge or gain is such that it is not reasonably likely that such item may recur within two years, nor was there a similar charge or gain in the preceding two years. This includes adjustments related to bargain purchase gains on acquisitions of businesses, net gains or losses on sales of subsidiaries, net assets of held for sale or disposed subsidiaries classified as discontinued operations, and other items that we separately disclose. Refer to pages 17 to 26 for further details.

Non-GAAP Financial Measures (continued)

We have changed our non-GAAP measures in 2022 as follows:

- The opening GAAP balances of our 2021 and 2020 Adjusted BVPS*, Adjusted ROE* and Adjusted RLE* measures have been retrospectively adjusted for a change in accounting principle, as described above.
- We no longer remove ULAE from our Adjusted RLE and RLE % calculations as our estimate of future claims handling costs is connected to our claims settlement strategies and outcomes and the RLE measures now reflect the direct and indirect performance of the management of our liabilities.

Presentation of GAAP and Non-GAAP Measures

We complete most of our annual loss reserve studies in the fourth quarter of each year and, as a result, tend to record the largest movements, both favorable and adverse, to net incurred losses and LAE in this period. As such, we have not included our quarter to date calculation of Annualized RLE % and Annualized Adjusted RLE %, as annualizing the quarter to date measures would misrepresent our expected annual results.

Investment Composition

In certain instances, U.S. GAAP requires, in part, that invested assets be classified based upon the legal form of the investment which may not correspond to management's view of the underlying economic exposure. For example:

1. 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".
2. Enstar has certain private equity funds that are collectively held in a limited partnership. U.S. GAAP requires that the investment be classified as "Private equity funds" within "Other Investments".
3. Enstar has certain privately held equities that are required to be classified as "Equities" under U.S. GAAP.

Where relevant, we have disclosed the underlying economic exposure of our investments in order to be consistent with the manner in which management views the underlying portfolio composition. Refer to pages 30 and 31 for further details.

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. Important risk factors regarding Enstar can be found under the heading "Risk Factors" in our Form 10-K for the year ended December 31, 2022 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.

* Non-GAAP financial measure.

Financial Highlights



	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Key Earnings Metrics				
ROE	5.9 %	2.1 %	(15.6)%	7.9 %
Adjusted ROE ⁽¹⁾	4.2 %	2.5 %	(1.1)%	10.1 %
Basic net earnings (loss) per share	\$ 13.34	\$ 6.74	\$ (52.65)	\$ 25.33
Diluted net earnings (loss) per share	\$ 13.26	\$ 6.66	\$ (52.65)	\$ 24.94
Key Run-off Metrics				
Average net loss reserves			\$ 11,969	\$ 10,344
Run-off liability earnings ("RLE")			6.3 %	3.9 %
Average adjusted net loss reserves ⁽¹⁾			\$ 12,636	\$ 10,455
Adjusted RLE ⁽¹⁾			3.9 %	3.6 %
Key Investment Return Metrics				
Average aggregate invested assets	\$ 19,503	\$ 21,569	\$ 20,079	\$ 20,840
Annualized Total investment return ("TIR")	3.5 %	1.0 %	(9.0)%	2.0 %
Investment book yield	3.33 %	1.60 %	2.47 %	1.84 %
(Losses) earnings from equity method investments	\$ (86)	\$ (8)	\$ (74)	\$ 93
Adjusted average aggregate invested assets ⁽¹⁾	\$ 21,380	\$ 21,438	\$ 21,165	\$ 20,561
Annualized adjusted TIR ⁽¹⁾	1.9 %	2.0 %	(0.2)%	3.6 %
Key Shareholder Metrics				
Ordinary shareholders' equity			\$ 4,191	\$ 5,813
Total Enstar shareholders' equity			\$ 4,701	\$ 6,323
Book value per ordinary share ("BVPS")			\$ 246.20	\$ 329.20
Adjusted BVPS ⁽¹⁾			\$ 243.09	\$ 323.43
Change in adjusted BVPS			(24.8)%	12.1 %
Ordinary shares repurchased:				
Shares	—	167,617	697,580	4,010,695
Cost	\$ —	\$ 40	\$ 163	\$ 942
Average price per share	\$ —	\$ 241.13	\$ 233.92	\$ 234.82
Total ordinary shares outstanding			17,022,420	17,657,944
Adjusted ordinary shares outstanding			17,240,591	17,973,149
Key Balance Sheet Metrics				
Total assets			\$ 22,154	\$ 24,656
Debt obligations			\$ 1,829	\$ 1,691
Total liabilities			\$ 17,189	\$ 17,924
Total investable assets to ordinary shareholders' equity			4.66x	3.73x
Total net loss reserves to ordinary shareholders' equity			2.87x	2.05x
Debt to total capitalization attributable to Enstar			28.0 %	21.1 %

enstargroup.com ⁽¹⁾ Non-GAAP financial measure, refer to pages 17 to 26 for explanatory notes and a reconciliation to the most directly comparable GAAP measure.

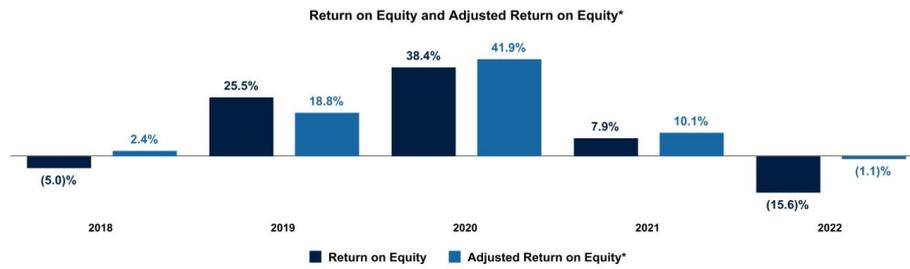
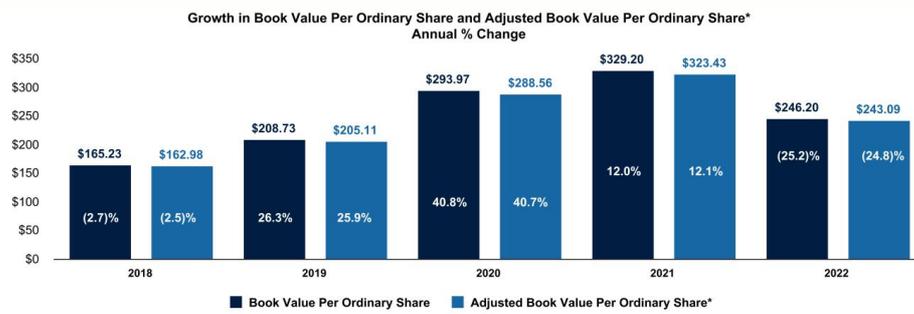
Financial Highlights - Five Years



	Year Ended				
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018 ⁽¹⁾
Key Earnings Metrics					
Return on equity	(15.6)%	7.9 %	38.4 %	25.5 %	(5.0)%
Adjusted return on equity ⁽¹⁾	(1.1)%	10.1 %	41.9 %	18.8 %	2.4 %
Key Run-off Metrics					
Average net loss reserves	\$ 11,969	\$ 10,344	\$ 8,352	\$ 7,641	\$ 6,435
Run-off liability earnings	6.3 %	3.9 %	0.4 %	0.1 %	3.5 %
Average adjusted net loss reserves ⁽¹⁾	\$ 12,636	\$ 10,455	\$ 8,129	\$ 7,160	\$ 5,847
Adjusted run-off liability earnings ⁽¹⁾	3.9 %	3.6 %	3.5 %	4.0 %	6.4 %
Key Investment Return Metrics					
Average investable assets	\$ 20,079	\$ 20,840	\$ 15,443	\$ 13,758	\$ 10,322
Total investment return	(9.0)%	2.0 %	14.6 %	10.0 %	(1.0)%
Investment book yield	2.47 %	1.84 %	2.53 %	2.80 %	2.50 %
(Losses) earnings from equity method investments	\$ (74)	\$ 93	\$ 239	\$ 56	\$ 42
Average adjusted investable assets ⁽¹⁾	\$ 21,165	\$ 20,561	\$ 15,153	\$ 13,646	\$ 10,393
Adjusted total investment return ⁽¹⁾	(0.2)%	3.6 %	12.4 %	6.3 %	1.3 %
Key Shareholder Metrics					
Ordinary shareholders' equity	\$ 4,191	\$ 5,813	\$ 6,326	\$ 4,490	\$ 3,546
Total Enstar shareholders' equity	\$ 4,701	\$ 6,323	\$ 6,836	\$ 5,000	\$ 4,056
Basic book value per ordinary share	\$ 246.20	\$ 329.20	\$ 293.97	\$ 208.73	\$ 165.23
Adjusted book value per ordinary share ⁽¹⁾	\$ 243.09	\$ 323.43	\$ 288.56	\$ 205.11	\$ 162.98
Change in adjusted book value per ordinary share	(24.8)%	12.1 %	40.7 %	25.9 %	(2.5)%
Ordinary shares repurchased:					
Shares	697,580	4,010,695	178,280	—	—
Cost	\$ 163	\$ 942	\$ 26	\$ —	\$ —
Average price per share	\$ 233.92	\$ 234.82	\$ 145.87	\$ —	\$ —
Total ordinary shares outstanding	17,022,420	17,657,944	21,519,602	21,511,505	21,459,997
Adjusted ordinary shares outstanding	17,240,591	17,973,149	21,993,598	21,989,971	21,881,063
Key Balance Sheet Metrics					
Total assets	\$ 22,154	\$ 24,656	\$ 21,789	\$ 19,964	\$ 16,710
Debt obligations	\$ 1,829	\$ 1,691	\$ 1,373	\$ 1,191	\$ 862
Total liabilities	\$ 17,189	\$ 17,924	\$ 14,574	\$ 14,531	\$ 12,184
Total investable assets to ordinary shareholders' equity	4.66x	3.73x	2.73x	3.13x	3.54x
Total net loss reserves to ordinary shareholders' equity	2.87x	2.05x	1.39x	1.77x	2.07x
Debt to total capitalization attributable to Enstar	28.0 %	21.1 %	16.7 %	19.2 %	17.5 %

(1) Non-GAAP financial measure, refer to pages 17 to 26 for explanatory notes and a reconciliation to the most directly comparable GAAP measure.
(2) The 2017 and 2018 balance sheets have not been restated to reflect the impact of the 2020 StarStone U.S. discontinued operations classification.

Book Value Per Share & Return on Equity - Five Years



* Non-GAAP financial measure, refer to page 17 for further details. See also pages 19, 21 and 22 for a reconciliation to the most directly comparable GAAP measure.

Consolidated Results by Segment - Q4 2022



	Three Months Ended					Total
	Run-off	Assumed Life	Investments	Legacy Underwriting	Corporate and other ⁽¹⁾	
December 31, 2022						
INCOME						
Net premiums earned	\$ 13	\$ —	\$ —	\$ 1	\$ —	\$ 14
Net investment income	—	—	151	2	—	153
Net realized losses	—	—	(24)	—	—	(24)
Net unrealized gains	—	—	37	2	—	39
Other income (expense)	3	—	—	(3)	2	2
Total income	16	—	164	2	2	184
EXPENSES						
Net incurred losses and loss adjustment expenses						
Current period	9	—	—	—	—	9
Prior period	(254)	(26)	—	1	(1)	(280)
Total net incurred losses and loss adjustment expenses	(245)	(26)	—	1	(1)	(271)
Amortization of net deferred charge assets	—	—	—	—	20	20
Acquisition costs	4	—	—	(1)	—	3
General and administrative expenses	34	1	9	2	51	97
Total expenses	(207)	(25)	9	2	70	(151)
EARNINGS (LOSS) BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	223	25	155	—	(68)	335
Losses from equity method investments	—	—	(86)	—	—	(86)
SEGMENT EARNINGS (LOSS)	\$ 223	\$ 25	\$ 69	\$ —	(68)	249
Interest expense	—	—	—	—	(18)	(18)
Net foreign exchange losses	—	—	—	—	(12)	(12)
Income tax benefit	—	—	—	—	16	16
NET EARNINGS						235
Net loss attributable to noncontrolling interests	—	—	—	—	1	1
NET EARNINGS ATTRIBUTABLE TO ENSTAR						236
Dividends on preferred shares	—	—	—	—	(9)	(9)
NET (LOSS) EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS					(9)	227

⁽¹⁾ Other income (expense) for corporate and other activities includes the amortization of fair value adjustments associated with the acquisition of DCo, LLC ("DCo") and Morse TEC, LLC ("Morse TEC"). Net incurred losses and loss adjustment expenses for corporate and other activities includes fair value adjustments associated with the acquisition of companies and the changes in the discount rate and risk margin components of the fair value of liabilities related to our assumed retroactive reinsurance agreements for which we have elected the fair value option.

Consolidated Results by Segment - Q4 2021



Three Months Ended
December 31, 2021

	Run-off	Assumed Life	Investments	Legacy Underwriting	Corporate and other ⁽¹⁾	Total
INCOME						
Net premiums earned	\$ 28	\$ 5	\$ —	\$ 8	\$ —	\$ 41
Net investment income	—	—	80	1	—	81
Net realized losses	—	—	(62)	—	—	(62)
Net unrealized gains (losses)	—	—	69	(1)	—	68
Other income (expense)	25	—	—	(4)	(6)	15
Net gain of purchase and sale of subsidiaries	—	—	—	—	11	11
Total income	53	5	87	4	5	154
EXPENSES						
Net incurred losses and loss adjustment expenses						
Current period	23	2	—	1	—	26
Prior period	(154)	—	—	(1)	(4)	(159)
Total net incurred losses and loss adjustment expenses	(131)	2	—	—	(4)	(133)
Policyholder benefit expenses	—	(4)	—	—	1	(3)
Amortization of net deferred charge assets	—	—	—	—	17	17
Acquisition costs	7	—	—	—	—	7
General and administrative expenses	49	1	13	4	31	98
Total expenses	(75)	(1)	13	4	45	(14)
EARNINGS (LOSS) BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	128	6	74	—	(40)	168
Losses from equity method investments	—	—	(8)	—	—	(8)
SEGMENT EARNINGS (LOSS)	\$ 128	\$ 6	\$ 66	\$ —	(40)	160
Interest expense					(18)	(18)
Net foreign exchange gains					3	3
Income tax expense					(14)	(14)
NET EARNINGS						131
Net earnings attributable to noncontrolling interests					(2)	(2)
NET EARNINGS ATTRIBUTABLE TO ENSTAR						129
Dividends on preferred shares					(9)	(9)
NET (LOSS) EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS					\$ (80)	\$ 120

⁽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 fair value adjustments associated with the acquisition of companies and the changes in the discount rate and risk margin components of the fair value of liabilities related to our assumed retroactive reinsurance agreements for which we have elected the fair value option.

Consolidated Results by Segment - 2022



	Year Ended					Total
	December 31, 2022					
	Run-off	Assumed Life	Investments	Legacy Underwriting	Corporate and other ⁽¹⁾	
INCOME						
Net premiums earned	\$ 40	\$ 17	\$ —	\$ 9	\$ —	\$ 66
Net investment income	—	—	445	10	—	455
Net realized losses	—	—	(135)	—	—	(135)
Net unrealized losses	—	—	(1,469)	(10)	—	(1,479)
Other income	22	—	—	1	12	35
Total income (loss)	62	17	(1,159)	10	12	(1,058)
EXPENSES						
Net incurred losses and loss adjustment expenses						
Current period	44	—	—	4	—	48
Prior period	(486)	(55)	—	3	(218)	(756)
Total net incurred losses and loss adjustment expenses	(442)	(55)	—	7	(218)	(708)
Policyholder benefit expenses	—	25	—	—	—	25
Amortization of net deferred charge assets	—	—	—	—	80	80
Acquisition costs	22	—	—	1	—	23
General and administrative expenses	143	7	37	2	142	331
Total expenses	(277)	(23)	37	10	4	(249)
EARNINGS (LOSS) BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES						
	339	40	(1,196)	—	8	(809)
Losses from equity method investments	—	—	(74)	—	—	(74)
SEGMENT INCOME (LOSS)	\$ 339	\$ 40	\$ (1,270)	\$ —	8	(883)
Interest expense	—	—	—	—	(89)	(89)
Net foreign exchange gains	—	—	—	—	15	15
Income tax benefit	—	—	—	—	12	12
NET LOSS						(945)
Net loss attributable to noncontrolling interests	—	—	—	—	75	75
NET LOSS ATTRIBUTABLE TO ENSTAR						(870)
Dividends on preferred shares	—	—	—	—	(36)	(36)
NET LOSS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS						\$ (15) \$ (906)

⁽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 fair value adjustments associated with the acquisition of companies and the changes in the discount rate and risk margin components of the fair value of liabilities related to our assumed retroactive reinsurance agreements for which we have elected the fair value option.

Consolidated Results by Segment - 2021



	Year Ended					Total
	December 31, 2021					
	Run-off	Assumed Life	Investments	Legacy Underwriting	Corporate and other ⁽¹⁾	
INCOME						
Net premiums earned	\$ 182	\$ 5	\$ —	\$ 58	\$ —	\$ 245
Net investment income	—	—	309	3	—	312
Net realized gains	—	—	(61)	—	—	(61)
Net unrealized gains (losses)	—	—	181	(3)	—	178
Other income (expense)	73	—	—	(15)	(16)	42
Net gain on purchase and sale of subsidiaries	—	—	—	—	73	73
Total income	255	5	429	43	57	789
EXPENSES						
Net incurred losses and loss adjustment expenses						
Current period	144	2	—	26	—	172
Prior period	(338)	—	—	(6)	(59)	(403)
Total net incurred losses and loss adjustment expenses	(194)	2	—	20	(59)	(231)
Policyholder benefit expenses	—	(4)	—	—	1	(3)
Amortization of net deferred charge assets	—	—	—	—	55	55
Acquisition costs	44	—	—	13	—	57
General and administrative expenses	188	1	37	10	131	367
Total expenses	38	(1)	37	43	128	245
EARNINGS (LOSS) BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES						
	217	6	392	—	(71)	544
Earnings from equity method investments	—	—	93	—	—	93
SEGMENT INCOME (LOSS)	\$ 217	\$ 6	\$ 485	\$ —	(71)	637
Interest expense	—	—	—	—	(69)	(69)
Net foreign exchange gains	—	—	—	—	12	12
Income tax expense	—	—	—	—	(27)	(27)
NET EARNINGS						553
Net earnings attributable to noncontrolling interests	—	—	—	—	(15)	(15)
NET EARNINGS ATTRIBUTABLE TO ENSTAR						538
Dividends on preferred shares	—	—	—	—	(36)	(36)
NET (LOSS) EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS					\$ (206)	\$ 502

⁽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 fair value adjustments associated with the acquisition of companies and the changes in the discount rate and risk margin components of the fair value of liabilities related to our assumed retroactive reinsurance agreements for which we have elected the fair value option.

Prior Period Development (“PPD”) by Acquisition year



Acquisition Year	PPD in Year Ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(in millions of U.S. dollars)									
	(unaudited)									
2012 and prior	\$ 259	\$ 259	\$ 239	\$ 128	\$ 90	\$ 61	\$ 72	\$ 44	\$ 34	\$ 15
2013	(2)	30	43	32	43	46	14	16	9	(1)
2014 ⁽¹⁾		30	18	18	34	(112)	(110)	1	25	30
2015			87	301	42	79	28	20	21	12
2016				9	(34)	18	9	21	10	14
2017					84	98	(84)	(50)	89	183
2018						33	42	18	45	58
2019							33	33	47	59
2020								(71)	(27)	(120)
2021									150	435
2022										71
	\$ 257	\$ 319	\$ 387	\$ 488	\$ 259	\$ 223	\$ 4	\$ 32	\$ 403	\$ 756

Acquisition Year	Cumulative PPD in Year Ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(in millions of U.S. dollars)									
	(unaudited)									
2012 and prior	\$ 259	\$ 518	\$ 757	\$ 885	\$ 975	\$ 1,036	\$ 1,108	\$ 1,152	\$ 1,186	\$ 1,201
2013	(2)	28	71	103	146	192	206	222	231	230
2014 ⁽¹⁾		30	48	66	100	(12)	(122)	(121)	(96)	(66)
2015			87	388	430	509	537	557	578	590
2016				9	(25)	(7)	2	23	33	47
2017					84	182	98	48	137	320
2018						33	75	93	138	196
2019							33	66	113	172
2020								(71)	(98)	(218)
2021									150	585
2022										71

(1) The 2014 acquisition year includes losses relating to our StarStone business when this business was actively managed within our Legacy Underwriting segment.

Ultimate Losses % Acquired Losses by Acquisition Year



Ultimate Losses for the Years Ended December 31,

Acquisition Year	Assumed and Acquired net losses and LAE		Total	Ultimate Losses for the Years Ended December 31,									
	Third Party	Related Party and Transfers Between Acquisition Years		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(in millions of U.S. dollars)													
(Unaudited)													
2012 and prior ⁽¹⁾	\$ 2,738	\$ —	\$ 2,738	\$ 2,479	\$ 2,220	\$ 1,981	\$ 1,853	\$ 1,763	\$ 1,702	\$ 1,630	\$ 1,586	\$ 1,552	\$ 1,537
2013	854	—	854	856	826	783	751	708	662	648	632	623	624
2014	1,057	—	1,057	1,027	1,009	991	957	1,069	1,179	1,178	1,178	1,153	1,123
2015	1,756	—	1,756	—	1,669	1,368	1,326	1,247	1,219	1,199	1,178	1,178	1,166
2016	1,357	—	1,357	—	—	1,348	1,362	1,364	1,355	1,334	1,324	1,310	1,310
2017	1,536	—	1,536	—	—	—	1,452	1,354	1,438	1,488	1,399	1,216	1,216
2018	2,757	—	2,757	—	—	—	—	2,724	2,682	2,664	2,619	2,561	2,561
2019	1,817	—	1,817	—	—	—	—	—	1,784	1,751	1,704	1,645	1,645
2020 ⁽²⁾	2,191	(782)	1,409	—	—	—	—	—	—	1,480	1,507	1,627	1,627
2021 ⁽³⁾	3,710	840	4,550	—	—	—	—	—	—	—	4,400	3,965	3,965
2022 ⁽⁴⁾	2,649	782	3,431	—	—	—	—	—	—	—	—	3,360	3,360

Acquisition Year	Ultimate Losses as a Percentage of Assumed and Acquired Net Loss Reserves										
	At End of Year of Acquisition	One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten
(Unaudited)											
2012 and prior	100 %	91 %	81 %	72 %	68 %	64 %	62 %	60 %	58 %	57 %	56 %
2013	100 %	97 %	92 %	88 %	83 %	78 %	76 %	74 %	73 %	73 %	73 %
2014 ⁽⁴⁾	97 %	95 %	94 %	91 %	101 %	112 %	111 %	109 %	106 %	106 %	106 %
2015	95 %	78 %	76 %	71 %	69 %	68 %	67 %	66 %	66 %	66 %	66 %
2016	99 %	102 %	101 %	100 %	98 %	98 %	97 %	97 %	97 %	97 %	97 %
2017	95 %	88 %	94 %	97 %	91 %	79 %	79 %	79 %	79 %	79 %	79 %
2018	99 %	97 %	97 %	95 %	93 %	93 %	93 %	93 %	93 %	93 %	93 %
2019	98 %	96 %	94 %	91 %	91 %	91 %	91 %	91 %	91 %	91 %	91 %
2020	105 %	107 %	115 %	115 %	115 %	115 %	115 %	115 %	115 %	115 %	115 %
2021	97 %	87 %	87 %	87 %	87 %	87 %	87 %	87 %	87 %	87 %	87 %
2022	98 %	98 %	98 %	98 %	98 %	98 %	98 %	98 %	98 %	98 %	98 %

⁽¹⁾ For the 2012 and prior acquisition years, the net reserves shown are as at December 31, 2012, and are not the net reserves assumed and acquired.
⁽²⁾ \$782m of Assumed and Acquired net losses and LAE relating to the Aspen ADC have been transferred from the 2020 to the 2022 acquisition year. Any PPD on this portfolio that occurred in the years ended December 31 2021 and 2020 has not been reclassified between periods.
⁽³⁾ 2021 Assumed and Acquired net losses and LAE - Related Party of \$840 million relates to the acquisition of Enhanced Re.
⁽⁴⁾ The 2014 acquisition year includes losses relating to our StarStone business when this business was actively managed within our Legacy Underwriting segment.
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Adjusted PPD by Acquisition Year*



Acquisition Year	Adjusted PPD* in Year Ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(in millions of U.S. dollars)									
	(Unaudited)									
2012 and prior	\$ 293	\$ 281	\$ 254	\$ 152	\$ 104	\$ 78	\$ 86	\$ 51	\$ 39	\$ 27
2013	(30)	10	21	19	22	30	6	9	3	2
2014		2	(37)	1	1	8	5	3	30	15
2015			92	306	45	81	30	21	22	13
2016				9	(37)	41	16	36	8	22
2017					114	87	—	39	34	30
2018						50	109	69	38	19
2019							33	130	92	54
2020								(71)	(27)	(120)
2021									142	356
2022										71
	\$ 263	\$ 293	\$ 330	\$ 487	\$ 249	\$ 375	\$ 285	\$ 287	\$ 381	\$ 489

Acquisition Year	Cumulative Adjusted PPD* in Year Ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(in millions of U.S. dollars)									
	(Unaudited)									
2012 and prior	\$ 293	\$ 574	\$ 828	\$ 980	\$ 1,084	\$ 1,162	\$ 1,248	\$ 1,299	\$ 1,338	\$ 1,365
2013	(30)	(20)	1	20	42	72	78	87	90	92
2014		2	(35)	(34)	(33)	(25)	(20)	(17)	13	28
2015			92	398	443	524	554	575	597	610
2016				9	(28)	13	29	65	73	95
2017					114	201	201	240	274	304
2018						50	159	228	266	285
2019							33	163	255	309
2020								(71)	(98)	(218)
2021									142	498
2022										71

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* Non-GAAP financial measure. Refer to explanatory notes on pages 17 and 18 for further details. See also pages 27 and 28 for a reconciliation to the most directly comparable GAAP measure.

Adjusted Ultimate Losses % Acquired Losses*



Acquisition Year	Adjusted Assumed and Acquired net losses and LAE*			Adjusted Ultimate Losses* for the Years Ended December 31, ⁽¹⁾									
	Third Party	Related Party and Transfers Between Acquisition Years	Total	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
				(in millions of U.S. dollars)									
				(Unaudited)									
2012 and prior ⁽¹⁾	\$ 2,950	\$ —	\$ 2,950	\$ 2,657	\$ 2,376	\$ 2,122	\$ 1,970	\$ 1,866	\$ 1,788	\$ 1,702	\$ 1,651	\$ 1,612	\$ 1,585
2013	626	—	626	656	646	625	606	584	554	548	539	536	534
2014	411	—	411	—	409	446	444	436	431	428	398	383	—
2015	1,782	—	1,782	—	1,690	1,384	1,339	1,258	1,228	1,207	1,185	1,172	—
2016	1,495	—	1,495	—	1,486	1,523	1,482	1,466	1,430	1,422	1,400	—	—
2017	1,719	—	1,719	—	1,719	1,605	1,518	1,518	1,479	1,445	1,415	—	—
2018	2,921	—	2,921	—	2,921	2,871	2,762	2,693	2,655	2,636	—	—	—
2019	2,340	—	2,340	—	2,340	2,307	2,177	2,085	2,031	—	—	—	—
2020 ⁽²⁾	2,205	(782)	1,423	—	1,423	—	—	—	1,494	1,521	1,641	—	—
2021 ⁽³⁾	3,709	1,611	5,320	—	5,320	—	—	—	—	5,178	4,822	—	—
2022 ⁽³⁾	2,649	782	3,431	—	3,431	—	—	—	—	—	—	—	3,360

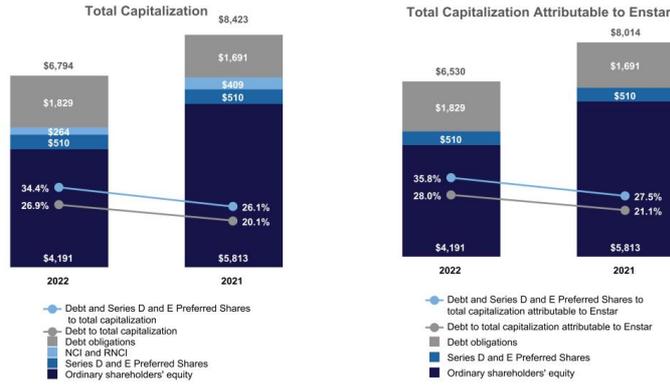
Acquisition Year	Adjusted Ultimate Losses* as a Percentage of Adjusted Assumed and Acquired Net Loss Reserves*										
	At End of Year of Acquisition	Years thereafter:									
		One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten
		(Unaudited)									
2012 and prior	100 %	90 %	81 %	72 %	67 %	63 %	61 %	58 %	56 %	55 %	54 %
2013	105 %	103 %	100 %	97 %	93 %	88 %	88 %	86 %	86 %	85 %	—
2014	100 %	109 %	108 %	108 %	106 %	105 %	104 %	97 %	93 %	—	—
2015	95 %	78 %	75 %	71 %	69 %	68 %	66 %	66 %	—	—	—
2016	99 %	102 %	99 %	98 %	96 %	95 %	94 %	—	—	—	—
2017	93 %	88 %	88 %	86 %	84 %	82 %	—	—	—	—	—
2018	98 %	95 %	92 %	91 %	90 %	—	—	—	—	—	—
2019	99 %	93 %	89 %	87 %	—	—	—	—	—	—	—
2020	105 %	107 %	115 %	—	—	—	—	—	—	—	—
2021	97 %	91 %	—	—	—	—	—	—	—	—	—
2022	98 %	—	—	—	—	—	—	—	—	—	—

⁽¹⁾ For the 2012 and prior acquisition year, the adjusted net reserves shown are as at December 31, 2012 and are not the adjusted net reserves assumed and acquired.

⁽²⁾ \$782m of Assumed and Acquired net losses and LAE relating to the Aspen ADC have been transferred from the 2020 to the 2022 acquisition year. Any PPD on this portfolio that occurred in the years ended December 31 2021 and 2020 has not been reclassified between periods.

⁽³⁾ 2021 Adjusted Assumed and Acquired net losses and LAE - Related Party of \$1,611 million relates to the acquisition of Enhanced Re and the transfer of StarStone International into the Run-Off segment.

* Non-GAAP financial measure. Adjusted ultimate losses presented in the table represent the cumulative impact on adjusted acquired & assumed net loss reserves of adjusted PPD. Reconciliations of adjusted acquired and assumed net loss reserves and adjusted PPD are included on pages 27 to 29 in the Non-GAAP measures section.
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Credit ratings ⁽¹⁾	Standard and Poor's	Fitch Ratings
Long-term issuer	BBB (Outlook: Positive)	BBB+ (Outlook: Stable)
2029 Senior Notes	BBB	BBB
2031 Senior Notes	BBB-	BBB
2040 and 2042 Junior Subordinated Notes	BB+	BBB-
Series D and E Preferred Shares	BB+	BBB-

⁽¹⁾ Credit ratings are provided by third parties, Standard & 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.

Non-GAAP Measures



Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
Adjusted book value per ordinary share	Total Enstar ordinary shareholders' equity Divided by Number of ordinary shares outstanding, adjusted for: -the ultimate effect of any dilutive securities on the number of ordinary shares outstanding	Increases the number of ordinary shares to reflect the exercise of equity awards granted but not yet vested as, over the long term, this presents both management and investors with a more economically accurate measure of the realizable value of shareholder returns by factoring in the impact of share dilution. We use this non-GAAP measure in our incentive compensation program.
Adjusted return on equity (%)	Adjusted operating income (loss) attributable to Enstar ordinary shareholders divided by adjusted opening Enstar ordinary shareholder's equity	Calculating the operating income (loss) as a percentage of our adjusted opening Enstar ordinary shareholders' equity provides a more consistent measure of the performance of our business by enabling comparison between the financial periods presented.
Adjusted operating income (loss) attributable to Enstar ordinary shareholders (numerator)	Net earnings (loss) attributable to Enstar ordinary shareholders, adjusted for: -net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed, -change in fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾ , -amortization of fair value adjustments, -net gain/loss on purchase and sales of subsidiaries (if any), -net earnings from discontinued operations (if any), -tax effects of adjustments, and -adjustments attributable to noncontrolling interests	We eliminate the impact of net realized and unrealized (gains) losses on fixed maturity investments and funds-held directly managed and the change in fair value of insurance contracts for which we have elected the fair value option, as: • we typically hold most of our fixed income securities until the earlier of maturity or the time that they are used to fund any settlement of related liabilities which are generally recorded at cost, and • removing the fair value option improves comparability since there are limited acquisition years for which we elected the fair value option.
Adjusted opening Enstar ordinary shareholders' equity (denominator)	Opening Enstar ordinary shareholders' equity, less: -net unrealized gains (losses) on fixed maturity investments and funds held-directly managed, -fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾ , -fair value adjustments, and -net assets of held for sale or disposed subsidiaries classified as discontinued operations (if any)	Therefore, we believe that excluding their impact on our earnings improves comparability of our core operational performance across periods. We include fair value adjustments as non-GAAP adjustments to the adjusted operating income (loss) attributable to Enstar ordinary shareholders as they are non-cash charges that are not reflective of the impact of our claims management strategies on our loss portfolios. We eliminate the net gain (loss) on the purchase and sales of subsidiaries and net earnings from discontinued operations, as these items are not indicative of our ongoing operations. We use this non-GAAP measure in our incentive compensation program.
Adjusted total investment return (%)	Adjusted total investment return (dollars) recognized in earnings for the applicable period divided by period average adjusted total investable assets.	Provides a key measure of the return generated on the capital held in the business and is reflective of our investment strategy.
Adjusted total investment return (\$ (numerator))	Total investment return (dollars), adjusted for: -net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed, and -unrealized (gains) losses on fixed income securities, AFS included within OCI, net of reclassification adjustments and excluding foreign exchange.	Provides a consistent measure of investment returns as a percentage of all assets generating investment returns.
Adjusted average aggregate total investable assets (denominator)	Total average investable assets, adjusted for: -net unrealized (gains) losses on fixed income securities, AFS included within AOCI -net unrealized (gains) losses on fixed income securities, trading	We adjust our investment returns to eliminate the impact of the change in fair value of fixed income securities (both credit spreads and interest rates), as we typically hold most of these investments until the earlier of maturity or used to fund any settlement of related liabilities which are generally recorded at cost.

⁽¹⁾ Comprises the discount rate and risk margin components.

Non-GAAP Measures (continued)



Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
Adjusted run-off liability earnings (%)	Adjusted PPD divided by average adjusted net loss reserves	Calculating the RLE as a percentage of our adjusted average net loss reserves provides a more meaningful and comparable measurement of the impact of our claims management strategies on our loss portfolios across acquisition years and also to our overall financial periods.
Adjusted prior period development (numerator)	<p>Prior period net incurred losses and LAE, adjusted to:</p> <p>Remove⁽¹⁾:</p> <ul style="list-style-type: none"> -Legacy Underwriting and Assumed Life operations, -amortization of fair value adjustments, -change in fair value of insurance contracts for which we have elected the fair value option⁽¹⁾ <p>and</p> <p>Add:</p> <ul style="list-style-type: none"> -the reduction/increase in estimates of net ultimate liabilities and reduction in estimated future expenses of our defendant A&E liabilities. 	<p>We use this measure to evaluate the impact of our claims management strategies because it provides visibility into our ability to settle our claims obligations for amounts less than our initial estimate at the point of acquiring the obligations.</p> <p>The following components of periodic recurring net incurred losses and LAE and net loss reserves are not considered key components of our claims management performance for the following reasons:</p> <ul style="list-style-type: none"> • The results of our Legacy Underwriting segment have been economically transferred to a third party primarily through use of reinsurance and a Capacity Lease Agreement⁽²⁾; as such, the results are not a relevant contribution to Adjusted RLE, which is designed to analyze the impact of our claims management strategies; • The results of our Assumed Life segment relate only to our exposure to active property catastrophe business, as this business is not in run-off, the results are not a relevant contribution to Adjusted RLE; • The change in fair value of insurance contracts for which we have elected the fair value option⁽¹⁾ has been removed to support comparability between the two acquisition years for which we elected the fair value option in reserves assumed and the acquisition years for which we did not make this election (specifically, this election was only made in the 2017 and 2018 acquisition years and the election of such option is irrevocable); and • The amortization of fair value adjustments are non-cash charges that obscure our trends on a consistent basis. <p>We include our performance in managing claims and estimated future expenses on our defendant A&E liabilities because such performance is relevant to assessing our claims management strategies even though such liabilities are not included within the loss reserves.</p> <p>We use this measure to assess the performance of our claim strategies and part of the performance assessment of our past acquisitions.</p>
Adjusted net loss reserves (denominator)	<p>Net losses and LAE, adjusted to:</p> <p>Remove⁽¹⁾:</p> <ul style="list-style-type: none"> -Legacy Underwriting and Assumed Life net loss reserves, -current period net loss reserves, -net fair value adjustments associated with the acquisition of companies, -the fair value adjustments for contracts for which we have elected the fair value option⁽¹⁾ <p>and</p> <p>Add:</p> <ul style="list-style-type: none"> -net nominal defendant A&E liability exposures and estimated future expenses 	

⁽¹⁾ Comprises the discount rate and risk margin components.

⁽²⁾ As described in Note 5 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022.

⁽³⁾ Effective for 2022, we are no longer excluding ULAE as it relates to our losses and LAE liabilities and are now including estimated future expenses as it relates to our defendant A&E liabilities in the calculation of Adjusted RLE⁽¹⁾, as these provisions are related to our insurance liabilities and contribute to our claims management performance. The comparative periods in 2021 and 2020 have been adjusted accordingly.

Reconciliation to Adjusted Book Value Per Share



	For the Year Ended December 31,								
	2022			2021			2020		
	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount
	(in millions of U.S. dollars, except share and per share data)								
Book value per ordinary share	\$ 4,191	17,022,420	\$ 246.20	\$ 5,813	17,657,944	\$ 329.20	\$ 6,326	21,519,602	\$ 293.97
Non-GAAP adjustments:									
Share-based compensation plans	—	218,171		—	315,205		—	298,095	
Warrants	—	—		—	—		20	175,901	
Adjusted book value per ordinary share*	<u>\$ 4,191</u>	<u>17,240,591</u>	<u>\$ 243.09</u>	<u>\$ 5,813</u>	<u>17,973,149</u>	<u>\$ 323.43</u>	<u>\$ 6,346</u>	<u>21,993,598</u>	<u>\$ 288.56</u>

	For the Year Ended December 31,					
	2019			2018		
	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount
	(in millions of U.S. dollars, except share and per share data)					
Book value per ordinary share	\$ 4,490	21,511,505	\$ 208.73	\$ 3,546	21,459,997	\$ 165.23
Non-GAAP adjustments:						
Share-based compensation plans	—	302,565		—	245,165	
Warrants	20	175,901		20	175,901	
Adjusted book value per ordinary share*	<u>\$ 4,510</u>	<u>21,989,971</u>	<u>\$ 205.11</u>	<u>\$ 3,566</u>	<u>21,881,063</u>	<u>\$ 162.98</u>

⁽¹⁾ Equity comprises Enstar ordinary shareholders' equity, which is calculated as Enstar shareholders' equity less preferred shares (\$510 million as of December 31, 2022, 2021, 2020, 2019, and 2018, respectively), prior to any non-GAAP adjustments.

* Non-GAAP financial measure.

	Three Months Ended December 31,					
	2022			2021		
Net (loss) earnings/Opening equity/ROE ⁽¹⁾	Net (loss) earnings ⁽¹⁾	Opening equity ⁽²⁾	(Adj) ROE	Net (loss) earnings ⁽¹⁾	Opening equity ⁽²⁾	(Adj) ROE
Non-GAAP adjustments:	\$ 227	\$ 3,866	5.9 %	\$ 120	\$ 5,749	2.1 %
Net realized and unrealized losses (gains) on fixed maturity investments and funds held - directly managed / Net unrealized losses (gains) on fixed maturity investments and funds held - directly managed ⁽³⁾	20	1,926		27	(176)	
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option ⁽³⁾	28	(305)		(6)	(100)	
Amortization of fair value adjustments / Fair value adjustments	(29)	(95)		3	(109)	
Net gain on purchase and sales of subsidiaries	—	—		(11)	—	
Tax effects of adjustments ⁽⁴⁾	(1)	—		(3)	—	
Adjustments attributable to noncontrolling interests ⁽⁵⁾	(21)	—		2	—	
Adjusted operating (loss) income/Adjusted opening equity/Adjusted ROE*	\$ 224	\$ 5,392	4.2 %	\$ 132	\$ 5,364	2.5 %

⁽¹⁾ Net (loss) earnings comprises net (loss) earnings attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares (\$10 million as of September 30, 2022 and 2021), prior to any non-GAAP adjustments.

⁽²⁾ Represents the net realized and unrealized losses (gains) related to fixed maturity securities. Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance.

⁽³⁾ Comprises the discount rate and risk margin components.

⁽⁴⁾ 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.

⁽⁵⁾ Represents the impact of the adjustments on the net earnings (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

* Non-GAAP financial measure.

	For the Year Ended December 31,								
	2022			2021			2020		
	Net (loss) earnings ⁽¹⁾	Opening Equity ⁽²⁾	(Adj) ROE	Net earnings ⁽¹⁾	Opening Equity ⁽²⁾	(Adj) ROE	Net earnings ⁽¹⁾	Opening Equity ⁽²⁾	(Adj) ROE
Net (loss) earnings/Opening equity/ROE⁽¹⁾	\$ (906)	\$ 5,813	(15.6)%	\$ 502	\$ 6,326	7.9 %	\$ 1,723	\$ 4,490	38.4 %
Non-GAAP adjustments:									
Net realized and unrealized losses on fixed maturity investments and funds held - directly managed / Net unrealized gains on fixed maturity investments and funds held - directly managed ⁽²⁾	1,181	(89)		210	(560)		(306)	(277)	
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option ⁽³⁾	(200)	(107)		(75)	(33)		119	(130)	
Amortization of fair value adjustments / Fair value adjustments	(18)	(106)		16	(128)		27	(152)	
Net gain on purchase and sales of subsidiaries	—	—		(73)	—		(3)	—	
Net earnings from discontinued operations / Net assets of entities classified as held for sale and discontinued operations	—	—		—	—		(16)	(266)	
Tax effects of adjustments ⁽⁴⁾	(7)	—		(21)	—		23	—	
Adjustments attributable to noncontrolling interests ⁽⁵⁾	(111)	—		6	—		13	109	
Adjusted net (loss) earnings/Adjusted opening equity/Adjusted ROE⁽⁶⁾	\$ (61)	\$ 5,511	(1.1)%	\$ 565	\$ 5,605	10.1 %	\$ 1,580	\$ 3,774	41.9 %

⁽¹⁾ Net (loss) earnings comprises net (loss) earnings attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares (\$510 million as of December 31, 2021, 2020 and 2019), prior to any non-GAAP adjustments.

⁽²⁾ Represents the net realized and unrealized losses (gains) related to fixed maturity securities. Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance.

⁽³⁾ Comprises the discount rate and risk margin components.

⁽⁴⁾ 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.

⁽⁵⁾ Represents the impact of the adjustments on the net earnings (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

* Non-GAAP financial measure.

Reconciliation to Adjusted Return on Equity - 2019 and 2018



	For the Year Ended December 31,					
	2019			2018		
	Net earnings (1)	Opening Equity (1)	(Adj) ROE	Net (loss) earnings (1)	Opening Equity (1)	(Adj) ROE
	(in millions of U.S. dollars)					
Net (loss) earnings/Opening equity/ROE (1)	\$ 906	\$ 3,546	25.5 %	\$ (166)	\$ 3,295	(5.0)%
Non-GAAP adjustments:						
Net realized and unrealized losses (gains) on fixed maturity investments and funds held - directly managed / Unrealized (losses) gains on fixed maturity investments and funds held - directly managed (2)	(516)	227		237	(101)	
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option (3)	117	(244)		7	(183)	
Amortization of fair value adjustments / Fair value adjustments	51	(199)		7	(104)	
Net earnings from discontinued operations / Net assets of entities classified as held for sale and discontinued operations	(7)	(210)		(1)	(157)	
Tax effects of adjustments (4)	36	—		(18)	—	
Adjustments attributable to noncontrolling interests (5)	15	86		3	65	
Adjusted net (loss) earnings/Adjusted opening equity/Adjusted ROE*	\$ 602	\$ 3,206	18.8 %	\$ 69	\$ 2,815	2.4 %

(1) Net (loss) earnings comprises net (loss) earnings attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares (\$510 million as of December 31, 2018), prior to any non-GAAP adjustments.

(2) Represents the net realized and unrealized gains and losses related to fixed maturity securities. Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance.

(3) Comprises the discount rate and risk margin components.

(4) 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.

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

(6) The 2017 and 2018 balance sheets have not been restated to reflect the impact of the 2020 StarStone U.S. discontinued operations classification.

* Non-GAAP financial measure.

Reconciliation to Adjusted Run-off Liability Earnings - 2022 and 2021



	Year Ended	As of			Year Ended
	December 31,	December 31, 2022	December 31, 2021	December 31, 2022	December 31,
	2022				2022
	PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
		(in millions of U.S. dollars)			
PPD/net loss reserves/RLE	\$ 756	\$ 12,011	\$ 11,926	\$ 11,969	6.3 %
Non-GAAP Adjustments:					
Net loss reserves - current period	—	(45)	—	(23)	
Assumed Life	(55)	—	(181)	(91)	
Legacy Underwriting	3	(135)	(153)	(144)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	(18)	124	106	115	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	(200)	294	107	201	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	572	573	573	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	35	37	36	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*	<u>\$ 489</u>	<u>\$ 12,856</u>	<u>\$ 12,415</u>	<u>\$ 12,836</u>	<u>3.9 %</u>
	Year Ended	As of			Year Ended
	December 31,	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2021
	2021				
	PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
		(in millions of U.S. dollars)			
PPD/net loss reserves/RLE	\$ 403	\$ 11,926	\$ 8,763	\$ 10,344	3.9 %
Non-GAAP Adjustments:					
Net loss reserves - current period	—	(143)	—	(72)	
Assumed Life	—	(179)	—	(90)	
Legacy Underwriting	(6)	(140)	(955)	(548)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	16	106	128	117	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	(75)	107	33	70	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	38	573	615	594	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	5	37	43	40	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*	<u>\$ 381</u>	<u>\$ 12,287</u>	<u>\$ 8,627</u>	<u>\$ 10,455</u>	<u>3.6 %</u>

⁽¹⁾ Comprises the discount rate and risk margin components.

* Non-GAAP financial measure.

Reconciliation to Adjusted Run-off Liability Earnings - 2020 and 2019



	Year Ended December 31, 2020	As of			Year Ended December 31, 2020
		December 31, 2020	December 31, 2019	December 31, 2020	
		PPD	Net loss reserves	Net loss reserves	
		(in millions of U.S. dollars)			
PPD/Net loss reserves/RLE	\$ 32	\$ 8,763	\$ 7,941	\$ 8,352	0.4 %
Non-GAAP Adjustments:					
Net loss reserves - current period	—	(273)	—	(137)	
Legacy Underwriting	(4)	(702)	(1,184)	(943)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	28	128	152	140	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	119	33	130	82	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	103	615	561	588	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	9	43	52	48	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*	\$ 287	\$ 8,607	\$ 7,652	\$ 8,129	3.5 %
		(in millions of U.S. dollars)			
	Year Ended December 31, 2019	As of			Year Ended December 31, 2019
		December 31, 2019	December 31, 2018	December 31, 2019	
	PPD	Net loss reserves	Net loss reserves ⁽²⁾	Average net loss reserves ⁽²⁾	RLE %
PPD/Net loss reserves/RLE	\$ 4	\$ 7,941	\$ 7,341	\$ 7,641	0.1 %
Non-GAAP Adjustments:					
Net loss reserves - current period	—	(401)	—	(201)	
Legacy Underwriting	106	(842)	(1,182)	(1,002)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	51	152	199	176	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	117	130	244	187	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	4	561	84	323	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	3	52	20	36	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*	\$ 285	\$ 7,593	\$ 6,726	\$ 7,160	4.0 %

⁽¹⁾ Comprises the discount rate and risk margin components.

⁽²⁾ The 2018 balance sheet has not been restated to reflect the impact of the 2020 StarStone U.S. discontinued operations classification.

* Non-GAAP financial measure.

Reconciliation to Adjusted Run-off Liability Earnings - 2018

	Year Ended	As of			Year Ended
	December 31,	December 31, 2018	December 31, 2017	December 31, 2018	December 31,
	2018				2018
	PPD	Net loss reserves ⁽²⁾	Net loss reserves ⁽²⁾	Average net loss reserves ⁽²⁾	RLE %
		(in millions of U.S. dollars)			
PPD/Net loss reserves/RLE	\$ 223	\$ 7,341	\$ 5,528	\$ 6,435	3.5 %
Non-GAAP Adjustments:					
Net loss reserves - current period	—	(357)	—	(179)	
Legacy Underwriting	115	(818)	(946)	(882)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	—	—	—	—	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	7	199	103	151	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	7	244	183	213	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	23	84	113	99	
	—	20	—	10	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*	<u>\$ 375</u>	<u>\$ 6,713</u>	<u>\$ 4,981</u>	<u>\$ 5,847</u>	<u>6.4 %</u>

⁽¹⁾ Comprises the discount rate and risk margin components.

⁽²⁾ The 2017 and 2018 balance sheets have not been restated to reflect the impact of the 2020 StarStone U.S. discontinued operations classification.

* Non-GAAP financial measure.

Reconciliation to Adjusted Total Investment Return



	For the Three Months Ended December 31,		For the Year Ended December 31,				
	2022	2021	2022	2021	2020	2019	2018
Investment results							
Net investment income	\$ 153	\$ 81	\$ 455	\$ 312	\$ 303	\$ 308	\$ 262
Net realized (losses) gains	(24)	(62)	(135)	(61)	19	5	(1)
Net unrealized gains (losses)	39	68	(1,479)	178	1,623	1,007	(407)
Earnings (losses) from equity method investments	(86)	(8)	(74)	93	239	56	42
Other comprehensive income:							
Unrealized gains (losses) on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	87	(26)	(570)	(100)	70	(3)	(2)
TIR (\$)	\$ 169	\$ 53	\$ (1,803)	\$ 422	\$ 2,254	\$ 1,373	\$ (106)
Non-GAAP adjustments:							
Net realized and unrealized losses (gains) on fixed maturity investments and funds held-directly managed	20	27	1,181	210	(306)	(516)	237
Unrealized (losses) gains on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	(87)	26	570	100	(70)	3	2
Adjusted TIR (\$)*	\$ 102	\$ 106	\$ (52)	\$ 732	\$ 1,878	\$ 860	\$ 133
Total investments	14,628	17,276	14,628	17,276	15,257	12,620	11,242
Cash and cash equivalents, including restricted cash and cash equivalents	1,330	2,092	1,330	2,092	1,373	971	983
Funds held by reinsured companies	3,582	2,340	3,582	2,340	636	476	321
Total investable assets	\$ 19,540	\$ 21,708	\$ 19,540	\$ 21,708	\$ 17,266	\$ 14,067	\$ 12,546
Average aggregate invested assets, at fair value ⁽¹⁾	\$ 19,503	\$ 21,569	\$ 20,079	\$ 20,840	\$ 15,443	\$ 13,758	\$ 10,332
Annualized TIR % ⁽²⁾	3.5 %	1.0 %	(9.0)%	2.0 %	14.6 %	10.0 %	(1.0)%
Non-GAAP adjustment:							
Net unrealized losses (gains) on fixed maturities, AFS investments included within AOCI and net unrealized losses (gains) on fixed maturities, trading instruments	1,827	(89)	1,827	(89)	(560)	(275)	222
Adjusted investable assets*	\$ 21,367	\$ 21,619	\$ 21,367	\$ 21,619	\$ 16,706	\$ 13,792	\$ 12,768
Adjusted average aggregate invested assets, at fair value ⁽³⁾	\$ 21,380	\$ 21,438	\$ 21,165	\$ 20,561	\$ 15,153	\$ 13,646	\$ 10,393
Annualized adjusted TIR % ⁽⁴⁾	1.9 %	2.0 %	(0.2)%	3.6 %	12.4 %	6.3 %	1.3 %

⁽¹⁾ This amount is a two period average of the total investable assets for the three months ended December 31, 2022 and 2021, respectively, and a five period average for the years ended December 31, 2022, 2021, 2020, 2019 and 2018, respectively, as presented above, and is comprised of amounts disclosed in our quarterly and annual U.S. GAAP consolidated financial statements.

⁽²⁾ Annualized TIR % is calculated by dividing the annualized TIR (\$) by average aggregate invested assets, at fair value.

⁽³⁾ This amount is a two period average of the total investable assets for the three months ended December 31, 2022 and 2021, respectively, and a five period average for the years ended December 31, 2022, 2021, 2020, 2019 and 2018, respectively, as presented above.

⁽⁴⁾ Annualized adjusted TIR %* is calculated by dividing the annualized adjusted TIR* (\$) by adjusted average aggregate invested assets, at fair value*.

*Non-GAAP measure.

Reconciliation of PPD by Acquisition Year



Acquisition year	PPD in year ended December 31										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	(in millions of U.S. dollars)										
2012 and prior	PPD	259	259	239	128	90	61	72	44	34	15
	FVA	34	22	15	24	14	17	14	7	5	12
	Adjusted PPD	293	281	254	152	104	78	86	51	39	27
2013	PPD	(2)	30	43	32	43	46	14	16	9	(1)
	Legacy	—	(19)	(22)	(13)	(21)	(14)	(8)	(7)	(6)	3
	FVA	(28)	(1)	—	—	—	(2)	—	—	—	—
	Adjusted PPD	(30)	10	21	19	22	30	6	9	3	2
2014	PPD	—	30	18	18	34	(112)	(110)	1	25	30
	Legacy	—	(11)	(39)	(14)	(27)	127	115	3	8	(14)
	FVA	—	(17)	(16)	(3)	(6)	(7)	—	(1)	(3)	(1)
	Adjusted PPD	—	2	(37)	1	1	8	5	3	30	15
2015	PPD	—	—	87	301	42	79	28	20	21	12
	FVA	—	—	5	5	3	2	2	1	1	1
	Adjusted PPD	—	—	92	306	45	81	30	21	22	13
2016	PPD	—	—	—	9	(34)	18	9	21	10	14
	Defendant A&E	—	—	—	—	—	23	4	13	(4)	7
	ULAE	—	—	—	—	(3)	—	3	2	2	1
	Adjusted PPD	—	—	—	9	(37)	41	16	36	8	22
2017	PPD	—	—	—	—	84	98	(84)	(50)	89	183
	FVO	—	—	—	—	30	(11)	84	89	(55)	(153)
	Adjusted PPD	—	—	—	—	114	87	—	39	34	30
2018	PPD	—	—	—	—	—	33	42	18	45	58
	Legacy	—	—	—	—	—	2	(1)	—	—	—
	FVO	—	—	—	—	—	18	33	30	(20)	(47)
	FVA	—	—	—	—	—	(3)	35	21	13	8
	Adjusted PPD	—	—	—	—	—	50	109	69	38	19
2019	PPD	—	—	—	—	—	—	33	33	47	59
	Defendant A&E	—	—	—	—	—	—	—	90	42	(5)
	ULAE	—	—	—	—	—	—	—	7	3	—
	Adjusted PPD	—	—	—	—	—	—	33	130	92	54

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Reconciliation of PPD by Acquisition Year (continued)

Acquisition year	PPD in year ended December 31										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	(in millions of U.S. dollars)										
2020	PPD	—	—	—	—	—	—	—	(71)	(27)	(120)
2020	Adjusted PPD	—	—	—	—	—	—	—	(71)	(27)	(120)
2021	PPD	—	—	—	—	—	—	—	—	150	435
	Legacy	—	—	—	—	—	—	—	—	(8)	14
	Assumed Life	—	—	—	—	—	—	—	—	—	(55)
	FVA	—	—	—	—	—	—	—	—	—	(38)
2021	Adjusted PPD	—	—	—	—	—	—	—	—	142	356
2022	PPD	—	—	—	—	—	—	—	—	—	71
2022	Adjusted PPD	—	—	—	—	—	—	—	—	—	71
All Acquisition Years	PPD	257	319	387	488	259	223	4	32	403	756
	Legacy	—	(30)	(61)	(27)	(48)	115	106	(4)	(6)	3
	Assumed Life	—	—	—	—	—	—	—	—	—	(55)
	FVO	—	—	—	—	30	7	117	119	(75)	(200)
	FVA	6	4	4	26	11	7	51	28	16	(18)
	Defendant A&E	—	—	—	—	—	—	23	4	103	38
	Defendant A&E ULAE	—	—	—	—	(3)	—	3	9	5	1
All Acquisition Years	Adjusted PPD	263	293	330	487	249	375	285	287	381	489

* Non-GAAP financial measure. Cumulative Adjusted PPD on page 14 is merely the sum of the relevant numbers in the table above.

Reconciliation of Assumed and Acquired Reserves



Acquisition year	Assumed and Acquired net losses and LAE	Non-GAAP Adjustments ⁽¹⁾ :						Adjusted Assumed and Acquired net losses and LAE*	Adjusted Assumed and Acquired net losses and LAE		
		Enhanced Re	Legacy Underwriting	Fair value adjustments - acquired companies	Fair value adjustments - fair value option	Net Defendant A&E Liabilities	Transfer from Legacy Underwriting ⁽²⁾		Third Party	Related Party	Total*
2012 and prior reserves as at Dec 31, 2012 ⁽³⁾	\$ 2,738	\$ —	\$ —	\$ 212	\$ —	\$ —	\$ —	\$ 2,950	\$ 2,950	\$ —	\$ 2,950
2013	854	—	(200)	(28)	—	—	—	626	626	—	626
2014	1,057	—	(592)	(54)	—	—	—	411	411	—	411
2015	1,756	—	—	26	—	—	—	1,782	1,782	—	1,782
2016	1,357	—	—	—	—	138	—	1,495	1,495	—	1,495
2017	1,536	—	(32)	1	214	—	—	1,719	1,719	—	1,719
2018	2,757	—	(16)	102	78	—	—	2,921	2,921	—	2,921
2019	1,817	—	—	—	—	523	—	2,340	2,340	—	2,340
2020 ⁽⁴⁾	1,409	—	—	—	14	—	—	1,423	1,423	—	1,423
2021	4,550	(221)	—	36	—	—	955	5,320	3,709	1,611	5,320
2022 ⁽⁴⁾	3,431	—	—	—	—	—	—	3,431	3,431	—	3,431

⁽¹⁾ For the 2012 and prior acquisition years, the net reserves shown are as at December 31, 2012, and are not the net reserves assumed and acquired.

⁽²⁾ This reconciliation excludes any adjustment for current accident year loss reserves as it references only reserves assumed and acquired by Enstar.

⁽³⁾ Represents the transfer of StarStone International net losses and LAE from Legacy Underwriting to Run-off segment effective January 1, 2021.

⁽⁴⁾ \$782m of Assumed and Acquired net losses and LAE relating to the Aspen ADC have been transferred from the 2020 to the 2022 acquisition year.

* Non-GAAP financial measure.

	December 31, 2022	Other Investments							Equities				Cash ⁽²⁾	
		Hedge Funds	Fixed income funds	Equity funds	Private equity funds	CLO equities	CLO equity funds	Private credit funds	Real estate debt fund	Other ⁽¹⁾	Publicly traded equities	Exchange-traded funds		Privately held equities
Short-term and fixed maturity investments, trading and AFS and funds held - directly managed	\$ 9,631													49.3 %
Other assets included within funds held - directly managed	54													0.3 %
Equities														
Publicly traded equities	385										385			2.0 %
Exchange-traded funds	507		68									439		2.6 %
Privately held equities	358					25		178					103	1.8 %
Total	1,250	6.4 %	— %	10 %	— %	— %	2 %	— %	14 %	— %	— %	31 %	35 %	8 %
Other investments														
Hedge funds ⁽¹⁾	549	2.8 %	468	81										2.8 %
Fixed income funds	547	2.8 %		547										2.8 %
Equity funds	3	— %												— %
Private equity funds	1,282	6.6 %		159	825			96	59	28	13	58	6	6.6 %
CLO equities	148	0.8 %				148								0.8 %
CLO equity funds	203	1.0 %				203								1.0 %
Private credit funds	362	1.9 %					362							1.9 %
Real estate debt fund	202	1.0 %						202						1.0 %
Total	3,296	16.9 %	14 %	24 %	— %	25 %	11 %	— %	14 %	8 %	1 %	— %	2 %	— %
Equity method investments	397	2.0 %												2.0 %
Total Investments	14,628	74.9 %												
Cash and cash equivalents (including restricted cash)	1,330	6.8 %												6.8 %
Funds held by reinsured companies	3,582	18.3 %												18.3 %
Total investable assets	\$ 19,540	100.0 %												

⁽¹⁾ Infrastructure in fund format.

⁽²⁾ Cash and cash equivalents.

	December 31, 2021	Other Investments							Equities				
		Hedge Funds	Fixed income funds	Equity funds	Private equity funds	CLO equities	CLO equity funds	Private credit funds	Real estate debt fund	Publicly traded equities	Exchange-traded funds	Privately held equities	
Short-term and fixed maturity investments, trading and AFS and funds held - directly managed	\$ 12,254	56.4 %											
Other assets included within funds held - directly managed	201	0.9 %											
Equities													
Publicly traded equities	281	1.3 %								281			
Exchange-traded funds	1,342	6.2 %		969							373		
Privately held equities	372	1.7 %		64		11	32		25			240	
Total	1,995	9.2 %	— %	52 %	— %	— %	2 %	— %	1 %	— %	14 %	19 %	12 %
Other investments													
Hedge funds ⁽¹⁾	291	1.3 %	291										
Fixed income funds	573	2.6 %		573									
Equity funds	5	— %											
Private equity funds	752	3.5 %				631			85	33			
CLO equities	161	0.7 %					161						
CLO equity funds	207	1.0 %					207						
Private credit funds	275	1.3 %							275				
Real estate debt fund	69	0.3 %								69			
Total	2,333	10.7 %	12 %	26 %	— %	27 %	16 %	— %	16 %	4 %	— %	— %	— %
Equity method investments	493	2.3 %											
Total investments	17,276	79.6 %											
Cash and cash equivalents (including restricted cash)	2,092	9.6 %											
Funds held by reinsured companies	2,340	10.8 %											
Total investable assets	\$ 21,708	100.0 %											



Enstar Group Overview

Q4 2022 Review

March 2023

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Realising Value



DISCLAIMER

For more complete information about Enstar Group Limited, you should read our reports filed with the SEC. You may get these documents for free through EDGAR on the SEC website at www.sec.gov, or through our website at <https://investor.enstargroup.com/sec-filings>.



INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This presentation, and oral statements made with respect to information contained in this presentation, may include certain forward-looking statements regarding our views with respect to our business, operations, loss reserves, strategy, investment portfolio, economic model, and our expected performance for future periods, as well as the insurance market and industry conditions. These statements are intended as "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Actual results may materially differ from those set forth in the forward-looking statements. You may identify forward-looking statements by the use of words such as "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "may," "should," "could," "will" or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements involve significant risks and uncertainties, including risks of changing and uncertain economic conditions, the success of implementing our business strategies, the adequacy of our loss reserves, ongoing and future regulatory developments disrupting our business, lengthy and unpredictable litigation, risks relating to our acquisitions, increasing competitive pressures, loss of key personnel, risks relating to our active underwriting businesses, the performance of our investment portfolio and liquidity, and other factors detailed in our Annual Report on Form 10-K for the year ended December 31, 2022 and our other reports filed from time to time with the Securities and Exchange Commission ("SEC").

Any forward-looking statement you see or hear during the presentation reflects Enstar Group Limited's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The date of this presentation is listed on the cover page and Enstar does not undertake to update or keep it accurate after such date.

NON-GAAP FINANCIAL MEASURES

In addition to our key financial measures presented in accordance with GAAP, this presentation includes other non-GAAP financial measures that we use to manage our business, compare our performance against prior periods and against our peers, and as performance measures in our incentive compensation programs.

These non-GAAP financial measures provide an additional view of our operational performance over the long-term and allow investors the opportunity to analyze our results in a way that is more aligned with the manner in which our management measures our underlying performance.

The presentation of these non-GAAP financial measures, which may be defined and calculated differently by other companies, is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. Refer to slides 22 through 24 of this presentation for further details regarding our non-GAAP measures and reconciliations of these measures to the most directly comparable GAAP measure.

ADDITIONAL INFORMATION

The company has an effective shelf registration statement (including a prospectus) on file with the SEC. Any offering of securities will be made only by means of a prospectus supplement, which will be filed with the SEC. In the event that the company undertakes an offering, you may obtain a copy of the prospectus supplement and accompanying prospectus for the offering by visiting EDGAR on the SEC website at www.sec.gov.

VALUE PROPOSITION

Leading global insurance group with a proven, 29-year record of successfully acquiring and managing run-off business while creating value for our shareholders



Market leader in run-off liability management



Competitive advantage created by size, scale and depth of our experience



“Enstar Effect” drives Run-off Liability Earnings (“RLE”) industry outperformance



Industry-leading suite of innovative risk transfer solutions for our counterparties



Consistent financial and operational discipline applied to portfolio acquisitions



Strong capacity and healthy pipeline for new, value-accretive transactions



Durable business model designed to succeed across multiple insurance cycles



Well-positioned for long-term growth in book value and return on equity



LEADING GLOBAL PROVIDER OF CAPITAL RELIEF SOLUTIONS

Full suite of risk management solutions designed to create shareholder value

What We Do

Deliver Capital Release and Risk Management Solutions to Insurance Market Industry founder and largest standalone provider

Generate Positive Claims Outcomes
"Enstar Effect" drives decades of Run-off Liability Earnings

Growing Asset Base Using Origination Capabilities
\$19.5bn investable assets; 3.5x investment leverage¹

How We Do It



1. Investment leverage is calculated as average investable assets for the year ended December 31, 2022, divided by opening equity as of December 31, 2021.



COMPETITIVE LANDSCAPE

Unparalleled leadership in global run-off market, built on scale, flexibility, and track record of claims management excellence

	Run-off Focused						Diversified Business	
		Catalina	Riverstone Int.	DARAG	Premia	Compre	Swiss Re	NICO
Longevity (>20yrs in Operation)								
Presence in Global Run-off Markets								
Experience in All Types of Run-off Transactions								
Deals Announced Since Inception ¹	117	~31	~34	~60	~9	~56	N.A.	N.A.
Shareholders' Equity (\$ Billions) ²	4.8	~1.4	~1.3	Not Published	~0.6	~0.25	~12.7	~202 ³

¹ These approximations are based upon publicly announced transactions. Includes two Riverstone transactions signed with Axis and Amlin which were announced after 30-Sept-2022.
² As of latest company filings. As of 31-Dec-2022 for Enstar and Swiss Re. 30-Sept-2022 for Riverstone International and NICO. 31-Dec-2021 for Catalina, Premia, and Compre.
³ Reflects policy-holders' surplus.



SIGNIFICANT GROWING RUN-OFF MARKET

\$960bn opportunity, propelled by favorable global tailwinds



Source: PwC Global Insurance Run-off Survey 2022.



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Key Market Drivers



Property of Enstar Group – Not for Distribution

FINANCIAL HIGHLIGHTS

Full Year 2022

\$(906)m
Q4: \$227m Net Income

Net Loss
(results driven by
unrealized losses)

\$756m

Run-off Liability
Earnings

\$22.2bn

Total Assets

\$4.8bn

Total
Shareholders'
Equity

\$14.8bn

Total Insurance
Liabilities¹

'A+'

Core Fixed
Income²

¹ Includes losses and loss adjustment expenses, future policyholder benefits, defendant A&E liabilities.

² The average credit ratings calculation includes cash and cash equivalents, short-term investments, fixed maturity securities and the fixed maturity securities within our funds held - directly managed portfolios.



CONSISTENT ECONOMIC MODEL

Strong source of book value growth and internal financing

Source, Diligence and Acquire New Portfolios

Leverage our industry relationships and position to source new business opportunities

Fully-integrated M&A and Claims units provide ground-up view of risk



Manage Liabilities and Investments

Apply claims management strategies to generate Run-off Liability Earnings and manage investments to obtain attractive risk adjusted returns

Redeploy Capital

Reduce capital requirements as claims are settled; any excess may be redeployed in the business



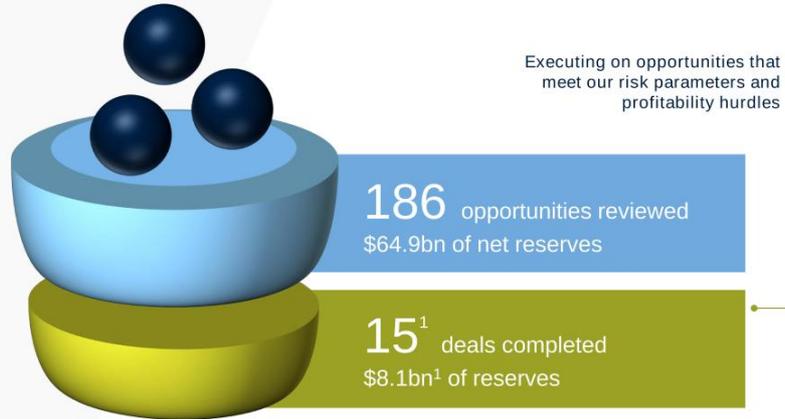
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8

ROBUST TRANSACTION PIPELINE

Consistent financial and operational discipline applied to pipeline to drive returns



Data from January 2020 – February 1, 2023
1. Excludes Enhanced Re.



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RETURN ON EQUITY (“ROE”) COMPONENTS

Generating attractive returns

RUN-OFF LIABILITY EARNINGS (“RLE”)
Leverage Factor¹: 2.1x



TOTAL INVESTMENT RETURN (“TIR”)
Leverage Factor¹: 3.5x



EXPENSES & OTHER
(INC. NON-CASH²)



Return
On
Equity



¹ TIR and RLE leverage factors are calculated as average investable assets and average net loss reserves, respectively, for the year ended December 31, 2022, divided by opening equity as of December 31, 2021.

² Non-cash items include amortization of net deferred charge assets.

A GROWING BALANCE SHEET

A platform for delivering balanced and sustainable growth through investable assets and reserves



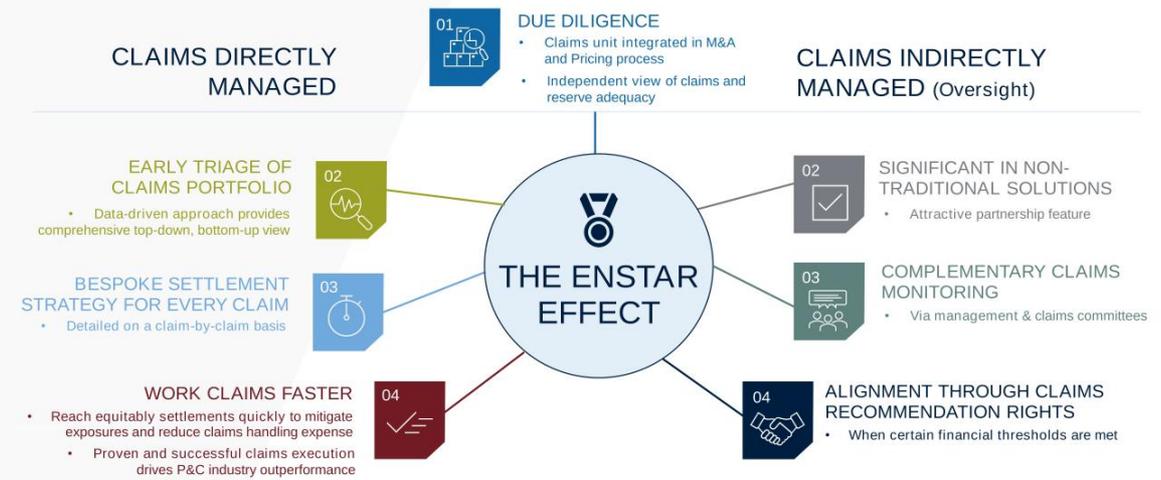
1. Investable Assets is the sum of total investments, cash and cash equivalents, restricted cash and cash equivalents and funds held.

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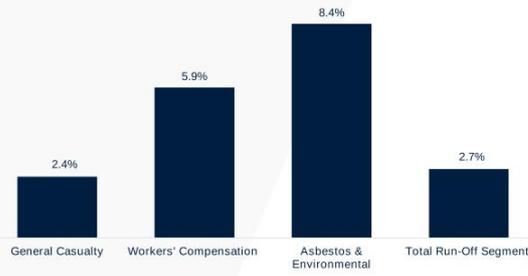
THE ENSTAR EFFECT

For most insurance companies, claims experience is an expense item.
For Enstar, driving superior claims outcomes is a major competitive advantage



LOSS RESERVE OUTPERFORMANCE

Enstar Loss Reserve Outperformance vs US P&C Industry^{1,2}
Five Years Ended 2021



Enstar delivered 2.7% better net loss reserve outcomes on our Run-off segment

Enstar 2022 Year-End Loss Reserves³
(\$ in billions)



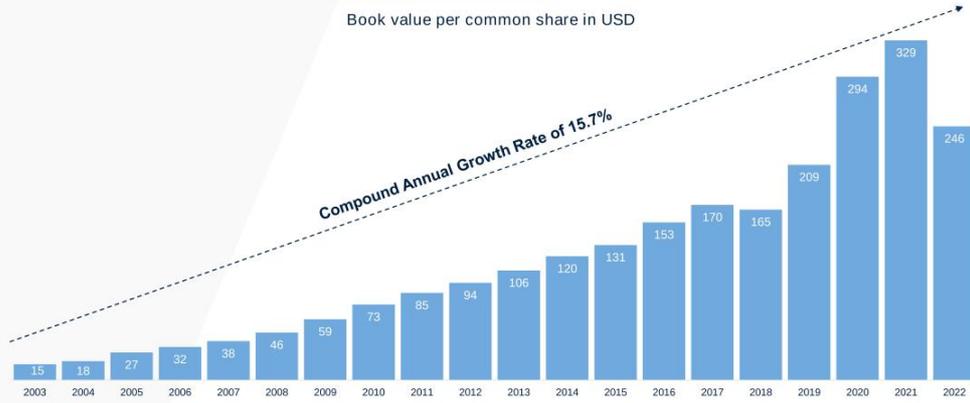
1. We calculated the change in estimates of net ultimate losses for the last 5 calendar years divided by average net loss reserves on our three largest lines of business within our Run-off segment (General Casualty, Workers' Compensation and Asbestos & Environmental), as well as in aggregate for the Run-off segment, and compared the results to the total of the Combined US P&C Industry (source: US Annual Statements through SNL). To remove any potential distortions due to mix of accident years, we have matched the industry reserves' accident-year-weighting to match Enstar's.
2. The weighted average reduction in estimates of net ultimate losses divided by average net loss reserves by line of business for the five-year period ended 2021 was as follows: i) General Casualty – Enstar (0.7%), Industry (3.2%); ii) Workers' Compensation – Enstar 10.3%, Industry 4.4%; iii) Asbestos & Environmental – Enstar 0.4%, Industry (8.1%); and iv) Total Run-off – Enstar 3.4%, Industry 0.7%.
3. Net OLR and IBNR loss reserves and ALAE for Enstar's Run-off segment.



HISTORY OF ENHANCING BOOK VALUE

29 year history operating in run-off space

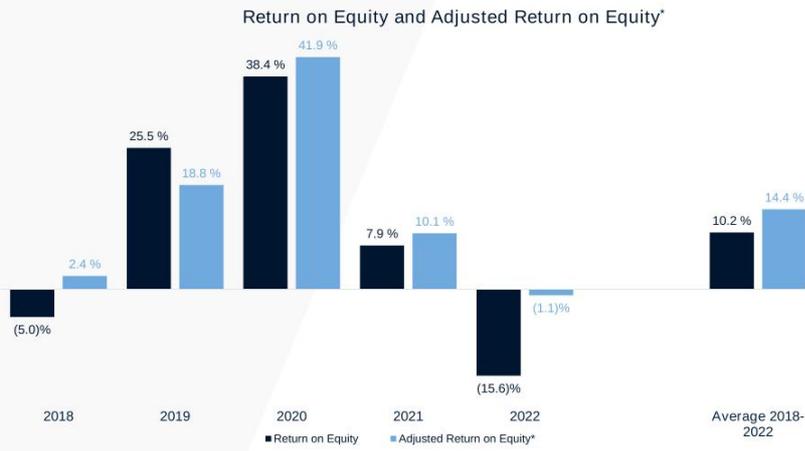
115 total acquisitive transactions completed to date



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5-YEAR ROE AND ADJUSTED ROE*



* Non-GAAP measure; refer to slides 22 to 24 for reconciliation to the applicable GAAP financial measure.
 ** Adjusted ROE is a Non-GAAP measure. Due to trading accounting elections on certain of our investment assets, ROE calculated in accordance with GAAP includes the impact of net realized and unrealized gains (losses) on fixed maturity investments and funds held-directly managed, which can be material. Consequently, ROE calculated in accordance with GAAP is interest rate sensitive and will have greater variability than our Adjusted ROE. As such, reconciliation of Adjusted ROE to ROE calculated in accordance with GAAP is not accessible on a forward-looking basis because we believe that it is not possible without unreasonable effort to provide with reasonable accuracy an expected range for the impact of net realized and unrealized gains (losses) on fixed maturity investments and funds held-directly managed. However, given that unrealized fixed income losses reduced our GAAP equity base in 2022, we expect our annual average ROE calculated in accordance with GAAP will be higher than our annual average Adjusted ROE until our unrealized fixed income losses recover, subject to the potential impact of future net realized and unrealized losses.



CAPACITY FOR GROWTH

Well-funded as of 31 December 2022



Significant Liquidity to Support Growth

- \$1.3bn of cash and cash equivalents
- \$600m of unused revolving credit facility capacity



Well-Capitalized with Moderate Leverage

- 28.0% financial leverage, in line with 25% - 30% long-term target
- Leverage ratio increase due to unrealized losses on fixed income investments
- FY21 Solvency ratio of 179%, has increased as of FY22
- Over 5-years, BSCR (solvency) year-end range 170% - 204%; above Bermuda BSCR minimum targets



Ratings¹

- BBB with positive outlook by S&P (ICR) and BBB+ with stable outlook by Fitch (IDR)



Capacity

- Closed Aspen LPT in Q2 22 assuming incremental \$1.9bn of net loss reserves
- Completed LPT with Argo in Q4 22 assuming \$718m of net loss reserves
- Announced \$1.9bn LPT with QBE in Q1 23; expected to close H1 23
- Announced AUD \$360m LPT with RACQ in Q1 23; expected to close H1 23
- Significant capacity remains for additional M&A

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.

MANAGEMENT WELL-ALIGNED WITH SHAREHOLDERS

Seasoned leadership with exceptional track record of value creation

Average Industry Experience: 25 years

Collective Industry Experience : 275+ years



Dominic Silvester
CEO & Co-founder
Years at Enstar: 29
Industry Experience: 40+ years
Age: 62



Paul Brockman
Chief Claims Officer
Years at Enstar: 10
Industry Experience: 25+ years
Age: 50



Matthew Kirk
Group Treasurer
Years at Enstar: 2
Industry Experience: 25+ years
Age: 49



Seema Thaper
Group Chief Risk Officer
Years at Enstar: 3
Industry Experience: 20+ years
Age: 42



Paul O'Shea
President, Co-founder
Years at Enstar: 28
Industry Experience: 35+ years
Age: 65



Nazar Alobaidat
Chief Investment Officer
Years at Enstar: 6
Industry Experience: 20+ years
Age: 45



Michael Murphy
Chief Accounting Officer & Deputy CFO
Years at Enstar: 1
Industry Experience: 30+ years
Age: 55



Laurence Plumb
Chief of Business Operations
Years at Enstar: 2
Industry Experience: 15+ years
Age: 39



Orla Gregory
Chief Financial Officer
Years at Enstar: 19
Industry Experience: 25+ years
Age: 48



Audrey Taranto
General Counsel
Years at Enstar: 10
Industry Experience: 10+ years
Age: 43



David Ni
Chief Strategy Officer
Years at Enstar: 3
Industry Experience: 15+ years
Age: 39



APPENDIX



INVESTMENT PORTFOLIO COMPOSITION

\$19.5bn
Total Investable
Assets ¹

\$1.3bn
Cash and
restricted cash

\$14.2bn
Investment Portfolio ²

4.40 yrs
Average Duration ³

A+
Average Investment
Portfolio Credit
Rating ⁴

2.47%
Book Yield

Investable Assets (As of December 31, 2022) - Composition by Asset Class

Cash and Cash Equivalents	Fixed Maturities	Equities	Other Investments	Equity Method Investments	Funds Held ⁵
6.8%	49.3%	6.4%	16.9%	2.0%	18.6%
Fixed Income, Trading and AFS		Equities		Other Investments	
U.S. government & agency	2.6 %	Publicly traded equities	2.0 %	Private equity funds	6.6 %
U.K. government	0.4 %	Exchange-traded funds	2.6 %	Fixed income funds	2.8 %
Other government	2.4 %	Privately held equities	1.8 %	Private credit funds	1.9 %
Corporate	27.1 %	Total	6.4 %	Hedge funds	2.8 %
Municipal	1.1 %			Equity funds	— %
Residential mortgage-backed	2.8 %			CLO equities	0.8 %
Commercial mortgage-backed	5.2 %			CLO equity funds	1.0 %
Asset-backed	4.7 %			Real estate funds	1.0 %
Structured products	3.0 %			Total	16.9 %
Total	49.3 %				

¹ The sum of total investments, cash and cash equivalents, restricted cash and cash equivalents and funds held.

² Excludes equity method investments.

³ The average duration calculation includes cash and cash equivalents, short-term investments and fixed maturity securities, as well as the fixed maturity securities and cash and cash equivalents within our funds held – directly managed portfolio.

⁴ The average credit ratings calculation includes cash and cash equivalents, short-term investments, fixed maturity securities and the fixed maturity securities within our funds held – directly managed portfolio.

⁵ Includes funds held by reinsured companies and other assets within funds held – directly managed.



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FINANCIAL DATA

Summary Income Statement

\$ millions	Three Months Ended December 31, 2022		Three Months Ended December 31, 2021		Year Ended December 31, 2022		Year Ended December 31, 2021	
Net premiums earned	\$	14	\$	41	\$	66	\$	245
Net investment income and net realized and unrealized gains (losses)		168		87		(1,159)		429
Other income		2		15		35		42
Net gain on sales of subsidiaries		—		11		—		73
Net incurred losses and LAE		271		133		708		231
Policyholder benefit expenses		—		3		(25)		3
Amortization of net deferred charge assets		(20)		(17)		(80)		(55)
Acquisition costs		(3)		(7)		(23)		(57)
Interest expense		(18)		(18)		(89)		(69)
General and administrative expenses and net foreign exchange (losses) gains		(109)		(95)		(316)		(355)
Income tax benefit (expense)		16		(14)		12		(27)
(Losses) earnings from equity method investments		(86)		(8)		(74)		93
Net earnings (loss)		235		131		(945)		553
Net loss (earnings) attributable to noncontrolling interests		1		(2)		75		(15)
Dividends on preferred shares		(9)		(9)		(36)		(36)
Net earnings (loss) attributable to Enstar ordinary shareholders	\$	227	\$	120	\$	(906)	\$	502



FINANCIAL DATA

Summary Balance Sheet

\$ millions	December 31, 2022	December 31, 2021
Assets		
Investable assets	\$ 19,540	\$ 21,708
Reinsurance balances recoverable	1,131	1,517
Net deferred charge assets	658	598
Other	825	833
Total Assets	\$ 22,154	\$ 24,656
Liabilities		
Losses and loss adjustment expenses	\$ 13,007	\$ 13,258
Future policyholder benefits	1,184	1,502
Defendant asbestos and environmental liabilities	607	638
Debt obligations	1,829	1,691
Other	562	835
Total Liabilities	17,189	17,924
Redeemable noncontrolling interests ("RNCI")	168	179
Shareholders' Equity		
Ordinary shareholders' equity	4,191	5,813
Series D & E preferred shares	510	510
Noncontrolling interests	96	230
Total Shareholders' Equity	4,797	6,553
Total Liabilities, RNCI & Shareholders' Equity	\$ 22,154	\$ 24,656



NON-GAAP MEASURES

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
<u>Adjusted return on equity (%)</u>	Adjusted operating income (loss) attributable to Enstar ordinary shareholders divided by adjusted opening Enstar ordinary shareholder's equity	Calculating the operating income (loss) as a percentage of our adjusted opening Enstar ordinary shareholders' equity provides a more consistent measure of the performance of our business by enabling comparison between the financial periods presented.
Adjusted operating income (loss) attributable to Enstar ordinary shareholders (numerator)	Net earnings (loss) attributable to Enstar ordinary shareholders, adjusted for: -net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed, -change in fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾ , -amortization of fair value adjustments, -net gain/loss on purchase and sales of subsidiaries (if any), -net earnings from discontinued operations (if any), -tax effects of adjustments, and -adjustments attributable to noncontrolling interests	We eliminate the impact of net realized and unrealized (gains) losses on fixed maturity investments and funds-held directly managed and the change in fair value of insurance contracts for which we have elected the fair value option, as: • we typically hold most of our fixed income securities until the earlier of maturity or the time that they are used to fund any settlement of related liabilities which are generally recorded at cost, and • removing the fair value option improves comparability since there are limited acquisition years for which we elected the fair value option. Therefore, we believe that excluding their impact on our earnings improves comparability of our core operational performance across periods.
Adjusted opening Enstar ordinary shareholders' equity (denominator)	Opening Enstar ordinary shareholders' equity, less: -net unrealized gains (losses) on fixed maturity investments and funds held-directly managed, -fair value of insurance contracts for which we have elected the fair value option ⁽¹⁾ , -fair value adjustments, and -net assets of held for sale or disposed subsidiaries classified as discontinued operations (if any)	We include fair value adjustments as non-GAAP adjustments to the adjusted operating income (loss) attributable to Enstar ordinary shareholders as they are non-cash charges that are not reflective of the impact of our claims management strategies on our loss portfolios. We eliminate the net gain (loss) on the purchase and sales of subsidiaries and net earnings from discontinued operations, as these items are not indicative of our ongoing operations. We use this non-GAAP measure in our incentive compensation program.

⁽¹⁾ Comprises the discount rate and risk margin components.



RECONCILIATION TO ADJUSTED RETURN ON EQUITY

2022, 2021 and 2020

	2022			For the Year Ended December 31, 2021			2020		
	Net (loss) earnings ⁽¹⁾	Opening Equity ⁽²⁾	(Adj) ROE	Net earnings	Opening Equity ⁽²⁾	(Adj) ROE	Net earnings	Opening Equity ⁽²⁾	(Adj) ROE
Net (loss) earnings/Opening equity/ROE ⁽¹⁾	\$ (906)	\$ 5,813	(15.6)%	\$ 502	\$ 6,326	7.9%	\$ 1,723	\$ 4,490	38.4%
Non-GAAP adjustments:									
Net realized and unrealized losses on fixed maturity investments and funds held - directly managed / Net unrealized gains on fixed maturity investments and funds held - directly managed ⁽³⁾	1,181	(89)		210	(560)		(306)	(277)	
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option ⁽⁴⁾	(200)	(107)		(75)	(33)		119	(130)	
Amortization of fair value adjustments / Fair value adjustments	(18)	(106)		16	(128)		27	(152)	
Net gain on purchase and sales of subsidiaries	—	—		(73)	—		(3)	—	
Net earnings from discontinued operations / Net assets of entities classified as held for sale and discontinued operations	—	—		—	—		(16)	(266)	
Tax effects of adjustments ⁽⁵⁾	(7)	—		(21)	—		23	—	
Adjustments attributable to noncontrolling interests ⁽⁶⁾	(111)	—		6	—		13	109	
Adjusted net (loss) earnings/Adjusted opening equity/Adjusted ROE [*]	\$ (6)	\$ 5,511	(1.1)%	\$ 565	\$ 5,605	10.1%	\$ 1,580	\$ 3,774	41.9%

⁽¹⁾ Net (loss) earnings comprises net (loss) earnings attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares (\$510 million as of December 31, 2021, 2020 and 2019), prior to any non-GAAP adjustments.

⁽²⁾ Represents the net realized and unrealized losses (gains) related to fixed maturity securities. Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance.

⁽³⁾ Comprises the discount rate and risk margin components.

⁽⁴⁾ 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.

⁽⁵⁾ Represents the impact of the adjustments on the net earnings (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

⁽⁶⁾ Non-GAAP financial measure.



RECONCILIATION TO ADJUSTED RETURN ON EQUITY

2018 and 2019

For the Year Ended December 31,

	2019			2018		
	Net earnings ⁽¹⁾	Opening Equity ⁽²⁾⁽³⁾	(Adj) ROE	Net (loss) earnings ⁽¹⁾	Opening Equity ⁽²⁾⁽³⁾	(Adj) ROE
	(in millions of U.S. dollars)					
Net (loss) earnings/Opening equity/ROE ⁽¹⁾	\$ 906	\$ 3,546	25.5 %	\$ (166)	\$ 3,295	(5.0) %
Non-GAAP adjustments:						
Net realized and unrealized losses (gains) on fixed maturity investments and funds held - directly managed / Unrealized (losses) gains on fixed maturity investments and funds held - directly managed ⁽⁴⁾	(516)	227		237	(101)	
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option ⁽⁵⁾	117	(244)		7	(183)	
Amortization of fair value adjustments / Fair value adjustments	51	(199)		7	(104)	
Net earnings from discontinued operations / Net assets of entities classified as held for sale and discontinued operations	(7)	(210)		(1)	(157)	
Tax effects of adjustments ⁽⁶⁾	36	—		(18)	—	
Adjustments attributable to noncontrolling interests ⁽⁷⁾	15	86		3	65	
Adjusted net (loss) earnings/Adjusted opening equity/Adjusted ROE [*]	\$ 602	\$ 3,206	18.8 %	\$ 60	\$ 2,615	2.4 %

⁽¹⁾ Net (loss) earnings comprises net (loss) earnings attributable to Enstar ordinary shareholders, prior to any non-GAAP adjustments. Opening equity comprises Enstar ordinary shareholders' equity, which is calculated as opening Enstar shareholders' equity less preferred shares (\$510 million as of December 31, 2018), prior to any non-GAAP adjustments.

⁽²⁾ Represents the net realized and unrealized gains and losses related to fixed maturity securities. Our fixed maturity securities are held directly on our balance sheet and also within the "Funds held - directly managed" balance.

⁽³⁾ Comprises the discount rate and risk margin components.

⁽⁴⁾ 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.

⁽⁵⁾ Represents the impact of the adjustments on the net earnings (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

⁽⁶⁾ The 2017 and 2018 balance sheets have not been restated to reflect the impact of the 2020 StarStone U.S. discontinued operations classification.

^{*} Non-GAAP financial measure.



