



Conduit Holdings Limited

2025 Interim Results
30 July 2025



CONDUIT RE

Important notices

Important information (disclaimers)

This announcement contains inside information for the purpose of the Market Abuse Regulation (EU) No 596/2014 (which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018, as amended).

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "goals", "objective", "rewards", "expectations", "signals", "projects", "anticipates", "expects", "achieve", "intends", "tends", "on track", "well placed", "continued", "estimated", "projected", "preliminary", "upcoming", "may", "will", "aims", "could" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, targets, future events or intentions or loss estimates. Forward-looking statements include statements relating to the following: (i) future capital requirements, capital expenditures, expenses, revenues, unearned premiums pricing rate changes, terms and conditions, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, claims development, losses and loss estimates and future business prospects; and (ii) business and management strategies and the expansion and growth of Conduit's operations.

Forward-looking statements may and often do differ materially from actual results. Forward-looking statements reflect Conduit's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Conduit's business, results of operations, financial position, liquidity, prospects, growth and strategies. These risks, uncertainties and assumptions include, but are not limited to: the possibility of greater frequency or severity of claims and loss activity than Conduit's underwriting, reserving or investment practices have anticipated; the reliability of catastrophe pricing, accumulation and estimated loss models; the actual development of losses and expenses impacting estimates for claims which arose as a result of recent loss activity such as hurricanes, storms, floods and wildfires; the impact of complex causation and coverage issues associated with attribution of losses to wildfires, wind or flood damage; the impact of increased costs and inflation to settle claims in high density areas and emerging information as losses develop; unusual loss frequency or losses that are not modelled; the effectiveness of Conduit's risk management and loss limitation methods, including to manage volatility; the recovery of losses and reinstatement premiums from our own reinsurance providers; the development of Conduit's technology platforms; a decline in Conduit's ratings with A.M. Best or other rating agencies; the impact that Conduit's future operating results, capital position and ratings may have on the execution of Conduit's business plan, capital management initiatives or dividends; Conduit's ability to implement successfully its business plan and strategy during 'soft' as well as 'hard' markets; the premium rates which are available at the time of renewals within Conduit's targeted business lines and at policy inception; the pattern and development of premiums as they are earned; increased competition on the basis of pricing, capacity or coverage terms and the related demand and supply dynamics as contracts come up for renewal; the successful recruitment, retention and motivation of Conduit's key management and the potential loss of key personnel; the credit environment for issuers of fixed maturity investments in Conduit's portfolio; the impact of the ongoing conflicts in Ukraine and the Middle East, the impact of swings in market interest rates, currency exchange rates and securities prices; changes by central banks regarding the level of interest rates and the timing and extent of any such changes; the impact of inflation or deflation in relevant economies in which Conduit operates; Conduit becoming subject to income taxes in Bermuda, the United States or in the United Kingdom; and changes in insurance or tax laws or regulations in jurisdictions where Conduit conducts business.

Forward-looking statements contained in this trading update may be impacted by emerging information regarding losses from the California wildfires, the escalation or expansion of the Ukraine conflict or Middle East conflict, the volatility in global financial markets and governmental, regulatory and judicial actions, including related policy coverage issues. Forward-looking statements speak only as of the date they are made. No representation or warranty is made that any forward-looking statement will come to pass. Conduit disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by law or regulation. All subsequent written and oral forward-looking statements attributable to Conduit and/or the group or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above.

The Conduit renewal year on year indicative risk-adjusted rate change measure is an internal methodology that management uses to track trends in premium rates of a portfolio of reinsurance contracts. The change measure is specific for our portfolio and reflects management's assessment of relative changes in price, exposure and terms and conditions. It is also net of the estimated impact of claims inflation. It is not intended to be commentary on wider market conditions. The calculation involves a degree of judgement in relation to comparability of contracts and the assessment noted above, particularly in Conduit's initial years of underwriting. To enhance the methodology, management may revise the methodology and assumptions underlying the change measure, so the trends in premium rates reflected in the change measure may not be comparable over time. Consideration is only given to renewals of a comparable nature so it does not reflect every contract in the portfolio of Conduit contracts. The future profitability of the portfolio of contracts within the change measure is dependent upon many factors besides the trends in premium rates.

2025 interim results

Today's speakers



Neil Eckert
Chief Executive Officer



Elaine Whelan
Chief Financial Officer



Nick Pritchard
Interim Chief Underwriting
Officer

Agenda

01

2025 interim
results summary

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Overview of
performance &
market conditions

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Performance by
segment

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highlights

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Outlook & closing
remarks

2025 interim results update

Gross premiums written¹ of \$803.3 million, a +8.9% increase over the same period in 2024



- Continued growth in each underwriting division, led by Property and Casualty, tempered by portfolio adjustments
- Initial progress of planned portfolio rebalancing at mid-year renewals is underway

Undiscounted combined ratio of 122.1% for H1 2025, compared with 85.7% for H1 2024



- H1 2025 was a highly active period of catastrophe events and risk losses for the industry, including the California wildfires, severe convective storms in the United States and several aviation losses, amongst others
- The California wildfires contributed 31.6% to our undiscounted combined ratio

Net investment result was \$63.8 million for H1 2025 for an investment return of 3.9% (H1 2024: \$23.0 million and 1.5%, respectively)



- \$1.9 billion of managed cash and investments as at 30 June 2025, up ~\$400 million from 30 June 2024
- Growing asset base generating strong net investment income of \$38.8 million during H1 2025, a 29.8% increase over H1 2024

Comprehensive loss of \$(13.5) million and an RoE of (1.3)% for H1 2025, compared to comprehensive income of \$98.1 million and an RoE of 9.9% for the for H1 2024



- The actions to rebalance our portfolio, together with increased losses during the second quarter and an increase in our reserves related to Ukraine, have resulted in a further reduction to our RoE expectations to the mid single digits for 2025
- Our cross-cycle target remains a mid-teens RoE

We continue to add resources to enhance our functional teams; William Randolph recently joined as Chief Risk Officer



- Following senior departures, we continue to attract talent and will add resources where complementary to our existing operations
- Additional senior hires made in claims and underwriting to join Conduit in 2025

9% increase in gross premiums written

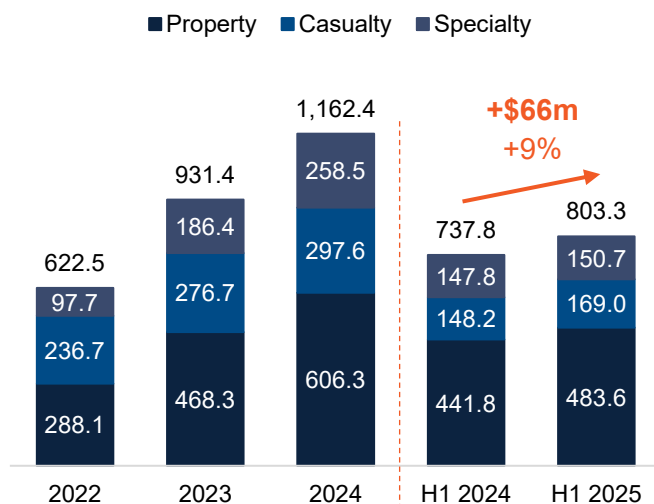
Market conditions becoming more competitive in most classes

- Increased capacity in the market is driven by strong retained earnings for the industry
- Estimated insured catastrophe losses of at least \$100 billion¹ during H1 2025 - loss activity has not deterred appetite in the market
- Business remains adequately priced in most classes and terms and conditions are generally holding

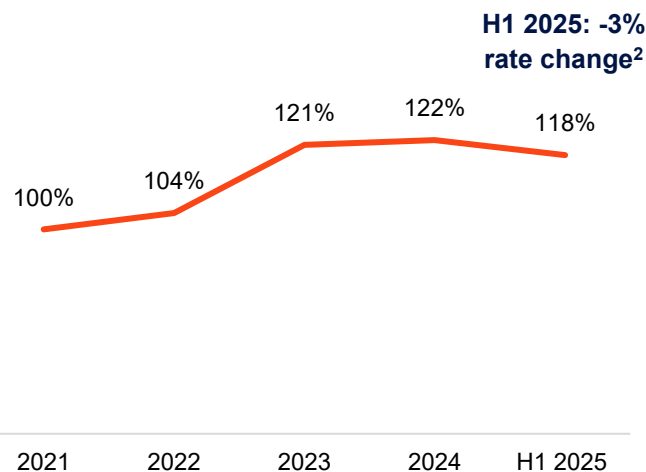
Initiated strategic portfolio adjustments

- We have started to realign our portfolio towards a greater share of excess of loss business to improve balance and better manage our net exposures
- We have reduced shares on lines that did not meet our profitability hurdles, reinforcing our commitment to underwriting discipline
- Our focus is on managing cycles for profit, not volume

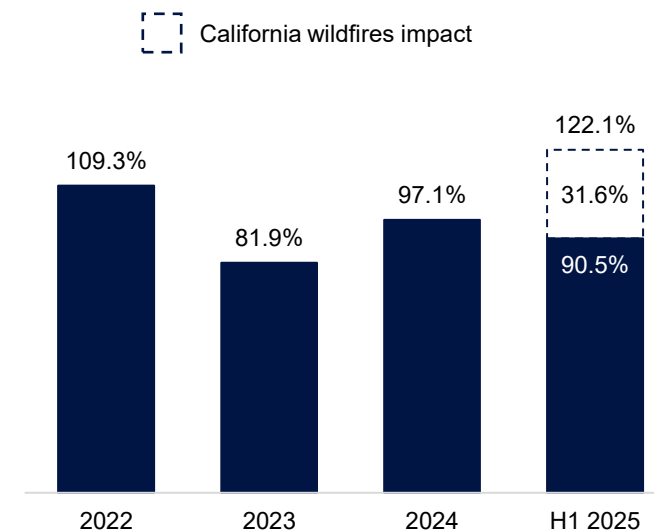
Gross premiums written (\$m)



Cumulative risk-adjusted rate change²



Undiscounted combined ratio



9% increase in gross premiums written in Property

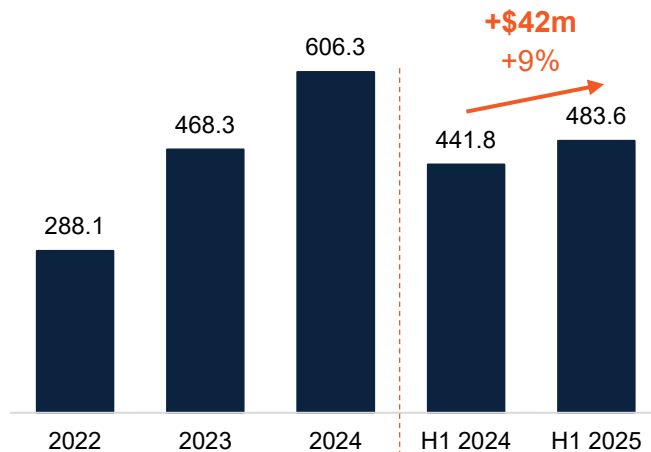
More competitive conditions emerging despite rising demand

- Experiencing increased demand from regional and national carriers driven by growth in exposures, inflation and model changes
- Rates are trending down after years of positive momentum, although outcomes are highly nuanced by region, layer and loss experience
- The market generally remains disciplined around terms and conditions

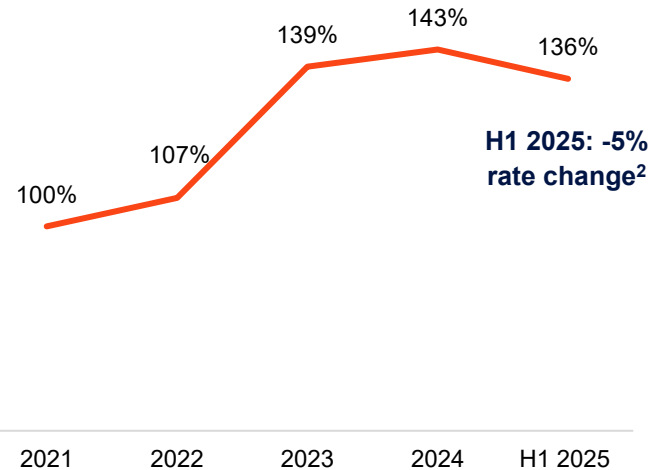
Selectively deploying capital to strengthen portfolio resilience

- We have increased our line size on high performing portfolios and reduced underperforming accounts
- Our core client base remains stable, with selective rebalancing through new excess of loss signings and targeted new relationships
- We continue to see a strong flow of opportunities

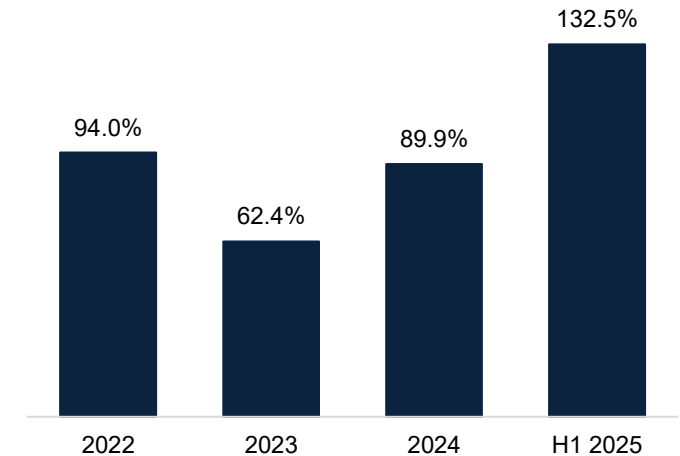
Gross premiums written (\$m)



Cumulative risk-adjusted rate change¹



Undiscounted combined ratio



14% increase in gross premiums written in Casualty

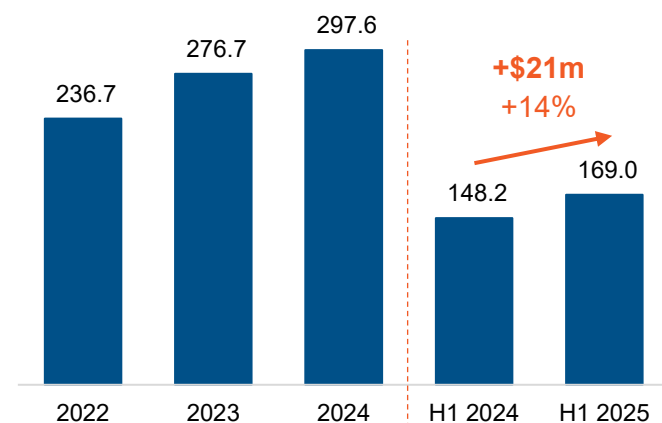
Market conditions vary widely by class of business and geography

- Rates are close to flat on average, with pockets of improving conditions and positive rate such as US general liability
- Deal economics improved in certain classes, with slight reductions in ceding commissions on renewal
- Reinsurance market showing strong demand to deploy capacity in casualty classes

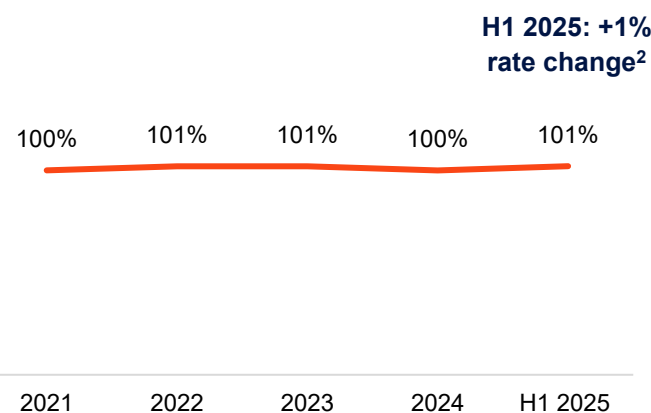
Expanding partnerships with strong cycle managers

- Growing shares with existing partners that have demonstrated disciplined growth and cycle management behaviour
- Concentrating on classes where rate momentum remains, including US excess and surplus lines, while keeping exposure to negative-rate classes minimal

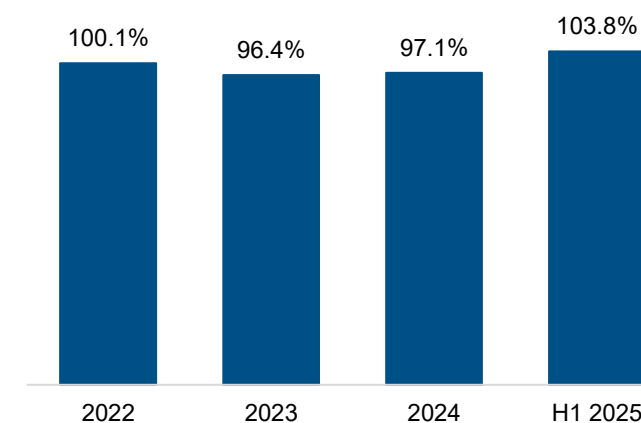
Gross premiums written (\$m)



Cumulative risk-adjusted rate change¹



Undiscounted combined ratio



2% increase in gross premiums written in Specialty

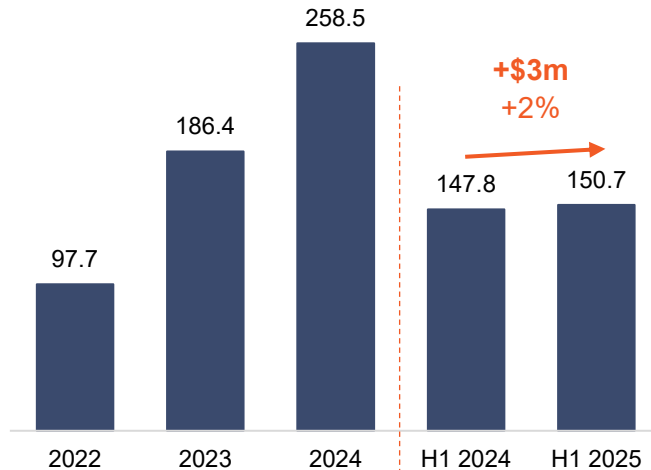
Dynamic market with increased demand for specialty risks

- Existing and new capacity seeking to grow specialty risks that offer good margin and diversification
- Rate softening has continued in most classes of business, despite some significant industry loss events
- Wordings are holding up but some upward pressure on ceding commissions

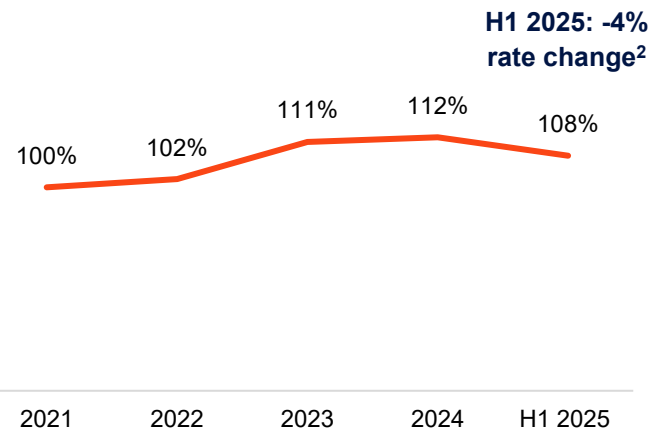
Disciplined cycle management amid softening market

- Reinforcing preferred partnerships with demonstrated history
- Seeing strong flow of opportunities with an uptick in new submissions; multiline deals and excess of loss opportunities are gaining traction
- Maintaining discipline with event limits and loss ratio caps on the majority of quota share business

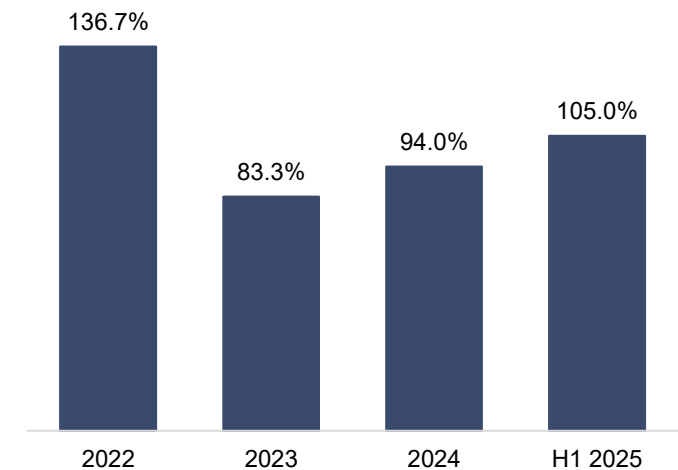
Gross premiums written (\$m)



Cumulative risk-adjusted rate change¹



Undiscounted combined ratio



2025 interim financial highlights

Key financials (\$m)	H1 2025	H1 2024	Change %
Gross premiums written	803.3	737.8	8.9
Reinsurance revenue	433.3	382.0	13.4
Net reinsurance revenue	379.9	338.2	12.3
Reinsurance service result	(15.2)	99.7	(115.2)
Net investment result	63.8	23.0	177.4
Comprehensive income (loss)	(13.5)	98.1	(113.8)
Financial ratios (%)	H1 2025	H1 2024	Change (pps)
Net loss ratio (discounted)	95.8	62.4	33.4
Reinsurance operating expense ratio	8.2	8.1	0.1
Other operating expense ratio	4.3	4.6	(0.3)
Combined ratio (discounted)	108.3	75.1	33.2
Combined ratio (undiscounted)	122.1	85.7	36.4
Total net investment return	3.9	1.5	2.4
Return on equity	(1.3)	9.9	(11.2)

Gross premiums written increased across all divisions, led by Property and Casualty, totalling 8.9% over the prior year

H1 2025 was another highly active period of natural catastrophe events and risk losses for the industry, including the California wildfires, severe convective storms in the United States and several aviation losses, amongst others

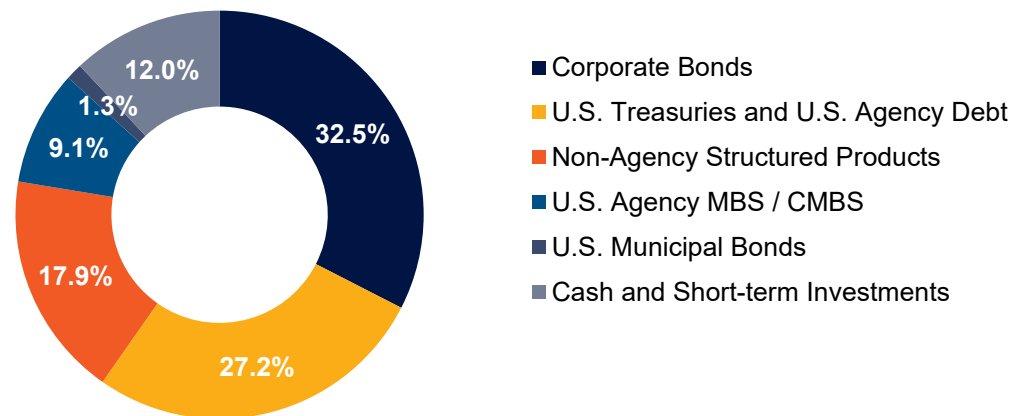
The California wildfires were the most significant event and our undiscounted net loss¹ attributed to the wildfires is \$118.3 million, contributing 31.6% to our undiscounted net loss ratio

Net investment result in H1 2025 increased due to stronger net investment income and unrealised gains on investments

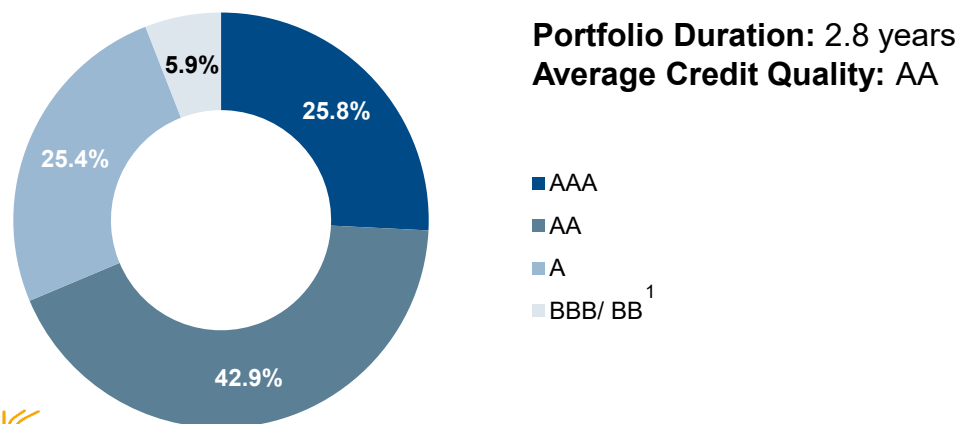
Tangible net assets per share as at 30 June 2025 was \$6.43, or £4.68² (30 June 2024: \$6.69 or £5.25; 31 December 2024: \$6.70 or £5.35)

High quality investment portfolio

Asset allocation as at 30 June 2025



Credit quality as at 30 June 2025



Capital preservation and liquidity to support our underwriting teams remain of paramount importance and determines our conservative strategic portfolio allocation

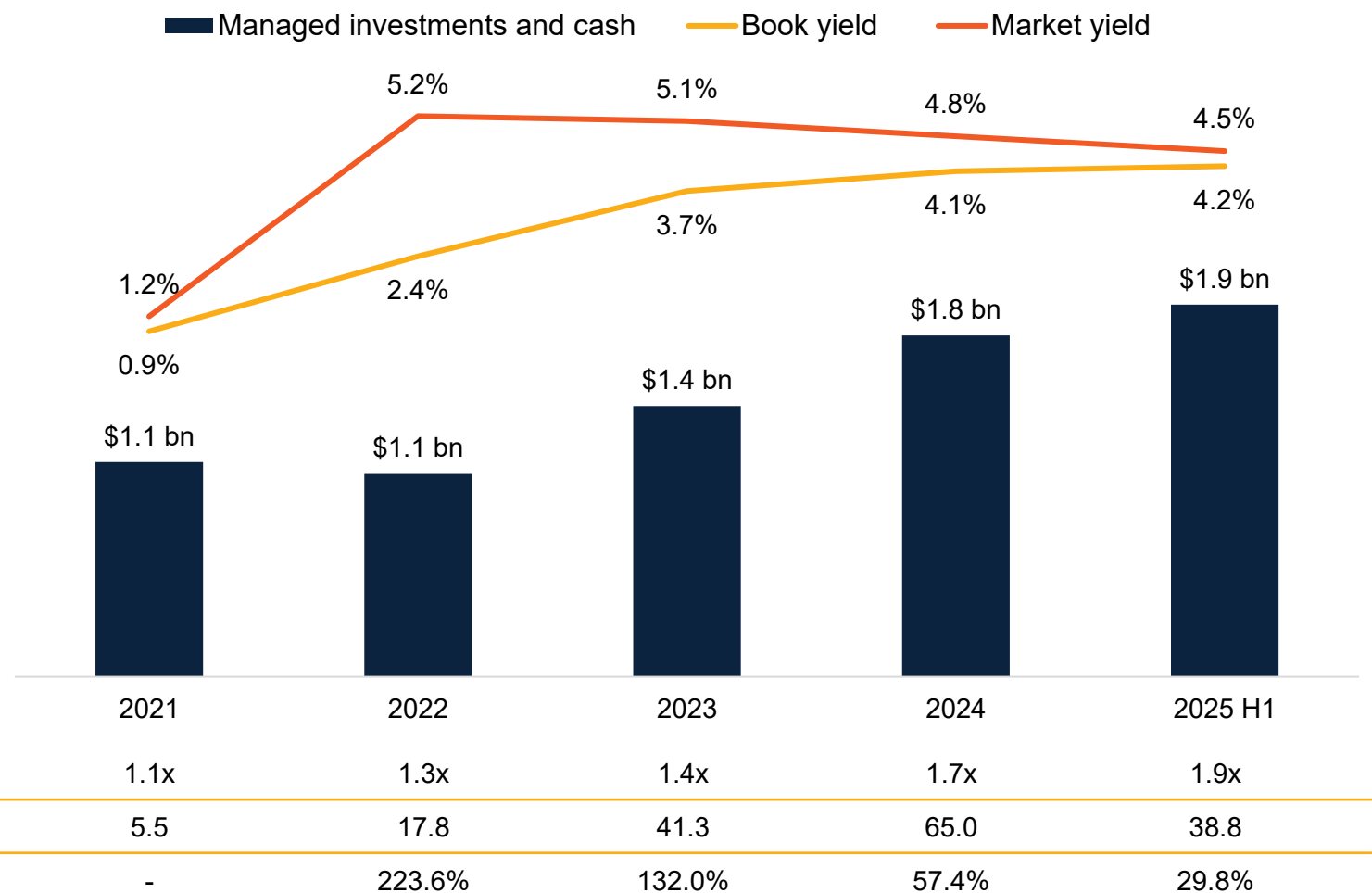
- Total net investment return of 3.9% in H1 2025, driven by net investment income, in addition to net unrealised gains due to the reduction in treasury yields in the period (1.5% in H1 2024)
- High quality and short duration portfolio with growing investment leverage:
 - Total managed investments and cash of \$1.9 billion (\$1.8 billion as at 31 December 2024)
 - Average credit quality of AA (AA as at 31 December 2024)
 - Book yield of 4.2% (4.1% as at 31 December 2024)
 - Market yield of 4.5% (4.8% as at 31 December 2024)
 - Portfolio duration of 2.8 years (2.5 years as at 31 December 2024)

Compounding earnings contribution from investment portfolio

Managed investments and cash totalling \$1.9 billion as at 30 June 2025, representing an increase of ~\$400 million from 30 June 2024

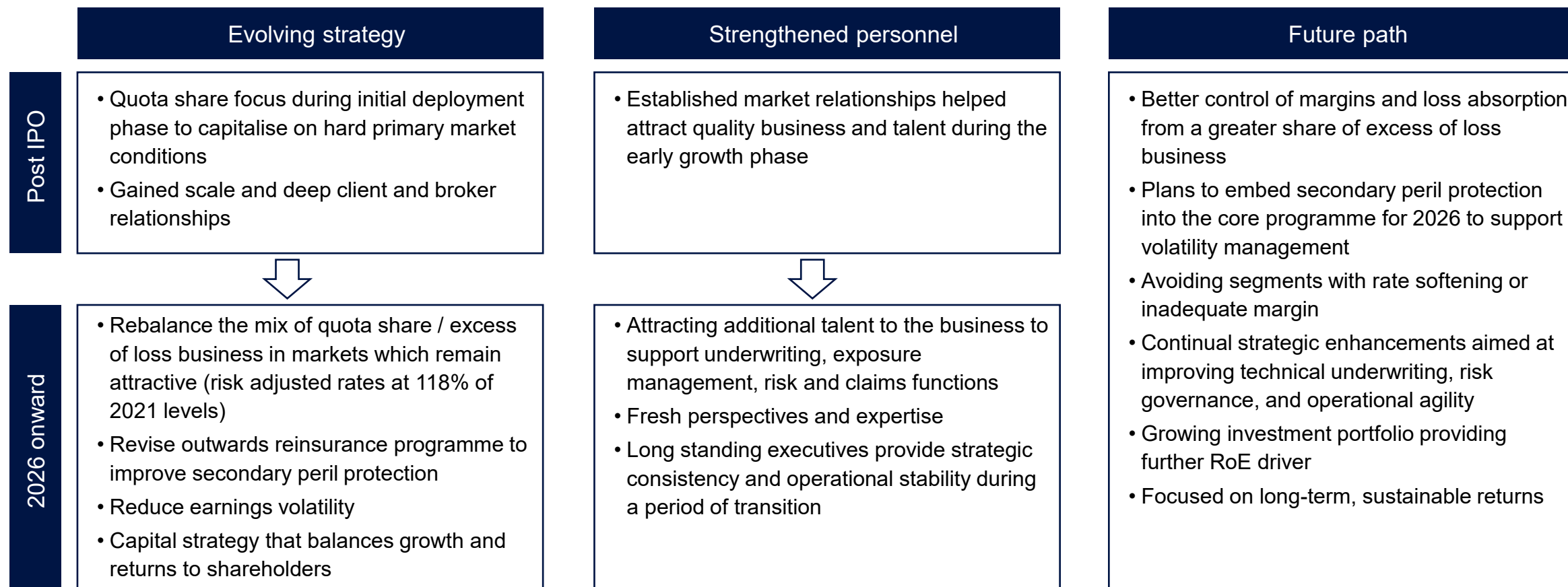
Investment leverage¹ has increased to 1.9x as the portfolio has continued to grow with the business

Net investment income of \$38.8 million for H1 2025 contributing meaningfully to earnings (H1 2024: \$29.9 million)



Transition to a stronger, more resilient business

Since its IPO, Conduit has achieved significant milestones and is now preparing for the next phase of evolution to create a stronger, more resilient business; we are in a period of transition as we execute on our strategy and prepare the business for 2026 and beyond



Closing remarks

We are in a period of transition and are preparing for the future

- Driven largely by losses from the California wildfires, we have made a disappointing loss for the first half of the year of \$(13.5) million
- We are taking steps to improve the long-term resilience of our portfolio, including broader outwards protections, particularly related to secondary perils
- We will continue to strengthen our functional teams with targeted hires in underwriting, risk and claims, supporting our long-term capabilities

Adjusting our portfolio in response to evolving market conditions

- The process of realigning our portfolio towards a greater share of excess of loss business is underway, aimed at reducing attritional loss exposure and improving diversification
- Rates remain at historically attractive levels, although increased industry capacity is driving softening trends
- Maintaining a focus on margin discipline in a competitive environment and continuing to strengthen relationships with high value partners

Our balance sheet remains strong

- Our capital strategy is focused on supporting our underwriting and providing additional returns to shareholders when appropriate
- We maintain a conservative investment portfolio with increasing investment leverage as the business matures

We continue to prioritise long-term value creation

- The team is actively identifying opportunities that align with our risk appetite and strategic objectives to improve diversification and margins
- The strategic changes we are actioning are focused on generating more stable and resilient returns for shareholders, as we continue to target a mid-teens RoE across the cycle

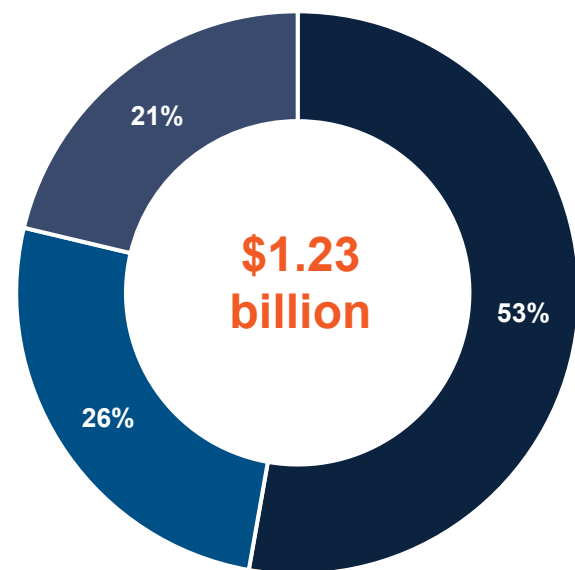
Appendices

Conduit at a glance

Our approach to cycle management across our classes of business, combined with an efficient operating model, plays a key role as we prioritise long-term value creation for our stakeholders

12 months ended 30/06/2025 gross premiums written

Property \$648.1 million	Casualty \$318.4 million	Specialty \$261.4 million
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Key statistics

Bermuda based multi-line reinsurer	With 65 employees ¹	“CRE” listed on the London Stock Exchange since 2020
AM Best financial strength rating A- (positive outlook)	Debt to total capital ² 0%	Managed cash & investments ² of \$1.9 billion
FY 2024 RoE 12.7%	Dividend per share \$0.36 7% and annual yield ³	Total capital ² of \$1.0 billion

1. As at 31 December 2024
2. As at 30 June 2025
3. Annualised dividend calculated using the total 2024 dividend and the closing share price on 30 June 2025

We are committed to driving meaningful change



Effective governance supports our strategy

- Robust risk governance framework will ensure effective oversight and accountability
- A majority (75%) of the CHL Board comprises independent directors, promoting unbiased decision-making
- We actively promote diversity through our policies; women make up 50% of our Board, enriching leadership with diverse perspectives and expertise
- Strategic alignment between executive compensation and shareholder interests; links to ESG goals



We empower our staff

- As at 31 December, 2024, 45% of our workforce was female, reflecting our commitment to gender diversity
- We are dedicated to career development, offering training and support for professional certifications to foster growth
- Our competitive benefits package is designed to promote a healthy, balanced workforce



We support our local community

- The Conduit Foundation actively supports local charitable initiatives in Bermuda, driving positive community impact
- Employee volunteer programmes encourage staff to contribute their time and skills to meaningful causes
- Annual internships and university scholarships foster the development of future talent and educational opportunities

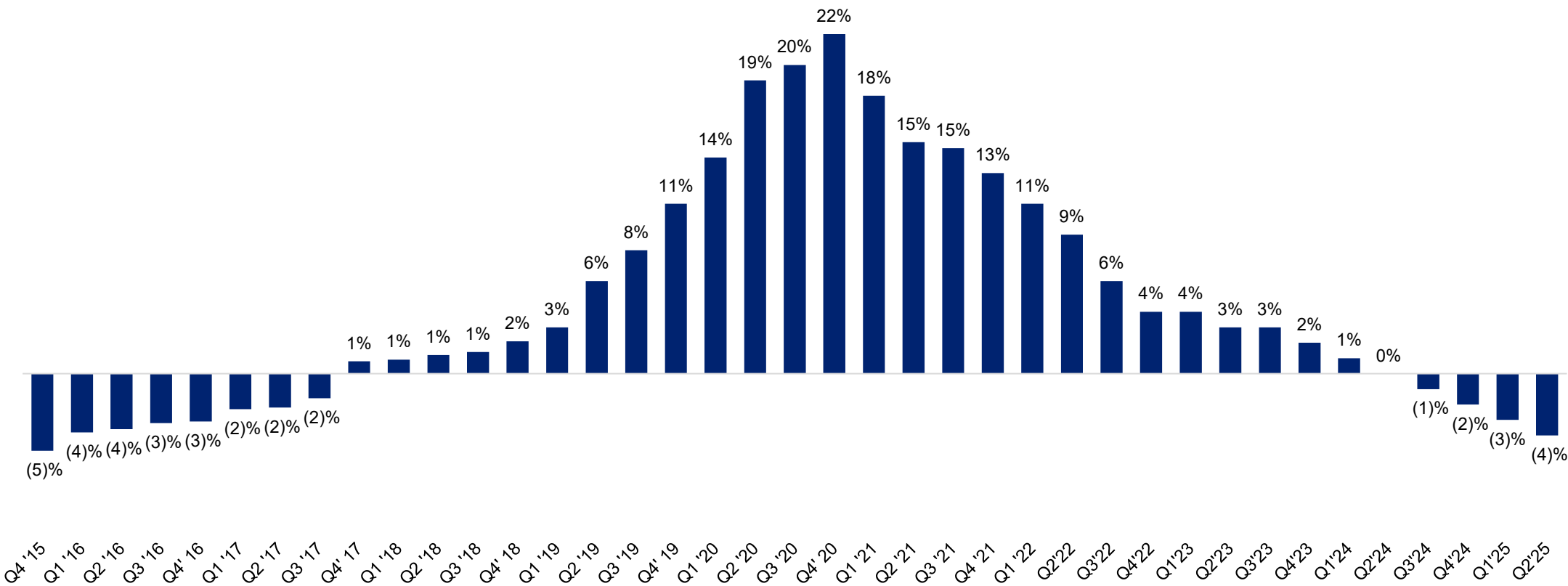


Our business is committed to sustainability

- Our operations are carbon neutral, supported by carefully selected and impactful carbon offset projects
- Environmental and social considerations are integrated into our underwriting and investment policies
- We are a signatory to the UN Principles for Sustainable Insurance (PSI), with our investment managers also adhering to the UN Principles for Responsible Investment (PRI)
- ESG materiality analysis ensures alignment with key sustainability priorities

Commercial insurance pricing environment

Marsh Global Insurance Market Index



Bermuda corporate income tax



Bermuda Corporate Income Tax Act 2023 (Bermuda CIT) passed into law in December 2023 and applied from January 2025 to multi-national entities that qualify.



Conduit is not a multi-national entity.



If the Group were to meet the Bermuda CIT criteria in the future, it is likely that an exemption will be available for the first five years in which the tax would otherwise apply.



Conduit may benefit from wider fiscal changes resulting from the implementation of the Bermuda CIT. However, it is too early to assess any likely benefit.

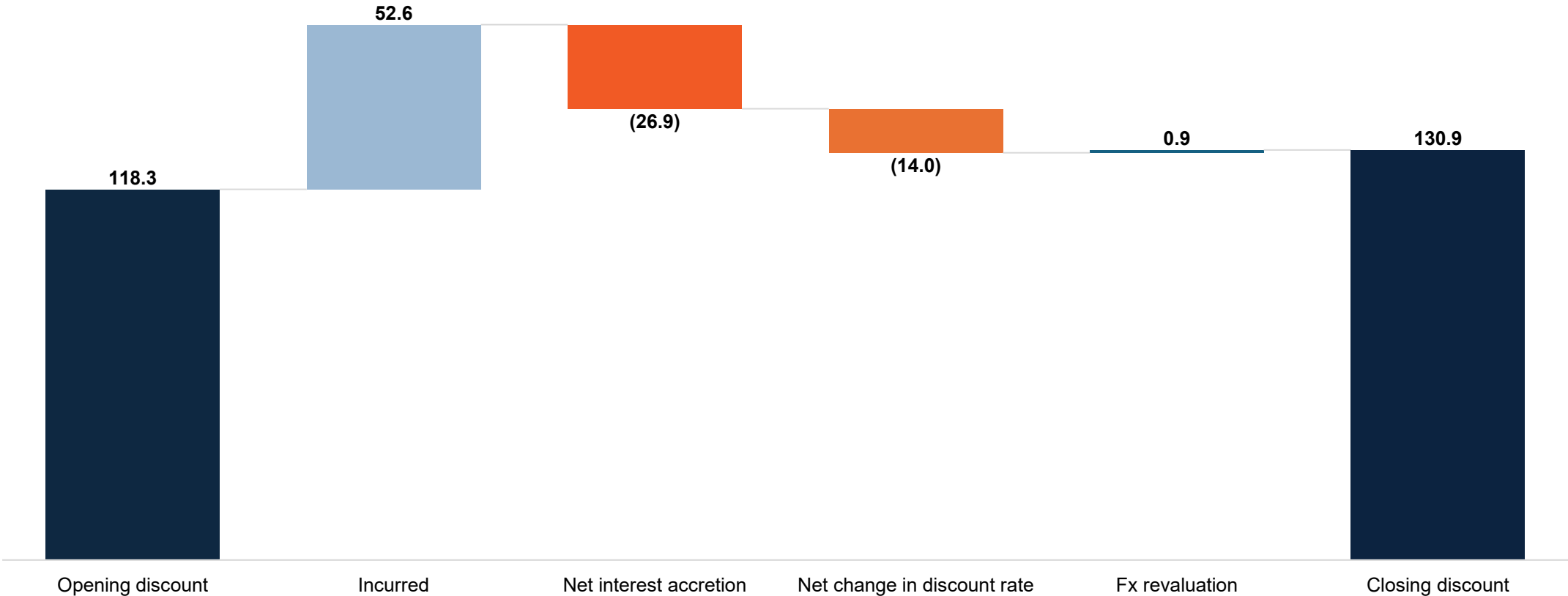
Discounting on losses

Reminder of our discounting calculation methodology

	Calculation methodology	Variability
Discount on new incurred	<ul style="list-style-type: none"> – New incurred claims discounted using opening discount rate or date of loss rate for material events. 	<ul style="list-style-type: none"> – Opening discount rates are fixed for the period but discount on material events are subject to prevailing market rates at time of event. – Size of discount driven by undiscounted new incurred losses that remain unpaid at the end of the period.
Discount on PYD	<ul style="list-style-type: none"> – Prior year development discounted using opening discount rates. 	<ul style="list-style-type: none"> – Opening discount rates fixed for the period. – Total discount dependent on undiscounted PYD for the period and the actual versus expected experience on timing of loss payments. – Discounted PYD can be lower or higher than undiscounted PYD.
Interest accretion on PY reserves	<ul style="list-style-type: none"> – Interest accretion based on opening discount rates on opening reserves. 	<ul style="list-style-type: none"> – Very little variability in the unwind of prior year reserves during the period. – High level calculation of Yield x Opening Reserves can help estimate PY unwind.
Interest accretion on new incurred	<ul style="list-style-type: none"> – Interest accretion based on opening rates or date of loss rate for material events. Calculated on new incurred, not paid within the year. 	<ul style="list-style-type: none"> – Variability on new incurred, amount of newly incurred claims paid during the period and markets rates for material events.
Change in discount rates	<ul style="list-style-type: none"> – Calculated as difference between closing reserves using opening/event rate versus closing reserves using closing rates. 	<ul style="list-style-type: none"> – Size and direction of movements driven by how interest rates move during the period.

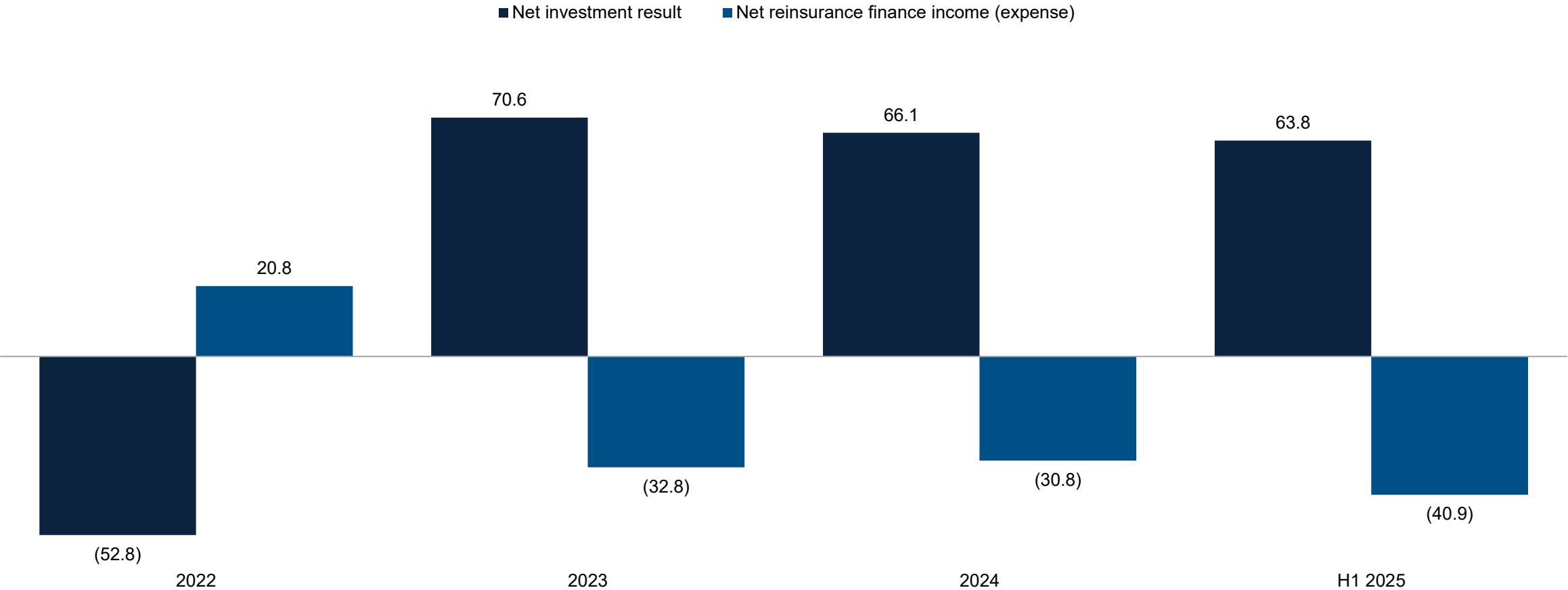
The discount on our balance sheet will be unwound over future years

Discount roll-forward for the six months ended 30 June 2025 (\$m)



Net reinsurance finance income (expense) reduces volatility from investment return

Net investment result and net reinsurance finance income (expense) for half year and full year results (\$m)



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About Conduit Re

Conduit Re is a multi-line Bermuda-based reinsurer, with a global reach. Conduit Reinsurance Limited is licensed by the Bermuda Monetary Authority as a Class 4 insurer. A.M. Best has assigned a Financial Strength Rating of A- (Excellent) and a Long-Term Issuer Credit Rating of a- (Excellent) to Conduit Reinsurance Limited. The outlook assigned to these ratings is positive. Conduit Holdings Limited is the ultimate parent of Conduit Reinsurance Limited and is listed on the London Stock Exchange (ticker: CRE). References to "Conduit" include Conduit Holdings Limited and all of its subsidiary companies.

conduitreinsurance.com

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