

James River Commences Litigation Against Fleming Intermediate Holdings to Enforce Stock Purchase Agreement

March 11, 2024

Complaint Requests the Court to Grant Specific Performance, Requiring Fleming to Abide by Contractual Obligation to Complete Transaction

PEMBROKE, Bermuda, March 11, 2024 (GLOBE NEWSWIRE) -- James River Group Holdings, Ltd. ("James River" or the "Company") (NASDAQ: JRVR) announced that it has filed a complaint in the Supreme Court, New York County, Commercial Division against Fleming Intermediate Holdings ("Fleming"), a portfolio company of private equity sponsor Altamont Capital Partners. The action seeks specific performance of Fleming's obligation to complete the acquisition of JRG Reinsurance Company Ltd. ("JRG Re") in accordance with the Stock Purchase Agreement (the "SPA") between the parties as of November 8, 2023. James River will seek expedited relief from the Court to require Fleming to close the transaction.

James River brings this action in response to the refusal of Fleming to complete the fully negotiated transaction that it executed in November. James River has taken all of the contractually required steps to effect a closing, including the receipt of all regulatory approvals. However, just hours prior to the contractually required closing, Fleming claimed that it had no obligation to close and did not attend the scheduled closing call. Fleming subsequently demanded material economic changes to the agreed-upon transaction terms.

The lawsuit makes clear that Fleming's self-serving complaints are flatly contradicted by the parties' signed agreement. James River will take all actions necessary to protect its interests, enforce James River's rights under the SPA and compel Fleming to complete the transaction in accordance with its terms. As long as James River continues to own JRG Re, James River will continue to operate and support JRG Re and its cedents as it has throughout its ownership. The Company has prepared JRG Re and its financials for sale according to the terms of the SPA.

Frank D'Orazio, the Company's Chief Executive Officer, commented, "James River is taking immediate action to enforce its rights under the previously agreed upon transaction with Fleming and ensure that Fleming fulfills its obligations to the Company. We remain confident in the strength of JRG Re and its team, and we believe that the steps we are taking are in the best interests of James River and its shareholders."

About James River Group Holdings, Ltd.

James River Group Holdings, Ltd. is a Bermuda-based insurance holding company that owns and operates a group of specialty insurance companies. The Company operates in two specialty property-casualty insurance segments: Excess and Surplus Lines and Specialty Admitted Insurance. Each of the Company's regulated U.S. insurance subsidiaries are rated "A-" (Excellent) by A.M. Best Company. Visit James River Group Holdings, Ltd. on the web at www.jrvrgroup.com.

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Forward-Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, such forward-looking statements may be identified by terms such as believe, expect, seek, may, will, should, intend, project, anticipate, plan, estimate, guidance or similar words. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Although it is not possible to identify all of these risks and uncertainties, they include, among others, the following: the inherent uncertainty of litigation and the potential failure to obtain specific performance of the buyer's obligation to complete the acquisition of JRG Re announced on November 8, 2023; the timing of the, or the potential failure to, close the sale by the Company of the common shares of JRG Re announced on November 8, 2023; the inherent uncertainty of estimating reserves and the possibility that incurred losses may be greater than our loss and loss adjustment expense reserves; inaccurate estimates and judgments in our risk management may expose us to greater risks than intended; downgrades in the financial strength rating or outlook of our regulated insurance subsidiaries impacting our ability to attract and retain insurance business that our subsidiaries write, our competitive position, and our financial condition; potential uncertainty regarding the outcome of our exploration of strategic alternatives, and the impacts that it may have on our business; the potential loss of key members of our management team or key employees and our ability to attract and retain personnel; adverse economic factors resulting in the sale of fewer policies than expected or an increase in the frequency or severity of claims, or both; the impact of a persistent high inflationary environment on our reserves, the values of our investments and investment returns, and our compensation expenses; exposure to credit risk, interest rate risk and other market risk in our investment portfolio; reliance on a select group of brokers and agents for a significant portion of our business and the impact of our potential failure to maintain such relationships; reliance on a select group of customers for a significant portion of our business and the impact of our potential failure to maintain, or decision to terminate, such relationships; our ability to obtain reinsurance coverage at prices and on terms that allow us to transfer risk, adequately protect our company against financial loss and that supports our growth plans; losses resulting from reinsurance counterparties failing to pay us on reinsurance claims, insurance companies with whom we have a fronting arrangement failing to pay us for claims, or a former customer with whom we have an indemnification arrangement failing to perform its reimbursement obligations, and our potential inability to demand or maintain adequate collateral to mitigate such risks; inadequacy of premiums we charge to compensate us for our losses incurred; changes in laws or government regulation, including tax or insurance law and regulations; changes in U.S. tax laws (including associated regulations) and the interpretation of certain provisions applicable to insurance/reinsurance businesses with U.S. and non-U.S. operations, which may be retroactive and could have a significant

effect on us including, among other things, by potentially increasing our tax rate, as well as on our shareholders; in the event we do not qualify for the insurance company exception to the passive foreign investment company ("PFIC") rules and are therefore considered a PFIC, there could be material adverse tax consequences to an investor that is subject to U.S. federal income taxation; the Company or any of its foreign subsidiaries becoming subject to U.S. federal income taxation; a failure of any of the loss limitations or exclusions we utilize to shield us from unanticipated financial losses or legal exposures, or other liabilities; losses from catastrophic events, such as natural disasters and terrorist acts, which substantially exceed our expectations and/or exceed the amount of reinsurance we have purchased to protect us from such events; potential effects on our business of emerging claim and coverage issues; the potential impact of internal or external fraud, operational errors, systems malfunctions or cyber security incidents; our ability to manage our growth effectively; failure to maintain effective internal controls in accordance with the Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley"); changes in our financial condition, regulations or other factors that may restrict our subsidiaries; ability to pay us dividends; and an adverse result in any litigation or legal proceedings we are or may become subject to. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those in the forward-looking statements, is contained in our filings with the U.S. Securities and Exchange Commission ("SEC"), including our most recently filed Annual Report on Form 10-K. These forward-looking statements speak only as of the date of this release and the Company does not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.



Source: James River Group Holdings, Ltd.