

Conduit Holdings Limited ("CHL" or "Conduit Re"), CRE

Hamilton, Bermuda - 13 May 2021

Trading Statement - Q1 2021

CHL is today presenting its trading statement for the three months ended 31 March 2021.

Key highlights:

- Successful initial quarter of trading with strong broker and client support;
- Estimated ultimate premiums written of \$199.1 million versus approximately \$160.0 million announced in our 14 January 2021 trading statement;
- Gross premiums written of \$82.6 million;
- Estimated loss from Winter Storm Uri is minimal with a net incurred loss of \$6.0 million, including the impact of reinstatement premiums;
- Industry-leading investment managers appointed to manage our invested assets;
- Continued build-out of underwriting portfolio and development of teams and technology.

Neil Eckert, Group Executive Chairman, commented:

"There appears to be rating discipline in primary markets that is not necessarily born out of capital constraints, but from the results the market has experienced over the last few years and the perceived need for fundamental improvement in pricing. We expect to see this trend continuing. We are well positioned, with our legacy-free balance sheet, to take advantage of these attractive market conditions."

Trevor Carvey, Group Chief Executive Officer, commented:

"We continue to make good progress and remain on track across all operational areas of the Group. Our underwriting teams moved straight on from 1 January business and have continued to enjoy outstanding support and approval from both brokers and customers alike. The dual forces of rate and market sentiment are still pushing strongly in our classes, which further strengthens our opinion - expressed at the time of the IPO - that the rising tide would be lifting many boats across the industry."

Underwriting activities:

Given the start-up nature of the business and the higher proportion of quota share business in our book, we are presenting both estimated ultimate and gross premiums written:

Segment	Estimated ultimate premiums written \$m	Percentage of total	Gross premiums written \$m	Percentage of total
Property	85.7	43%	44.2	54%
Casualty	60.6	30%	15.9	19%
Specialty	52.8	27%	22.5	27%
Total	199.1		82.6	

In Q1, Conduit Re bound contracts with total expected ultimate premiums written of \$199.1 million, marginally ahead of the business plan presented in our IPO Prospectus. While we wrote more than plan, we also wrote a higher proportion of quota share business than plan and therefore there will be a lag in the accounting recognition of gross written and earned premiums.

Pricing

Q1 2021 saw further momentum in both pricing and terms and conditions in most markets we are targeting, particularly at the primary level. We have initiated our own renewal year on year pricing change measures which we intend to publish on a quarterly basis. For Q1 2021 these were: Property +12%; Casualty +14%; Specialty +8%.

Claims

Our exposure to the Winter Storm Uri event is relatively small and the financial impact would not typically be considered material to Conduit Re. Our net aggregate loss recorded in relation to Winter Storm Uri, including the impact of reinstatement premiums, is estimated to be \$6.0 million. However, with a lack of reported claims to date, there is a degree of uncertainty around an early loss estimate such as this. We will continue to keep the estimate under review as more detailed information becomes available.

Investments

During Q1 2021, we have appointed three industry leading third party investment managers to manage our invested assets. Funding of the portfolios commenced in April and, as a result, we have avoided much of the market volatility that occurred in the quarter. We expect full

deployment of our funds by 30 June 2021. Our investment guidelines are in line with the strategy communicated in our IPO Prospectus, which is to pursue a low risk approach with a view to protecting our solvency capital.

Operations

The development of Conduit Re's technology platform and recruitment of the wider Conduit Re team is ongoing and in line with our plan and expectations.

Outlook

Conduit Re has had a successful first trading quarter and we have laid the foundations that we set out in our IPO Prospectus. The market continues to develop very much in line with our expectations and we remain confident that we will deliver on our plan.

Conference Call & Presentation

As announced on 6 May 2021, CHL will be hosting an analyst and investor conference call at 12:00 noon UK time / 8:00 am Bermuda time on Thursday 13 May 2021.

An archive of the conference call will be available together with the presentation slides through the Investors section of CHL's website at www.conduitreinsurance.com from approximately 4:00 p.m. BST on 13 May 2021, through midnight BST on 13 June 2021.

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About Conduit Re

Conduit Re is a pure play global reinsurance business based in Bermuda. Its main operating subsidiary Conduit Reinsurance Limited, is licensed by the Bermuda Monetary Authority as a Class 4 reinsurer. A.M. Best has assigned a Financial Strength Rating of A- (Excellent) and a Long-Term Issuer Credit Rating of "a-" to Conduit Reinsurance Limited. The outlook assigned to these Credit Ratings (ratings) is stable.

Learn more about Conduit Re:

Website: <https://conduitreinsurance.com/>

LinkedIn: <https://www.linkedin.com/company/conduit-re>

Twitter: https://twitter.com/Conduit_Re

Important Information

This announcement may include 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", "projects", "anticipates", "expects", "intends", "estimates", "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, future events or intentions. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of Conduit Re's operations. Forward looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Conduit Re'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 Re's business, results of operations, financial position, liquidity, prospects, growth and strategies. 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. These forward-looking statements speak only as at the date of this announcement. CHL 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.

The Conduit Re renewal year on year pricing change measure is an internal methodology that management intends to use to track trends in premium rates of a portfolio of reinsurance contracts. The change measure reflects management's assessment of relative changes in price, terms, conditions and limits. The calculation involves a degree of judgement in relation to comparability of contracts and the assessment noted above, particularly in Conduit Re'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 Re 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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