



# Enstar Group Overview

Q4 2023

Year-End Review

February 2024



# 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](http://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, the performance of our investment portfolio and liquidity, and other factors detailed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023 (which will be filed with the Securities and Exchange Commission (“SEC”)), Part 1, Item 1A. Risk Factors 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 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.

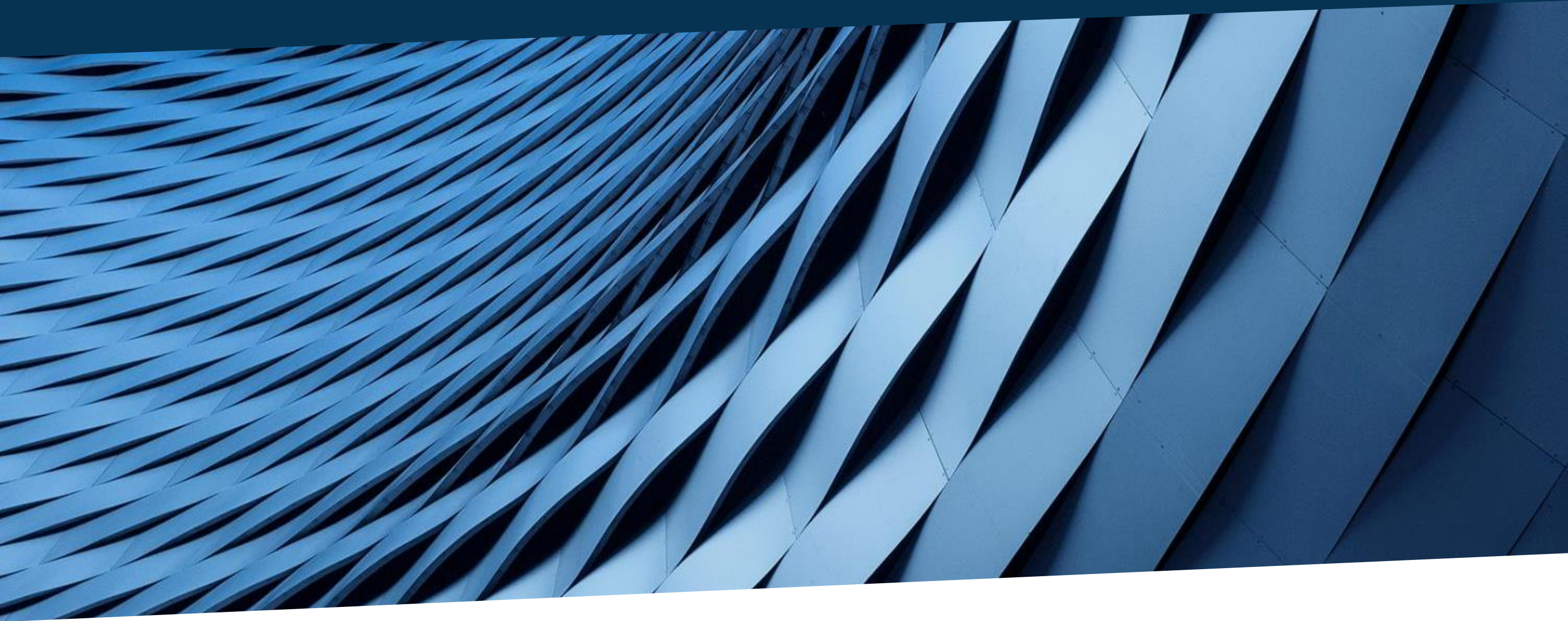
The presentation of these non-GAAP financial measures, which may be defined and calculated differently by other companies, is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. Refer to slides 29 through 36 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](http://www.sec.gov).



# KEY MESSAGES



# DOMINANT GLOBAL PROVIDER OF INNOVATIVE LEGACY SOLUTIONS



**Enstar is the largest standalone provider with a 30-year record of successfully acquiring and managing run-off while creating shareholder value**

# GENERATING SHAREHOLDER VALUE

Durable business model designed to succeed across multiple insurance cycles



**Successful execution of our strategy positions us well for long-term growth in book value and return on equity**

# ANOTHER YEAR OF STRATEGIC DELIVERY

Year ended December 31, 2023

## STRONG FY23 PERFORMANCE

**\$1.1bn**

Net Income

**24.2%**

Return on Equity

**31.0%**

Growth in Book  
Value Per Share



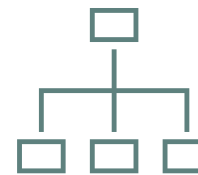
## M&A

Completed loss portfolio transfers with QBE, RACQ and a bespoke transaction with AIG, assuming total net loss reserves of \$2.2 billion



## RATINGS

Received upgrade from S&P to BBB+ on long-term issuer credit rating



## SHARE REPURCHASE

Purchased a total of \$532 million



## LIQUIDITY AND SOLVENCY

Excess capital and liquidity available to deploy to value accretive M&A

Upsized revolving credit agreement to \$800 million



# CREATING SHAREHOLDER VALUE SINCE INCEPTION

30+ year history operating in run-off space

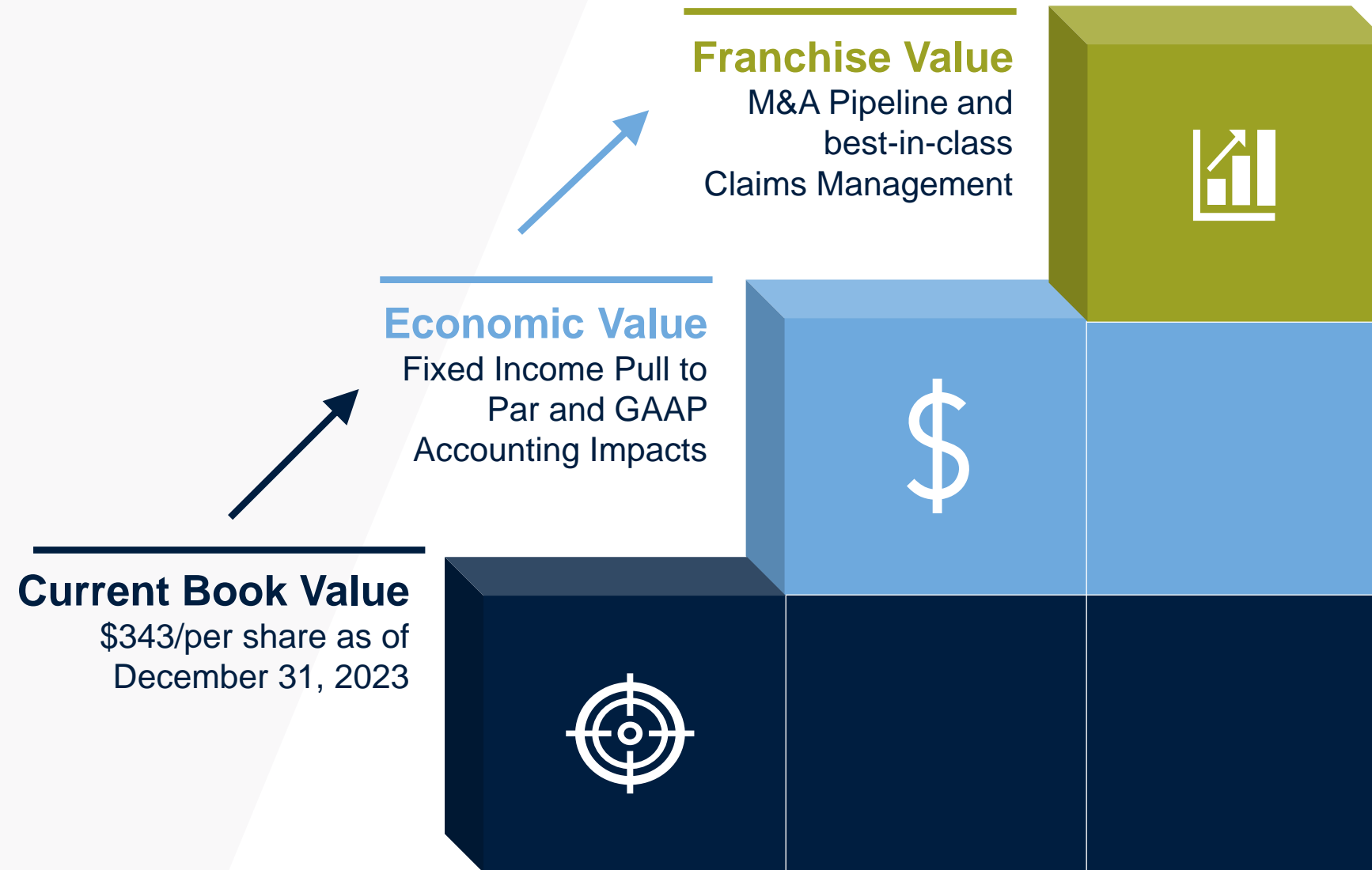
117 total acquisitive transactions completed to date



Book value per common share in USD

# WELL-POSITIONED FOR LONG-TERM VALUE CREATION

Building blocks to total value





# MANAGEMENT WELL-ALIGNED WITH SHAREHOLDERS

Seasoned leadership with exceptional track record of value creation



**Dominic Silvester**  
CEO & Co-founder

Years at Enstar: 30  
Industry Experience:  
41+ years  
Age: 63



**Orla Gregory**  
President

Years at Enstar: 20  
Industry Experience:  
30+ years  
Age: 49



**David Ni**  
Chief Strategy Officer

Years at Enstar: 4  
Industry Experience:  
18+ years  
Age: 40

Management and  
Board Representation  
Ownership

~22%\*



**Paul Brockman**  
Chief Operations  
Officer & Chief  
Claims Officer

Years at Enstar: 11  
Industry Experience:  
32+ years  
Age: 51



**Matthew Kirk**  
Chief Financial Officer

Years at Enstar: 3  
Industry Experience:  
28+ years  
Age: 50



**Nazar Alobaidat**  
Chief Investment Officer

Years at Enstar: 7  
Industry Experience:  
22+ years  
Age: 46

Average Industry  
Experience

25  
years



**Seema Thaper**  
Group Chief  
Risk Officer

Years at Enstar: 4  
Industry Experience:  
21+ years  
Age: 43



**Audrey Taranto**  
General Counsel

Years at Enstar: 11  
Industry Experience:  
12+ years  
Age: 44



**Laurence Plumb**  
Chief of Business  
Operations

Years at Enstar: 3  
Industry Experience:  
17+ years  
Age: 40

# KEY MESSAGES

**Strong competitive advantage ideally places us to create significant value for shareholders in the years ahead.**

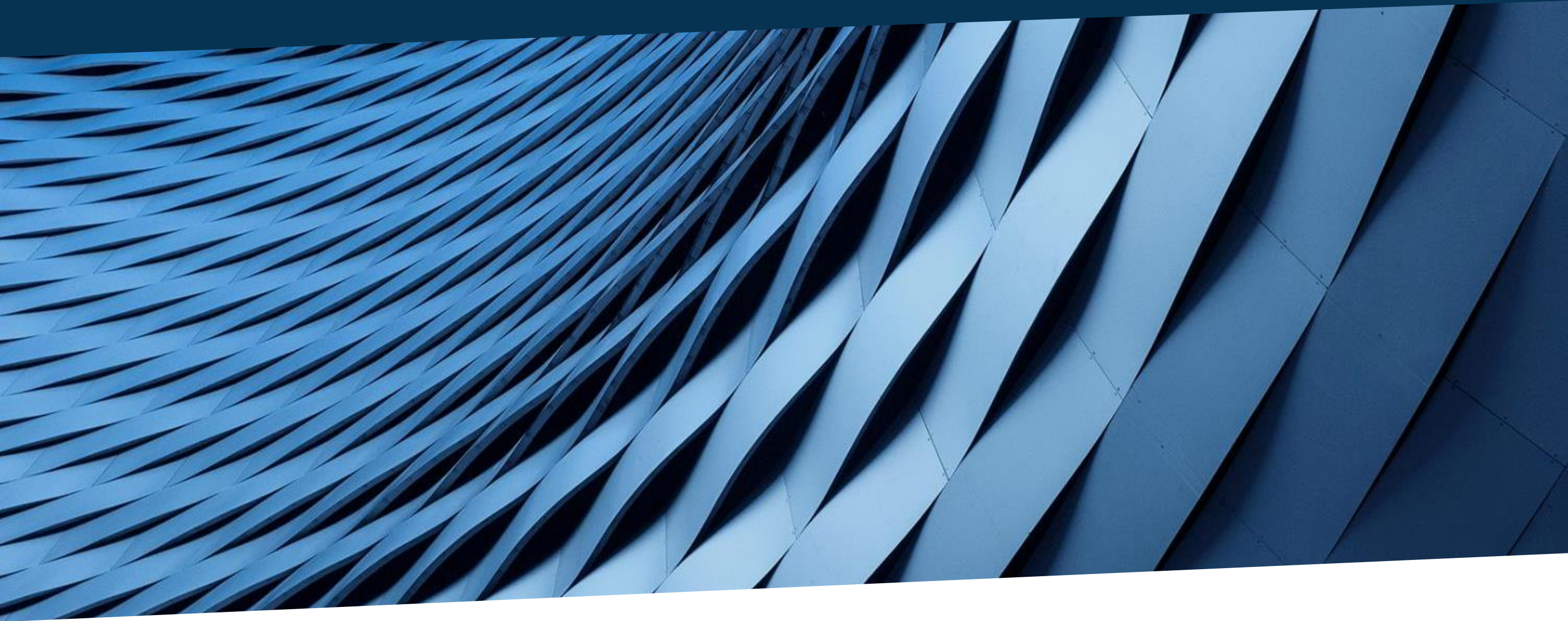
**1** **Dominant innovative legacy solutions provider** and largest run-off dedicated firm

**2** **Time-tested business model** positions us as the clear market leader in a large and growing sector

**3** **Delivering exceptional value to shareholders** with an aligned management team



# BUSINESS AND MARKET



# FULL SUITE OF MARKET-LEADING RISK MANAGEMENT SOLUTIONS DESIGNED TO CREATE SHAREHOLDER VALUE

## What We Do

**Deliver Innovative Legacy and Risk Management Solutions to Insurance Market**  
Industry founder and largest standalone provider

**Generate Positive Claims Outcomes**  
Best-in-class claims function or "Enstar Effect" drives decades of Run-off Liability Earnings

**Growing Asset Base Using Origination Capabilities**  
\$18.2bn investable assets; 4.2x investment leverage<sup>1</sup>

## How We Do It



1. Investment leverage is calculated as average investable assets for the year ended December 31, 2023, divided by opening equity as of December 31, 2022.



# CONSISTENT ECONOMIC MODEL

Strong source of book value growth and internal financing

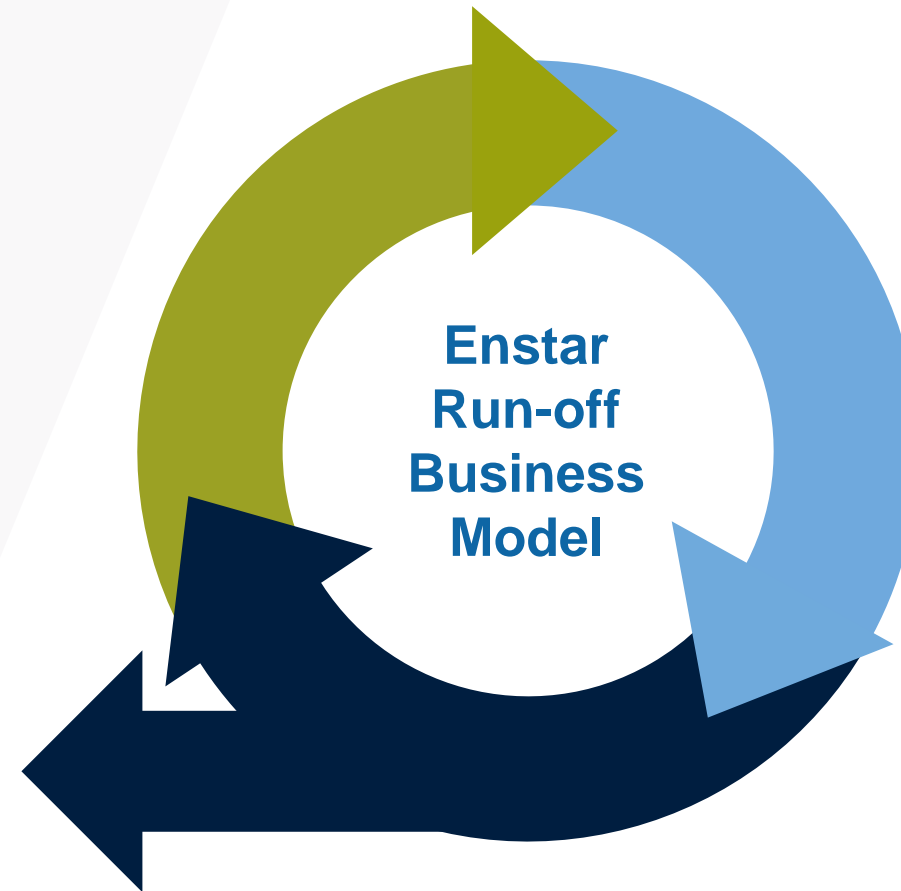
## Source, Diligence and Acquire New Portfolios

Leverage our **industry relationships** and **position** to source new business opportunities

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

## Prudent Return of Capital to Shareholders

**Excess capital** not required for M&A pipeline returned to shareholders



## Redeploy Capital

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

## Manage Liabilities and Investments

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

# RETURN ON EQUITY (“ROE”) COMPONENTS

Generating attractive returns

**RUN-OFF LIABILITY EARNINGS (“RLE”)**

Leverage Factor<sup>1</sup>: 2.6x



**TOTAL INVESTMENT RETURN (“TIR”)**

Leverage Factor<sup>1</sup>: 4.2x



**EXPENSES & OTHER  
(INC. NON-CASH<sup>2</sup>)**



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, 2023, divided by opening equity as of December 31, 2022.  
2. Non-cash items include amortization of net deferred charge assets.

# PROFITABILITY VIEW BY DEAL TYPE

Well-positioned to deliver sustainable returns from evolving legacy solutions market

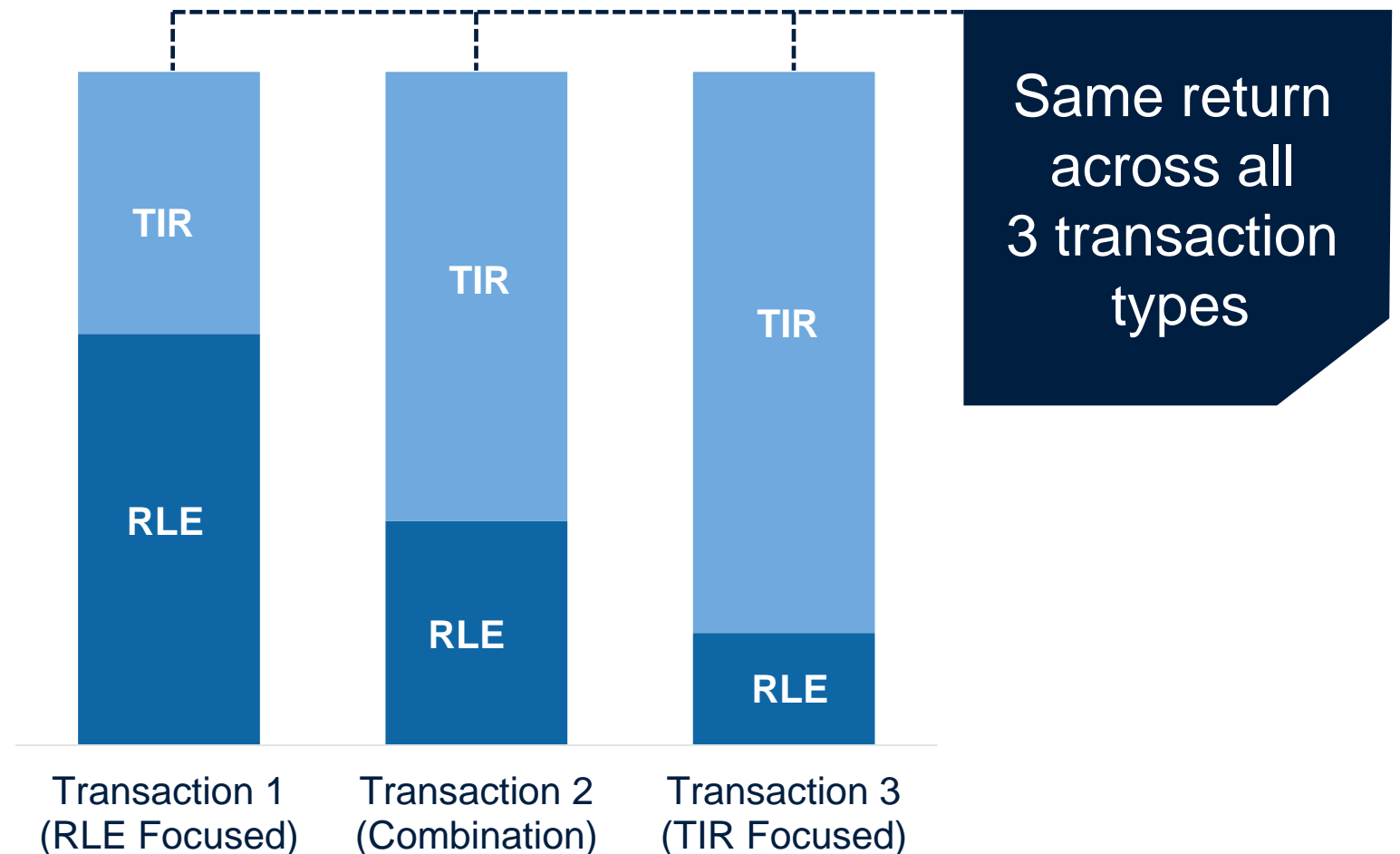
**Historical deals** with claims control generate RLE via “Enstar Effect”

**Offer clients bespoke** solutions which result in TIR returns to Enstar

**Similar returns** regardless of deal type

Enstar’s innovative legacy solutions ensure flexible profitability profile to generate attractive returns

## Hypothetical Deal Returns

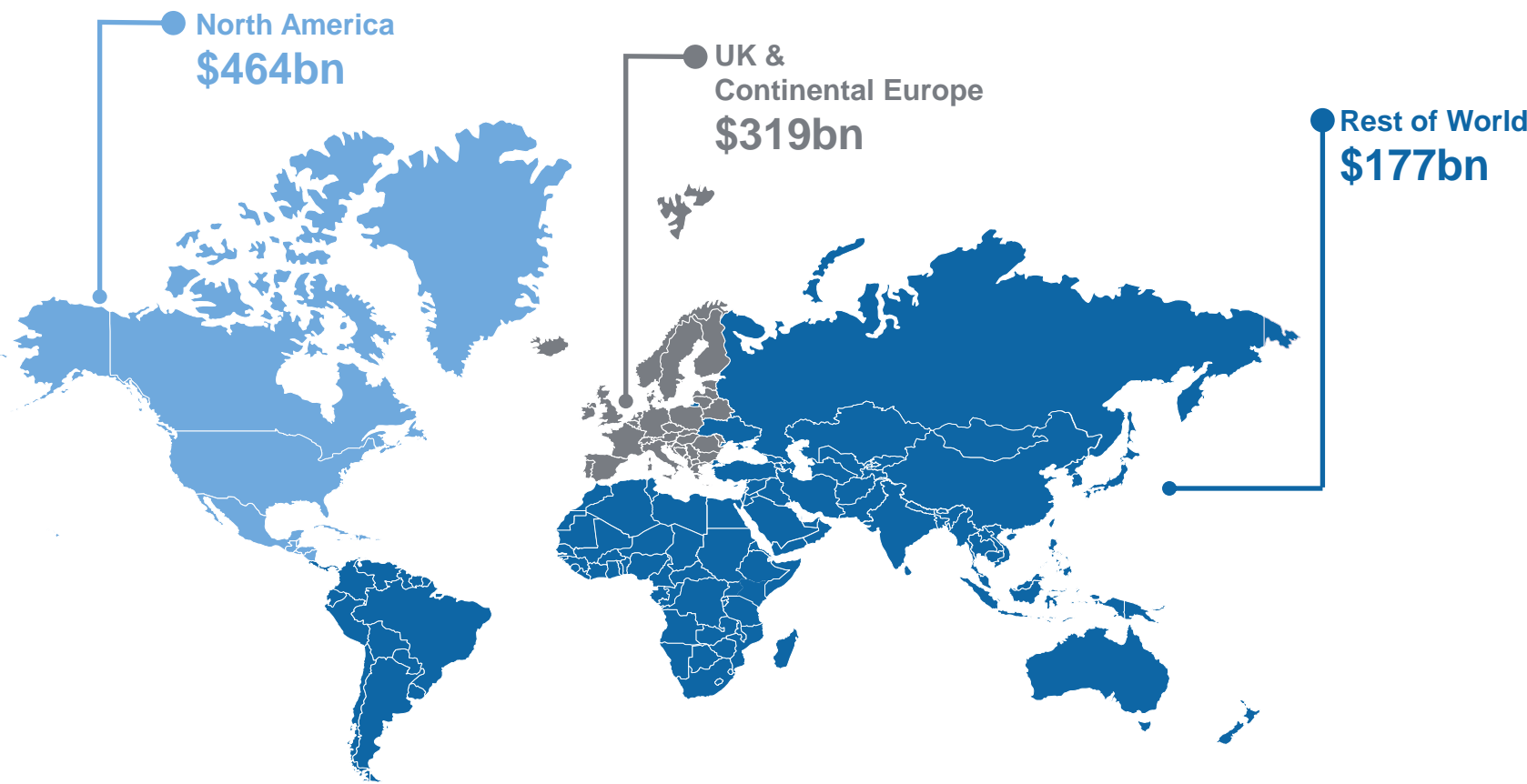


TIR Leverage factor<sup>1</sup>: 4.2x RLE Leverage factor<sup>1</sup>: 2.6x

1. TIR and RLE leverage factors are calculated as average investable assets and average net loss reserves, respectively, for the year ended December 31, 2023, divided by opening equity as of December 31, 2022

# SIGNIFICANT GROWING RUN-OFF MARKET

\$960bn opportunity, propelled by favourable global tailwinds



Source: PwC Global Insurance Run-off Survey 2022.

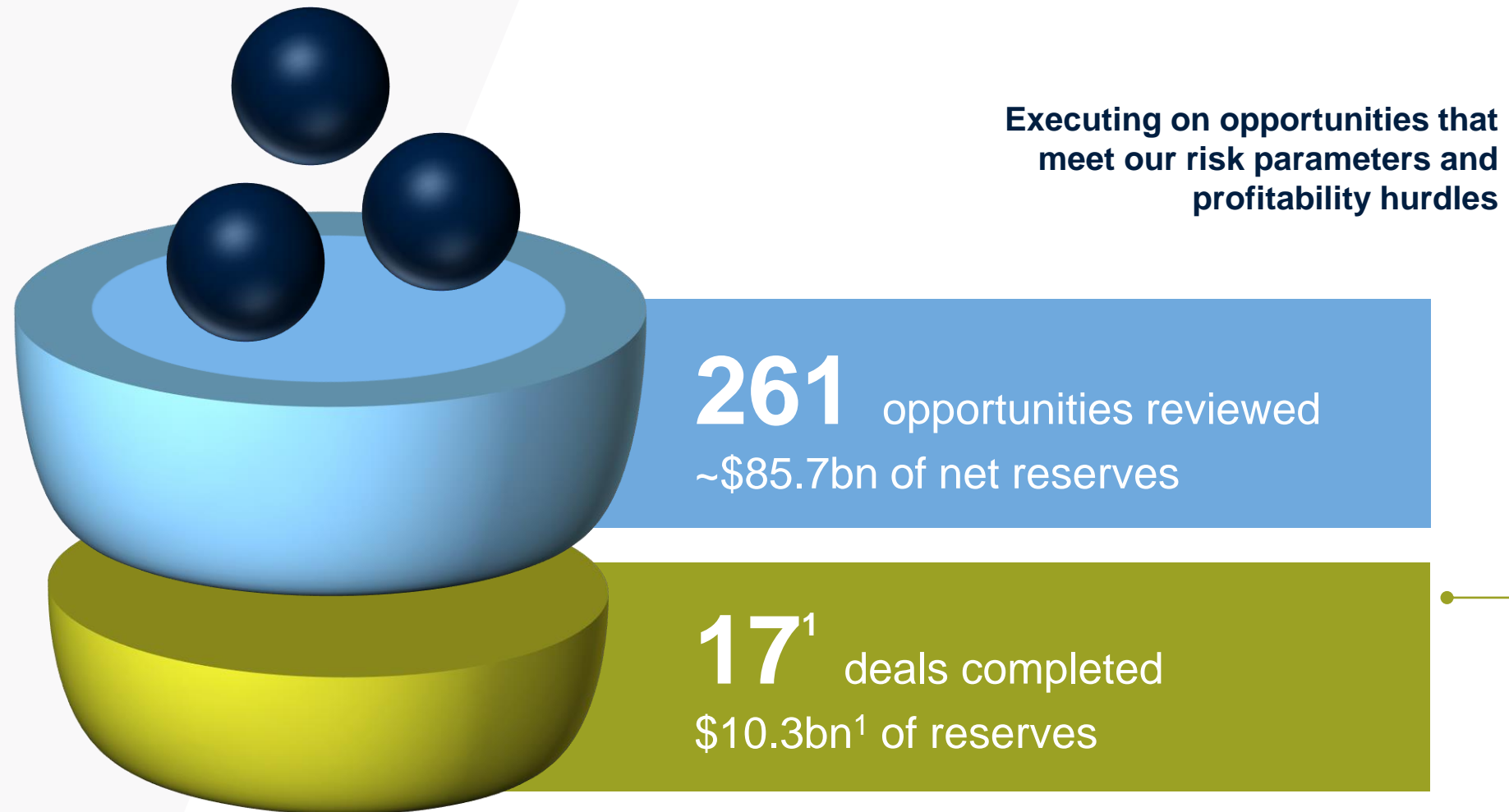
## Key Market Drivers





# ROBUST TRANSACTION PIPELINE

Consistent financial and operational discipline applied to pipeline to drive returns



Data from January 2020 – January 2024

1. Excludes Enhanced Re and transaction with AIG.

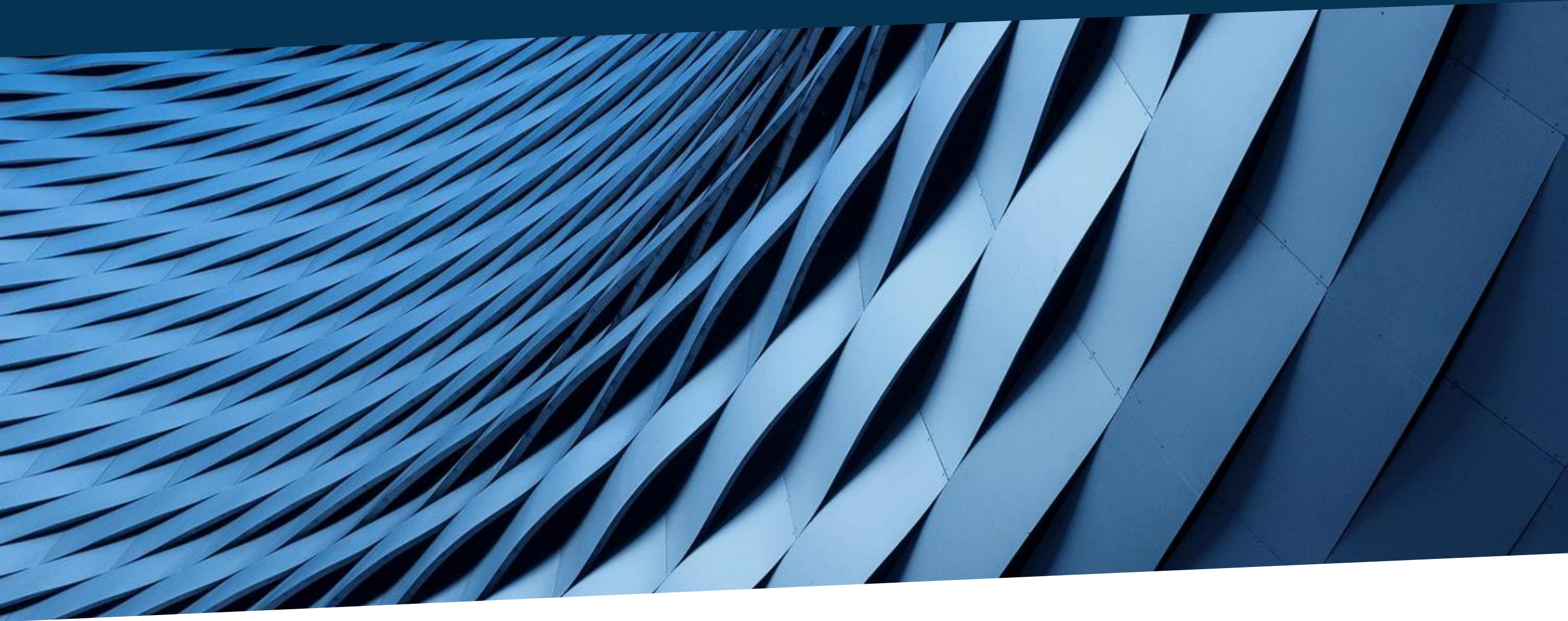
# COMPETITIVE LANDSCAPE

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

	Run-off Focused					Diversified Business	
	<b>ENSTAR</b>	Riverstone Int.	DARAG	Marco	Compre	Swiss Re	NICO
Longevity (>20yrs in Operation)	✓	✓	✗	✗	✓	✓	✓
Presence in Global Run-off Markets	✓	✓	✗	✗	✓	✗	✓
Experience in All Types of Run-off Transactions	✓	✗	✗	✗	✓	✗	✗
Transaction above \$1.5bn acquired reserves	✓	✓	✗	✗	✗	Not Published	✓
Deals Announced Since Inception <sup>1</sup>	117	~37	~67	~8	~40-50	N.A.	N.A.
Shareholders' Equity (\$ Billions) <sup>2</sup>	5.5	~1.2 <sup>2</sup>	Not Published	~0.2 <sup>2</sup>	~0.7 <sup>2</sup>	~12.7 <sup>2</sup>	~200 <sup>2, 3</sup>

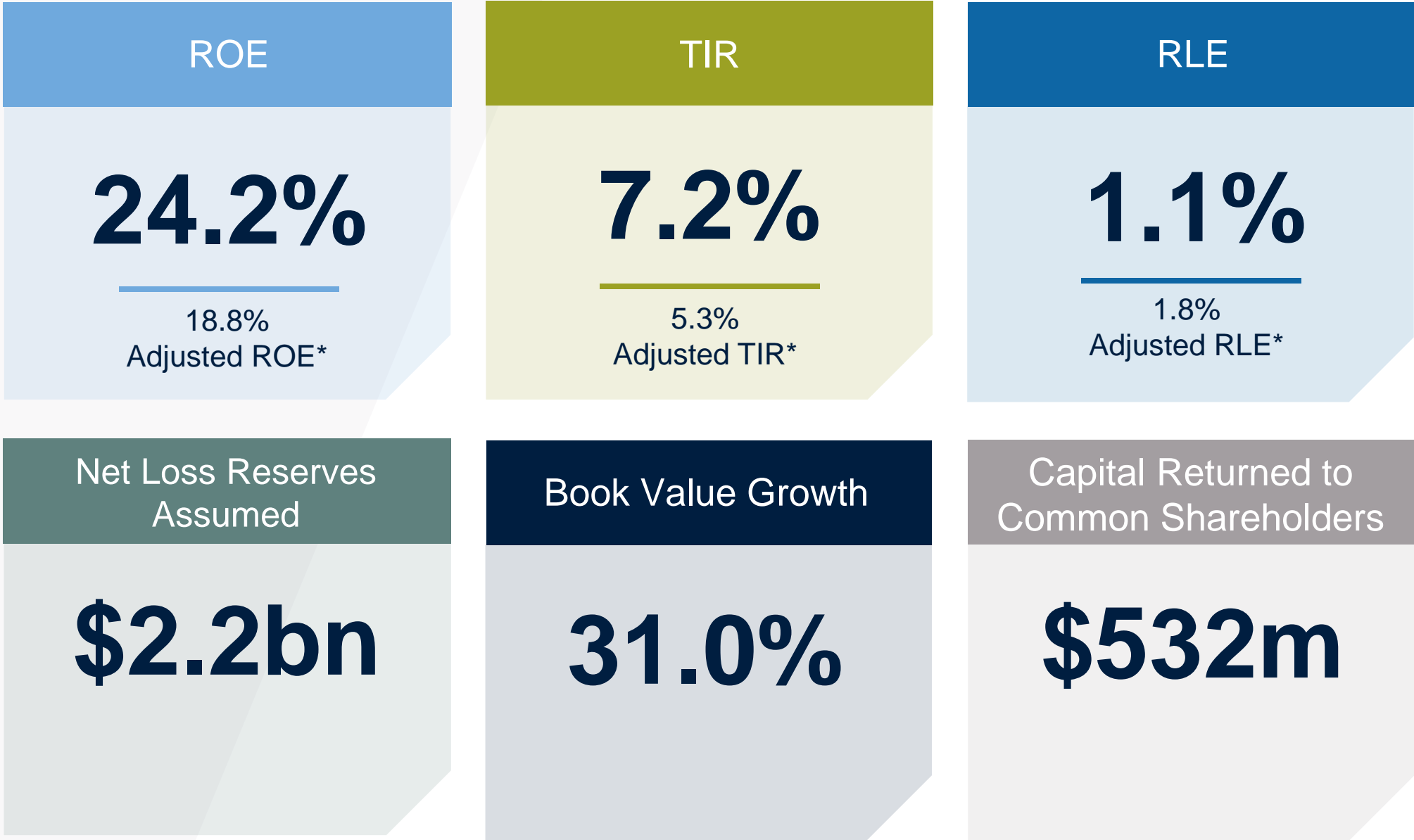
<sup>1</sup> These approximations are based upon publicly announced transactions as per the respective company's website.  
<sup>2</sup> As of latest company filings. As of 31-Dec-2023 for Enstar. As of 30-Sep-2023 for Riverstone, Swiss Re and NICO. As of 30-Jun-2023 for Compre. As of 31-Dec-2022 for Marco.  
<sup>3</sup> Reflects policy-holders' surplus.

# PERFORMANCE



# FINANCIAL HIGHLIGHTS

Full Year 2023

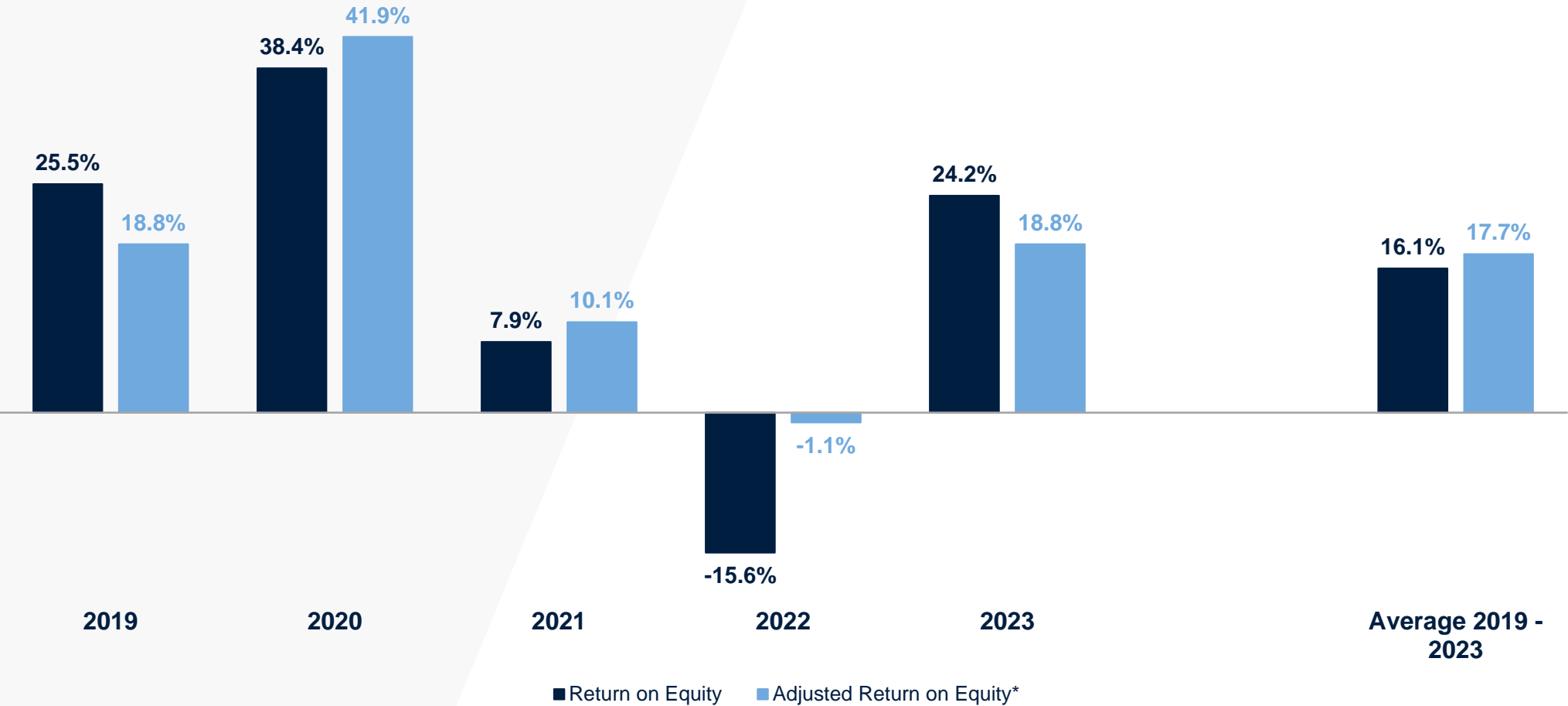


\*Non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" in the Appendix for explanatory notes and a reconciliation to the most directly comparable GAAP measure.



# 5-YEAR ROE AND ADJUSTED ROE\*

Return on Equity and Adjusted Return on Equity\*



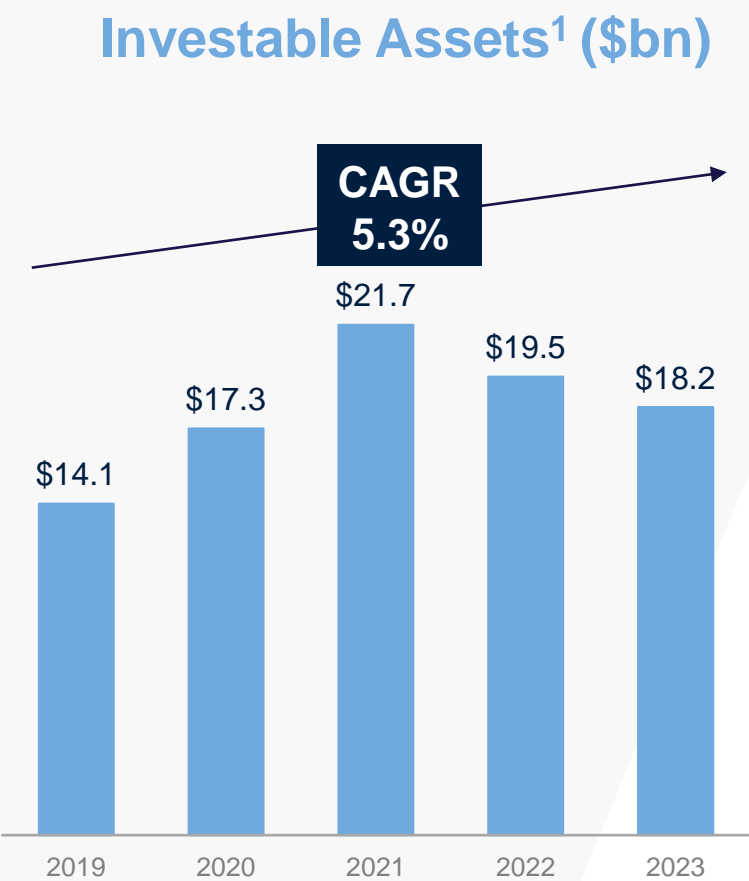
Targeting long-term Adjusted ROE low to mid-teens\*\*

\* Non-GAAP measure; refer to slides 29 to 36 for reconciliation to the applicable GAAP financial measure.

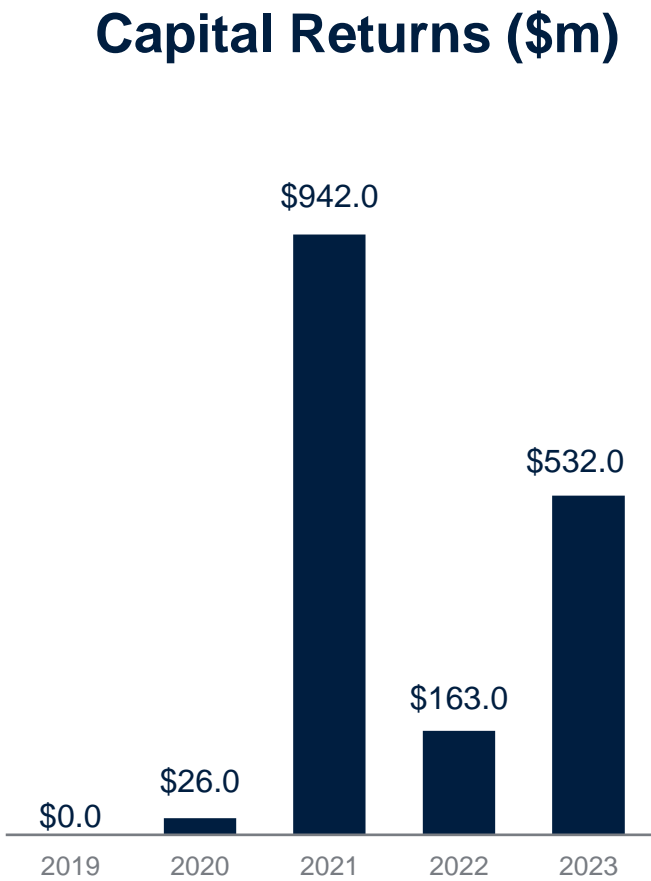
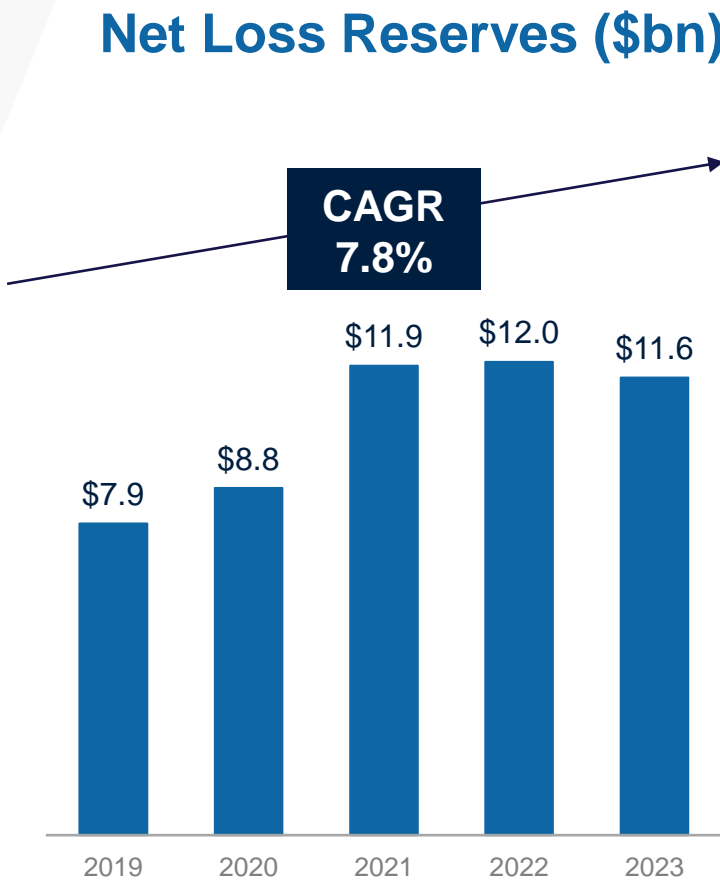
\*\* Adjusted ROE is a Non-GAAP measure. Due to trading accounting elections on certain of our investment assets, ROE calculated in accordance with GAAP includes the impact of net realized and unrealized gains (losses) on fixed maturity and funds held-directly managed, which can be material. Consequently, ROE calculated in accordance with GAAP is interest rate sensitive and will have greater variability than our Adjusted ROE. As such, reconciliation of ROE to Adjusted 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.

# STRONG BALANCE SHEET GROWTH WITH PRUDENT CAPITAL MANAGEMENT

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



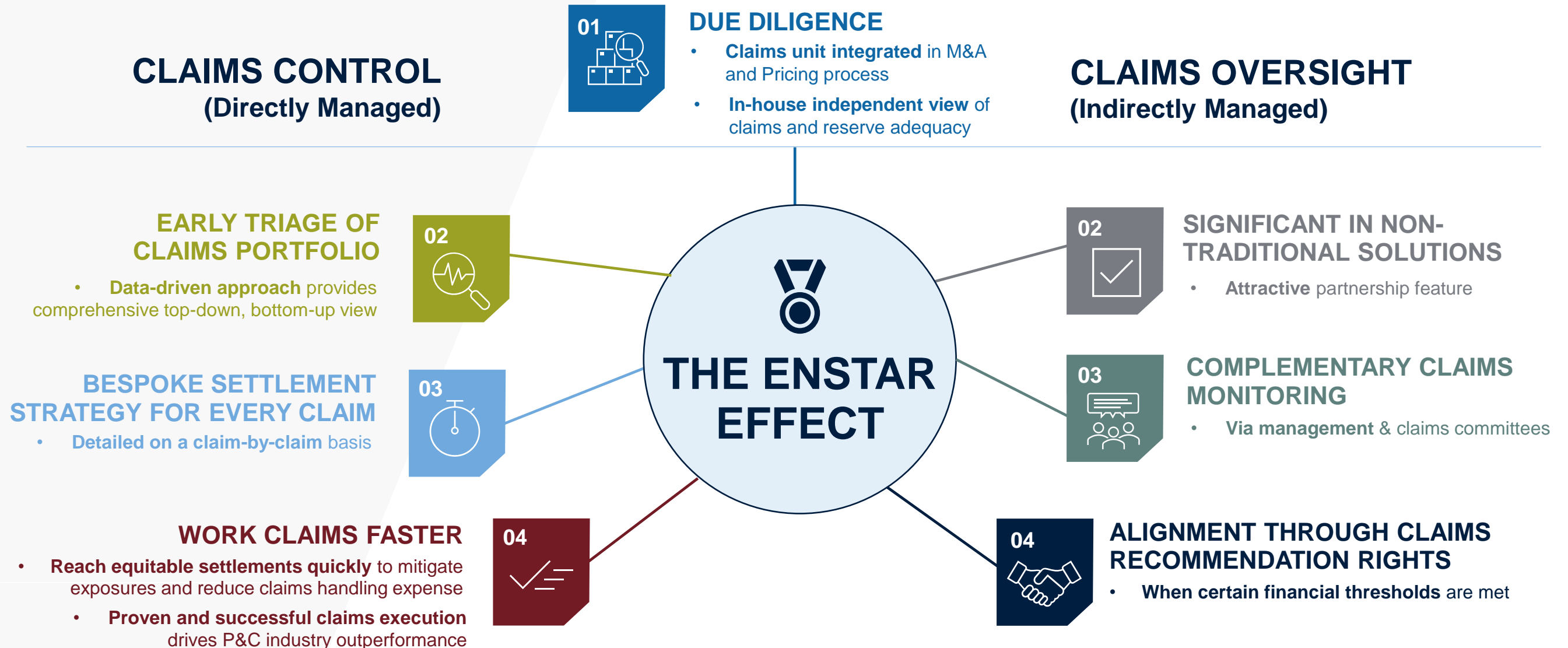
1. Investable assets is the sum of total investments, cash and cash equivalents and restricted cash and cash equivalents.



# THE ENSTAR EFFECT

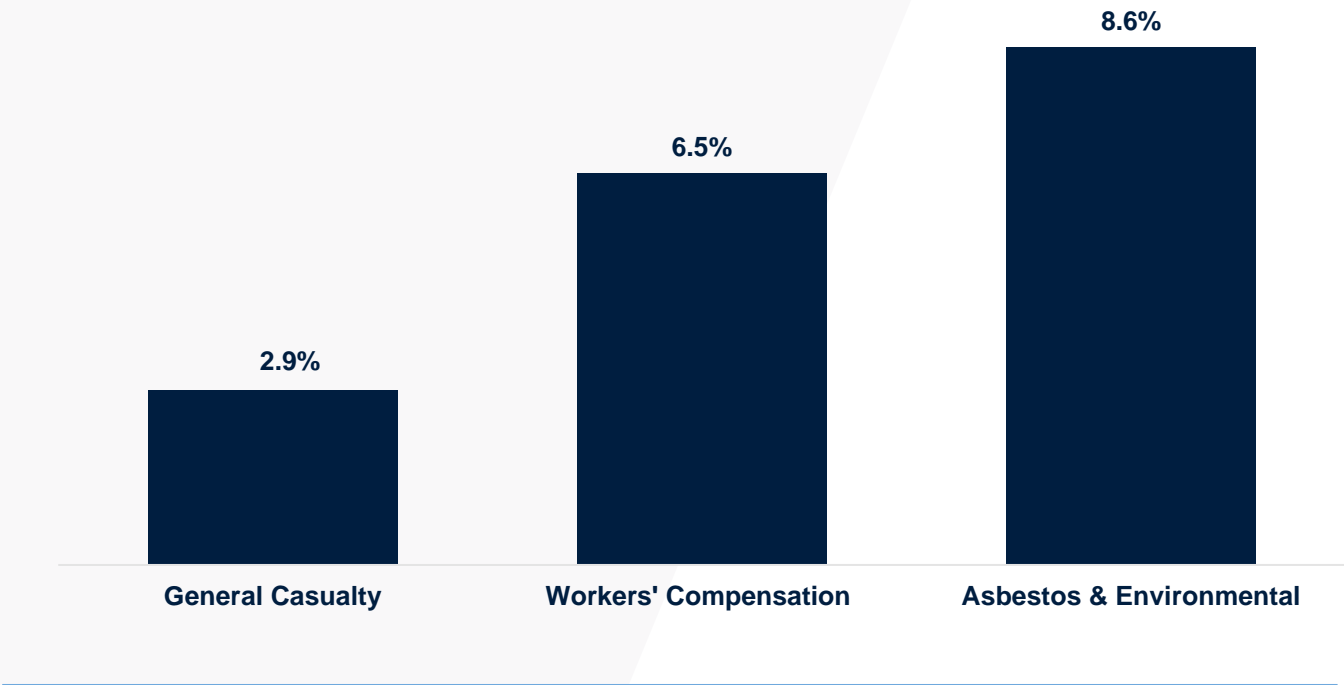
For most insurance companies, claims experience is an expense item

For Enstar, driving superior claims outcomes is a major competitive advantage



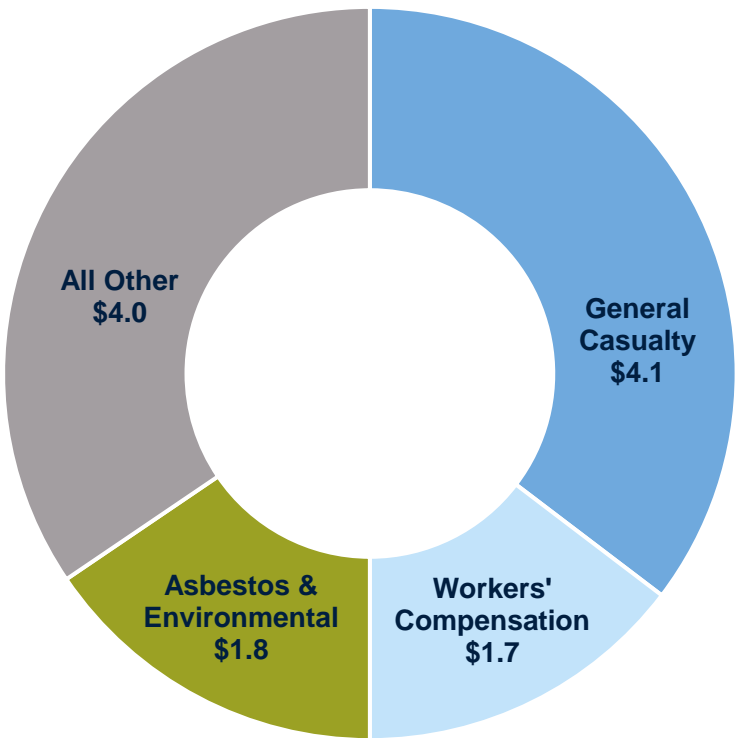
# ENSTAR EFFECT DRIVES OUTPERFORMANCE

Enstar Loss Reserve Outperformance vs US P&C Industry<sup>1,2</sup>  
Five Years Ended 2022



Enstar delivered better net loss reserve outcomes

Enstar Total 4Q23 Net Loss Reserves (\$ in billions)

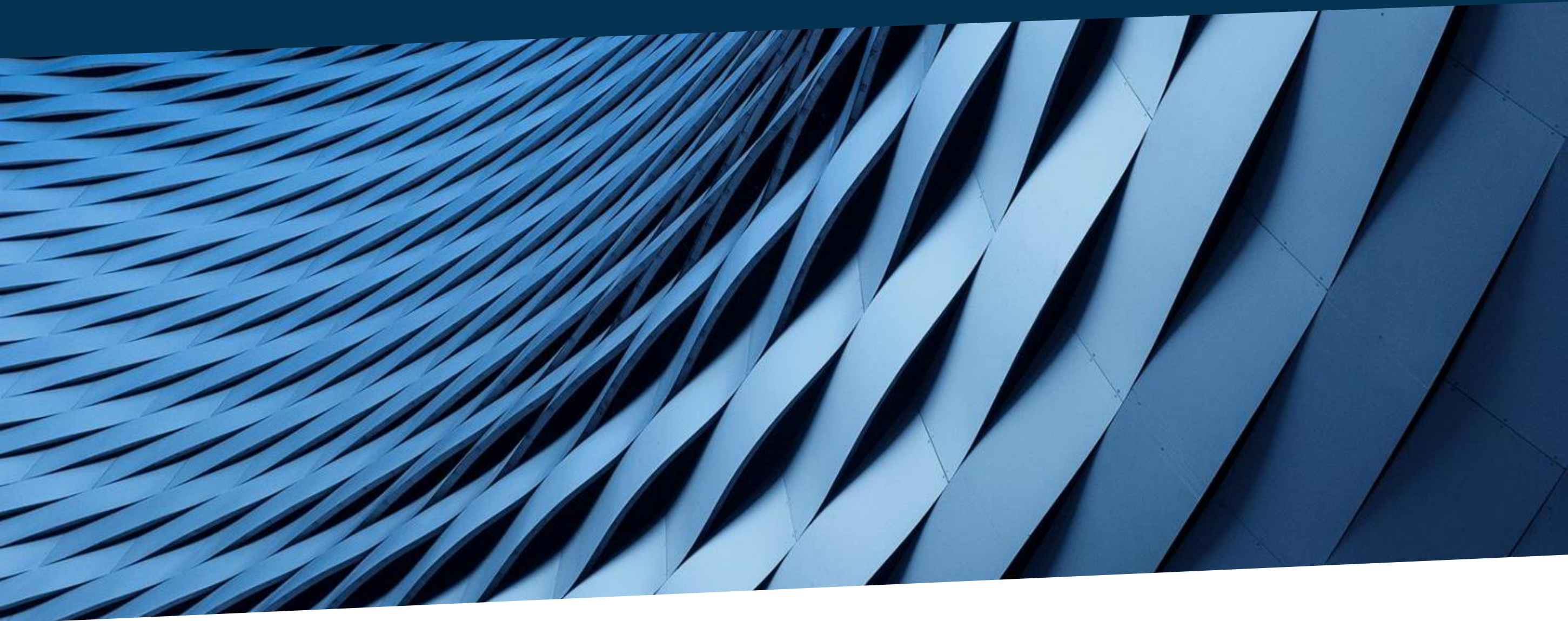


1. We calculated the change in estimates of net ultimate losses for the five years ended December 31, 2022 divided by average net loss reserves on three of our largest lines of business within our Run-off segment (General Casualty, Workers' Compensation and Asbestos & Environmental) as well as in aggregate 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 relating to our Run-off segment for the five years ended December 31, 2022 was as follows: i) General Casualty – Enstar (1.2)%, Industry (4.1)%; ii) Workers' Compensation – Enstar 11.0%, Industry 4.5%; iii) Asbestos & Environmental – Enstar 0.9%, Industry (7.7)%.



# APPENDIX



# INVESTMENT PORTFOLIO COMPOSITION

**\$18.2bn**

Total Investable  
Assets<sup>1</sup>

**\$0.8bn**

Cash and  
restricted cash

**\$17.1bn**

Investment  
Portfolio<sup>2</sup>

**4.04 yrs**

Average  
Duration<sup>3</sup>

**A+**

Average Investment  
Portfolio Credit Rating<sup>4</sup>

**3.86%**

Book  
Yield

## Investable Assets (as of December 31, 2023) Composition by Asset Class

Cash and Cash  
Equivalents

Fixed Maturities

Equities

Other  
Investments

Equity Method  
Investments

Funds  
Held<sup>5</sup>

4.6%

39.9%

3.8%

21.1%

1.8%

28.8%

### Fixed Income, Trading and AFS

U.S. government & agency	1.8 %
U.K. government	0.4 %
Other government	2.1 %
Corporate	22.7 %
Municipal	0.8 %
Residential mortgage-backed	2.7 %
Commercial mortgage-backed	4.6 %
Asset-backed	4.8 %
<b>Total</b>	<b>39.9 %</b>

### Equities

Publicly traded equities	1.5 %
Exchange-traded funds	0.4 %
Privately held equities	1.9 %
<b>Total</b>	<b>3.8 %</b>

### Other Investments

Private equity funds	8.9 %
Fixed income funds	3.3 %
Private credit funds	3.4 %
Hedge funds	2.7 %
CLO equities	0.3 %
CLO equity funds	1.0 %
Real estate funds	1.5 %
<b>Total</b>	<b>21.1 %</b>

1. Investable assets is the sum of total investments, cash and cash equivalents and restricted cash and cash equivalents.

2. Excludes cash and cash equivalents, restricted cash and cash equivalents and 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 portfolios.

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 portfolios.

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

# FINANCIAL DATA

## Summary Income Statement

\$ millions	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Net premiums earned	\$ 14	\$ 14	\$ 43	\$ 66
Net investment income and net realized and unrealized gains (losses)	472	168	1,110	(1,159)
Other income (expense)	(4)	2	276	35
Net incurred losses and LAE	84	271	101	708
Policyholder benefit expenses	—	—	—	(25)
Amortization of net deferred charge assets	(31)	(20)	(106)	(80)
Acquisition costs	(4)	(3)	(10)	(23)
Interest expense	(23)	(18)	(90)	(89)
General and administrative expenses and net foreign exchange losses	(128)	(109)	(369)	(316)
Income tax benefit (expense)	238	18	250	12
(Losses) income from equity method investments	(9)	(86)	13	(74)
<b>Net income (loss)</b>	<b>609</b>	<b>235</b>	<b>1,218</b>	<b>(945)</b>
Net (income) loss attributable to noncontrolling interests	(1)	1	(100)	75
Dividends on preferred shares	(9)	(9)	(36)	(36)
<b>Net income (loss) attributable to Enstar ordinary shareholders</b>	<b>\$ 599</b>	<b>\$ 227</b>	<b>\$ 1,082</b>	<b>\$ (906)</b>

# FINANCIAL DATA

## Summary Balance Sheet

\$ millions	December 31, 2023	December 31, 2022
<b>Assets</b>		
Investable assets	18,243	19,540
Reinsurance balances recoverable	957	1,131
Net deferred charge assets	731	658
Other	982	825
<b>Total Assets</b>	<b>20,913</b>	<b>22,154</b>
<b>Liabilities</b>		
Losses and loss adjustment expenses	12,359	13,007
Future policyholder benefits	—	821
Defendant asbestos and environmental liabilities	567	607
Debt obligations	1,831	1,829
Other	508	562
<b>Total Liabilities</b>	<b>15,265</b>	<b>16,826</b>
<b>Redeemable noncontrolling interests (“RNCI”)</b>	<b>—</b>	<b>168</b>
<b>Shareholders' Equity</b>		
Ordinary shareholders' equity	5,025	4,464
Series D & E preferred shares	510	510
Noncontrolling interests	113	186
<b>Total Shareholders' Equity</b>	<b>5,648</b>	<b>5,160</b>
<b>Total Liabilities, RNCI &amp; Shareholders' Equity</b>	<b>\$ 20,913</b>	<b>\$ 22,154</b>



# NON-GAAP MEASURE

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
<u>Adjusted run-off liability earnings (%)</u>	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.
<b>Adjusted prior period development (numerator)</b>	<p>Prior period net incurred losses and LAE, adjusted to:</p> <p><i>Remove:</i></p> <ul style="list-style-type: none"> <li>-Legacy Underwriting and Assumed Life operations</li> <li>-amortization of fair value adjustments,</li> <li>-change in fair value of insurance contracts for which we have elected the fair value option <sup>(1)</sup>, and</li> </ul> <p><i>Add:</i></p> <ul style="list-style-type: none"> <li>-the reduction/(increase) in estimates of net ultimate liabilities and reduction in estimated future expenses of our defendant A&amp;E liabilities.</li> </ul>	<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"> <li>• Prior to the settlement of the contractual arrangements, the results of our Legacy Underwriting segment were economically transferred to a third party primarily through use of reinsurance and a Capacity Lease Agreement<sup>(2)</sup>; as such, the results were not a relevant contribution to Adjusted RLE, which is designed to analyze the impact of our claims management strategies;</li> <li>• The results of our Assumed Life segment relate only to our prior exposure to active property catastrophe business; as this business was not in run-off, the results were not a relevant contribution to Adjusted RLE;</li> <li>• The change in fair value of insurance contracts for which we have elected the fair value option<sup>(1)</sup> 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</li> <li>• The amortization of fair value adjustments are non-cash charges that obscure our trends on a consistent basis.</li> </ul> <p>We include our performance in managing claims and estimated future expenses on our defendant A&amp;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>
<b>Adjusted net loss reserves (denominator)</b>	<p>Net losses and LAE, adjusted to:</p> <p><i>Remove:</i></p> <ul style="list-style-type: none"> <li>-Legacy Underwriting and Assumed Life net loss reserves</li> <li>-current period net loss reserves</li> <li>-net fair value adjustments associated with the acquisition of companies,</li> <li>-the fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup> and</li> </ul> <p><i>Add:</i></p> <ul style="list-style-type: none"> <li>-net nominal defendant A&amp;E liability exposures and estimated future expenses.</li> </ul>	

<sup>(1)</sup> Comprises the discount rate and risk margin components.

<sup>(2)</sup> The reinsurance contractual arrangements (including the Capacity Lease Agreement) described in Note 5 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022 were settled during the second quarter of 2023. As a result of the settlement, we do not expect to record any transactions in the Legacy Underwriting segment in 2023.

# NON-GAAP MEASURE

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
<a href="#"><u>Adjusted return on equity (%)</u></a>	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.
<b>Adjusted operating income (loss) attributable to Enstar ordinary shareholders (numerator)</b>	Net earnings (loss) attributable to Enstar ordinary shareholders, adjusted for: <i>-net realized and unrealized (gains) losses on fixed maturities and funds held-directly managed,</i> <i>-change in fair value of insurance contracts for which we have elected the fair value option <sup>(1)</sup>,</i> <i>-amortization of fair value adjustments,</i> <i>-net gain/loss on purchase and sales of subsidiaries (if any),</i> <i>-net earnings from discontinued operations (if any),</i> <i>-tax effects of adjustments, and</i> <i>-adjustments attributable to noncontrolling interests</i>	We eliminate the impact of net realized and unrealized (gains) losses on fixed maturities and funds-held directly managed and the change in fair value of insurance contracts for which we have elected the fair value option, as: <ul style="list-style-type: none"> <li>• we typically hold most of our fixed maturities 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</li> <li>• removing the fair value option improves comparability since there are limited acquisition years for which we elected the fair value option.</li> </ul> <p>Therefore, we believe that excluding their impact on our earnings improves comparability of our core operational performance across periods.</p>
<b>Adjusted opening Enstar ordinary shareholders' equity (denominator)</b>	Opening Enstar ordinary shareholders' equity, less: <i>-net unrealized gains (losses) on fixed maturities and funds held-directly managed,</i> <i>-fair value of insurance contracts for which we have elected the fair value option <sup>(1)</sup>,</i> <i>-fair value adjustments, and</i> <i>-net assets of held for sale or disposed subsidiaries classified as discontinued operations (if any)</i>	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.
<a href="#"><u>Adjusted total investment return (%)</u></a>	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.
<b>Adjusted total investment return (\$) (numerator)</b>	Total investment return (dollars), adjusted for: <i>-net realized and unrealized (gains) losses on fixed maturities and funds held-directly managed; and</i> <i>-unrealized (gains) losses on fixed maturities, AFS included within OCI, net of reclassification adjustments and excluding foreign exchange.</i>	Provides a consistent measure of investment returns as a percentage of all assets generating investment returns.
<b>Adjusted average aggregate total investable assets (denominator)</b>	Total average investable assets, adjusted for: <i>-net unrealized (gains) losses on fixed maturities, AFS included within AOCI</i> <i>-net unrealized (gains) losses on fixed maturities, trading</i>	We adjust our investment returns to eliminate the impact of the change in fair value of fixed maturities (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.

# RECONCILIATION TO ADJUSTED RUN-OFF LIABILITY EARNINGS – 2023 AND 2022

	Year Ended	As of			Year Ended
	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2023
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
<b>PPD/net loss reserves/RLE %</b>	\$ 131	\$ 11,585	\$ 12,011	\$ 11,798	1.1 %
Non-GAAP adjustments for expenses (income):					
Net loss reserves incurred in the current period	—	(30)	—	(15)	
Legacy Underwriting	—	—	(139)	(69)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	17	107	124	116	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup>	78	246	294	270	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	(1)	527	572	550	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	2	33	35	34	
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*</b>	<b>\$ 227</b>	<b>\$ 12,468</b>	<b>\$ 12,897</b>	<b>\$ 12,684</b>	<b>1.8 %</b>

	Year Ended	As of			Year Ended
	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2022
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
<b>PPD/net loss reserves/RLE %</b>	\$ 756	\$ 12,011	\$ 11,926	\$ 11,969	6.3 %
Non-GAAP adjustments for expenses (income):					
Net loss reserves incurred in the 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 <sup>(1)</sup>	(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	37	
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*</b>	<b>\$ 489</b>	<b>\$ 12,856</b>	<b>\$ 12,415</b>	<b>\$ 12,637</b>	<b>3.9 %</b>

<sup>(1)</sup> Comprises the discount rate and risk margin components.

\* Non-GAAP financial measure.

# RECONCILIATION TO ADJUSTED RUN-OFF LIABILITY EARNINGS – 2021 AND 2020

	Year Ended	As of			Year Ended
	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2021
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	Annualized RLE %
		(in millions of U.S. dollars)			
PPD/net loss reserves/RLE %	\$ 403	\$ 11,926	\$ 8,763	\$ 10,344	3.9 %
Non-GAAP adjustments for expenses (income):					
Net loss reserves incurred in the 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 <sup>(1)</sup>	(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>
	Year Ended	As of			Year Ended
	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2020
	RLE / 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 for expenses (income):					
Net loss reserves incurred in the 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 <sup>(1)</sup>	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 %*	<u>\$ 287</u>	<u>\$ 8,607</u>	<u>\$ 7,652</u>	<u>\$ 8,129</u>	<u>3.5 %</u>

<sup>(1)</sup> Comprises the discount rate and risk margin components.

\* Non-GAAP financial measure.



# RECONCILIATION TO ADJUSTED RUN-OFF LIABILITY EARNINGS – 2019

	Year Ended	As of			Year Ended
	December 31, 2019	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2019
	RLE / PPD	Net loss reserves	Net loss reserves <sup>(2)</sup>	Average net loss reserves <sup>(2)</sup>	RLE %
	(in millions of U.S. dollars)				
<b>PPD/net loss reserves/RLE %</b>	\$ 4	\$ 7,941	\$ 7,341	\$ 7,641	0.1 %
Non-GAAP adjustments for expenses (income):					
Net loss reserves incurred in the current period	—	(401)	—	(201)	
Legacy Underwriting	106	(842)	(1,162)	(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 <sup>(1)</sup>	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	
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*</b>	<u>\$ 285</u>	<u>\$ 7,593</u>	<u>\$ 6,726</u>	<u>\$ 7,160</u>	<u>4.0 %</u>

<sup>(1)</sup> Comprises the discount rate and risk margin components.

<sup>(2)</sup> 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 RETURN ON EQUITY— 2023, 2022 AND 2021

	Year Ended								
	December 31, 2023			December 31, 2022			December 31, 2021		
	Net income (loss) <sup>(1)</sup>	Opening equity <sup>(1)(2)</sup>	(Adj) ROE	Net income (loss) <sup>(1)</sup>	Opening equity <sup>(1)</sup>	(Adj) ROE	Net earnings (loss) <sup>(1)</sup>	Opening equity <sup>(1)</sup>	(Adj) ROE
<b>Net income (loss)/Opening equity/ROE <sup>(1)</sup></b>	\$ 1,082	\$ 4,464	24.2 %	\$ (906)	\$ 5,813	(15.6) %	\$ 502	\$ 6,326	7.9 %
Non-GAAP adjustments for loss (gains):									
Net realized losses on fixed maturities, AFS <sup>(3)</sup> / Net unrealized losses on fixed maturities, AFS <sup>(4)</sup>	65	647		111	36		4	(82)	
Net unrealized losses on fixed maturities, trading <sup>(3)</sup> / Net unrealized losses on fixed maturities, trading <sup>(4)</sup>	(84)	400		503	(134)		144	(384)	
Net unrealized losses on funds held - directly managed <sup>(3)</sup> / Net unrealized losses on funds held - directly managed <sup>(4)</sup>	(47)	780		567	9		62	(94)	
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 <sup>(5)</sup>	78	(294)		(200)	(107)		(75)	(33)	
Amortization of fair value adjustments / Fair value adjustments	17	(124)		(18)	(106)		16	(128)	
Net gain on purchase and sales of subsidiaries	—	—		—	—		(73)	—	
Tax effects of adjustments <sup>(6)</sup>	(7)	—		(7)	—		(21)	—	
Adjustments attributable to noncontrolling interests <sup>(7)</sup>	(2)	—		(111)	—		6	—	
<b>Adjusted net income (loss)/Adjusted opening equity/Adjusted ROE*</b>	<u>\$ 1,102</u>	<u>\$ 5,873</u>	<u>18.8 %</u>	<u>\$ (61)</u>	<u>\$ 5,511</u>	<u>(1.1) %</u>	<u>\$ 565</u>	<u>\$ 5,605</u>	<u>10.1 %</u>

<sup>(1)</sup> Net income (loss) comprises net income (loss) 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.

<sup>(2)</sup> Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting ASU 2018-12.

<sup>(3)</sup> Net realized gains (losses) on fixed maturities, AFS are included in net realized gains (losses) in our consolidated statements of operations. Net unrealized gains (losses) on fixed maturities, trading and funds held - directly managed are included in net unrealized gains (losses) in our consolidated statements of operations.

<sup>(4)</sup> Our fixed maturities are held directly on our balance sheet and also within the "Funds held" balance.

<sup>(5)</sup> Comprises the discount rate and risk margin components.

<sup>(6)</sup> 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.

<sup>(7)</sup> Represents the impact of the adjustments on the net income (loss) attributable to noncontrolling interests associated with the specific subsidiaries to which the adjustments relate.

\*Non-GAAP measure.

# RECONCILIATION TO ADJUSTED RETURN ON EQUITY - 2020 AND 2019

	Year Ended					
	December 31, 2020			December 31, 2019		
	Net income (loss) <sup>(1)</sup>	Opening Equity <sup>(7)</sup>	(Adj) ROE	Net income (loss) <sup>(1)</sup>	Opening Equity <sup>(1)(7)</sup>	(Adj) ROE
<b>Net income (loss)/Opening equity/ROE <sup>(1)</sup></b>	\$ 1,723	\$ 4,490	38.4 %	\$ 906	\$ 3,546	25.5 %
Non-GAAP adjustments for loss (gains):						
Net realized losses (gains) on fixed maturities, AFS <sup>(2)</sup> / Net unrealized losses (gains) on fixed maturities, AFS <sup>(3)</sup>	(18)	—		(4)	(1)	
Net unrealized (gains) losses on fixed maturities, trading <sup>(2)</sup> / Net unrealized losses (gains) on fixed maturities, trading <sup>(3)</sup>	(228)	(229)		(423)	187	
Net unrealized (gains) losses on funds held - directly managed <sup>(2)</sup> / Net unrealized losses (gains) on funds held - directly managed <sup>(3)</sup>	(60)	(48)		(89)	41	
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 <sup>(4)</sup>	119	(130)		117	(244)	
Amortization of fair value adjustments / Fair value adjustments	27	(152)		51	(199)	
Net gain on purchase and sales of subsidiaries	(3)	—		—	—	
Net earnings from discontinued operations / Net assets of entities classified as held for sale and discontinued operations	(16)	(266)		(7)	(210)	
Tax effects of adjustments <sup>(5)</sup>	23	—		36	—	
Adjustments attributable to noncontrolling interests <sup>(6)</sup>	13	109		15	86	
<b>Adjusted net income (loss)/Adjusted opening equity/Adjusted ROE*</b>	<u>\$ 1,580</u>	<u>\$ 3,774</u>	<u>41.9 %</u>	<u>\$ 602</u>	<u>\$ 3,206</u>	<u>18.8 %</u>

<sup>(1)</sup> Net income (loss) comprises net income (loss) 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.

<sup>(2)</sup> Net realized gains (losses) on fixed maturities, AFS are included in net realized gains (losses) in our consolidated statements of operations. Net unrealized gains (losses) on fixed maturities, trading and funds held - directly managed are included in net unrealized gains (losses) in our consolidated statements of operations.

<sup>(3)</sup> Our fixed maturities are held directly on our balance sheet and also within the "Funds held" balance.

<sup>(4)</sup> Comprises the discount rate and risk margin components.

<sup>(5)</sup> 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.

<sup>(6)</sup> Represents the impact of the adjustments on the net income (loss) attributable to noncontrolling interest associated with the specific subsidiaries to which the adjustments relate.

<sup>(7)</sup> 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 TOTAL INVESTMENT RETURN

	Year Ended December 31, 2023
Net investment income	\$ 647
Net realized (losses) gains	(65)
Net unrealized gains (losses)	528
(Losses) income from equity method investments	13
Other comprehensive income:	
Unrealized gains (losses) on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange	222
<b>TIR (\$)</b>	<b>\$ 1,345</b>
Non-GAAP adjustments:	
Net unrealized (gains) losses on fixed maturities, trading and funds held-directly managed	(66)
Unrealized (gains) losses on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange	(222)
<b>Adjusted TIR (\$)*</b>	<b>\$ 1,057</b>
<b>Total investments</b>	<b>17,413</b>
Cash and cash equivalents, including restricted cash and cash equivalents	830
<b>Total investable assets</b>	<b>\$ 18,243</b>
Average aggregate invested assets, at fair value <sup>(1)</sup>	\$ 18,607
<b>Annualized TIR % <sup>(2)</sup></b>	<b>7.2 %</b>
Non-GAAP adjustment:	
Net unrealized losses (gains) on fixed maturities, AFS included within AOCI and net unrealized losses on fixed maturities, trading and funds held - directly managed	725
<b>Adjusted investable assets*</b>	<b>\$ 18,968</b>
Adjusted average aggregate invested assets, at fair value* <sup>(3)</sup>	\$ 19,769
<b>Annualized adjusted TIR %* <sup>(4)</sup></b>	<b>5.3 %</b>

<sup>(1)</sup> This amount is a five period average of the total investable assets for the year ended December 31, 2023, as presented above, and is comprised of amounts disclosed in our quarterly and annual U.S. GAAP consolidated financial statements.

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

<sup>(3)</sup> This amount is a five period average of the adjusted investable assets\* for the year ended December 31, 2023, as presented above.

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

\*Non-GAAP measure.