



PRESS RELEASE

STARTS

BF&M and Equilibria Announce Strategic Partnership

Hamilton, Bermuda, 11 October, 2023 — BF&M Limited (“BF&M” or the “Company”) (BSX: BFM) and Equilibria Capital Management Limited (“Equilibria”), a Bermuda-headquartered global asset management company and the largest shareholder of Argus Group (“Argus”), today announced a multifaceted strategic partnership.

Under the terms of the strategic partnership, Equilibria will grant BF&M an exclusive option to acquire a 13.7% stake in Argus. BF&M is not obliged to exercise its right under the option but may choose to do so. Additionally, BF&M will invest in a dedicated fund which will hold a 16.3% stake in Argus.

This partnership creates several other compelling strategic and financial benefits, including:

- **Sale-leaseback transaction:** Equilibria will acquire BF&M's headquarters and adjoining building on Pitts Bay Road (110 Pitts Bay Road and 112 Pitts Bay Road) and enter into a long-term lease agreement with BF&M for the buildings. This transaction will enable BF&M to further strengthen its balance sheet whilst allowing the company to continue to serve its clients from its historical headquarters.
- **Asset management initiatives:** Equilibria will provide BF&M access to a range of investment opportunities to further diversify its portfolio and achieve enhanced returns. As part of this agreement, BF&M has committed to a significant investment in a dedicated Equilibria investment fund which will focus on projects of mutual interest. This will include the initial investment in respect of a 16.3% stake in Argus.

Notably, BF&M will not require any external financing to either exercise its option or to fund its investment in the Equilibria-dedicated fund.

Anthony Joaquin, Chairman of BF&M said: “Our Board and leadership team have carefully considered this transaction to ensure it was in our shareholders’ best interests in light of the proposed transaction between Camellia and Argus. With this multifaceted strategic partnership and stock purchase right, BF&M believes it is well positioned to add significant and sustained value for shareholders, clients, employees, and the broader insurance sector in Bermuda.”

BF&M Group President and CEO, Abigail Clifford stated: “We are excited to establish an expansive relationship with Equilibria on multiple fronts to enhance BF&M’s strategic positioning and ability to lead the continued growth of Bermuda’s insurance sector. We look forward to collaborations geared towards realising further capital efficiencies and gaining access to additional asset allocation opportunities through a trusted capital management partner.”

Daniel Tafur, Partner of Equilibria stated: “We believe that this strategic partnership sets the stage for the creation of significant shareholder value for both BF&M and Equilibria as well as all other Argus shareholders. BF&M has a storied history spanning over 120 years and is uniquely positioned financially and strategically to lead the growth of Bermuda’s insurance sector in the coming years. We look forward to working with BF&M and its management team on a range of important initiatives.”

BF&M and Equilibria will seek all necessary regulatory approvals in connection with these transactions.

ENDS

BACKGROUND

BF&M Limited is the holding company of the BF&M group of companies (“BF&M Group”). The two largest operating companies within the BF&M Group are BF&M Life Insurance Company Limited, a leading provider of life, health and pensions products, and BF&M General Insurance Company Limited, the leading general insurer providing all forms of property, casualty, motor and marine products. The BF&M Group includes several other companies including BF&M Investment Services Limited, BF&M Properties Limited, (including Scarborough Property Holdings Limited and Barr’s Bay Properties Limited), and Island Heritage Insurance Company, Ltd.

Equilibria Capital manages investment funds and offers bespoke investment solutions and advisory services to private and institutional clients globally. The firm strives to deliver superior long-term investment performance, service and a comprehensive suite of asset management solutions for its clients. Equilibria is a Bermuda-based company and currently manages and advises on over USD 1.7 Billion in client assets.

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