



## **Enstar Completes Sale and Recapitalization of StarStone U.S.**

November 30, 2020

HAMILTON, Bermuda, Nov. 30, 2020 (GLOBE NEWSWIRE) -- Enstar Group Limited (NASDAQ: ESGR) ("Enstar") today announced that it has completed the sale and recapitalization of StarStone U.S. Holdings, Inc. ("StarStone U.S.") through the sale of StarStone U.S. to Core Specialty Insurance Holdings, Inc. ("Core Specialty") in exchange for a combination of cash and approximately 25% of the shares in Core Specialty. Completion of the transaction followed receipt of regulatory approvals and satisfaction of various other closing conditions.

Investors in Core Specialty, including SkyKnight Capital, L.P., Dragoner Investment Group, Aquiline Capital Partners LLC and other investors, principally management and directors, have committed \$610 million in new equity capital. Together with the rollover of Enstar's existing ownership and an additional equity commitment of over \$60 million from management and other investors, the equity capitalization of the company will increase to over \$900 million.

In connection with Enstar's contribution of StarStone U.S. to Core Specialty, one of Enstar's wholly owned subsidiaries has entered into a combination loss portfolio and adverse development cover reinsurance agreement with respect to StarStone U.S.' legacy reserves.

Pursuant to the terms of a recapitalization agreement entered into in August 2020, Enstar will acquire all of Trident V, L.P. and its affiliated funds' (the "Trident V Funds") interest in Core Specialty in exchange for the majority of Enstar's indirect interest in Northshore Holdings Ltd., the holding company for Atrium. The exchange transaction is subject to obtaining customary regulatory approvals and closing conditions and is expected to close in the first half of 2021.

### **About Enstar**

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

### **About Core Specialty**

Core Specialty offers a diversified range of property and casualty insurance products for small to mid-sized businesses. From eight underwriting offices spanning the U.S., the Company focuses on niche markets, local distribution, and superior underwriting knowledge, offering traditional as well as innovative insurance solutions to meet the needs of its customers and brokers. Core Specialty is an insurance holding company operating through StarStone Specialty Insurance Company, a U.S. excess and surplus lines insurer, and StarStone National Insurance Company, a U.S. admitted markets insurer. The Company is rated A- (Excellent) by A.M. Best. For further information about Core Specialty, please visit [www.corespecialty.com](http://www.corespecialty.com).

### **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 are cautioned that any such forward-looking statements speak only as of the date they are made, are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. In particular, Enstar and the Trident Funds may not be able to complete the referenced exchange transaction on the terms summarized above or other acceptable terms, or at all, due to a number of factors, including but not limited to the failure to obtain regulatory approvals or to satisfy other closing conditions. Important risk factors regarding Enstar can be found under the heading "Risk Factors" in Enstar's Form 10-K for the year ended December 31, 2019 and in Enstar's Form 10-Q for the three and nine months ended September 30, 2020 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.

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