



ENSTAR GROUP LIMITED

Investor Financial
Supplement

September 30, 2024



	Page
Explanatory Notes	<u>3</u>
Financial Highlights	<u>5</u>
Consolidated Results by Segment	<u>6</u>
Capital Position & Credit Ratings	<u>10</u>
Non-GAAP Measures	<u>11</u>
Reconciliation to Fully Diluted Book Value per Share	<u>13</u>
Reconciliation to Adjusted Return on Equity	<u>14</u>
Reconciliation to Adjusted Run-off Liability Earnings	<u>16</u>
Reconciliation to Adjusted Total Investment Return	<u>18</u>
Investment Composition	<u>19</u>

About Enstar

Enstar is a NASDAQ-listed leading global (re)insurance group that offers capital release solutions through its network of group companies in Bermuda, the United States, the United Kingdom, Continental Europe and Australia. A market leader in completing legacy acquisitions, Enstar has acquired over 115 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.

Sixth Street Merger Agreement

As announced in July 2024, Enstar has entered into a definitive merger agreement to be acquired by Sixth Street for \$5.1 billion or \$338 per ordinary share. A copy of the press release can be found by visiting the Investor Relations section of the Enstar corporate website at www.enstargroup.com. On November 6, 2024, a majority of the Company's shareholders voted to approve the Merger.

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 fair value changes and net realized (gains)/ losses on fixed maturities recognized in our statements of operations, 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 11 to 18 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 maturities, 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 [19](#) and [20](#) 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 filings with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and our Quarterly Reports on Form 10-Q. 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		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Key Income Metrics				
Return on Equity ("ROE")	2.8 %	0.9 %	7.8 %	10.8 %
Annualized ROE			10.4 %	14.4 %
Adjusted ROE ⁽¹⁾	2.2 %	2.5 %	7.9 %	10.8 %
Annualized adjusted ROE ⁽¹⁾			10.6 %	14.4 %
Basic net earnings per share	\$ 10.09	\$ 2.46	\$ 26.81	\$ 30.26
Diluted net earnings per share	\$ 9.84	\$ 2.43	\$ 26.16	\$ 30.05
Key Run-off Metrics				
Average net loss reserves			\$ 11,098	\$ 12,083
Run-off liability earnings ("RLE")			0.9 %	0.3 %
Average adjusted net loss reserves ⁽¹⁾			\$ 11,966	\$ 13,004
Adjusted RLE ⁽¹⁾			1.1 %	0.6 %
Key Investment Return Metrics				
Average aggregate invested assets	\$ 17,715	\$ 18,951	\$ 17,868	\$ 18,684
Annualized total investment return ("TIR")	11.5 %	1.8 %	7.1 %	4.7 %
Annualized investment book yield	4.41 %	3.53 %	4.35 %	3.73 %
(Loss) income from equity method investments	\$ (16)	\$ (3)	\$ (29)	\$ 22
Adjusted average aggregate invested assets ⁽¹⁾	\$ 18,360	\$ 20,089	\$ 18,569	\$ 19,955
Annualized adjusted TIR ⁽¹⁾	6.0 %	4.5 %	5.7 %	5.3 %
Share Repurchases				
Ordinary shares repurchased:				
Shares	—	—	—	1,597,712
Cost	\$ —	\$ —	\$ —	\$ 341
Average price per share	\$ —	\$ —	\$ —	\$ 213.13
			As of	
			September 30, 2024	December 31, 2023
Key Shareholder Metrics				
Ordinary shareholder's equity			\$ 5,547	\$ 5,025
Total Enstar shareholders' equity			\$ 6,057	\$ 5,535
Book value per ordinary share ("BVPS")			\$ 378.22	\$ 343.45
Fully diluted BVPS ("FDBVPS") ⁽¹⁾			\$ 365.94	\$ 336.72
Change in FDBVPS			8.7 %	30.0 %
Total ordinary shares outstanding			14,666,175	14,631,055
Fully diluted ordinary shares outstanding			15,158,333	14,923,245
Key Balance Sheet Metrics				
Total assets			\$ 20,256	\$ 20,913
Debt obligations			\$ 1,833	\$ 1,831
Total liabilities			\$ 14,157	\$ 15,265
Total investable assets to ordinary shareholders' equity			3.22x	3.63x
Total net loss reserves to ordinary shareholders' equity			1.91x	2.31x
Debt to total capitalization attributable to Enstar			23.2 %	24.9 %

Consolidated Results by Segment - Q3 2024



	Three Months Ended			
	September 30, 2024			
	Run-off	Investments	Corporate and other ⁽¹⁾⁽²⁾	Total
REVENUES				
Net premiums earned	\$ 11	\$ —	\$ —	\$ 11
Net investment income	—	163	—	163
Net realized gains	—	17	—	17
Fair value changes in trading securities, funds held and other investments	—	229	—	229
Other income (expense)	5	—	(2)	3
Total revenues	16	409	(2)	423
EXPENSES				
Net incurred losses and loss adjustment expenses				
Current period	6	—	—	6
Prior period	(36)	—	27	(9)
Total net incurred losses and loss adjustment expenses	(30)	—	27	(3)
Amortization of net deferred charge assets	—	—	27	27
Acquisition costs	4	—	—	4
Goodwill impairment	63	—	—	63
General and administrative expenses	49	9	52	110
Total expenses	86	9	106	201
(LOSS) INCOME BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	(70)	400	(108)	222
Loss from equity method investments	—	(16)	—	(16)
SEGMENT (LOSS) INCOME	\$ (70)	\$ 384	(108)	206
Interest expense			(22)	(22)
Net foreign exchange losses			(23)	(23)
NET (LOSS) INCOME			(153)	161
Less: Net income attributable to noncontrolling interests			(4)	(4)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSTAR			(157)	157
Dividends on preferred shares			(9)	(9)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS			\$ (166)	\$ 148

⁽¹⁾ Effective January 1, 2024, Assumed Life and Legacy Underwriting were determined to no longer meet the definition of reportable segments and their residual income and loss activities were prospectively included in Corporate and other activities. Activities prior to January 1, 2024 are recorded in their respective segments.

⁽²⁾ 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 - Q3 2023



	Three Months Ended				
	September 30, 2023				
	Run-off	Assumed Life	Investments	Corporate and other ⁽¹⁾⁽²⁾	Total
REVENUES					
Net premiums earned	\$ 14	\$ —	\$ —	\$ —	\$ 14
Net investment income	—	—	143	—	143
Net realized losses	—	—	(12)	—	(12)
Fair value changes in trading securities, funds held and other investments	—	—	18	—	18
Other income (expense)	1	1	—	(4)	(2)
Total revenues	15	1	149	(4)	161
EXPENSES					
Net incurred losses and loss adjustment expenses					
Current period	5	—	—	—	5
Prior period	(31)	—	—	16	(15)
Total net incurred losses and loss adjustment expenses	(26)	—	—	16	(10)
Amortization of net deferred charge assets	—	—	—	34	34
Acquisition costs	—	—	—	—	—
General and administrative expenses	44	—	12	35	91
Total expenses	18	—	12	85	115
(LOSS) INCOME BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	(3)	1	137	(89)	46
Income from equity method investments	—	—	(3)	—	(3)
SEGMENT (LOSS) INCOME	\$ (3)	\$ 1	\$ 134	(89)	43
Interest expense				(22)	(22)
Net foreign exchange gains				23	23
Income tax benefit				7	7
NET (LOSS) INCOME				(81)	51
Less: Net income attributable to noncontrolling interests				(4)	(4)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSTAR				(85)	47
Dividends on preferred shares				(9)	(9)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS				\$ (94)	\$ 38

⁽¹⁾ Effective January 1, 2024, Assumed Life and Legacy Underwriting were determined to no longer meet the definition of reportable segments and their residual income and loss activities were prospectively included in Corporate and other activities. Activities prior to January 1, 2024 are recorded in their respective segments. In addition, Assumed Life and Legacy Underwriting had no revenue or income activity for the three months ended September 30, 2023 and therefore are excluded from the table above.

⁽²⁾ 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 - YTD Q3 2024



	Nine Months Ended September 30, 2024			
	Run-off	Investments	Corporate and other (1)(2)	Total
REVENUES				
Net premiums earned	\$ 27	\$ —	\$ —	\$ 27
Net investment income	—	478	—	478
Net realized gains	—	2	—	2
Fair value changes in trading securities, funds held and other investments	—	400	—	400
Other income (expense)	11	—	(9)	2
Total revenues	38	880	(9)	909
EXPENSES				
Net incurred losses and loss adjustment expenses				
Current period	15	—	—	15
Prior period	(123)	—	28	(95)
Total net incurred losses and loss adjustment expenses	(108)	—	28	(80)
Amortization of net deferred charge assets	—	—	86	86
Acquisition costs	6	—	—	6
Goodwill impairment	63	—	—	63
General and administrative expenses	139	29	127	295
Total expenses	100	29	241	370
(LOSS) INCOME BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	(62)	851	(250)	539
Loss from equity method investments	—	(29)	—	(29)
SEGMENT (LOSS) INCOME	\$ (62)	\$ 822	(250)	510
Interest expense			(67)	(67)
Net foreign exchange losses			(15)	(15)
Income tax expenses			(3)	(3)
NET (LOSS) INCOME			(335)	425
Less: Net income attributable to noncontrolling interests			(5)	(5)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSTAR			(340)	420
Dividends on preferred shares			(27)	(27)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS			\$ (367)	\$ 393

(1) Effective January 1, 2024, Assumed Life and Legacy Underwriting were determined to no longer meet the definition of reportable segments and their residual income and loss activities were prospectively included in Corporate and other activities. Activities prior to January 1, 2024 are recorded in their respective segments.

(2) 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.

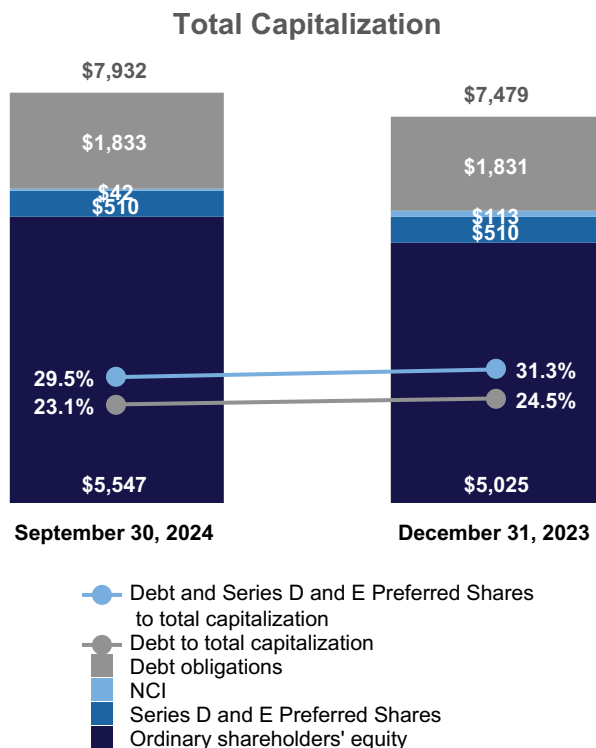
Consolidated Results by Segment - YTD Q3 2023



	Nine Months Ended September 30, 2023				
	Run-off	Assumed Life ⁽¹⁾	Investments	Corporate and other ⁽²⁾	Total
REVENUES					
Net premiums earned	\$ 29	\$ —	\$ —	\$ —	\$ 29
Net investment income	—	—	471	—	471
Net realized losses	—	—	(55)	—	(55)
Fair value changes in trading securities, funds held and other investments	—	—	222	—	222
Other income (expense)	11	276	—	(7)	280
Total revenues	40	276	638	(7)	947
EXPENSES					
Net incurred losses and loss adjustment expenses					
Current period	18	—	—	—	18
Prior period	(72)	—	—	37	(35)
Total net incurred losses and loss adjustment expenses	(54)	—	—	37	(17)
Amortization of net deferred charge assets	—	—	—	75	75
Acquisition costs	6	—	—	—	6
General and administrative expenses	130	—	33	102	265
Total expenses	82	—	33	214	329
(LOSS) INCOME BEFORE INTEREST EXPENSE, FOREIGN EXCHANGE AND INCOME TAXES	(42)	276	605	(221)	618
Income from equity method investments	—	—	22	—	22
SEGMENT (LOSS) INCOME	\$ (42)	\$ 276	\$ 627	(221)	640
Interest expense				(67)	(67)
Net foreign exchange gains				24	24
Income tax benefit				12	12
NET (LOSS) INCOME				(252)	609
Less: Net income attributable to noncontrolling interests				(99)	(99)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSTAR				(351)	510
Dividends on preferred shares				(27)	(27)
NET (LOSS) INCOME ATTRIBUTABLE TO ENSTAR ORDINARY SHAREHOLDERS				\$ (378)	\$ 483

⁽¹⁾ Effective January 1, 2024, Assumed Life and Legacy Underwriting were determined to no longer meet the definition of reportable segments and their residual income and loss activities were prospectively included in Corporate and other activities. Activities prior to January 1, 2024 are recorded in their respective segments. In addition, Legacy Underwriting had no revenue or income activity for the nine months ended September 30, 2023 and therefore are excluded from the table above.

⁽²⁾ 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.



Total capitalization attributable to Enstar excluding NCI was \$7.89 billion as of September 30, 2024 and \$7.37 billion as of December 31, 2023. Debt and Series D and E preferred shares to total capitalization attributable to Enstar was 29.7% and 31.8% as of September 30, 2024 and December 31, 2023, respectively. Debt to total capitalization attributable to Enstar was 23.2% and 24.9% as of September 30, 2024 and December 31, 2023, respectively.

Credit ratings ⁽¹⁾

	Standard and Poor's	Fitch Ratings
Long-term issuer	BBB+ (Outlook: Stable)	BBB+ (Outlook: Stable)
2029 Senior Notes	BBB+	BBB
2031 Senior Notes	BBB	BBB
2040 and 2042 Junior Subordinated Notes	BBB-	BBB-
Series D and E Preferred Shares	BBB-	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.

Agency ratings are not a recommendation to buy, sell or hold any of our securities and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating. For information on risks related to our credit ratings, refer to "Item 1A. Risk Factors - Risks Relating to Liquidity and Capital Resources" and "Item 1A. Risk Factors - Risks Relating to Ownership of our Shares" in our Annual Report on Form 10-K for the year ended December 31, 2023.

In March 2024, Cavello Bay Reinsurance Limited ("Cavello"), a wholly-owned subsidiary of Enstar, was assigned an S&P Insurer Financial Strength Rating of 'A' with stable outlook. Cavello is Enstar's primary non-life run-off consolidator, and a Class 3B reinsurer.

Non-GAAP Measures



Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
<u>Fully diluted book value per ordinary share</u>	<p>Total Enstar ordinary shareholders' equity</p> <p>Divided by</p> <p>Number of ordinary shares outstanding, adjusted for: <i>-the ultimate effect of any dilutive securities (which include restricted shares, restricted share units, directors' restricted share units, performance share units and JSOP shares⁽¹⁾) on the number of ordinary shares outstanding</i></p>	<p>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.</p> <p>We use this non-GAAP measure in our incentive compensation program.</p>
<u>Adjusted return on equity (%)</u>	<p>Adjusted operating income (loss) attributable to Enstar ordinary shareholders divided by adjusted opening Enstar ordinary shareholder's equity</p>	<p>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.</p>
Adjusted operating income (loss) attributable to Enstar ordinary shareholders (numerator)	<p>Net income (loss) attributable to Enstar ordinary shareholders, adjusted for: <i>-fair value changes and net realized (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⁽²⁾,</i> <i>-amortization of fair value adjustments,</i> <i>-net gain/loss on purchase and sales of subsidiaries (if any)</i> <i>-net income from discontinued operations (if any),</i> <i>-goodwill impairment charges</i> <i>-expenses related to the Merger Agreement</i> <i>-tax effects of adjustments, and</i> <i>-adjustments attributable to noncontrolling interests</i></p>	<p>We eliminate the impact of fair value changes and net realized (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:</p> <ul style="list-style-type: none"> • 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 • 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)	<p>Opening Enstar ordinary shareholders' equity, less: <i>-fair value changes on fixed maturities and funds held-directly managed,</i> <i>-fair value of insurance contracts for which we have elected the fair value option⁽²⁾,</i> <i>-fair value adjustments, and</i> <i>-net assets of held for sale or disposed subsidiaries classified as discontinued operations (if any)</i></p>	<p>Therefore, we believe that excluding their impact on our net income improves comparability of our core operational performance across periods.</p> <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 impact of any goodwill impairment charges as they occur infrequently and their elimination improves comparability between periods.</p> <p>We eliminate the impact of expenses related to the Merger Agreement as we deem these to be out of the ordinary course of business and to help provide a more accurate measure of performance across periods.</p>
<u>Adjusted total investment return (%)</u>	<p>Adjusted total investment return (dollars) recognized in net income for the applicable period divided by period average adjusted total investable assets.</p>	<p>Provides a key measure of the return generated on the capital held in the business and is reflective of our investment strategy.</p> <p>Provides a consistent measure of investment returns as a percentage of all assets generating investment returns.</p>
Adjusted total investment return (\$) (numerator)	<p>Total investment return (dollars), adjusted for: <i>-fair value changes in fixed maturities, trading 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></p>	<p>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.</p>
Adjusted average aggregate total investable assets (denominator)	<p>Total average investable assets, adjusted for: <i>-net unrealized (gains) losses on fixed maturities, AFS included within AOCI</i> <i>-fair value changes on fixed maturities, trading and funds held - directly managed</i></p>	

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><i>Remove:</i></p> <ul style="list-style-type: none"> -Legacy Underwriting⁽³⁾ operations -amortization of fair value adjustments, -change in fair value of insurance contracts for which we have elected the fair value option ⁽²⁾, and <p><i>Add:</i></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"> • 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⁽⁴⁾; as such, the results were not a relevant contribution to Adjusted RLE, which is designed to analyze the impact of our claims management strategies⁽³⁾. • The change in fair value of insurance contracts for which we have elected the fair value option⁽²⁾ 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><i>Remove:</i></p> <ul style="list-style-type: none"> -Legacy Underwriting⁽³⁾ 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 ⁽²⁾ and <p><i>Add:</i></p> <ul style="list-style-type: none"> -net nominal defendant A&E liability exposures and estimated future expenses. 	

⁽¹⁾ The JSOP award became dilutive for the first time for the three and nine months ended September 30, 2024 and therefore had not been previously identified as a component of this non-GAAP measure. However, its inclusion is consistent with the effect of all other potentially dilutive securities. Refer to Note 16 - "Earnings Per Share" of our Quarterly Report on Form 10-Q for the period ended September 30, 2024 for more detail.

⁽²⁾ Comprises the discount rate and risk margin components.

⁽³⁾ As of January 1, 2024, not applicable. Refer to Note 4 - "Segment Information" of our Quarterly Report on Form 10-Q for the period ended September 30, 2024 for more detail.

⁽⁴⁾ The reinsurance contractual arrangements (including the Capacity Lease Agreement) described in Note 6 to our consolidated financial statements included within in our Annual Report on Form 10-K for the year ended December 31, 2023 were settled during the second quarter of 2023, and we did not record any transactions in the Legacy Underwriting segment in 2023.

Reconciliation to Fully Diluted Book Value Per Share



	As of					
	September 30, 2024			December 31, 2023		
	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount	Equity ⁽¹⁾	Ordinary Shares	Per Share Amount
Book value per ordinary share	\$ 5,547	14,666,175	\$ 378.22	\$ 5,025	14,631,055	\$ 343.45
Non-GAAP adjustments:						
Share-based compensation plans		288,659			292,190	
JSOP ²		203,499			—	
Fully diluted book value per ordinary share*	<u>\$ 5,547</u>	<u>15,158,333</u>	<u>\$ 365.94</u>	<u>\$ 5,025</u>	<u>14,923,245</u>	<u>\$ 336.72</u>

⁽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⁾ The JSOP award made to our CEO includes a condition that specifies a hurdle price (\$315.53 as of January 20, 2025) compared to our market observable ordinary share price in order for the award to vest. As of September 30, 2024, the closing share price of our ordinary shares was \$321.59. As a result, the JSOP award became dilutive for the three and nine months ended September 30, 2024. Additionally, 20% of the award is dependent on a 10% compounded annual growth rate in Fully Diluted Book Value Per Share from January 1, 2020, which was also met for the three and nine months ended September 30, 2024. Refer to Note 22 to the Consolidated Financial Statements of our 2023 Form 10-K for additional information on the JSOP.

* Non-GAAP financial measure.

Reconciliation to Adjusted Return on Equity - QTD Q3 2024 and 2023



	Three Months Ended							
	September 30, 2024				September 30, 2023			
	Net income (loss) ⁽¹⁾	Opening equity ⁽⁷⁾	(Adj) ROE	Annualized (Adj) ROE	Net income (loss) ⁽¹⁾	Opening equity ⁽⁷⁾	(Adj) ROE	Annualized (Adj) ROE
	(in millions of U.S. dollars)							
Net income/Opening equity/ROE/Annualized ROE⁽¹⁾	\$ 148	\$ 5,261	2.8 %	11.3 %	\$ 38	\$ 4,403	0.9 %	3.5 %
Non-GAAP adjustments:								
Remove:								
Net realized (gains) losses on fixed maturities, AFS ⁽²⁾ / Cumulative fair value changes to fixed maturities, AFS ⁽³⁾	(17)	411			12	550		
Fair value changes on fixed maturities, trading ⁽²⁾ / Fair value changes on fixed maturities, trading ⁽³⁾	(38)	261			22	337		
Fair value changes on funds held - directly managed ⁽²⁾ / Fair value changes on funds held - directly managed ⁽³⁾	(61)	131			46	166		
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⁾	25	(253)			12	(312)		
Amortization of fair value adjustments / Fair value adjustments	2	(98)			4	(116)		
Goodwill impairment charges	63	—			—	—		
Expenses related to the Merger Agreement	4	—			—	—		
Tax effects of adjustments ⁽⁵⁾	2	—			(6)	—		
Adjusted net income /Adjusted opening equity/Adjusted ROE/Annualized adjusted ROE*	\$ 128	\$ 5,713	2.2 %	9.0 %	\$ 128	\$ 5,028	2.5 %	10.2 %

⁽¹⁾ 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.

⁽²⁾ Net realized gains (losses) on fixed maturities, AFS are included in net realized gains (losses) in our unaudited consolidated statements of operations. Fair value changes on fixed maturities, trading and funds held - directly managed are included in fair value changes in trading securities, funds held and other investments in in our unaudited consolidated statements of operations.

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

* Non-GAAP financial measure.

Reconciliation to Adjusted Return on Equity - YTD Q3 2024 and 2023



	Nine Months Ended							
	September 30, 2024				September 30, 2023			
	Net income (loss) ⁽¹⁾	Opening equity ⁽⁷⁾	ROE	Annualized ROE	Net income (loss) ⁽¹⁾	Opening equity ⁽¹⁾⁽²⁾	ROE	Annualized ROE
Net income/Opening equity/ROE ⁽¹⁾	\$ 393	\$ 5,025	7.8 %	10.4 %	\$ 483	\$ 4,464	10.8 %	14.4 %
Non-GAAP adjustments:								
Net realized (gains) losses on fixed maturities, AFS ⁽²⁾ / Cumulative fair value changes to fixed maturities, AFS ⁽³⁾	(2)	380			55	647		
Fair value changes on fixed maturities, trading ⁽³⁾ / Fair value changes on fixed maturities, trading ⁽⁴⁾	(8)	234			24	400		
Fair value changes on funds held - directly managed ⁽³⁾ / Fair value changes on funds held - directly managed ⁽⁴⁾	(46)	111			49	780		
Change in fair value of insurance contracts for which we have elected the fair value option / Fair value of insurance contracts for which we have elected the fair value option ⁽⁵⁾	17	(246)			24	(294)		
Amortization of fair value adjustments / Fair value adjustments	11	(107)			13	(124)		
Goodwill impairment charges	63	—			—	—		
Expenses related to the Merger Agreement	4	—			—	—		
Tax effects of adjustments ⁽⁶⁾	(3)	—			(12)	—		
Adjustments attributable to noncontrolling interests ⁽⁷⁾	—	—			(2)	—		
Adjusted net income /Adjusted opening equity/Adjusted ROE*	<u>\$ 429</u>	<u>\$ 5,397</u>	<u>7.9 %</u>	<u>10.6 %</u>	<u>\$ 634</u>	<u>\$ 5,873</u>	<u>10.8 %</u>	<u>14.4 %</u>

¹⁾ 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.

²⁾ Enstar ordinary shareholders' equity as of December 31, 2022 has been retrospectively adjusted for the impact of adopting the accounting standard related to accounting for long-duration contracts.

³⁾ Net realized gains (losses) on fixed maturities, AFS are included in net realized gains (losses) in our unaudited consolidated statements of operations. Fair value changes on fixed maturities, trading and funds held - directly managed are included in fair value changes in trading securities, funds held and other investments in in our unaudited consolidated statements of operations.

⁴⁾ Our fixed maturities are held directly on our balance sheet and also within the "Funds held" balance.

⁵⁾ Comprises the discount rate and risk margin components.

⁶⁾ 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.

⁷⁾ 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 Run-off Liability Earnings - QTD Q3 2024 and 2023



	Three Months Ended		As of		Three Months Ended
	September 30, 2024	September 30, 2024	June 30, 2024	September 30, 2024	September 30, 2024
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
PPD/net loss reserves/RLE %	\$ 9	\$ 10,610	\$ 10,518	\$ 10,564	0.1 %
Non-GAAP adjustments:					
Net loss reserves incurred in the current period	—	(15)	(9)	(12)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	2	96	98	97	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	25	232	253	243	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	—	479	497	488	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	30	31	30	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*	\$ 37	\$ 11,432	\$ 11,388	\$ 11,410	0.3 %

	Three Months Ended		As of		Three Months Ended
	September 30, 2023	September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2023
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
PPD/net loss reserves/RLE %	\$ 15	\$ 12,155	\$ 12,939	\$ 12,547	0.1 %
Non-GAAP adjustments:					
Net loss reserves incurred in the current period	—	(15)	(11)	(13)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	4	112	116	114	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	12	292	312	302	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	—	533	550	542	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	33	34	33	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*	\$ 32	\$ 13,110	\$ 13,940	\$ 13,525	0.2 %

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

* Non-GAAP financial measure.

Reconciliation to Adjusted Run-off Liability Earnings - YTD Q3 2024 and 2023



	Nine Months Ended		As of		Nine Months Ended
	September 30, 2024	September 30, 2024	December 31, 2023	September 30, 2024	September 30, 2024
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
PPD/net loss reserves/RLE %	\$ 95	\$ 10,610	\$ 11,585	\$ 11,098	0.9 %
Non-GAAP adjustments for expenses (income):					
Net loss reserves incurred in the current period	—	(15)	—	(8)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	11	96	107	102	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	17	232	246	239	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	—	479	527	503	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	3	30	33	32	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*	<u>\$ 126</u>	<u>\$ 11,432</u>	<u>\$ 12,498</u>	<u>\$ 11,966</u>	<u>1.1 %</u>

	Nine Months Ended		As of		Nine Months Ended
	September 30, 2023	September 30, 2023	December 31, 2022	September 30, 2023	September 30, 2023
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %
PPD/net loss reserves/RLE %	\$ 35	\$ 12,155	\$ 12,011	\$ 12,083	0.3 %
Non-GAAP adjustments for expenses (income):					
Net loss reserves incurred in the current period	—	(15)	—	(8)	
Legacy Underwriting	—	—	(139)	(69)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	13	112	124	118	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option ⁽¹⁾	24	292	294	293	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	533	572	553	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	2	33	35	34	
Adjusted PPD/Adjusted net loss reserves/Adjusted RLE %*	<u>\$ 76</u>	<u>\$ 13,110</u>	<u>\$ 12,897</u>	<u>\$ 13,004</u>	<u>0.6 %</u>

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

* Non-GAAP financial measure.

Reconciliation to Adjusted Total Investment Return



	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net investment income	\$ 163	\$ 143	\$ 478	\$ 471
Net realized gains (losses)	17	(12)	2	(55)
Fair value changes in trading securities, funds held and other investments	229	18	400	222
(Loss) income from equity method investments	(16)	(3)	(29)	22
Other comprehensive income:				
Unrealized gains (losses) on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange	116	(63)	107	2
TIR (\$)	\$ 509	\$ 83	\$ 958	\$ 662
Non-GAAP adjustments:				
Net realized (gains) losses on fixed maturities, AFS and fair value changes in trading and funds held - directly managed	(116)	80	(56)	128
Unrealized (gains) losses on fixed maturities, AFS, net of reclassification adjustments excluding foreign exchange	(116)	63	(107)	(2)
Adjusted TIR (\$)*	\$ 277	\$ 226	\$ 795	\$ 788
Total investments	16,821	17,710	16,821	17,710
Cash and cash equivalents, including restricted cash and cash equivalents	1,036	884	1,036	884
Total investable assets	\$ 17,857	\$ 18,594	\$ 17,857	\$ 18,594
Average aggregate invested assets, at fair value ⁽¹⁾	\$ 17,715	\$ 18,951	\$ 17,868	\$ 18,684
Annualized TIR % ⁽²⁾	11.5 %	1.8 %	7.1 %	4.7 %
Non-GAAP adjustment:				
Net unrealized losses on fixed maturities, AFS included within AOCI and fair value changes on fixed maturities, trading and funds held - directly managed	487	1,222	487	1,222
Adjusted investable assets*	\$ 18,344	\$ 19,816	\$ 18,344	\$ 19,816
Adjusted average aggregate invested assets, at fair value* ⁽³⁾	\$ 18,360	\$ 20,089	\$ 18,569	\$ 19,955
Annualized adjusted TIR %* ⁽⁴⁾	6.0 %	4.5 %	5.7 %	5.3 %

⁽¹⁾ This amount is a two and four period average of the total investable assets for the three and nine months ended September 30, 2024 and 2023, 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 and four period average of the adjusted investable assets* for the three and nine months ended September 30, 2024 and 2023.

⁽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 - September 30, 2024



	September 30, 2024		Other Investments							Equities				Cash ⁽²⁾	Funds Held	Short-term and fixed maturities, trading and AFS	
			Hedge Funds	Fixed income funds	Equity funds	Private equity funds	CLO equities	CLO equity funds	Private credit funds	Real estate fund	Other ⁽¹⁾	Publicly traded equities	Exchange-traded funds				Privately held equities
Short-term and fixed maturities, trading and AFS	\$ 6,960	39.0 %														6,960	
Funds held	4,626	25.9 %		110								56			4,460		
			— %	2.4 %	— %	— %	— %	— %	— %	— %	— %	— %	1.2 %	— %	— %	96.4 %	
Equities																	
Privately held equities	392	2.2 %						51						341			
Publicly traded equities	305	1.7 %		61							244						
Exchange-traded funds	74	0.4 %										41				33	
Warrants and other	16	0.1 %								16							
Total	787	4.4 %	— %	7.8 %	— %	— %	— %	— %	6.5 %	— %	2.0 %	31.0 %	5.2 %	43.3 %	— %	— %	4.2 %
Other investments																	
Private equity funds	1,840	10.3 %				1,463		81	73	199	9	9	6				
Private credit funds	819	4.6 %						819									
Hedge funds	476	2.7 %	387	89													
Fixed income funds	410	2.3 %		410													
Real estate fund	383	2.1 %							383								
CLO equity funds	162	0.9 %					162										
CLO equities	50	0.3 %					50										
Equity funds	5	— %									5						
Total	4,145	23.2 %	9.3 %	12.0 %	— %	35.5 %	5.1 %	— %	21.7 %	11.0 %	4.8 %	0.3 %	0.2 %	0.1 %	— %	— %	— %
Equity method investments	303	1.7 %															
Total investments	16,821	94.2 %															
Cash and cash equivalents (including restricted cash)	1,036	5.8 %														1,036	
Total investable assets	\$17,857	100.0 %															

⁽¹⁾ Includes infrastructure in fund format and warrants.

⁽²⁾ Cash and cash equivalents.

Investment Composition - December 31, 2023



	December 31, 2023		Other Investments							Equities					Cash ⁽²⁾	Funds Held	Short-term and fixed maturity investments, trading and AFS
			Hedge Funds	Fixed income funds	Private equity funds	CLO equities	CLO equity funds	Private credit funds	Real estate fund	Other ⁽¹⁾	Publicly traded equities	Exchange-traded funds	Privately held equities				
Short-term and fixed maturity investments, trading and AFS	\$ 7,274	39.9 %															7,274
Funds held	5,251	28.8 %		102								68				5,081	
			— %	1.9 %	— %	— %	— %	— %	— %	— %	— %	1.3 %	— %	— %	— %	96.8 %	— %
Equities																	
Privately held equities	344	1.9 %						45								299	
Publicly traded equities	275	1.5 %		55							220						
Exchange-traded funds	82	0.4 %					18					20				44	
Total	701	3.8 %	— %	7.8 %	— %	2.6 %	— %	6.4 %	— %	— %	31.4 %	2.9 %	42.6 %	— %	— %	6.3 %	
Other investments																	
Private equity funds	1,617	8.9 %		3	1,186			108	67	92	16	30	6	109			
Private credit funds	625	3.4 %						625									
Fixed income funds	605	3.3 %		605													
Hedge funds	491	2.7 %	407	84													
Real estate fund	269	1.5 %						269									
CLO equity funds	182	1.0 %					182										
CLO equities	60	0.3 %					60										
Equity funds	4	— %									4						
Total	3,853	21.1 %	10.5 %	18.0 %	30.8 %	6.3 %	— %	19.0 %	8.7 %	2.4 %	0.5 %	0.8 %	0.2 %	2.8 %	— %	— %	
Equity method investments	334	1.8 %															
Total investments	17,413	95.5 %															
Cash and cash equivalents (including restricted cash)	830	4.5 %														830	
Total investable assets	\$ 18,243	100.0 %															

⁽¹⁾ Infrastructure in fund format.

⁽²⁾ Cash and cash equivalents.