



Enstar Announces Two Transactions with Hillhouse

July 15, 2021

Strategic Repurchase of Hillhouse Funds' Equity Stake in Enstar

Acquisition of Hillhouse Affiliate's Interest in Enhanced Re

HAMILTON, Bermuda, July 15, 2021 (GLOBE NEWSWIRE) -- Enstar Group Limited (NASDAQ: ESGR) announced today that it has entered into an agreement to repurchase an aggregate of 3,749,400 ordinary shares of Enstar held by funds managed by Hillhouse Group ("Hillhouse") for a price of \$234.52 per share, totaling \$879.3 million in aggregate, a discount to book value. The shares represent the Hillhouse funds' entire interest in Enstar, which constitutes 16.9% of total ordinary shares and 9.4% of voting ordinary shares. The transaction is expected to close on or about July 21, 2021, subject to satisfaction of customary closing conditions.

On the same day, Enstar's wholly owned subsidiary agreed to purchase a Hillhouse affiliate's entire 27.7% interest in Enhanced Reinsurance Ltd. ("Enhanced Re") for an estimated purchase price of \$228.7 million. The purchase price is based on 90% of Enhanced Re's estimated total shareholders' equity as of June 30, 2021 and is subject to adjustment to reflect the finalization of the Enhanced Re balance sheet as of such date.

After the purchase of the Enhanced Re shares from the Hillhouse affiliate, Enstar's equity interest in the Bermuda-based reinsurer will increase from 47.4% to 75.1%, with joint venture partner, Allianz SE, continuing to own the remaining 24.9%. Closing of this transaction is subject to satisfaction of customary conditions, including approval by the Bermuda Monetary Authority, and is expected to occur by the fourth quarter of 2021.

Enstar intends to fund the purchases under both the agreements using cash on hand and liquidity available under its revolving credit facility. Enstar's previously announced share buyback program has been terminated.

Dominic Silvester, Enstar's Chief Executive Officer, said: "We view these transactions as a compelling opportunity for Enstar to deploy capital strategically to repurchase shares at a discount to book value and to acquire control of the Enhanced Re platform on terms expected to be accretive to Enstar."

Mr. Silvester continued, "Following completion of the share repurchase and the acquisition of Enhanced Re, Enstar will maintain a strong capital and liquidity position, allowing us to continue to pursue future run-off transactions. In 2021 we have already completed a record amount of transactions in terms of size, and we continue to see a healthy legacy pipeline."

The Hillhouse funds originally acquired Enstar shares in 2016 from Goldman Sachs, acquiring additional shares in an exchange transaction with Enstar in 2018.

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.

About Enhanced Re

Enhanced Re is a Bermuda-based Class 4 and Class E reinsurer with approximately \$4 billion of assets that reinsures life, non-life run-off, and property and casualty insurance business, primarily sourced from Allianz SE and Enstar.

Cautionary Statement Regarding Forward-Looking Statements

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, the parties may not be able to complete the

purchases described above due to the failure of the closing conditions being satisfied or for other reasons. 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, 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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Source: Enstar Group Limited