

**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): May 4, 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 3rd 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	LLC
Depository Shares, Each Representing a 1/1,000th Interest in a 7.00% Fixed-to-Floating Rate	ESGRP	The NASDAQ Stock Market	LLC
Perpetual Non-Cumulative Preferred Share, Series D, Par Value \$1.00 Per Share			
Depository Shares, Each Representing a 1/1,000th Interest	ESGRO	The NASDAQ Stock Market	LLC
in a 7.00% Perpetual Non-Cumulative Preferred Share, Series E, Par Value \$1.00 Per Share			

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 May 4, 2023, Enstar Group Limited (the "Company") issued a press release announcing its results for the quarter ended March 31, 2023 (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 quarter ended March 31, 2023 (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 quarter ended March 31, 2023 (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 9.01. Financial Statements and ExhibitsExhibits

Exhibit No.	Description
99.1	Press Release, dated May 4, 2023.
99.2	Financial Supplement for the quarter ended March 31, 2023.
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

May 4, 2023

By: /s/ Matthew Kirk
Matthew Kirk
Chief Financial Officer



Date: May 4, 2023

Contact: Enstar Communications

For Release: Immediately

Telephone: +1 (441) 292-3645

Enstar Group Limited Reports First Quarter 2023 Results

- **Net Earnings of \$424 million and Return on Equity of 9.5%, primarily driven by strong investment results**
- **Book Value per Ordinary Share grew 7.8% to \$282.74 (Adjusted* \$277.38) as of March 31, 2023**
- **Returned \$341 million to shareholders through share repurchases**
- **Completed novation of Enhanced Re reinsurance policies, recording \$194 million gain**
- **Subsequent to quarter end, completed \$1.9 billion Loss Portfolio Transfer with QBE**

HAMILTON, Bermuda - May 4, 2023 - Enstar Group Limited (Nasdaq: ESGR) filed its quarterly report on Form 10-Q with the SEC earlier today. An audio presentation reviewing the first quarter 2023 results with expanded commentary is available on Enstar's investor relations website at investor.enstargroup.com.

First Quarter 2023 Highlights:

- Net earnings of \$424 million, or \$24.79 per diluted ordinary share, compared to net loss of \$267 million, or \$15.19 per diluted ordinary share, for the three months ended March 31, 2022.
- Return on equity ("ROE") of 9.5% and Adjusted ROE* of 6.8% for the quarter compared to (4.6)% and (1.1)%, respectively, in the first quarter of 2022. ROE performance was driven by investment returns of \$355 million and a one-time net gain recognized on the completion of the novation of the Enhanced Re reinsurance closed block of life annuity policies of \$194 million. Adjusted ROE* excludes \$41 million of net realized and unrealized gains on our fixed income securities.
- Run-off liability earnings ("RLE") of \$10 million, driven by favorable development on our workers' compensation line of business and partially offset by increases in the value of certain portfolios that are held at fair value. In comparison, RLE of \$176 million in the prior-year period benefited from reductions in the value of certain portfolios that we hold at fair value and favorable results on our inactive catastrophe programs held by Enhanced Re.
- Annualized total investment return ("TIR") of 9.5% and Annualized Adjusted TIR* of 6.3%, compared to (11.0)% and 0.5%, respectively, for the three months ended March 31, 2022. Recognized investment results benefited from net realized and unrealized gains on our fixed income securities and other investments, including equities, of \$275 million and an increase in net investment income of \$76 million.
- Entered into \$1.9 billion Loss Portfolio Transfer ("LPT") agreement with certain subsidiaries of QBE Insurance Group Limited ("QBE") and AUD\$360 million (USD \$245 million) LPT with RACQ Insurance Limited ("RACQ"). Subsequent to quarter-end, completed the LPT transaction with QBE.
- Repurchased remaining \$341 million of non-voting convertible ordinary shares, at a price that represented a 13% discount to year-end book value at the time the repurchase was negotiated as reported in our Annual Report on Form 10-K for the year ended December 31, 2022, simplifying Enstar's capital structure. Following

the adoption of ASU 2018-12 on a retrospective basis, the price paid in the repurchase transaction represented a 23% discount to year-end book value as reported in and further described in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023.

* 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 had a solid start to 2023, delivering strong net earnings largely driven by positive performance in our investment portfolio. We continued to build on our M&A successes from the prior year, entering into a \$1.9 billion ground-up LPT with QBE, which we completed at the beginning of April, and a second USD \$245 million transaction with RACQ, which we expect to close later this month. We are well-equipped to take advantage of the many opportunities we continue to see in an ever-growing sector of the market.

We also took the opportunity to simplify our capital structure through an accretive repurchase of all outstanding non-voting convertible ordinary shares. Looking ahead, strengthened by our scale, differentiated expertise, claims management function, and strong balance sheet, we remain well-positioned to provide long-term value to our shareholders."

Key Financial and Operating Metrics

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

	Three Months Ended				
	March 31, 2023		March 31, 2022		\$ / pp / bp Change
	(in millions of U.S. dollars, except per share data)				
Key Earnings Metrics					
Net earnings (loss) attributable to Enstar ordinary shareholders	\$	424	\$	(267)	\$ 691
Adjusted operating income (loss) attributable to Enstar ordinary shareholders*	\$	401	\$	(60)	\$ 461
ROE		9.5 %		(4.6)%	14.1 pp
Annualized ROE		38.0 %		(18.4)%	56.4 pp
Adjusted ROE*		6.8 %		(1.1)%	7.9 pp
Annualized Adjusted ROE*		27.3 %		(4.4)%	31.7 pp
Key Run-off Metrics					
Prior period development	\$	10	\$	176	\$ (166)
Adjusted prior period development*	\$	36	\$	53	\$ (17)
RLE		0.1 %		1.5 %	(1.4) pp
Adjusted RLE*		0.3 %		0.4 %	(0.1) pp
Key Investment Return Metrics					
Total investable assets	\$	17,773	\$	20,618	\$ (2,845)
Adjusted total investable assets*	\$	18,767	\$	21,139	\$ (2,372)
Investment book yield		3.58 %		1.91 %	167 bp
Annualized TIR		9.5 %		(11.0)%	20.5 pp
Annualized Adjusted TIR*		6.3 %		0.5 %	5.8 pp
Key Shareholder Metrics					
		As of			
		March 31, 2023		December 31, 2022	
Book value per ordinary share	\$	282.74	\$	262.24	\$ 20.50
Adjusted book value per ordinary share*	\$	277.38	\$	258.92	\$ 18.46

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 Three Months Ended March 31, 2023, and 2022

Run-off Segment

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

	Three Months Ended		
	March 31,		\$ Change
	2023	2022	
(in millions of U.S. dollars)			
INCOME			
Net premiums earned	\$ 8	\$ 17	\$ (9)
Other income:			
Reduction in estimates of net ultimate defendant A&E liabilities - prior periods	2	3	(1)
Reduction in estimated future defendant A&E expenses	1	—	1
All other income	2	7	(5)
Total other income	5	10	(5)
Total income	13	27	(14)
EXPENSES			
Net incurred losses and LAE:			
Current period	10	11	(1)
Prior periods:			
Reduction in estimates of net ultimate losses	(15)	(29)	14
Reduction in provisions for ULAE	(18)	(21)	3
Total prior periods	(33)	(50)	17
Total net incurred losses and LAE	(23)	(39)	16
Acquisition costs	2	8	(6)
General and administrative expenses	39	39	—
Total expenses	18	8	10
SEGMENT NET (LOSS) EARNINGS	\$ (5)	\$ 19	\$ (24)

Overall Results

Three Months Ended March 31, 2023 versus 2022: Net loss from our Run-off segment was \$5 million compared to net earnings of \$19 million in the comparative quarter, primarily due to:

- A \$17 million decrease in the reduction in estimates of net ultimate losses in the current quarter, mainly driven by a \$14 million decrease in favorable prior period development in comparison to the comparative quarter.
 - We recognized favorable development of \$11 million on our workers' compensation line of business in the current quarter as a result of continued favorable claims experience, most notably in the 2021 acquisition year.
 - In comparison, we recognized favorable development of \$34 million on our workers' compensation line of business in the comparative quarter as a result of favorable loss activity in the period, partially offset by adverse development of \$13 million on our property line of business due to unfavorable loss emergence relating to construction risks; 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.

Investments Segment

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

	Three Months Ended		
	March 31,		
	2023	2022	\$ Change
	(in millions of U.S. dollars)		
INCOME			
Net investment income:			
Fixed income securities	\$ 131	\$ 68	\$ 63
Cash and restricted cash	5	—	5
Other investments, including equities	24	19	5
Less: Investment expenses	(4)	(11)	7
Total net investment income	156	76	80
Net realized losses:			
Fixed income securities	(25)	(35)	10
Other investments, including equities	(11)	(2)	(9)
Net realized losses:	(36)	(37)	1
Net unrealized gains (losses):			
Fixed income securities	66	(293)	359
Other investments, including equities	158	(82)	240
Total net unrealized gains (losses):	224	(375)	599
Total income	344	(336)	680
EXPENSES			
General and administrative expenses	11	9	2
Total expenses	11	9	2
Earnings from equity method investments	11	31	(20)
SEGMENT NET EARNINGS (LOSS)	\$ 344	\$ (314)	\$ 658

Overall Results

Three Months Ended March 31, 2023 versus 2022: Net earnings from our Investments segment was \$344 million for the three months ended March 31, 2023 compared to net losses of \$314 million for the three months ended March 31, 2022. The favorable movement of \$658 million was primarily due to:

- net realized and unrealized gains on fixed income securities of \$41 million, compared to net realized and unrealized losses of \$328 million in the comparative period. The favorable variance of \$369 million was primarily driven by a decline in interest rates in the current period, in comparison to an increase in interest rates across U.S., U.K. and European markets and widening credit spreads in the prior period;
- net realized and unrealized gains on other investments, including equities, of \$147 million, compared to net realized and unrealized losses of \$84 million in the comparative period. The favorable variance of \$231 million was primarily driven by:
 - Net unrealized gains for the three months ended March 31, 2023 primarily from our public equities, CLO equity, fixed income funds, private equity funds and hedge funds, largely as a result of a rally in global equity markets;
 - Net losses for the three months ended March 31, 2022 driven by our fixed income funds, public equities, hedge funds and CLO equities, largely as a result of global equity market declines and the widening of high yield credit spreads. This was partially offset by gains on our private equity funds, private credit funds and real estate funds, which are typically recorded on a one quarter lag; and
- an increase in our net investment income of \$80 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 \$3.0 billion of our fixed income securities that are subject to floating interest rates. Our floating rate investments generated increased net investment income of \$27 million, which equates to an increase of 361 basis points on those investments in comparison to the prior period.

Income and (Loss) Earnings by Segment - For the Three Months Ended March 31, 2023 and 2022

	Three Months Ended		
	March 31, 2023	March 31, 2022	\$ Change
	(In millions of U.S. dollars)		
INCOME			
Run-off	\$ 13	\$ 27	\$ (14)
Assumed Life	275	14	261
Investments	344	(336)	680
Legacy Underwriting	—	2	(2)
Subtotal	632	(293)	925
Corporate and other	—	3	(3)
Total income	\$ 632	\$ (290)	\$ 922
SEGMENT NET EARNINGS (LOSS)			
Run-off	\$ (5)	\$ 19	\$ (24)
Assumed Life	275	29	246
Investments	344	(314)	658
Legacy Underwriting	—	—	—
Total segment net earnings (loss)	614	(266)	880
Corporate and other	(190)	(1)	(189)
NET EARNINGS (LOSS) ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	\$ 424	\$ (267)	\$ 691

For additional detail on the Assumed Life segment, the Legacy Underwriting segment and Corporate and other activities, please refer to our Quarterly Report on Form 10-Q for the three months ended March 31, 2023.

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', '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 innovative capital release solutions through its network of group companies in Bermuda, the United States, the United Kingdom, Continental Europe and Australia. A market leader in completing legacy acquisitions, Enstar has acquired over 110 companies and portfolios since its formation. For further information about Enstar, see www.enstargroup.com.

Contacts

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ENSTAR GROUP LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the Three Months Ended March 31, 2023 and 2022

	Three Months Ended March 31,	
	2023	2022
	(expressed in millions of U.S. dollars, except share and per share data)	
INCOME		
Net premiums earned	\$ 8	\$ 34
Net investment income	156	80
Net realized losses	(36)	(37)
Net unrealized gains (losses)	224	(381)
Other income	280	14
Total income	632	(290)
EXPENSES		
Net incurred losses and loss adjustment expenses		
Current period	10	13
Prior periods	(10)	(176)
Total net incurred losses and loss adjustment expenses	—	(163)
Policyholder benefit expenses	—	12
Amortization of net deferred charge assets	17	18
Acquisition costs	2	8
General and administrative expenses	89	85
Interest expense	23	25
Net foreign exchange (gains) losses	(6)	3
Total expenses	125	(12)
EARNINGS (LOSS) BEFORE INCOME TAXES	507	(278)
Income tax benefit	1	—
Earnings from equity method investments	11	31
NET EARNINGS (LOSS)	519	(247)
Net earnings attributable to noncontrolling interests	(86)	(11)
NET EARNINGS (LOSS) ATTRIBUTABLE TO ENSTAR	433	(258)
Dividends on preferred shares	(9)	(9)
NET EARNINGS (LOSS) ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	\$ 424	\$ (267)
Earnings (loss) per ordinary share attributable to Enstar:		
Basic	\$ 24.97	\$ (15.19)
Diluted	\$ 24.79	\$ (15.19)
Weighted average ordinary shares outstanding:		
Basic	16,980,240	17,578,019
Diluted	17,100,954	17,785,121

ENSTAR GROUP LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS
As of March 31, 2023 and December 31, 2022

ASSETS

Short-term investments, trading, at fair value	
Short-term investments, available-for-sale, at fair value (amortized cost: 2023 — \$25; 2022 — \$37)	
Fixed maturities, trading, at fair value	
Fixed maturities, available-for-sale, at fair value (amortized cost: 2023 — \$5,713; 2022 — \$5,871; net of allowance: 2023 — \$21; 2022 — \$33)	
Funds held - directly managed, at fair value	
Equities, at fair value (cost: 2023 — \$1,092; 2022 — \$1,357)	
Other investments, at fair value (includes consolidated variable interest entity: 2023 - \$14; 2022 - \$3)	
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: 2023 — \$135; 2022 — \$131)	
Reinsurance balances recoverable on paid and unpaid losses, at fair value	
Insurance balances recoverable (net of allowance: 2023 and 2022 — \$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 2023: 16,010,758; 2022: 17,588,050)	
Voting Ordinary Shares (issued and outstanding 2023: 16,010,758; 2022: 15,990,338)	
Non-voting convertible ordinary Series C Shares (issued and outstanding 2023: 0; 2022: 1,192,941)	
Non-voting convertible ordinary Series E Shares (issued and outstanding 2023: 0; 2022: 404,771)	
Preferred Shares:	
Series C Preferred Shares (issued and held in treasury 2023 and 2022: 388,571)	
Series D Preferred Shares (issued and outstanding 2023 and 2022: 16,000; liquidation preference \$400)	
Series E Preferred Shares (issued and outstanding 2023 and 2022: 4,400; liquidation preference \$110)	
Treasury shares, at cost (Series C Preferred Shares 2023 and 2022: 388,571)	
Joint Share Ownership Plan (voting ordinary shares, held in trust 2023 and 2022: 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	

	March 31, 2023	December 31, 2022
	(in millions of U.S. dollars, except share data)	
\$	3	\$ 14
	25	38
	2,153	2,370
	5,183	5,223
	1,103	2,040
	1,078	1,250
	3,417	3,296
	410	397
	13,372	14,628
	828	822
	315	508
	883	856
	265	275
	176	177
	3,258	3,582
	641	658
	607	648
\$	20,345	\$ 22,154
\$	10,936	\$ 11,721
	1,250	1,286
	—	821
	596	607
	74	100
	1,830	1,829
	605	462
	15,291	16,826
	170	168
	16	16
	—	1
	—	—
	—	—
	400	400
	110	110
	(422)	(422)
	(1)	(1)
	440	766
	(496)	(302)
	4,830	4,406
	4,877	4,974
	7	186
	4,884	5,160
\$	20,345	\$ 22,154

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 maturity investments 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 investments 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.

The following table presents more information on each non-GAAP measure. The results and GAAP reconciliations for these measures are set forth further below.

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 income securities 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. 	<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 investment return (dollars), adjusted for:</p> <ul style="list-style-type: none"> -net realized and unrealized (gains) losses on fixed income securities 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. 	

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.

Adjusted prior period development (numerator)

Prior period net incurred losses and LAE, adjusted to:

Remove:

- 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.

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 net loss reserves (denominator)

Net losses and LAE, adjusted to:

Remove:

- 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.

*Non-GAAP measure.

Reconciliation of GAAP to Non-GAAP Measures

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

	March 31, 2023			December 31, 2022		
	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ⁽¹⁾⁽²⁾	Ordinary Shares	Per Share Amount
	(in millions of U.S. dollars, except share and per share data)					
Book value per ordinary share	\$ 4,367	15,445,128	\$ 282.74	\$ 4,464	17,022,420	\$ 262.24
Non-GAAP adjustment:						
Share-based compensation plans		298,797			218,171	
Adjusted book value per ordinary share*	\$ 4,367	15,743,925	\$ 277.38	\$ 4,464	17,240,591	\$ 258.92

⁽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.

⁽²⁾ Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting ASU 2018-12. Refer to Note 7 to our condensed consolidated financial statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023 for further information.

The table below presents a reconciliation of ROE to Adjusted ROE* and Annualized ROE to Annualized Adjusted ROE*:

	Three Months Ended							
	March 31, 2023			March 31, 2022				
	Net (loss) earnings ⁽¹⁾	Opening equity ⁽¹⁾	(Adj) ROE	Annualized (Adj) ROE	Net (loss) earnings ⁽¹⁾	Opening equity ⁽¹⁾	(Adj) ROE	Annualized (Adj) ROE
	(in millions of U.S. dollars)							
Net (loss) earnings/Opening equity/ROE/Annualized ROE ⁽¹⁾	\$ 424	\$ 4,464	9.5 %	38.0 %	\$ (267)	\$ 5,813	(4.6)%	(18.4)%
Non-GAAP adjustments:								
Remove:								
Net realized and unrealized (gains) losses on fixed income securities and funds held - directly managed / Net unrealized (gains) losses on fixed income securities and funds held - directly managed ⁽³⁾	(41)	1,827			334	(89)		
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⁾	20	(294)			(98)	(107)		
Amortization of fair value adjustments / Fair value adjustments	3	(124)			2	(106)		
Tax effects of adjustments ⁽⁵⁾	(3)	—			(26)	—		
Adjustments attributable to noncontrolling interests ⁽⁶⁾	(2)	—			(5)	—		
Adjusted operating (loss) income/Adjusted opening equity/Adjusted ROE/Annualized adjusted ROE*	\$ 401	\$ 5,873	6.8 %	27.3 %	\$ (60)	\$ 5,511	(1.1)%	(4.4)%

⁽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), prior to any non-GAAP adjustments.

⁽²⁾ Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting ASU 2018-12. Refer to Note 7 to our condensed consolidated financial statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023 for further information.

⁽³⁾ 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.

⁽⁴⁾ Comprises the discount rate and risk margin components.

⁽⁵⁾ 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.

⁽⁶⁾ 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 RLE to Adjusted RLE* and Annualized RLE to Annualized Adjusted RLE*:

	Three Months Ended		As of				Three Months Ended	
	March 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023		March 31, 2023		
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	Annualized RLE %		
PPD/net loss reserves/RLE/Annualized RLE	\$ 10	\$ 11,226	\$ 12,011	\$ 11,619	0.1 %	0.3 %		
(in millions of U.S. dollars)								
Non-GAAP Adjustments:								
Legacy Underwriting	—	—	(139)	(70)				
Net loss reserves - current period	—	(9)	—	(5)				
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	3	121	124	123				
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	20	278	294	286				
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	560	572	566				
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	34	35	35				
Adjusted PPD/Adjusted net loss reserves/ Adjusted RLE/Annualized Adjusted RLE	\$ 36	\$ 12,210	\$ 12,897	\$ 12,554	0.3 %	1.1 %		

	Three Months Ended		As of				Three Months Ended	
	March 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022		March 31, 2022		
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	Annualized RLE %		
PPD/net loss reserves/RLE/Annualized RLE	\$ 176	\$ 11,300	\$ 11,926	\$ 11,613	1.5 %	6.1 %		
(in millions of U.S. dollars)								
Non-GAAP Adjustments:								
Assumed Life	(29)	(152)	(181)	(166)				
Legacy Underwriting	(1)	(143)	(153)	(149)				
Net loss reserves - current period	—	(13)	—	(7)				
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	2	104	106	105				
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	(98)	201	107	154				
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	3	586	573	580				
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	—	37	37	37				
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE/Annualized Adjusted RLE	\$ 53	\$ 11,920	\$ 12,415	\$ 12,167	0.4 %	1.7 %		

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

*Non-GAAP measure.

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

	Three Months Ended	
	March 31, 2023	March 31, 2022
	(in millions of U.S. dollars)	
Net investment income	\$ 156	\$ 80
Net realized losses	(36)	(37)
Net unrealized gains (losses)	224	(381)
Earnings from equity method investments	11	31
Other comprehensive income:		
Unrealized gains (losses) on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	87	(252)
TIR (\$)	\$ 442	\$ (559)
Non-GAAP adjustment:		
Net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed	(41)	334
Unrealized (gains) losses on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	(87)	252
Adjusted TIR (\$)*	\$ 314	\$ 27
Total investments		
Cash and cash equivalents, including restricted cash and cash equivalents	13,372	17,242
Funds held by reinsured companies	1,143	1,135
Total investable assets	\$ 3,258	\$ 2,241
Average aggregate invested assets, at fair value ⁽¹⁾	17,773	20,618
Annualized TIR % ⁽²⁾	18,615	20,243
Non-GAAP adjustment:	9.5 %	(11.0)%
Net unrealized losses (gains) on fixed maturities, AFS investments included within AOCI and net unrealized losses (gains) on fixed maturities, trading instruments	994	521
Adjusted investable assets*	\$ 18,767	\$ 21,139
Adjusted average aggregate invested assets, at fair value* ⁽³⁾	20,020	20,459
Annualized adjusted TIR %* ⁽⁴⁾	6.3 %	0.5 %

⁽¹⁾ This amount is a two period average of the total investable assets for the three months ended March 31, 2023 and 2022 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 adjusted investable assets* for the three months ended March 31, 2023 and 2022 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.



**ENSTAR GROUP
LIMITED**

**Investor Financial
Supplement**

March 31, 2023

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 and Australia. A market leader in completing legacy acquisitions, Enstar has acquired over 110 companies and portfolios since its formation. 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.

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 investments 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 9 to 14 for further details.

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 ("ETFs") where the underlying exposure of the ETF is investment grade fixed income securities, and Enstar also has certain privately held equities which management evaluates based on the underlying economic exposures. U.S. GAAP requires that these investments be classified as "Equities".
2. Enstar has certain private equity funds that are collectively held in a limited partnership, which management evaluates based on the nature of the underlying investments within these funds. U.S. GAAP requires that the investment be classified as "Private equity funds" within "Other Investments".

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 15 and 16 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.

Financial Highlights



	Three Months Ended	
	March 31, 2023	March 31, 2022
Key Earnings Metrics		
ROE	9.5 %	(4.6)%
Annualized ROE	38.0 %	(18.4)%
Adjusted ROE ⁽¹⁾	6.8 %	(1.1)%
Annualized adjusted ROE ⁽¹⁾	27.3 %	(4.4)%
Basic net earnings (loss) per share	\$ 24.97	\$ (15.19)
Diluted net earnings (loss) per share	\$ 24.79	\$ (15.19)
Key Run-off Metrics		
Average net loss reserves	\$ 11,619	\$ 11,613
Run-off liability earnings ("RLE")	0.1 %	1.5 %
Average adjusted net loss reserves ⁽¹⁾	\$ 12,554	\$ 12,167
Adjusted RLE ⁽¹⁾	0.3 %	0.4 %
Key Investment Return Metrics		
Average aggregate invested assets	\$ 18,615	\$ 20,243
Annualized total investment return ("TIR")	9.5 %	(11.0)%
Annualized investment book yield	3.58 %	1.91 %
Earnings from equity method investments	\$ 11	\$ 31
Adjusted average aggregate invested assets ⁽¹⁾	\$ 20,020	\$ 20,459
Annualized adjusted TIR ⁽¹⁾	6.3 %	0.5 %
Share Repurchases		
Ordinary shares repurchased:		
Shares	1,597,712	162,134
Cost	\$ 341	\$ 42
Average price per share	\$ 213.13	\$ 257.49
	As of	
	March 31, 2023	December 31, 2022
Key Shareholder Metrics		
Ordinary shareholders' equity	\$ 4,387	\$ 4,464
Total Enstar shareholders' equity	\$ 4,877	\$ 4,974
Book value per ordinary share ("BVPS")	\$ 282.74	\$ 262.24
Adjusted BVPS ⁽¹⁾	\$ 277.38	\$ 258.92
Change in adjusted BVPS	7.1 %	(19.9)%
Total ordinary shares outstanding	15,445,128	17,022,420
Adjusted ordinary shares outstanding	15,743,925	17,240,591
Key Balance Sheet Metrics		
Total assets	\$ 20,345	\$ 22,154
Debt obligations	\$ 1,830	\$ 1,829
Total liabilities	\$ 15,291	\$ 16,826
Total investable assets to ordinary shareholders' equity	4.07x	4.38x
Total net loss reserves to ordinary shareholders' equity	2.57x	2.69x
Debt to total capitalization attributable to Enstar	27.3 %	26.9 %

enstargroup.com ⁽¹⁾ Non-GAAP financial measure, refer to pages 9 to 14 for explanatory notes and a reconciliation to the most directly comparable GAAP measure.

Consolidated Results by Segment - Q1 2023



	Three Months Ended					Total
	Run-off	Assumed Life	Investments	Legacy Underwriting	Corporate and other ⁽¹⁾	
March 31, 2023						
INCOME						
Net premiums earned	\$ 8	\$ —	\$ —	\$ —	\$ —	\$ 8
Net investment income	—	—	156	—	—	156
Net realized losses	—	—	(36)	—	—	(36)
Net unrealized gains	—	—	224	—	—	224
Other income	5	275	—	—	—	280
Total income	13	275	344	—	—	632
EXPENSES						
Net incurred losses and loss adjustment expenses						
Current period	10	—	—	—	—	10
Prior period	(33)	—	—	—	23	(10)
Total net incurred losses and loss adjustment expenses	(23)	—	—	—	23	—
Amortization of net deferred charge assets	—	—	—	—	17	17
Acquisition costs	2	—	—	—	—	2
General and administrative expenses	39	—	11	—	39	89
Total expenses	18	—	11	—	79	108
(LOSS) EARNINGS BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	(5)	275	333	—	(79)	524
Earnings from equity method investments	—	—	11	—	—	11
SEGMENT (LOSS) EARNINGS	\$ (5)	\$ 275	\$ 344	\$ —	(79)	535
Interest expense	—	—	—	—	(23)	(23)
Net foreign exchange gains	—	—	—	—	6	6
Income tax benefit	—	—	—	—	1	1
NET EARNINGS	—	—	—	—	—	519
Net loss attributable to noncontrolling interests	—	—	—	—	(86)	(86)
NET EARNINGS ATTRIBUTABLE TO ENSTAR	—	—	—	—	—	433
Dividends on preferred shares	—	—	—	—	(9)	(9)
NET (LOSS) EARNINGS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	—	—	—	—	(9)	424

⁽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.

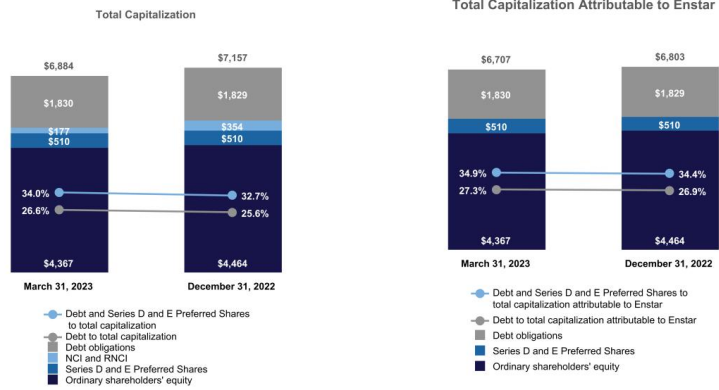
Consolidated Results by Segment - Q1 2022



Three Months Ended
March 31, 2022

	Run-off	Assumed Life	Investments	Legacy Underwriting	Corporate and other ⁽¹⁾	Total
INCOME						
Net premiums earned	\$ 17	\$ 14	\$ —	\$ 3	\$ —	\$ 34
Net investment income	—	—	76	4	—	80
Net realized losses	—	—	(37)	—	—	(37)
Net unrealized losses	—	—	(375)	(6)	—	(381)
Other income	10	—	—	1	3	14
Total income	27	14	(336)	2	3	(290)
EXPENSES						
Net incurred losses and loss adjustment expenses						
Current period	11	—	—	2	—	13
Prior period	(50)	(29)	—	(1)	(96)	(176)
Total net incurred losses and loss adjustment expenses	(39)	(29)	—	1	(96)	(163)
Policyholder benefit expenses	—	12	—	—	—	12
Amortization of net deferred charge assets	—	—	—	—	18	18
Acquisition costs	8	—	—	—	—	8
General and administrative expenses	39	2	9	1	34	85
Total expenses	8	(15)	9	2	(44)	(40)
EARNINGS (LOSS) BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	19	29	(345)	—	47	(250)
Earnings from equity method investments	—	—	31	—	—	31
SEGMENT EARNINGS (LOSS)	\$ 19	\$ 29	\$ (314)	\$ —	\$ 47	\$ (219)
Interest expense	—	—	—	—	(25)	(25)
Net foreign exchange losses	—	—	—	—	(3)	(3)
Income tax expense	—	—	—	—	—	—
NET LOSS	—	—	—	—	—	(247)
Net earnings attributable to noncontrolling interests	—	—	—	—	(11)	(11)
NET LOSS ATTRIBUTABLE TO ENSTAR	—	—	—	—	—	(258)
Dividends on preferred shares	—	—	—	—	(9)	(9)
NET LOSS ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS	—	—	—	—	—	(267)

⁽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.



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:</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:</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.

Reconciliation to Adjusted Book Value Per Share



	As of					
	March 31, 2023			December 31, 2022		
	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ⁽¹⁾⁽²⁾	Ordinary Shares	Per Share Amount
Book value per ordinary share	\$ 4,367	15,445,128	\$ 282.74	\$ 4,464	17,022,420	\$ 262.24
Non-GAAP adjustments:						
Share-based compensation plans		298,797			218,171	
Adjusted book value per ordinary share*	\$ 4,367	15,743,925	\$ 277.38	\$ 4,464	17,240,591	\$ 258.92

⁽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.

⁽²⁾ Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting ASU 2018-12. Refer to Note 7 to our condensed consolidated financial statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023 for further information.

* Non-GAAP financial measure.

Reconciliation to Adjusted Return on Equity - Q1 2023 and 2022



	Three Months Ended March 31,							
	2023				2022			
	Net (loss) earnings ⁽¹⁾	Opening equity ⁽¹⁾⁽²⁾	(Adj) ROE	Annualized (Adj) ROE	Net (loss) earnings ⁽¹⁾	Opening equity ⁽¹⁾⁽²⁾	(Adj) ROE	Annualized (Adj) ROE
Net earnings (loss)/Opening equity/ROE⁽¹⁾	\$ 424	\$ 4,464	9.5 %	38.0 %	\$ (267)	\$ 5,813	(4.6)%	(18.4)%
Non-GAAP adjustments:								
Net realized and unrealized (gains) losses on fixed income securities and funds held - directly managed / Net unrealized (gains) losses on fixed income securities and funds held - directly managed ⁽³⁾	(41)	1,827			334	(89)		
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⁾	20	(294)			(98)	(107)		
Amortization of fair value adjustments / Fair value adjustments	3	(124)			2	(106)		
Tax effects of adjustments ⁽⁵⁾	(3)	—			(26)	—		
Adjustments attributable to noncontrolling interests ⁽⁶⁾	(2)	—			(5)	—		
Adjusted operating income (loss)/Adjusted opening equity/Adjusted ROE*	\$ 401	\$ 5,873	6.8 %	27.3 %	\$ (60)	\$ 5,511	(1.1)%	(4.4)%

⁽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, 2022 and 2021), prior to any non-GAAP adjustments.

⁽²⁾ Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting ASU 2018-12. Refer to Note 7 to our condensed consolidated financial statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023 for further information.

⁽³⁾ 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.

⁽⁴⁾ Comprises the discount rate and risk margin components.

⁽⁵⁾ 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.

⁽⁶⁾ 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 Run-off Liability Earnings - QTD 2023 and 2022



	Three Months Ended		As of		Three Months Ended	
	March 31, 2023	March 31, 2023	December 31, 2022	March 31, 2023	March 31, 2023	March 31, 2023
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	Annualized RLE %
PPD/net loss reserves/RLE/Annualized RLE	\$ 10	\$ 11,226	\$ 12,011	\$ 11,619	0.1 %	0.3 %
Non-GAAP Adjustments:						
Legacy Underwriting	—	—	(139)	(70)		
Net loss reserves - current period	—	(9)	—	(5)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	3	121	124	123		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	20	278	294	286		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	560	572	566		
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	34	35	35		
Adjusted PPD/Adjusted net loss reserves/ Adjusted RLE/Annualized Adjusted RLE*	\$ 36	\$ 12,210	\$ 12,897	\$ 12,554	0.3 %	1.1 %

	Three Months Ended		As of		Three Months Ended	
	March 31, 2022	March 31, 2022	December 31, 2021	March 31, 2022	March 31, 2022	March 31, 2022
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	Annualized RLE %
PPD/net loss reserves/RLE/Annualized RLE	\$ 176	\$ 11,300	\$ 11,926	\$ 11,613	1.5 %	6.1 %
Non-GAAP Adjustments:						
Assumed Life	(29)	(152)	(181)	(166)		
Legacy Underwriting	(1)	(143)	(153)	(149)		
Net loss reserves - current period	—	(13)	—	(7)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	2	104	106	105		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	(98)	201	107	154		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	3	586	573	580		
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	—	37	37	37		
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE/Annualized Adjusted RLE*	\$ 53	\$ 11,920	\$ 12,415	\$ 12,167	0.4 %	1.7 %

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

* Non-GAAP financial measure.

	Three Months Ended March 31,	
	2023	2022
Investment results		
Net investment income	\$ 156	\$ 80
Net realized losses	(36)	(37)
Net unrealized gains (losses)	224	(381)
Earnings from equity method investments	11	31
Other comprehensive income:		
Unrealized gains (losses) on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	87	(252)
TIR (\$)	\$ 442	\$ (559)
Non-GAAP adjustments:		
Net realized and unrealized (gains) losses on fixed maturity investments and funds held-directly managed	(41)	334
Unrealized (gains) losses on fixed income securities, AFS, net of reclassification adjustments excluding foreign exchange	(87)	252
Adjusted TIR (\$)*	\$ 314	\$ 27
Total investments	13,372	17,242
Cash and cash equivalents, including restricted cash and cash equivalents	1,143	1,135
Funds held by reinsured companies	3,258	2,241
Total investable assets	\$ 17,773	\$ 20,618
Average aggregate invested assets, at fair value ⁽¹⁾	\$ 18,615	\$ 20,243
Annualized TIR % ⁽²⁾	9.5 %	(11.0)%
Non-GAAP adjustment:		
Net unrealized losses on fixed maturities, AFS investments included within AOCI and net unrealized losses (gains) on fixed maturities, trading instruments	994	521
Adjusted investable assets*	\$ 18,767	\$ 21,139
Adjusted average aggregate invested assets, at fair value ⁽³⁾	\$ 20,020	\$ 20,459
Annualized adjusted TIR % ⁽⁴⁾	6.3 %	0.5 %

⁽¹⁾ This amount is a two period average of the total investable assets for the three months ended March 31, 2023 and 2022, 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 March 31, 2023 and 2022, 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.

Investment Composition - March 31, 2023



	Other Investments										Equities			Cash ⁽²⁾	
	March 31, 2023	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	\$ 8,452	47.6 %													
Other assets included within funds held - directly managed	15	0.1 %													
Equities															
Publicly traded equities	306	1.7 %									306				
Exchange-traded funds	415	2.3 %		68								347			
Privately held equities	357	2.1 %		53		19		137					148		
Total	1,078	6.1 %	— %	11 %	— %	— %	2 %	— %	13 %	— %	— %	28 %	32 %	14 %	— %
Other investments															
Hedge funds ⁽¹⁾	584	3.3 %	502	82											
Fixed income funds	550	3.1 %		550											
Equity funds	4	— %													
Private equity funds	1,353	7.6 %		22		910		102	61	49	13	64	6	126	
CLO equities	140	0.8 %				140									
CLO equity funds	212	1.2 %				212									
Private credit funds	351	2.0 %						351							
Real estate debt fund	223	1.2 %							223						
Total	3,417	19.2 %	15 %	19 %	— %	27 %	10 %	— %	13 %	8 %	1 %	1 %	2 %	— %	4 %
Equity method investments	410	2.3 %													
Total Investments	13,372	75.3 %													
Cash and cash equivalents (including restricted cash)	1,143	6.4 %													
Funds held by reinsured companies	3,258	18.3 %													
Total investable assets	\$ 17,773	100.0 %													

⁽¹⁾ Infrastructure in fund format.

⁽²⁾ Cash and cash equivalents.

Investment Composition - December 31, 2022



	Other Investments										Equities			Cash ⁽²⁾	
	December 31, 2022	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	2.0 %								385					
Exchange-traded funds	507	2.6 %	68								439				
Privately held equities	358	1.8 %	52			25		178				103			
Total	1,250	6.4 %	— %	10 %	— %	— %	2 %	— %	14 %	— %	— %	31 %	35 %	8 %	— %
Other investments															
Hedge funds ⁽¹⁾	549	2.8 %	468	81											
Fixed income funds	547	2.8 %	547												
Equity funds	3	— %										3			
Private equity funds	1,282	6.6 %	159		825			96	59	28	13	58	6	38	
CLO equities	148	0.8 %				148									
CLO equity funds	203	1.0 %				203									
Private credit funds	362	1.9 %					362								
Real estate debt fund	202	1.0 %						202							
Total	3,296	16.9 %	14 %	24 %	— %	25 %	11 %	— %	14 %	8 %	1 %	— %	2 %	— %	1 %
Equity method investments	397	2.0 %													
Total investments	14,628	74.9 %													
Cash and cash equivalents (including restricted cash)	1,330	6.8 %													
Funds held by reinsured companies	3,582	18.3 %													
Total investable assets	\$ 19,540	100.0 %													

⁽¹⁾ Infrastructure in fund format.

⁽²⁾ Cash and cash equivalents.

