Conduit Holdings Limited

Q1 2024 Trading Update

15 May 2024

CONDUIT RE

Strong growth continues in Q1 2024

Gross premiums written of $356.8 million, +28.3% versus Q1 2023

- Year-on-year growth: property 37%, casualty 6% and specialty 31%
- 35.1% increase in reinsurance revenue to $181.1 million from $134.0 million in Q1 2023
- Our focus remains on classes where margins are most attractive

Positive risk-adjusted rate change of 3%, net of inflation, across the portfolio

- 5% in property, -2% in casualty, 2% in specialty
- Technical rate levels remain generally very strong, spread of rate change observed within each of the classes
- Industry legacy development supporting go forward pricing discipline

Trading environment

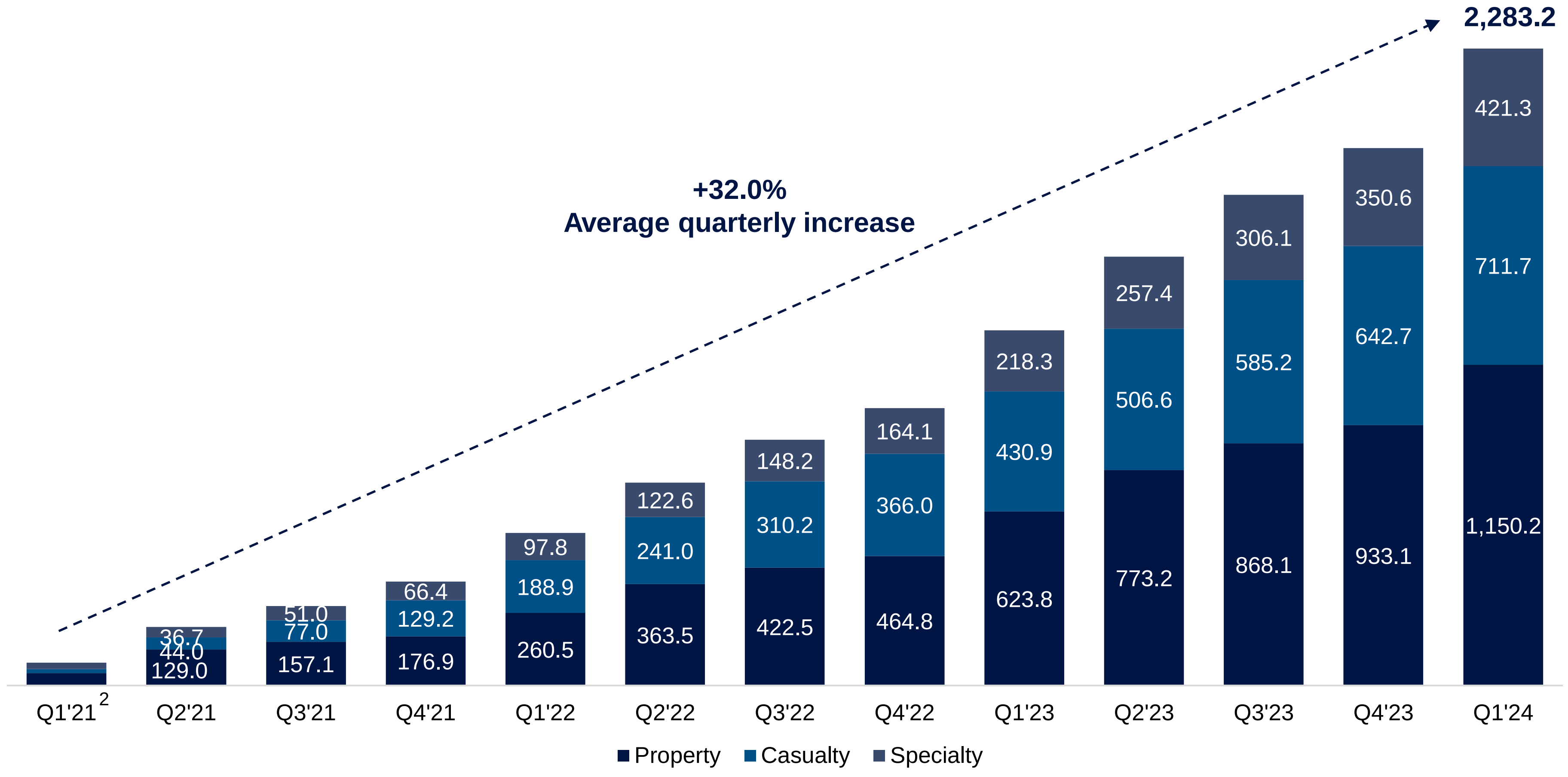
- Remains an underwriters' market - healthy margins available created by year-on-year improvements
- New supply visible in the market for cat risk generally; some offset with increased demand
- Active quarter for industry events, our exposure well within planning expectations, pockets of positive impact on rate

Mature business now in fourth trading year

- Strong origination platform and selective risk approach maintained across all three business segments
- Momentum has been maintained through April renewals
- Continuing to expand non-admitted partnerships established over the last 36 months

Over $2.2bn gross premiums written since inception

Cumulative gross premiums written[1] ($m)



Significant pipeline of unearned premiums continue to flow through

Delivering on our strategy as a multi-line reinsurer

1. Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue
2. For Q1 2021, the gross premiums written were: Property: $44.2m; Casualty: $15.9m; Specialty: $22.5m

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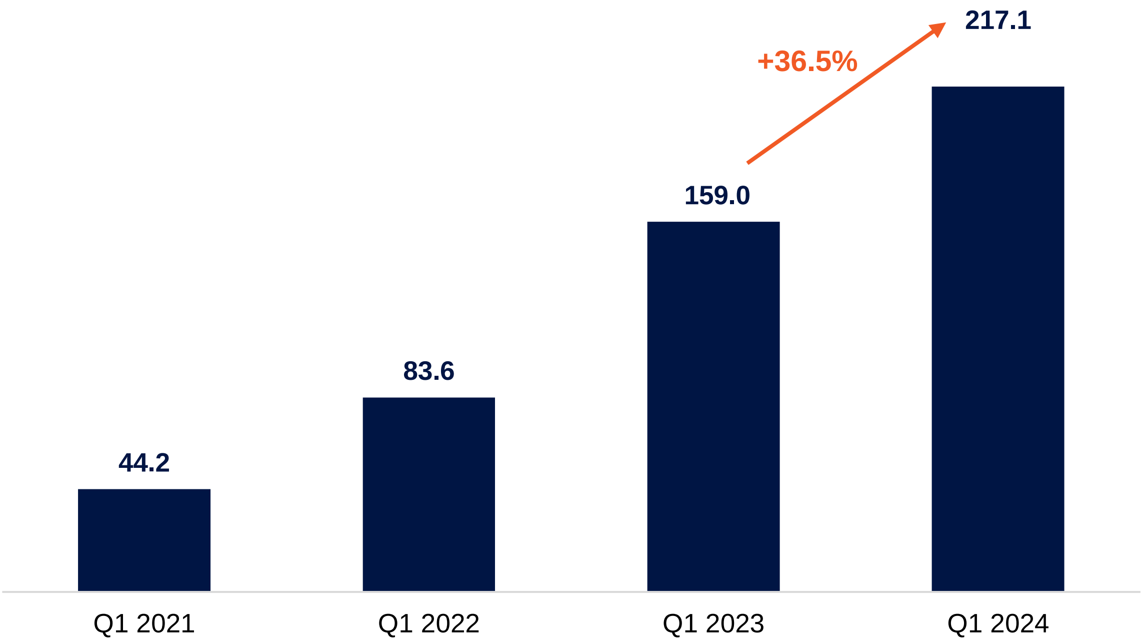
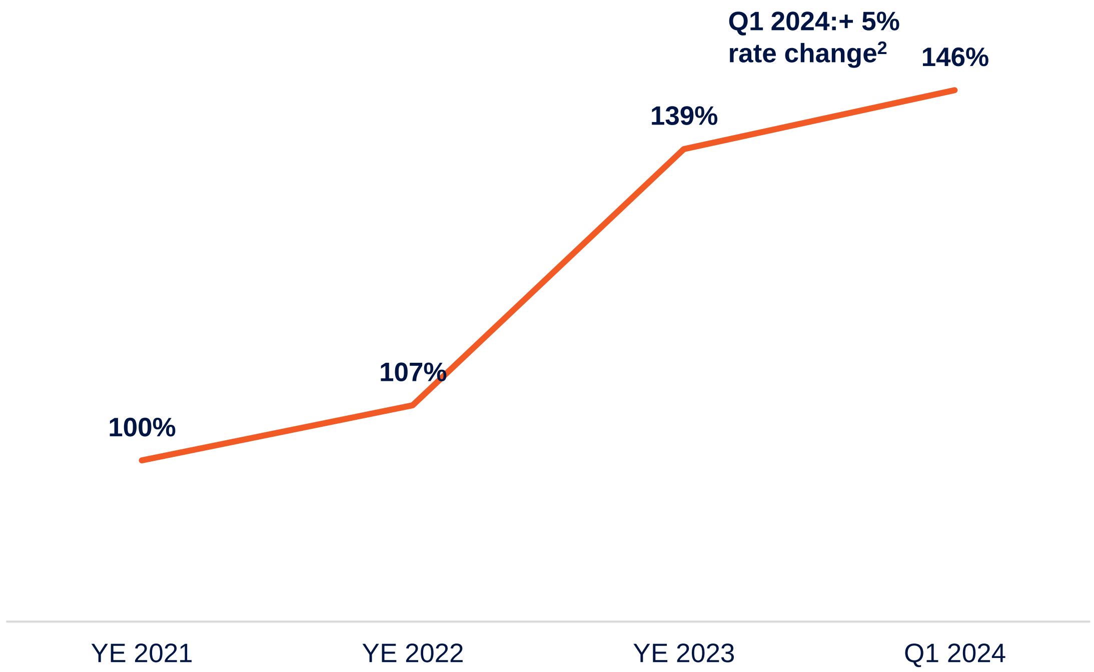
37% growth in property

Gross premiums written[1], $m



Cumulative risk-adjusted rate change, net of inflation[2]



E&S[3] primary market continuing to show **strong pricing discipline**

Cat capacity increasing in upper end of risk profile, **changing market dynamics**

Specialist and mid-size carriers presenting a broad range of **non-cat and cat opportunities**

Reinsurance revenue $98.8m (Q1 2023: $72.9m)

1. Gross premiums written for 2022, 2023 and 2024 exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue; 2021 is on an IFRS 4 basis
2. Net rate changes reflect management's assessment of rate changes of our renewal business net of the impact of claims inflation, exposure changes and changes in any other terms and conditions
3. Excess and surplus lines/ non-admitted market

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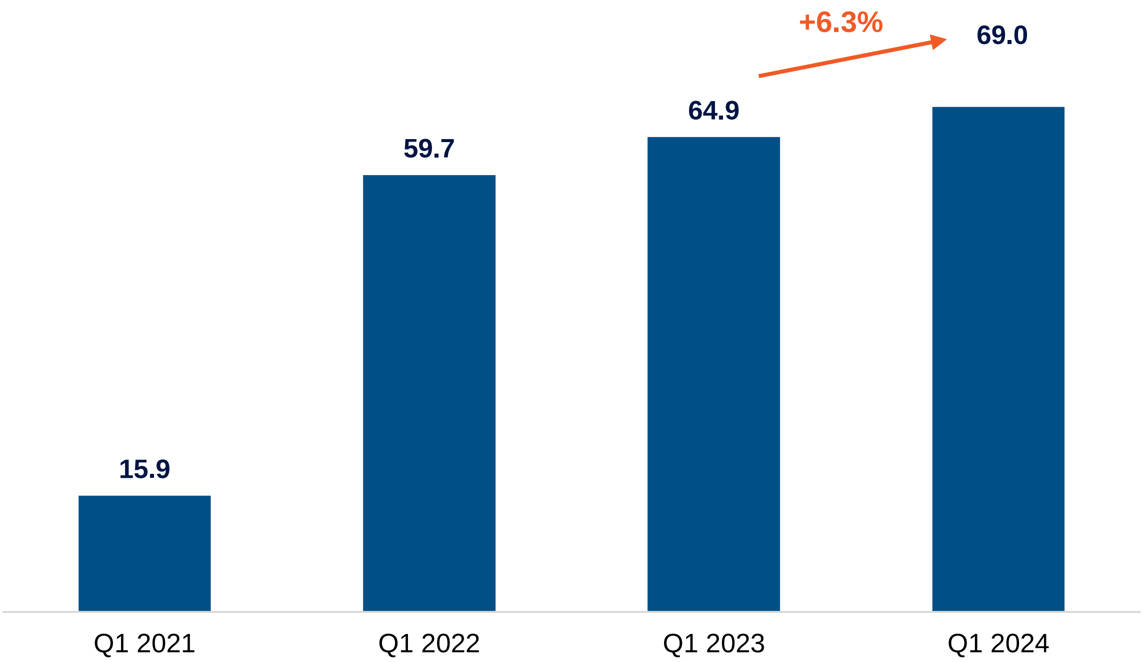
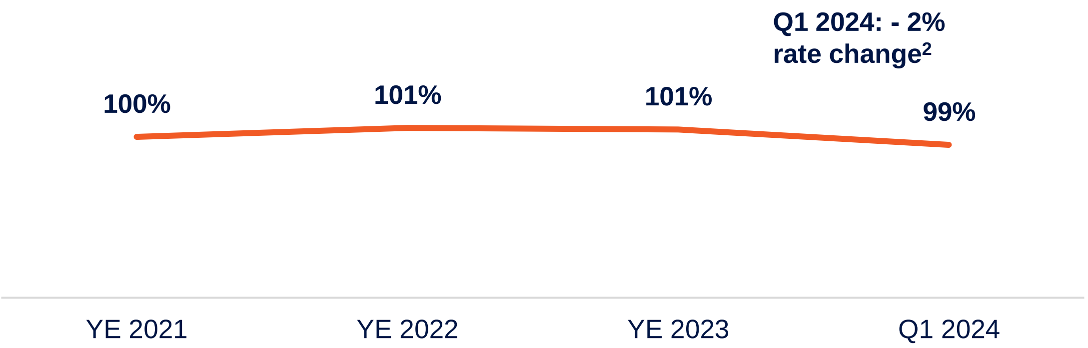
6% growth in casualty

Gross premiums written[1], $m



Cumulative risk-adjusted rate change, net of inflation[2]



Underlying **inflation** still the **key driver of pricing**

Reinsurance market demanding stable combined ratios

Primary market **rate adequacy - spectrum developing** across liability classes

Reinsurance revenue $48.3m (2023: $36.8m)

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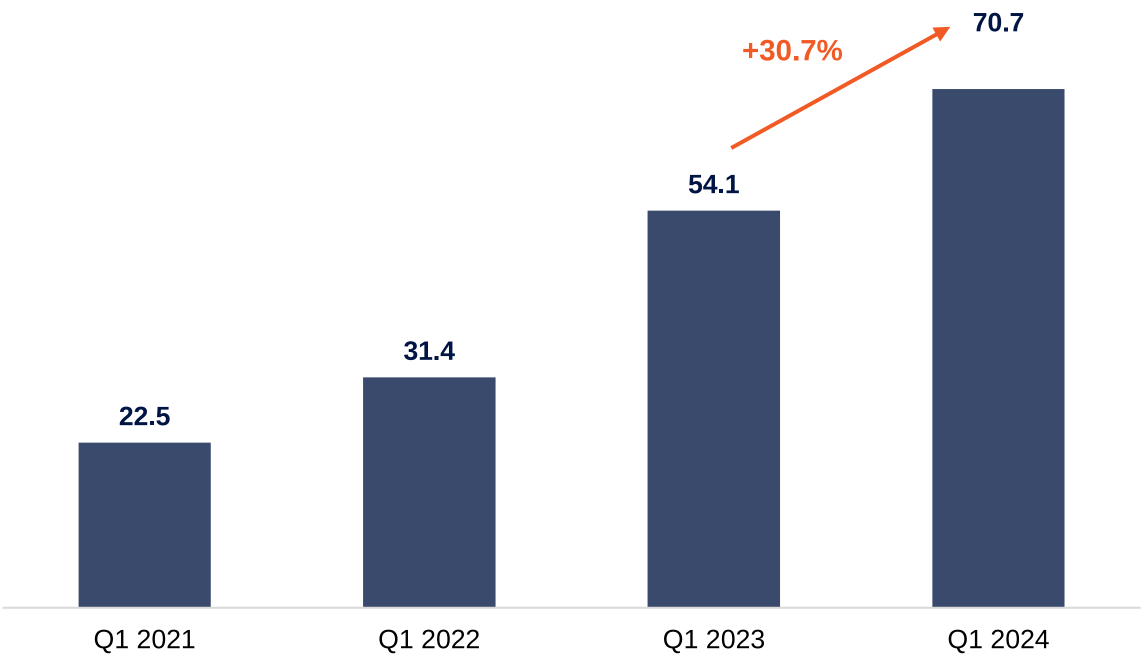
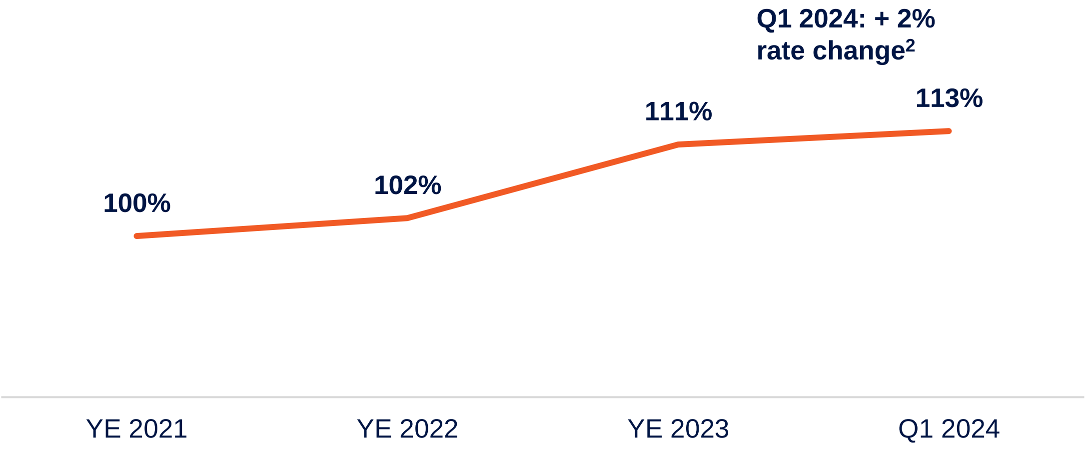
31% growth in specialty

Gross premiums written[1], $m



Cumulative risk-adjusted rate change, net of inflation[2]



Flow of **diversifying deals** delivering limited **cat accumulations**

Selective approach to underwriting - control of treaty deductions

Current large loss impacts **and conflicts will focus** the market **on price and wordings**

Reinsurance revenue $34.0m (2023: $24.3m)

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2. Net rate changes reflect management's assessment of rate changes of our renewal business net of the impact of claims inflation, exposure changes and changes in any other terms and conditions

Financial highlights

Gross premiums written[1] for the three months ended 31 March 2024:

	2024 $m	2023 $m	Change $m	Change %
Property	217.1	159.0	58.1	36.5
Casualty	69.0	64.9	4.1	6.3
Specialty	70.7	54.1	16.6	30.7
Total	**356.8**	**278.0**	**78.8**	**28.3**

Reinsurance revenue for the three months ended 31 March 2024:

	2024 $m	2023 $m	Change $m	Change %
Property	98.8	72.9	25.9	35.5
Casualty	48.3	36.8	11.5	31.3
Specialty	34.0	24.3	9.7	39.9
Total	**181.1**	**134.0**	**47.1**	**35.1**

Significant growth, driven by **overall positive rate increases, strong demand and high retention**

No event loss, individually or in aggregate, had a material impact on Conduit Re during the first three months of 2024; exposure to the Baltimore Bridge collapse is within our expectations for an event of this nature

Our **undiscounted ultimate loss estimates**, net of ceded reinsurance and reinstatement premiums, for prior years reported loss events **remain stable**

1. Gross premiums written exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue

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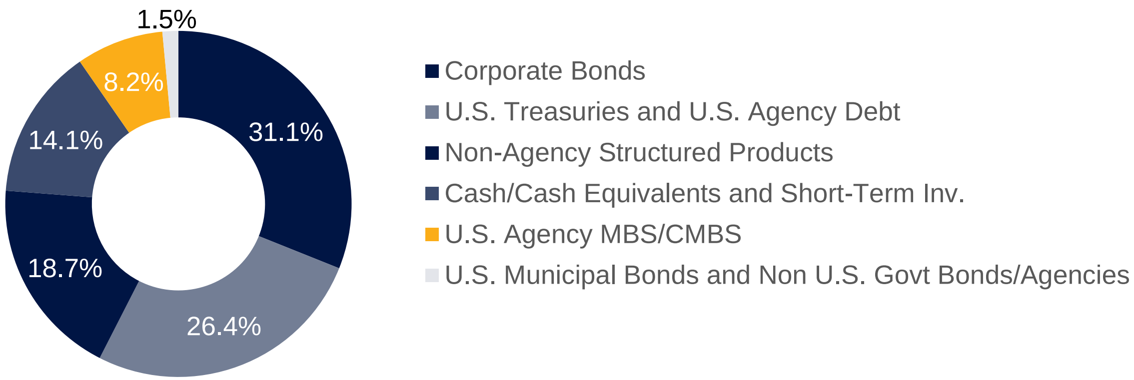
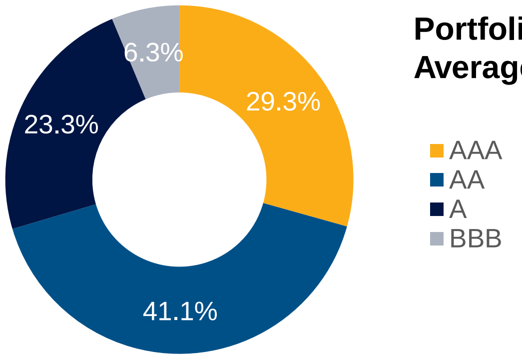
High quality investment portfolio

Asset allocation as at 31 March 2024



Credit quality as at 31 March 2024



Portfolio Duration: 2.5 years
Average Credit Quality: AA

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

- **High quality investment portfolio** with average credit quality of AA; book yield 3.9%, market yield 5.3%
- Short portfolio duration of 2.5 years; **opportunity to reinvest at higher interest rates** as the existing portfolio rolls over
- **Total investment return 0.5% in Q1'24, due to a higher yielding portfolio** which offset the increase in treasury yields, compared to 1.8% in Q1’23 which experienced a significant reduction in treasury yields
- **Continued consideration of ESG factors** in the management of investments

Quality growth momentum - diversified range of classes

- Solid growth in gross premiums written for the quarter with momentum continuing through the 1 April renewals
- Trading environment and rating levels remain in our favour; continuing to grow shares and positions appropriately
- All three divisions playing their part enabling true multi-line diversification with controlled PML's
- Strong balance sheet with maturing portfolio; low 80s undiscounted combined ratio continues to emerge
- Strict focus on high quality new business opportunities; deal flow pipeline remains high

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Any questions?

Appendices

HOW WE CREATE VALUE

Our key business objectives

Building a sustainable business for the long-term benefit of our stakeholders

Deliver profitability and mid-teens return on equity across the cycle

Our investment proposition

Targeted underwriting

- Multiline reinsurance treaty focus
- Balanced and diversified portfolio
- Dynamic cycle management across lines of business and geographies

Operational excellence

- Single location, highly efficient set up with open and collaborative culture
- Management team with proven industry track record
- Targeted and effective use of data-driven pricing, analytics and exposure management thanks to efficient cloud-based ecosystem

Strong balance sheet

- Balance sheet well capitalised for future growth
- AM Best (A-) Excellent rating with “very strong” balance sheet strength
- High quality investment portfolio, with average credit quality of AA

Historic financial highlights

	H1 2022	FY 2022	H1 2023	FY 2023	Commentary
Gross premiums written growth[1]	+69%	+67%	+53%	+50%	Strong, targeted growth
Combined ratio (undiscounted)[2]	105.8%	109.3%	83.1%	81.9%	Low 80s emerging
Investment book yield	1.4%	2.4%	3.2%	3.7%	Opportunity to reinvest at higher rates
Other operating expense ratio	6.9%	6.0%	5.7%	5.1%	Efficient business model
RoE	(4.0%)[3]	(4.4%)	9.1%[3]	22.0%	Cross-cycle target of mid-teens RoE
Dividend per share	$0.18	$0.36	$0.18	$0.36	In line with dividend policy
Net tangible assets per share	$5.56	$5.41	$5.72	$6.25	
Total shareholder return	(18.9%)	5.5%	11.4%	16.4%	

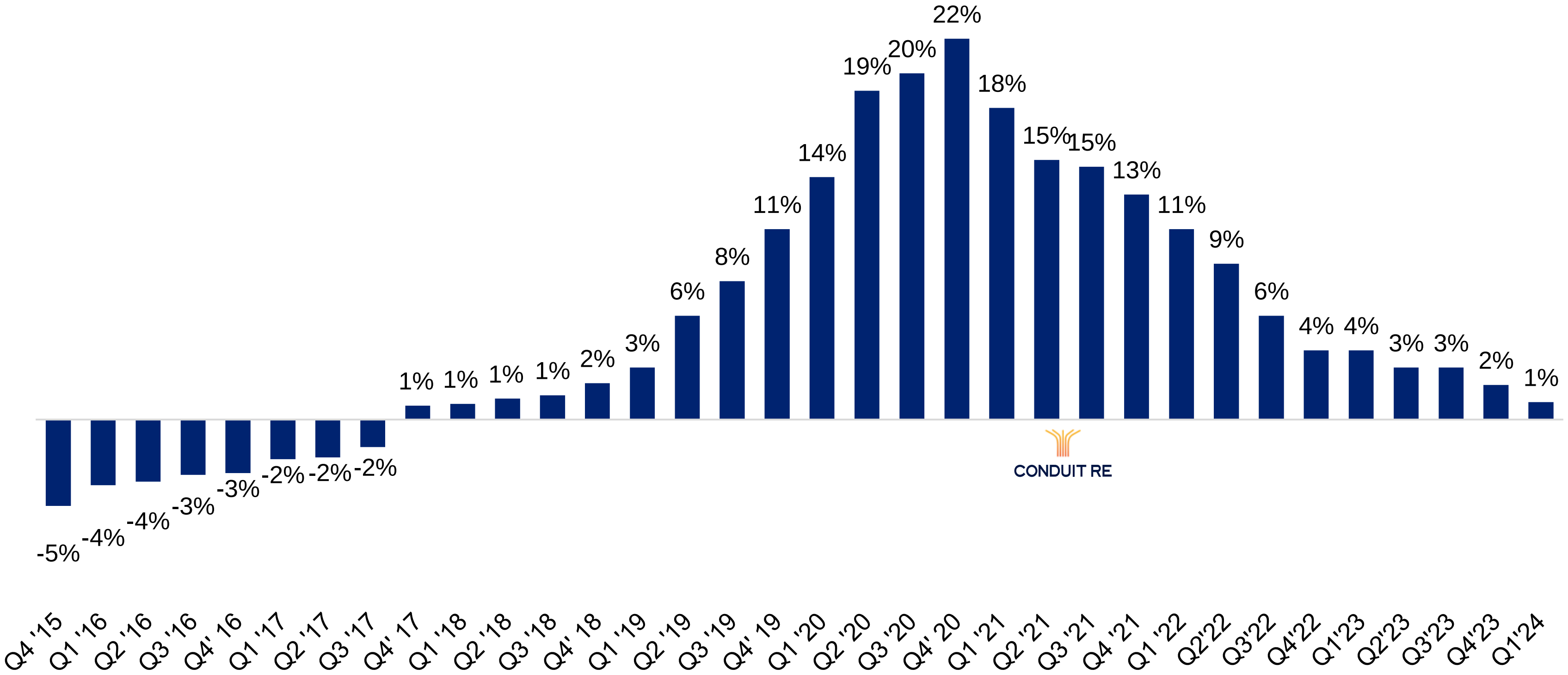
Operational start-up phase:
- Hiring experienced and respected individuals
- Building infrastructure
- Tactically executed IPO in response to evolving market conditions

Operational maturity phase:
- Key partnerships in place
- Continual investment in infrastructure & talent
- Reaping efficiency benefits of single location operating model

1. On IFRS17 basis, compared to the same period in the prior year
2. On IFRS17 basis
3. RoE on six-months basis, not annualised

Robust Commercial insurance pricing environment

Marsh Global Insurance Market Index



The Marsh Global Insurance Market Index was **up 1% overall in the first quarter**, down from 2% in Q4 2023, as **property price increases slowed to 3%** (6% in the prior quarter), while **casualty rates increased 3%** in line with Q4 2023

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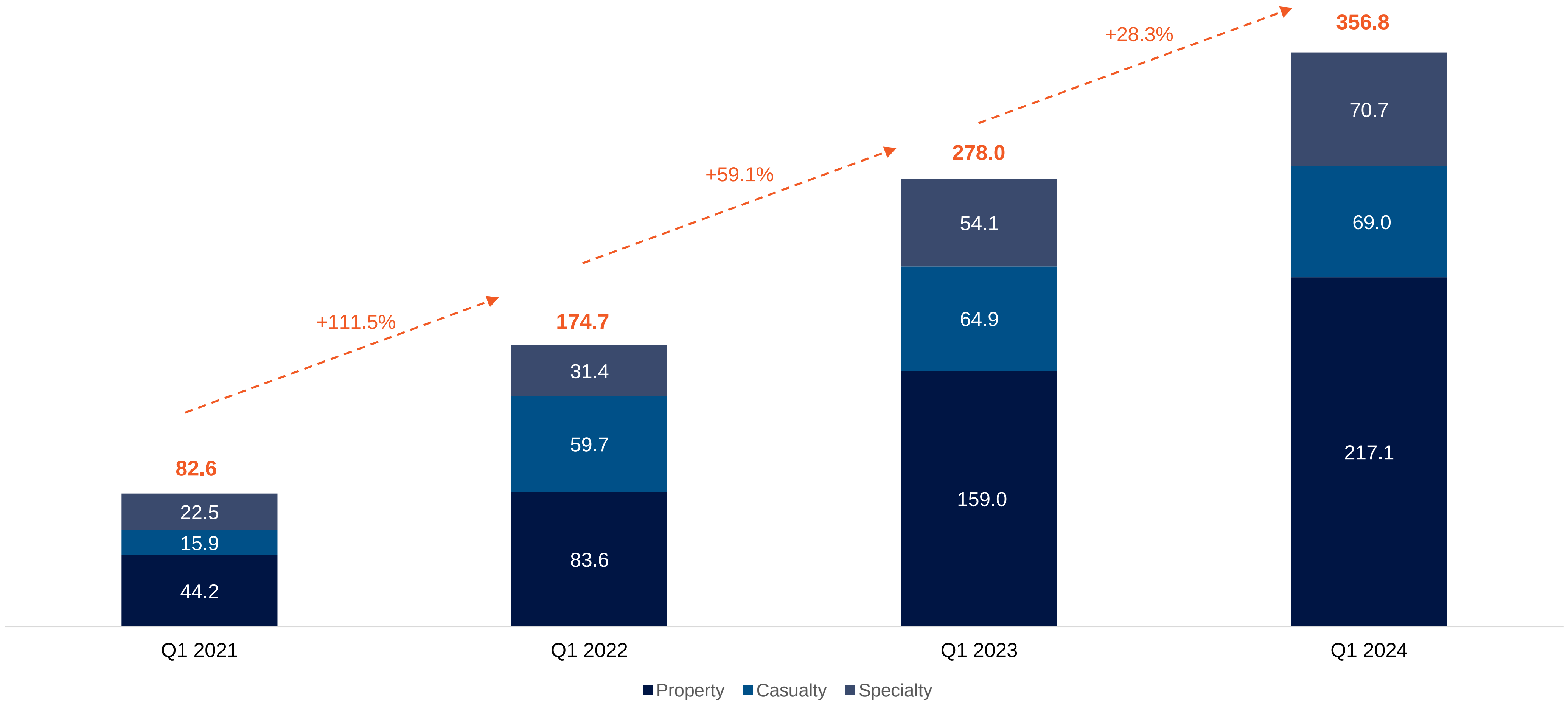
Note: Conduit Re's underwriting business incepted in Q1 2021

Excellent growth in gross premiums written[1] ($m)



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1. Gross premiums written for 2022, 2023 and 2024 exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue

Investor relations calendar - 2024

Although we endeavour to adhere to the dates below, all future planned events are provisional and subject to change

Conduit Re scheduled disclosures

31 July 2024:

- 2024 Interim Results

Conduit Re planned attendance at conferences

4 June:

- Goldman Sachs (Madrid)

12 June:

- Peel Hunt (London)

27 June:

- RBCC (London)

5 September:

- KBW (New York)

Forward looking statements

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", "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. 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 the Ukraine crisis, the impact of hostilities in the Middle East, Hurricanes Ian, Ida, and Idalia, the European storms and floods in 2021 and 2022and 2022 and, the earthquake in Turkey and wildfires in Canada and Europe; the impact of complex causation and coverage issues associated with attribution of losses to wind or flood damage; 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 the escalation or expansion of the Ukraine conflict on Conduit's clients, the volatility in global financial markets and governmental, regulatory and judicial actions, including 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.

"Estimated ultimate premiums written" is the estimated total gross premiums written (excluding reinstatement premiums) that is expected to be earned assuming all bound contracts run to the end of the period of cover, after management discount for prudence. "Estimated ultimate premiums written" reflects underwriter expectations at time of writing and involves significant judgement. Prior year comparative figures reflect those presented in Conduit's previously published Trading Update and are not intended to present a current view of underwriting year expectations for prior periods. We caution against using estimated ultimate premiums written for anything other than understanding how we view 1/1 on this basis in comparison to prior periods. This figure is not representative of revenue recorded in the IFRS financial statements.

The Conduit renewal year on year indicative pricing 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.

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About Conduit Re

Conduit Re is a a pure-play 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 stable. 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.

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