Reinsuring today, Ready for tomorrow.

Conduit Holdings Limited

Annual Report and Accounts 2024

CONDUIT RE

Conduit Re is a Bermuda-based, pure-play reinsurer.

Who are we?

Conduit Re is a Bermuda-based multi-line reinsurer with global reach, supporting insurers and reinsurers with their property, casualty and specialty reinsurance needs.

We have proven experience across our business to make dynamic decisions throughout the market cycle. We use differentiated technology to provide insight and bespoke solutions to support our clients.

We have a strong balance sheet that is well capitalised for future growth.

We operate from a single location with a disciplined and collaborative culture. Social responsibility and inclusiveness are at the core of how we operate.

In this report...

Internships and Scholarships
Find out more on page 23.

Employees in the Community
Find out more on page 29.

Strategic Report

In this section:

Strategic vision fuels robust growth

Reached $1,162.4m of gross premiums written in 2024, with 24.8% growth across our multi-line portfolio.

Reasonable returns during an active loss period

RoE of 12.7% demonstrates Conduit's ability to generate returns for shareholders while absorbing losses.

A model designed for sustainable growth

Our business model is designed around our strategy, and is fundamental to delivering long-term value to our stakeholders.

Inception to 31 December 2024 gross premiums written

$3.1bn

Our vision

Our vision is for Conduit Re to be a reinsurance business with a global reach to deliver sustainable long-term returns through the market cycle.

What we do

Conduit Re offers a broad range of traditional and tailored proportional and excess of loss reinsurance solutions to our clients on a worldwide or region-specific basis within our Property, Casualty and Specialty portfolios.

- Property
- Casualty
- Specialty

We are...

- a multi-line reinsurer in a single location in Bermuda.
- a business with no conflicts of interest with our cedants.
- client, geography and product neutral.

We **enable** fast, flexible and informed decision-making.

We use...

- an open culture where knowledge transfer is facilitated and collaborative challenge is encouraged.
- modern, modular technology to provide enhanced portfolio insight.

We **create** a diverse, inclusive and engaging working environment.

We embrace...

- a broad view to exploring solutions in ever-changing market conditions, unhindered by legacy systems and issues.
- an integrated approach to ESG, building this into our operations, underwriting and investment activities.

We aim to **deliver** long-term sustainable benefits for our stakeholders.

Our key resources

People and talent
Our people, with their skills and expertise, are critical to the success of the business.

Technology
We have invested in the latest technology to continuously improve the business.

Financial capital
We are a well-capitalised business to help support our market-driven strategy.

Underpinned by our culture

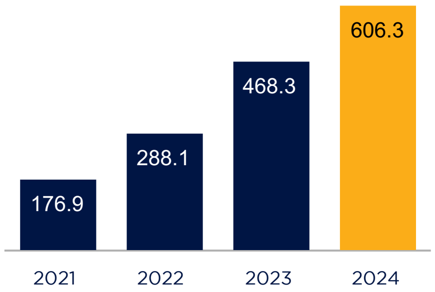
01. Transparent
02. Collaborative
03. Responsible
04. Enabled
05. Forward-thinking

Underwriting

Property
Proportional and non-proportional

Including catastrophe and non-catastrophe property business across US and international risks for personal and commercial lines.

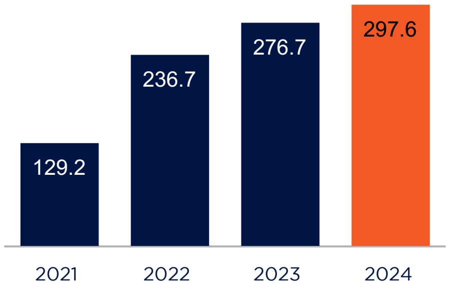
Gross premiums written ($m)[1]



Casualty
Proportional and non-proportional

Including directors and officers liability, financial institutions liability, general liability, medical malpractice, professional liability and transactional liability.

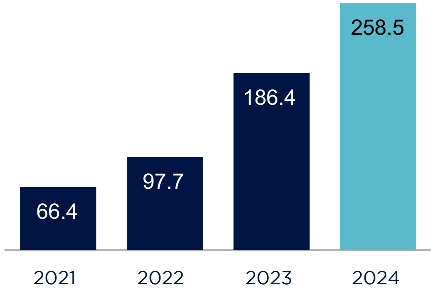
Gross premiums written ($m)[1]



Specialty
Proportional and non-proportional

Including aviation, energy, engineering and construction, environmental, marine, renewables, political violence and terrorism and whole account.

Gross premiums written ($m)[1]



In numbers...

Bermuda-based reinsurer

BMA regulated – Class 4 Licensed

Members of staff

65

AM Best financial strength rating

A-

(Excellent)

Total shareholders' equity

$1.05bn

as at 31 December 2024

2024 Gross premiums written[1]

$1,162.4m

1. Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue. 2021 in the graphs above, disclosed under IFRS 4, are also shown excluding reinstatement premiums for consistency.

How we create value

Our key business objectives

- Building a leading reinsurance business focused on underwriting expertise.
- Delivering profitability and a mid-teens return on equity (RoE) across the cycle.
- Maintaining a strong balance sheet to support our business plans.
- Building a sustainable business for the long-term benefit of our stakeholders.

Our investment proposition

Targeted, data-driven underwriting

- Pure reinsurance treaty focus.
- Balanced and diversified portfolio.
- Dynamic cycle management across classes of business and geographies.
- Agile decision-making and attention to detail to maximise returns.

Combined ratio (discounted)

86.0%

2023: 72.1%

Operational excellence

- A single location and highly efficient corporate structure.
- An open and collaborative culture.
- Management team with proven industry track record across cycles.
- Targeted and effective use of data-driven pricing, analytics and exposure management thanks to an efficient cloud-based ecosystem.

Headcount

65

2023: 59

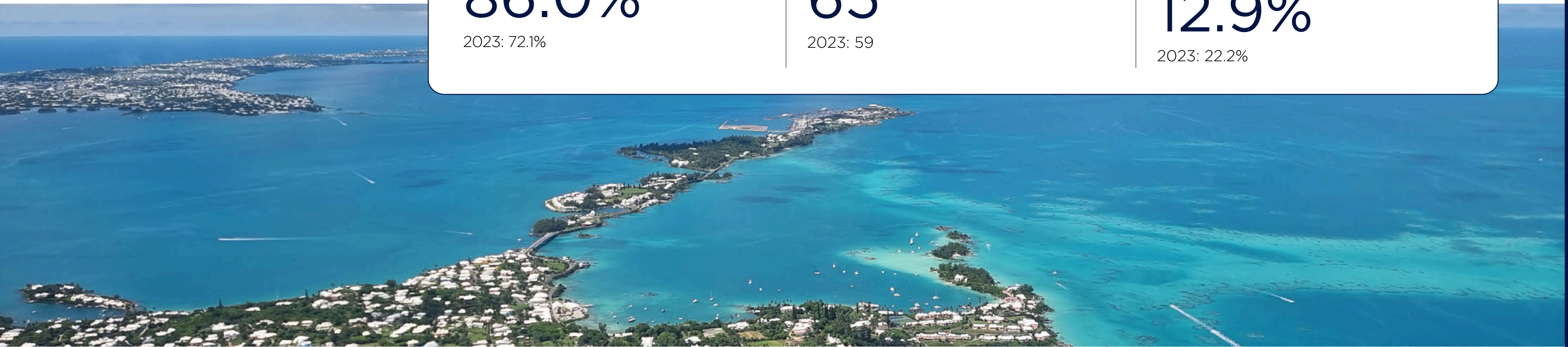
Strong balance sheet

- Strong balance sheet that is well capitalised for future growth.
- AM Best (A-) Excellent financial strength rating with 'positive' outlook and 'very strong' balance sheet.
- High-quality investment portfolio, with average credit quality of AA.

Net tangible assets per share growth (including dividends)

12.9%

2023: 22.2%

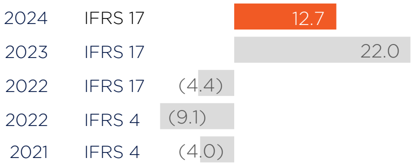


Our key performance indicators

Gross premiums written[1] ($m)

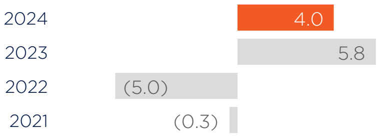
In its fourth year of underwriting, Conduit has continued its growth across all segments, benefiting from new business, high retention and underlying growth of renewal business.

RoE (%)



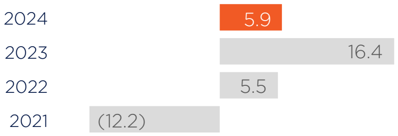
With elevated loss activity across smaller and mid-sized natural catastrophe and risk events in 2024, we achieved an RoE of 12.7%. Our investment portfolio also performed well and provided a meaningful contribution.

Total net investment return (%)



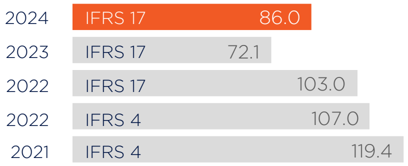
After interest rate hikes in 2022, Conduit now has a generally higher-yielding investment portfolio to drive positive performance. Net investment income continued to grow in 2024, and was the primary driver of the investment returns.

Total shareholder return (%)



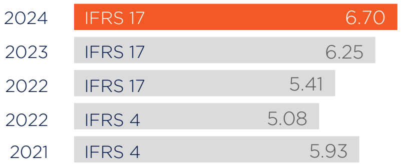
Conduit generated a positive total shareholder return (TSR) in 2024, supported by its interim and final dividends. As a comparison, over the same period the FTSE 100 and FTSE 250 delivered +5.7% and +4.7% respectively.

Combined ratio – discounted (%)



Our discounted combined ratio of 86.0% is reflective of a year with more than $140 billion of insured natural catastrophe and other losses for the industry.

Net tangible asset value per share ($)



The increase in net tangible asset value per share (NTAVS) was due to comprehensive income generated for the year, less dividends paid by Conduit during the year.

1. Comparatives for 2022 have been restated on an IFRS 17 basis. Prior to IFRS 17 implementation the numbers were presented on an IFRS 4 basis. Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue.

Another year of strong growth

INTERVIEW WITH OUR EXECUTIVE CHAIRMAN

"Reflecting on everything we have achieved through the end of our fourth full year in business, I am particularly pleased to present Conduit's 2024 results.

On behalf of the Board, I am pleased to introduce Conduit's 2024 results. To begin with I would like to reflect on what we have achieved having completed our fourth full year in business.

We set out to establish Conduit as a multi-line reinsurer with a differentiated business model. As we move into 2025, we expect to see a continuing flow of global opportunities from our single location in Bermuda.

We have built an efficient operating and regulatory model which delivers results and is designed to maintain our operating expenses below normal industry cost levels.

In 2024, our team continued to execute on our growth strategy with gross premiums written of $1.16 billion, and increasing year on year by 24.8%. In a year when the industry experienced elevated levels and frequency of natural catastrophe and risk losses across multiple sectors and geographies, we delivered comprehensive income of $125.6 million and an RoE of 12.7%.

This continued trend of increased climate-related perils has contributed to the fifth consecutive year of more than $100 billion of insured natural catastrophe losses for the industry. The impact of severe convective storms, hail, flooding and wildfires has been far reaching as weather patterns shift and insured values continue to grow in exposed regions. Of particular note is the wildfire event which struck California in January 2025. These events have a devastating impact on communities and, as a reinsurer, Conduit is quick to respond so our cedants can help their policyholders begin the rebuilding process. This is another example of the vital role that reinsurance plays in protecting businesses and consumers.

The compounding effect of Conduit's business model has enabled us to increase our assets under management, and this in turn has delivered increased net investment income in 2024, while maintaining our conservative approach to risk in the investment portfolio. Our balance sheet continues to support our growth. Market cycles are a feature of our industry and the Board regularly discusses capital management and the long-term strategy to maximise our capital efficiency and returns. For 2024, we are maintaining our dividend at $0.18 per share making it $0.36 per share for the full year (approximately 28 pence).

We are delighted that AM Best recently revised the outlook of Conduit Re's Financial Strength Rating to 'positive' from 'stable.'

The environment was attractive when we commenced underwriting in 2021 and since then, the overall rating environment has continued to be attractive both at an industry level and within our underwriting portfolio. We will inevitably see softening in some sectors as the cycle progresses and, despite the challenges of wildfire, I am confident that the team's proactive approach will manage this by adjusting our exposures in areas that no longer match our return criteria, while continuing to grow in those areas that do.

We have a diverse Board, from a wide range of backgrounds and experiences which reflects the diversity that Conduit embraces throughout the business. The Board continues to provide valuable support to Conduit and its management team. The Board welcomed Stephen Redmond during 2024, who brings a wealth of insurance industry experience. Through his long career he has been a leading figure in the insurance market and underwriting community and is a past chairman of The Institute of London Underwriters.

We were deeply saddened by the death of Sir Brian Williamson in October, only a few months after he had stepped down from the Board. Sir Brian was a founder non-executive director of Conduit and an enormous source of both wisdom and good cheer throughout his time with us and he will be sorely missed.

Conduit is a thriving environment, and we pride ourselves on having a flat management structure with all staff having daily access to members of the senior executive team. Conduit's growth and success has been driven by its excellent team, led by Trevor, and we continued to add to our talent pool in 2024, with notable hires across the business. Our corporate values and work ethic, in my opinion, make Conduit a great place to be across all our functional divisions.

We aspire to the values expected by our shareholders, especially as they relate to sustainability and once again, the leadership displayed in the organisation of our charitable events has been outstanding. I would like to thank the ESG committee and the Board for their oversight and ensuring that these values are deeply embedded across all areas of our business.

In summary, 2024 was another year of strong growth and positive progress for Conduit. In the face of the elevated industry claims activity, we produced solid results founded on our robust business model and our balanced underwriting strategy.

In closing, I would like to thank Trevor and the entire Conduit team for their hard work and dedication to making Conduit a stronger organisation every day. To our brokers and client partners, thank you for your continued support. Finally, to our shareholders, thank you for your engagement and interest in the company.

"In 2024, our team continued to execute on our growth strategy with gross premiums written of $1.16 billion, and increasing year on year by 24.8%. In a year when the industry experienced elevated levels and frequency of natural catastrophe losses across multiple sectors and geographies, we delivered comprehensive income of $125.6 million and an RoE of 12.7%.

Neil Eckert
Executive Chairman
26 February 2025

Focused on our results

INTERVIEW WITH OUR CEO

> "Conduit continued to make meaningful progress during 2024. Our capital base remains strong, giving us continued capacity to achieve our goals."

Trevor Carvey, CEO

Introduction

Conduit continued to make meaningful progress during 2024. Our core underwriting strategy remained unchanged and enabled us to grow our portfolio meaningfully with gross premiums written increasing by 24.8% and net reinsurance revenue by 29.4%.

This growth was achieved while maintaining our commitment to a diversified and balanced portfolio. Our capital base remains strong, giving us continued capacity to achieve our goals.

Overall pricing conditions remained stable throughout the year, with some variability by class, but in total, at attractive levels to generate meaningful returns.

The business continued to scale, reaching $1,162.4 million in gross premiums written annually and $3.1 billion in total since our inception for the 2021 underwriting year, with this growth coming from our approach to deploy our capacity actively into classes with the optimum risk and return profiles.

We all work closely together and this creates a highly collaborative, agile and informed team that can quickly execute on both general management matters but also the ever-evolving underwriting and risk selection environment. We believe that this close alignment of senior management allows us to manage the business evolution and our underwriting portfolio across the cycles as they develop.

Our multi-line approach gives us a broad view of the market. We see opportunities across classes and quota share and excess of loss structures, allowing us to select the risks and clients we support carefully while managing our exposures proactively, with diversification across classes and non-catastrophe / catastrophe exposures. As a rated carrier we continue to be a valued partner for our clients.

2024 performance

Conduit's financial performance in 2024 was characterised by strong premium growth and contributions from the investment portfolio. Our gross premiums written grew by 24.8% to $1,162.4 million in 2024. We achieved a discounted combined ratio of 86.0% and reinsurance service result of $131.6 million. This underwriting performance, along with a solid investment contribution, resulted in comprehensive income of $125.6 million or $0.80 per share for 2024 – a reasonable outcome in a year of heightened loss activity from both natural catastrophes and man-made events.

Our growth since inception has been deliberate. We have created a diverse business profile by selecting what we believe to be the most attractive risks available to us across the classes we participate in. The portfolio has continued to gain scale, but with varying growth rates by division as we have focused our capacity and resources on areas with the highest expected returns.

Growth in premiums was driven by the property and specialty divisions during 2024. We have seen strong pricing and increased demand in these divisions, driven by persistent inflation and loss activity. Our casualty division experienced modest growth, as we remain patient for more robust pricing conditions. The California Wildfire losses are significant for the industry and indeed for Conduit. However overall I believe that the portfolio has maintained a good balance which leaves us well-positioned in the market.

We ended 2024 by delivering RoE of 12.7% for the year. Conduit's TNAVS increased from $6.25 as at 31 December 2023 to $6.70 as at 31 December 2024, after providing shareholders with $0.36 per share in dividends during the year.

Reinsurance market conditions

2024 was an active year for natural and man-made catastrophe events, which included US land-falling hurricanes, as well as other climate-related perils such as severe convective storms, hail, flooding and wildfires across the globe. Man-made losses were also meaningful during 2024, such as the collapse of the Baltimore bridge and civil unrest in certain regions of the world. Early in the year, the US hurricane season was predicted to be above average by various forecasters, and it proved to be a very active season with meaningful losses for the industry, despite Hurricane Milton taking a less impactful track than initially projected. While insured losses from natural catastrophes have trended higher over time, each set of events has a different impact on local regions and the insurers and reinsurers that provide coverage. For example, Canada had a particularly damaging year in 2024, suffering from their largest individual catastrophe event and largest aggregate insured catastrophe losses on record.

These events have served as a reminder to the industry to remain disciplined in pricing to ensure an adequate return for shareholders, and generally we have continued to observe rational behaviour in the market after multiple years of compounding rate increases.

During 2024, prices in our markets remained elevated with tight terms and conditions across most classes. Overall, we achieved 1% risk-adjusted rate increases for the year, with some classes showing more strength than others. Our property and specialty divisions have continued to experience the strongest pricing conditions, with risk-adjusted rate increases of 3% and 1%, respectively during 2024. The events of 2024, and the impact of the California Wildfires in 2025, along with continued strong demand from the market for capacity, suggests that prices should remain at attractive levels for 2025 presenting favourable risk/return dynamics for our portfolio. Another factor supporting the rating environment in 2024 was the lack of significant capacity entering the market, aside from retained earnings generated by the industry over the last couple of years. Alternative capital and insurance linked securities ("ILS") have generated good returns for their investors and grown as well in 2024, although at a more modest pace than traditional balance sheets. That said, as a ground-up, predominantly quota share underwriter, it is difficult for many alternative capital sources to enter our space.

Growth of our specialty division has been a key focus for our team. It has been our fastest growing division over the last two years, more than doubling in scale. The diverse set of underlying specialty sub-classes add non-correlated risk to our portfolio (that is less exposed to natural catastrophes). Specialty is a broad market where pricing varies by class. With elevated loss activity in certain classes during 2024, such as marine liability, we expect pricing to respond favourably. Conduit has a clearly defined appetite within specialty, and we saw a healthy flow of new business opportunities as we continued to expand our book.

Moving on to casualty, pricing has been slow to respond to persistent economic and social inflation in our view. Legacy reserve issues continue to be in focus as the industry has struggled to capture fully the changes in the casualty risk environment. Risk selection is paramount in casualty, and we believe we have supported strong cross-cycle managers that are exhibiting prudence in a challenging environment. Certain casualty classes demonstrated re-acceleration of rate increases for primary insurers as 2024 progressed, and we are paying close attention to how our cedant partners adjust rates, terms and attachments. We expect the reinsurance market to show discipline as well and potentially push for additional rate in 2025.

Capital management

Conduit benefits from a strong balance sheet with no debt leverage, a relatively conservative investment portfolio and no exposure to pre-2021 underwriting years, providing significant capital flexibility as we trade forward. We have continued to deploy our capacity into strong market conditions in a deliberate manner, creating a portfolio that benefits from diversification of exposures. We view the current environment as attractive and will continue to deploy capacity but also recognise that we have several tools at our disposal to manage capital for the benefit of shareholders.

Over the last two years, we have nearly doubled our premium base. We have also paid an attractive dividend to shareholders. Conduit's shareholders' equity was $1.05 billion as at 31 December 2024, and AM Best recently affirmed its (A-) Excellent financial strength rating and revised the ratings outlook to "positive" from "stable" with a "very strong" balance sheet. At 31 December 2024 Conduit Re's estimated Bermuda Solvency Capital Requirement

(BSCR) coverage ratio was 269% compared with 381% as at 31 December 2023. This is well within our expectations as we continue to grow and deploy our capital, and we plan to maintain our target BSCR solvency range of 200% to 300% over our planning horizon.

Investments

Our investment strategy remained consistent throughout 2024, with a focus on capital preservation and liquidity to support our underwriting operations. We expect to continue to invest our cash flow in a broadly similar manner to maintain our high average credit ratings in the investment portfolio (AA as at 31 December 2024 and 2023). The investment portfolio's duration is similarly positioned conservatively (2.5 years as at 31 December 2024) and within a reasonable range of our liabilities.

The investment portfolio made a significant contribution to our results in 2024 with a total investment return of $66.1 million. We benefited from growing investment leverage and a higher book yield on the portfolio of 4.1% (31 December 2023: 3.7%). Our cash and investments as at 31 December 2024 were $1.8 billion versus $1.4 billion as at 31 December 2023, or an increase of 26.0%.

Total investment return in 2024 was 4.0%, reflecting a generally higher-yielding portfolio. While total return was down from 5.8% in 2023, the higher portfolio book yield and investment leverage produced net investment income of $65.0 million in 2024, a 57.4% increase over 2023.

This positions us well for strong recurring earnings contributions from investments over the medium-term.

People & ESG

Conduit was founded on a commitment to being a responsible business and that commitment is embedded in our culture. It determines how we engage with our employees and the community, as we seek to attract and retain the very best talent and to be an employer of choice. We also engage proactively with other key stakeholders, including our shareholders, to understand their ESG priorities and receive feedback on our own approach.

The Conduit team continued to grow during 2024, as we added support roles and made senior hires in various functional groups. At 31 December 2024 we had 65 employees, up from 59 employees at 31 December 2023. Our focus has been on building a team with a diverse background of technical skills and knowledge, as well as strong character and values. Working together, the Conduit team has achieved meaningful progress for the organisation over the last year.

We are committed to attracting and retaining talented employees and this is a key focus of the leadership team. We aim to create an environment that offers employees a rewarding experience to be challenged, share ideas and develop skills that will provide opportunities for career development. We regularly engage with employees through surveys and 'town hall' meetings and we encourage staff to share feedback on ways to improve Conduit for the future.

Outlook

We remain encouraged by the outlook for Conduit. Our multi-line platform is well suited for this market, allowing us to be nimble around changes in the environment on a class-by-class basis. As we enter the next phase of the market cycle, we expect pricing to be more idiosyncratic – the tide is not lifting all boats. Our coordinated functional groups, separated by only a few metres rather than offices or even time zones, are highly collaborative and can execute quickly or make adjustments to the inwards and outwards portfolio.

Overall, we view the market as being in a very healthy place for 2025 and we are excited by the opportunities while having plenty of headroom to deploy our capacity. While pricing has generally stabilised, this comes after several years of compounding rate increases and we expect to continue to find profitable growth opportunities. The industry appears broadly to be acting in a disciplined manner, as the loss events of 2024 serve as a reminder that fortunes can change quickly.

In closing, I would like to say to my colleagues, together we have built an enduring culture that welcomes sharing of ideas and information to meet our goals. I wish to thank you for your continued commitment to Conduit.

To our client partners and brokers, with whom we engage daily, thank you for your continued support. We look forward to expanding and deepening our relationships for our mutual benefit as we head into 2025.

And finally, to our shareholders, we thank you for your engagement, feedback and support as we continue to focus on the growth and continuing development of Conduit. While we are always learning from the past, we are squarely focused on the future and generating returns for our shareholders. I am pleased with how the business is performing and I believe we are well positioned to deliver on our objectives.

Trevor Carvey
Chief Executive Officer
26 February 2025

> Our underwriting team continues to work closely with actuarial and risk colleagues to identify and select the best risks for our portfolio across each of our divisions.

Gregory Roberts, CUO

Underwriting approach

Our underwriting principles have been consistent since Conduit's inception. We apply an analytical, data-driven approach to understanding risk and the partners we support. The client data shared with us is key to how we build our view of the market and the underwriting decisions that we make to construct and balance our portfolio. Our forensic approach is designed to spot early trends and markers in underwriting and pricing cycles as they emerge.

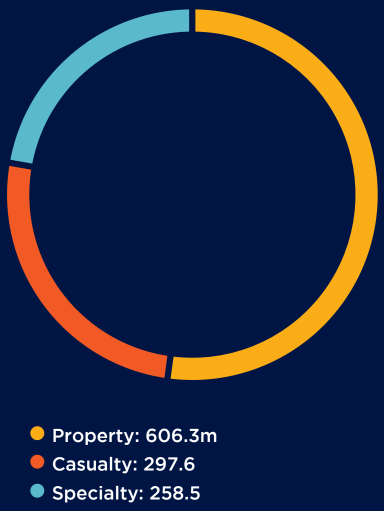
The diversification and balance within our portfolio are functions of our broad appetite and the opportunities we see in the market, where our underwriting decisions are driven by the expected contract-by-contract risk-adjusted returns rather than pre-set targets around any one particular product or geography. As our view of classes and structures change, we will adjust the shape of our portfolio to deploy our capital effectively. Our ability to do this is enhanced by our entire underwriting team sitting in one location. Speed of response is essential to our success, and we aim to be sustainable partners with our chosen clients and brokers.

We continue to see a good flow of new business opportunities, while our renewal portfolio also continues to grow. Clients prefer to work with reinsurers who can offer solutions across the product spectrum, and we have seen an expansion in cross-class relationships as we look to continue to deepen and broaden our relationships.

Underwriting performance

We reported strong growth in our property and specialty divisions where we identified profitable margin opportunities. Our casualty division grew at a slower pace in 2024 as the team continued careful selection of both renewal transactions and new business opportunities. In casualty, selecting the right partners over the cycle is extremely important. We continued to support cedants who, in our view, demonstrated leadership and control of their underwriting and business generally.

Gross premiums written ($m)



Gross premiums written

$1,162.4m

(2023: $931.4m)

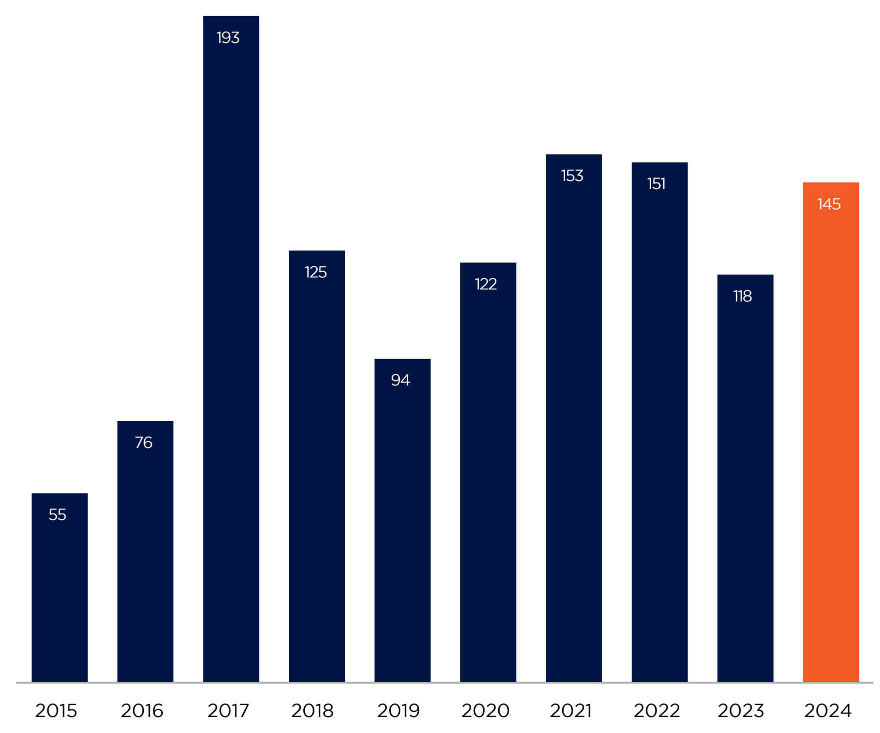
The momentum in our risk-adjusted rate change metrics slowed during 2024. Our data shows that the rates we achieved were broadly stable net of inflation, which is a key benchmark for us.

During the year the industry experienced a higher frequency of catastrophe loss events, with insured natural catastrophe losses estimated to have exceeded $140 billion. The events included US land-falling hurricanes as well as many other climate-related events globally. Attachment points for excess of loss reinsurance have increased over the last few years, meaning that a significant proportion of these loss events were retained by primary insurers. As a result, as a predominantly ground-up quota share reinsurer, our exposure was similar to a primary insurer. In addition to these losses, we experienced an accumulated exposure to several smaller and mid-sized natural catastrophe and risk losses during 2024.

The second half of 2024 included Hurricanes Helene and Milton, where we recorded an undiscounted net loss, after reinsurance and reinstatement premiums, of $68.0 million.

As our business has grown, we adjusted the levels of outwards protection while continuing to partner with a broad panel of reinsurers who demonstrate a solid understanding of how we build and manage risk in the portfolio. During the year we also continued to benefit from the Stabilitas Re retrocession cover (obtained as part of Conduit Re's sponsorship of Stabilitas Re's catastrophe bond issuance) which complemented our core natural catastrophe protections placed primarily at 1 January.

Global insured losses from natural disasters ($bn)



Data: Aon Catastrophe Insight.

Property

In Property, gross premiums written for the year ended 31 December 2024 were $606.3 million (31 December 2023: $468.3 million), an increase of 29.5% over the prior year. Our risk-adjusted rate change in 2024 in our property division, net of claims inflation, was 3% (2023: 30%).

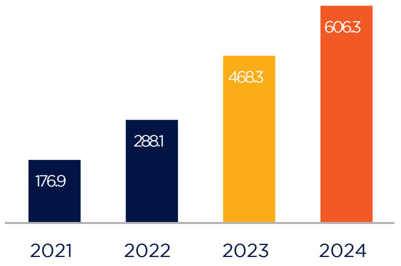
During 2024, we observed more competition in property markets than in 2023, but we were still able to generate strong growth in our portfolio. Since the inception of Conduit we have recognised the relative attractiveness of supporting the US non-admitted market on a quota share basis and we have established a strong footprint in this market segment which has continued to be an excellent source of our profitable growth. The US non-admitted market has shown generally good pricing behaviour and continues to gain market share over the admitted carriers who have been seeking to introduce improvements to their business.

Renewal pricing in our property division was relatively stable during 2024 with rates remaining at attractive levels. While the proportional business did experience a modest increase in ceding commissions during the year, our focus remained on the expected combined ratio year on year, on a contract by contract basis.

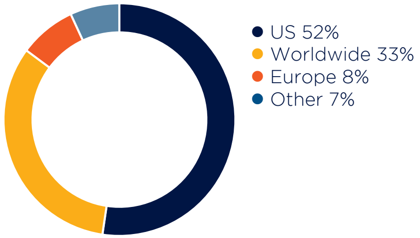
Despite predictions of an active hurricane season, there was noticeable increased capacity for reinsurers to take on US hurricane risk in 2024 with nationwide excess of loss business being priced more competitively than pure regional contracts. In Europe given relative pricing we have been deliberately underweight in our exposure through 2024, but given another active year for loss activity there we remain alert to any well-priced European opportunities as we look ahead to 2025.

In numbers...

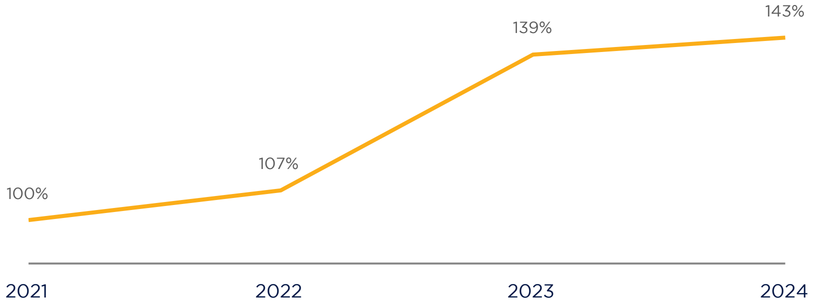
Gross premiums written ($m)*



Geographic breakdown



Risk-adjusted rate change



* Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue. 2021 in the graphs above, disclosed under IFRS 4, are also shown excluding reinstatement premiums for consistency.

Casualty

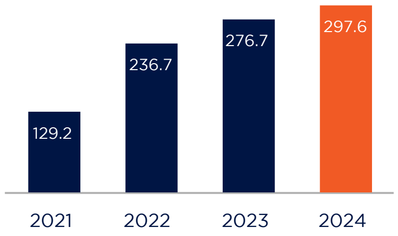
In Casualty, gross premiums written for the year ended 31 December 2024 were $297.6 million (31 December 2023: $276.7 million), an increase of 7.6% over the prior year. Our risk-adjusted rate change in 2024 in our casualty division, net of claims inflation, was (1)% (2023: 0%). Pricing conditions in casualty remained very differentiated by class during 2024 and we would note that our main class general liability consistently experienced rate improvement in excess of inflation. We noted that rates in a number of other classes of casualty, such as commercial and financial institutions directors & officers liability, were under pressure for much of the year.

Under these conditions, we underwrote our way carefully through the casualty market and premiums came in below our initial expectation for the year as we non-renewed or optimised shares on certain treaties. The team saw several new business opportunities and were prepared to support those at acceptable terms and prices.

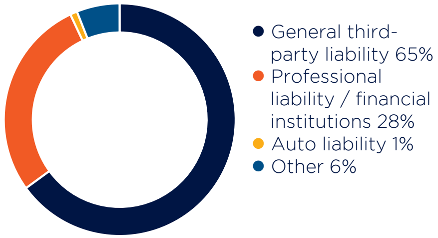
Our focus in casualty remains very much to analyse the ground-up underwriting actions of our partners and validate their behaviours. This includes carefully reviewing cedant approach around limits and attachment points through ongoing review of policy bordereaux and other data. In this way our focus is to always support and develop our position with casualty partners who clearly demonstrate an ability to navigate various phases of the cycle.

In numbers...

Gross premiums written ($m)*



Class of business breakdown



Risk-adjusted rate change

* Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue. 2021 in the graphs above, disclosed under IFRS 4, are also shown excluding reinstatement premiums for consistency.

Specialty

In Specialty, gross premiums written for the year ended 31 December 2024 were $258.5 million (31 December 2023: $186.4 million), an increase of 38.7% over the prior year. Our risk-adjusted rate change in 2024 in our specialty division, net of claims inflation, was 1% (2023: 9%).

We experienced strong growth in our specialty business in 2024 while remaining focused on target classes and in regions where we believe the underlying insurance dynamics are positive and in a stable environment.

Our specialty portfolio features complementary exposures to our property and casualty divisions, with limited natural catastrophe exposure.

The specialty insurance market is very broad in nature and covers a wide range of classes and in this respect we remain very focused on those specialty classes that we believe present the clearer opportunities for longer term profitability and transparent risk management. In some classes our decline rate remains relatively high. Contract wordings and structuring remain a key part in our overall specialty underwriting approach.

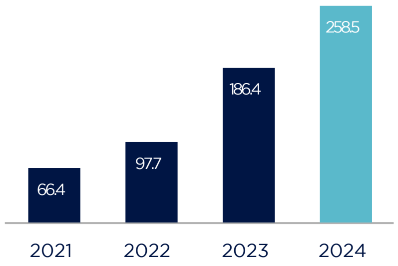
Across the industry in 2024, specialty classes continued to attract new participants as the market looked to grow in non-correlating lines of business. This has put pressure on some niche lines, but overall, the market remains healthy.

Whole account business, where we reinsure a broad range of pre-agreed classes, saw an increase in 2024. This continues to bring good diversification within the portfolio while enabling us to effectively manage any additional natural catastrophe exposure.

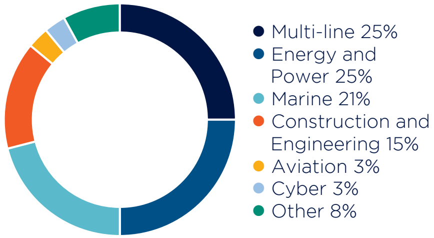
The collapse of the Baltimore bridge in 2024 will potentially cause the marine liability class one of the largest claims on record and the market may well see a positive risk-adjusted rate response in that class in 2025.

In numbers...

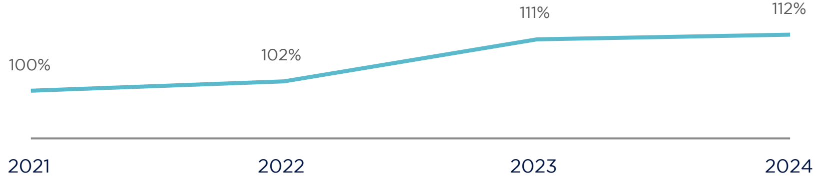
Gross premiums written ($m)*



Class of business breakdown



Risk-adjusted rate change



* Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue. 2021 in the graphs above, disclosed under IFRS 4, are also shown excluding reinstatement premiums for consistency.

Looking ahead

As we look forward to 2025, Conduit is well positioned, and the technical strengths of our team see us ready to adapt to the changing market environment. We have built a strong business where underwriting discipline and cycle management are core to our philosophy, and our data-driven analytical approach supports the construction and development of our multi-line portfolio.

We are entering a period where pricing trends are likely to be less uniform across classes but we recognise that demand for reinsurance is supported by both elevated loss activity and continued growth in insured exposures. We believe our capacity is valued in the market and we look forward to the opportunities that 2025 will bring.

Gregory Roberts
Chief Underwriting Officer
26 February 2025

> Despite the activity in 2024, as we are now in our fourth year of underwriting, we have a much greater ability to absorb loss events, whether those are driven by frequency or severity.

Throughout 2024 we continued to deploy our capital and to grow our premium base. Our gross premiums written broke through the billion dollar barrier to $1,162.4 million compared with $931.4 million for 2023. Gross premiums written since Conduit started writing business in 2021 now exceed $3.1 billion. Pricing remains favourable across most of the classes of business we underwrite, and we expect the elevated loss activity in the year to underpin continued pricing strength.

As has been noted in other statements, 2024 was another active year in terms of industry losses, with insured natural catastrophe losses in excess of $140 billion currently being estimated, in addition to a number of risk losses adding to the overall tally for the year. Despite the activity in 2024, as we are now in our fourth year of underwriting, we have a much greater ability to absorb loss events, whether those are driven by frequency or severity. The losses resulted from a broad mix of events – several smaller and mid-sized natural catastrophe and risk loss events as well as more significant ones, such as Hurricane Milton making landfall in Florida in October. As a predominantly quota share underwriter, Conduit picked up its fair share of those losses. Across Hurricanes Helene and Milton, we recorded an undiscounted net loss, after reinsurance and reinstatement premiums, of $68.0 million. That had a 9.4% impact on our undiscounted combined ratio. On an undiscounted basis, our loss ratio for 2024 was 84.4% and our combined ratio was 97.1%. That compares with the prior year's undiscounted loss and combined ratios of 68.0% and 81.9%, respectively, which reflected a more favourable loss pattern despite 2023 also being an active year for industry losses. Our reinsurance service result was $131.6 million, compared with $183.6 million in 2023, and our RoE was 12.7% compared with 22.0% in 2023. Our cross-cycle target remains to produce a mid-teens RoE, acknowledging that we will have some years with higher returns than that mid-point, and some years with lower returns.

On the investment side, we produced an investment return of 4.0% compared with 5.8% in the prior year. While we have a total return view of performance, 2024's investment return reflects a higher-yielding portfolio with higher net investment income in addition to growing the assets under management and our investment leverage. Book and market yield at year-end were 4.1% and 4.8%, respectively, versus 3.7% and 5.1% for the prior year-end. There was a significant reduction in yields and narrowing of credit spreads during the latter part of 2023 which drove higher mark to market unrealised gains than in 2024, which conversely saw an increase in yields towards the end of the year. In terms of strategy, we have maintained a short-duration, highly liquid, high-quality investment portfolio, with our primary investment aim being capital preservation and liquidity to support our underwriting activities.

Our reinsurance finance expense was $30.8 million compared with $32.8 million for the prior year. Net interest accretion increased to $37.6 million versus $26.0 million in the prior year as our reserve balances continued to grow and therefore produce more discount to unwind. Revaluing reserves to current rates at the end of the year produced an income of $6.8 million in 2024 to offset the net interest accretion versus an expense of the same amount for 2023, reflecting movements in yields.

Operating expenses have increased in dollar terms as we continue to recruit talent to the business, but the ratio is reducing in line with expectations as our earnings base matures.

Lastly, as we continue to grow our book with balance in mind, we have more than enough capital to execute our plans and we have once again declared a final dividend of $0.18 per share, which will be paid in April 2025.

Elaine Whelan
Chief Financial Officer
26 February 2025

Premiums

Gross premiums written

For the year ended 31 December:

Segment	2024 $m	2023 $m	Change $m	Change %
Property	606.3	468.3	138.0	29.5%
Casualty	297.6	276.7	20.9	7.6%
Specialty	258.5	186.4	72.1	38.7%
Total	**1,162.4**	**931.4**	**231.0**	**24.8%**

During 2024, our three segments delivered growth in gross premiums written and Conduit Re experienced an increasing number of opportunities to deploy its capital into the segments and products that it targets. The non-catastrophe elements of both Property and Specialty in particular provided good opportunities for selective growth throughout the year.

Pricing

Pricing levels and terms and conditions continued to be very attractive in 2024 with a moderate increase of 1% in overall risk-adjusted rate change, net of claims inflation, against a backdrop of historically high rates.

Risk-adjusted rate change by segment:

Property	Casualty	Specialty
3%	(1)%	1%

Net reinsurance revenue

Year ended 31 December 2024	Property $m	Casualty $m	Specialty $m	Total $m
Reinsurance revenue	437.8	201.8	174.1	813.7
Ceded reinsurance expenses	(81.7)	(1.4)	(10.6)	(93.7)
Net reinsurance revenue	**356.1**	**200.4**	**163.5**	**720.0**

Year ended 31 December 2023	Property $m	Casualty $m	Specialty $m	Total $m
Reinsurance revenue	345.2	171.8	116.0	633.0
Ceded reinsurance expenses	(66.9)	(1.3)	(8.5)	(76.7)
Net reinsurance revenue	**278.3**	**170.5**	**107.5**	**556.3**

Reinsurance revenue for the year ended 31 December 2024 was $813.7 million compared to $633.0 million for 2023. The increase in reinsurance revenue relative to the prior year was due to continued growth in the business plus the earn-out of premiums from prior underwriting years.

Ceded reinsurance expenses for the year ended 31 December 2024 were $93.7 million compared to $76.7 million for 2023. The increase in cost relative to the prior year reflected additional limits purchased due to the growth of the inwards portfolio exposures plus price increases on renewals.

Net reinsurance service expenses

Year ended 31 December 2024	Property $m	Casualty $m	Specialty $m	Total $m
Reinsurance losses and loss-related amounts	(256.3)	(146.2)	(128.4)	(530.9)
Reinsurance operating expenses	(38.1)	(13.1)	(9.3)	(60.5)
Ceded reinsurance recoveries	(0.4)	–	3.4	3.0
Net reinsurance service expenses	**(294.8)**	**(159.3)**	**(134.3)**	**(588.4)**

Year ended 31 December 2023	Property $m	Casualty $m	Specialty $m	Total $m
Reinsurance losses and loss-related amounts	(136.5)	(120.7)	(70.8)	(328.0)
Reinsurance operating expenses	(30.4)	(11.9)	(6.7)	(49.0)
Ceded reinsurance recoveries	4.6	0.2	(0.5)	4.3
Net reinsurance service expenses	**(162.3)**	**(132.4)**	**(78.0)**	**(372.7)**

Net reinsurance losses and loss related amounts

2024 was another above average year of loss activity for the industry. Hurricanes Helene and Milton made landfall in the United States, and there was also elevated activity across smaller and mid-size natural catastrophe and large risk events such as the Baltimore Bridge.

We recorded an undiscounted net loss, after reinsurance and reinstatement premiums, of $68.0 million related to Hurricanes Helene and Milton. These two events contributed 9.4% to our undiscounted loss ratio for 2024.

Our loss and reserve estimates have been derived from a combination of reports and statements from brokers and cedants, modelled loss projections, pricing loss ratio expectations and reporting patterns, all supplemented with market data and assumptions. We will continue to review these estimates as more information becomes available.

Our discounted net loss ratio for the year ended 31 December 2024 was 73.3% compared with 58.2% for the 2023 year, while our undiscounted net loss ratio was 84.4% and 68.0% respectively. The increase for the year ended 31 December 2024 was primarily related to an increase in net losses related to natural catastrophes and large risk events. Although 2023 was an active year for natural catastrophes, no major loss event, individually or in aggregate, had an outsized or material impact on Conduit.

Our undiscounted ultimate loss estimates, net of ceded reinsurance and reinstatement premiums, for previously reported loss events remained stable. The inherent uncertainty in estimating the net liability for incurred claims gives rise to favourable or adverse development. During the year ended 31 December 2024 the favourable development in the discounted net liability for incurred claims for prior accident years was $4.3 million (31 December 2023: $3.9 million).

Reinsurance operating expenses and other operating expenses

Year ended 31 December	2024 $m	2023 $m	Change $m	Change %
Reinsurance operating expenses	60.5	49.0	11.5	23.5%
Other operating expenses	30.8	28.3	2.5	8.8%
Total expenses	**91.3**	**77.3**	**14.0**	**18.1%**

Year ended 31 December	2024 %	2023 %	Change (pps)
Reinsurance operating expense ratio	8.4	8.8	(0.4)
Other operating expense ratio	4.3	5.1	(0.8)
Total reinsurance and other operating expense ratio	**12.7**	**13.9**	**(1.2)**

Reinsurance operating expenses includes brokerage and operating expenses deemed attributable to reinsurance contracts.

Total reinsurance and other operating expenses were $91.3 million for the year ended 31 December 2024 compared with $77.3 million for the prior year. The increase is due to the continued growth of the business and increased headcount. The decrease in the reinsurance operating expense ratio and other operating expense ratio was due to the growth in net reinsurance revenue during the year.

Net reinsurance finance income (expense)

Year ended 31 December	**2024 $m**	2023 $m	Change $m
Net interest accretion	(37.6)	(26.0)	(11.6)
Net change in discount rates	6.8	(6.8)	13.6
Net reinsurance finance income (expense)	**(30.8)**	**(32.8)**	**2.0**

The net reinsurance finance expense was $30.8 million for the year ended 31 December 2024 compared with $32.8 million for the prior year. The unwind of discount made up most of the expense in both years, although there was some income related to the increase in discount rates in the latter part of 2024 as we re-measured at those higher rates. The opposite was true for 2023 where discount rates decreased late in the year resulting in an additional expense.

Investments

We continue to maintain a conservative approach to managing our invested assets, with a strong emphasis on preserving capital and liquidity.

Our strategy remains maintaining a short-duration, highly-rated portfolio, with due consideration of the duration of our liabilities. Our portfolio mix shows our conservative philosophy (more information on the portfolio mix is set out in the charts on page 22 and in the risk disclosures on page 120). Our asset allocation is dictated by our approved investment guidelines. There are currently no risk assets held in the portfolio. Risk assets will generally only be considered to diversify and protect the portfolio, and where the risk-return profiles are appropriate.

We currently have two portfolio categories – short-tail and long-tail – to match our underwriting categories and the differing obligations associated with different classes of business across our property, casualty and specialty divisions. Liquidity preferences are monitored for each.

Conduit's cash inflows are primarily derived from receipts for fulfilling coverage of reinsurance contracts, ceded reinsurance recovered from reinsurers and net investment income, plus the sale and redemption of investments. Cash outflows are primarily the settlement of losses and loss-related amounts, payments for ceded reinsurance contracts held, payment of other operating expenses, the purchase of investments and the distribution of dividends or other forms of capital returns. Excess funds are invested in the investment portfolio.

As part of our investment strategy, we seek to maintain a level of liquidity that we believe to be adequate to meet our foreseeable payment obligations. We believe that our liquid investments and cash flow will provide us with sufficient liquidity to meet our obligations to settle losses. However, the timing and amounts of actual claims payments vary based on many factors, including large individual losses, changes in the legal environment and general market conditions.

Investment performance

The investment return for the year ended 31 December 2024 was 4.0% driven by net investment income given a generally higher yielding portfolio. For 2023 the portfolio returned 5.8% driven by net investment income and net unrealised gains on investments due to a significant reduction in treasury yields and narrowing of credit spreads during the latter part of 2023.

Net investment income, excluding realised and unrealised gains and losses, was $65.0 million for the year ended 31 December 2024 (31 December 2023: $41.3 million), or an increase of 57.4%, driven by a higher yielding portfolio and growth in cash and investment balances year on year. Total investment return, including net investment income, net realised gains and losses, and net change in unrealised gains and losses, was a gain of $66.1 million (31 December 2023: $70.6 million).

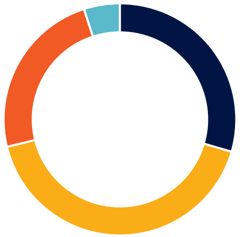
The breakdown of the managed investment portfolio as at 31 December is as follows:

	2024	2023
Fixed maturity securities	85.8%	87.7%
Cash and cash equivalents	14.2%	12.3%
Total	**100.0%**	**100.0%**

Key investment portfolio statistics for our fixed maturities and managed cash as at 31 December were:

	2024	2023
Duration	2.5 years	2.4 years
Credit quality	AA	AA
Book yield	4.1%	3.7%
Market yield	4.8%	5.1%

Cash and investments credit ratings for managed portfolio 2024



Cash and investments credit ratings for managed portfolio 2023

ESG considerations are incorporated into our individual portfolio investment guidelines. We believe that, all other things being equal, it is less risky to own securities with strong ESG ratings. More information about the ESG approach to our investments is contained in the ESG summary on page 30.

Capital and dividends

Conduit remains well capitalised to achieve its objectives with a legacy-free balance sheet. Total capital and tangible capital available to Conduit was $1.05 billion as at 31 December 2024 (31 December 2023: $0.99 billion). Further information on capital management is set out in the risk disclosures on page 137 and in the financing arrangements on page 157.

Tangible net assets per share as at 31 December 2024 was $6.70 or £5.35 (31 December 2023: $6.25 or £4.91). Including dividends, tangible net assets per share increased 12.9% during 2024.

Shares purchased by Conduit's Employee Benefit Trust (EBT) during 2024 amounted to $9.4 million (2023: $13.7 million) and will be held in trust to meet future obligations under Conduit's variable incentive schemes.

Further details of the share repurchase scheme are set out in the Directors' Report on page 95 and in note 17 to the consolidated financial statements on page 158.

On 18 February 2025 Conduit's Board of Directors declared a final dividend of $0.18 (approximately 14 pence) per Common Share, resulting in an aggregate payment of $29.7 million. The dividend will be paid in pounds sterling on 17 April 2025 to shareholders of record on 21 March 2025 (the Record Date) using the pound sterling/US dollar spot exchange rate at 12 noon BST on the Record Date.

Conduit previously declared and paid an interim dividend during 2024 of $0.18 (approximately 14 pence) per Common Share. Consequently, the full 2024 dividend is $0.36 (approximately 28 pence) per Common Share in line with our stated dividend policy. Conduit's dividend policy and information on the final dividend declared in respect of 2024 can be found on page 45.

There is no debt and there are no off-balance sheet forms of capital.

Empowering Future Leaders: Internships and Scholarships

During the summer of 2024 we were delighted to have hosted nine interns in our office. Conduit's intern programme is designed to give high-performing undergraduate students a working understanding of our business and to ignite their passion for the reinsurance industry. Our interns have gained meaningful, real-world experience while developing professional and functional skills across our business functions.

In partnership with the Association of Bermuda International Companies (ABIC), the Conduit Foundation selected the second recipient of its education award for 2024. The award provides three years of university funding for a student embarking on their higher education journey. In 2024 the Conduit Foundation was pleased to announce Chasity Armstrong as the award recipient. Chasity is a Bermudian student who completed an associate degree in Business Administration at the Bermuda College and is pursuing a Bachelor's in Computer Science (Cyber security) at the University of Kent. As part of the award, I have been assigned as a mentor to Chasity, to help guide her through her studies and provide advice on attaining her future career goals. In selecting its award recipient, the Conduit Foundation sought a candidate who not only met the Foundation's educational criteria but who was also engaged with the local community and understood the importance of ESG. In addition to offering the Conduit Foundation education award, Chasity will be given the opportunity to join Conduit as an intern in the summer of 2025.

Stuart Quinlan
Chief Operating Officer and
Deputy Chief Executive Officer

> Conduit's intern programme is designed to give high-performing undergraduate students a working understanding of our business and to ignite their passion for the reinsurance industry.

> In 2024 we have moved into our target capitalisation range, reflecting our increasing maturity.

The challenge and opportunity of an increasingly volatile environment

Last year, I highlighted geopolitical risks and the increasing prominence of artificial intelligence as key factors in the risk landscape, and I see that very much continuing in the period ahead.

Devastating natural catastrophes have also been front of mind, with the delta between the tragic human cost of events and the associated industry-insured loss demonstrating the protection gap only too vividly. More positively, events have also demonstrated that improved building standards and legal reforms are having a positive impact.

We live in a more volatile world, both natural and economic, than recent generations providing both a challenge and opportunity for the risk-sharing industry.

At Conduit, we seek to increase our own relevance within the reinsurance markets through continued growth in areas where our cedants provide transparent data that helps us assess the risks as if we were primary insurers, while remaining focused on further increasing our level of diversification through careful management of aggregations and accumulations.

Careful management of accumulations

Our approach remains one of seeking to limit aggregations within and across each line of business. While we do not consider ourselves a heavily natural catastrophe focused reinsurer, our largest accumulations, at the published return periods, remain those associated with such events, notably Florida windstorms and California earthquakes.

Our net tolerances for 2025 are increasing to $110 million from $95 million on a 1 in 100 basis and to $160 million from $133 million on a 1 in 250 basis. As in previous years, these tolerances are calibrated to a 1 July viewpoint, for a first occurrence, and may change.

Having increased our net modelled natural catastrophe exposure year on year since launch, as we grew into our balance sheet, our general expectation is that further increases will be aligned to balance sheet growth. That said, changes in market opportunity may vary this position.

Important role of outwards reinsurance

Outwards reinsurance is the mechanism by which we protect the balance sheet from outsized insurance loss events, notably earthquakes and named storms. It also helps us be increasingly significant business partners to our cedants, leveraging reinsurance to link risk and capital in ways that allow us to support our cedants on a broader basis than we otherwise would.

In 2023 we sponsored our first catastrophe bond, Stabilitas Re, with the resulting retrocession cover providing protection over a three-year period, and we continue to explore opportunities for complementary transactions to match risk to capital, whether with traditional reinsurers or through third-party capital vehicles.

Regardless of the form or purpose of reinsurance, we seek to limit our credit risk through careful consideration of the counterparty, with all reinsurance counterparties approved by the Counterparty Security Committee.

Our core reinsurance protection is intended to protect our balance sheet from large catastrophe events. Beyond these perils, we also buy reinsurance to protect against casualty clash and specialty accumulations.

Capital

While modelled catastrophe exposure, and the associated reinsurance, is a factor in our capital requirements[1], it has a relatively low impact in comparison to premium risk and reserve risk. Our estimated BSCR coverage ratio at 31 December 2024 is 269%, down from 381% at 31 December 2023 as we have continued to deploy our balance sheet toward our stated target range of a BSCR

1. All references to capital requirements, both regulatory and rating agency, refer to Conduit Reinsurance Limited (CRL) only as Conduit Holdings Limited (CHL) is a pure holding company.

coverage ratio of between 200% and 300%, which we are now within.

The decrease in coverage ratio is mainly driven by increased premium and reserve risks which are offset in part by retained earnings.

There are multiple measures of capital requirements with many variables and alternate views. The BSCR is the public metric we comment on, while rating agency and internal views are also considered in our internal assessment.

The current business plan anticipates that retained earnings will start to outpace increasing BSCR capital requirements within our three- to five-year business planning horizon. During that horizon we also expect the BSCR to replace the minimum solvency margin (MSM) as our regulatory capital requirement. Currently our MSM coverage ratio is 211% down from 269% at 31 December 2023. The MSM is less of a focus for us as it is a simple measure which can immediately be controlled by reducing the amount of business written or by buying more reinsurance, whereas the BSCR is a more complex risk-based model with many variables and therefore more aligned with our view of risk.

To give an indication of capital strength, the current excess of available capital over BSCR capital remains more than twice our modelled target 1 in 250 net probable maximum loss (PML) across the planning horizon. Our BSCR coverage ratio, as intended, positions us very much in the pack in comparison with other Class 4 Bermuda (re)insurers.

Risk profile

Conduit's risk profile, despite the volatility in the outside world, remains relatively stable with the increasing scale of the business counterbalancing some of the volatility.

Underwriting risk remains the risk that we seek and is our primary risk. Our toolset in this regard remains strong, with selective recruitment to strengthen further our team and capitalise on the market opportunity. Freedom from legacy constraints and Conduit Re's relative organisational simplicity remain key differentiators.

Our investment risk philosophy remains unchanged and delivers lower volatility than we see reported by some peers, against the backdrop of inflationary factors that reduced during 2024.

Operationally, we continue to invest and benefit from a technology strategy that allows us to make quick and decisive action when needed. In preparation for the January 2024 renewals we replaced our policy administration system having discovered that an alternate system better fits our ambitions to leverage technology more effectively.

Regulatory change, having been quite limited in recent years, has increased to a more moderate pace as Bermuda seeks to remain in line with global standards. The direct impact on Conduit Re is limited. Similarly, Bermuda has implemented legislation to bring in a Corporate Income Tax from January 2025. However Conduit does not meet the criteria to be in scope for this tax and does not expect to be in scope over our current planning horizon.

Beyond my role as Chief Risk Officer (CRO), I also have responsibility for sustainability and very much see the roles as interconnected. Acting responsibly is core to how Conduit Re operates and helps us manage our risk. The sustainability choices we make are part of our view of risk and support our business objectives. This was validated through questions included in our 2024 staff survey regarding culture and risk.

Risk governance

The Board is required under The UK Corporate Governance Code ('The UK Code') to establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks that Conduit is willing to accept in the context of achieving its long-term strategic objectives. To this end, the Board is supported by the CHL Audit Committee and the CRL Board and committees, most notably the CRL Risk, Capital and Compliance Committee.

The Board prescribes risk preferences that guide the CRL Board and committees as they establish risk appetite and tolerance statements. The Board also monitors the effectiveness of the overall enterprise risk management framework, leveraging the work undertaken by the CRL Board and committees.

CHL Directors are invited to attend CRL Board and committee meetings and are provided with the associated materials and minutes. In addition, four CHL Independent Non-Executive Directors also serve as Directors on the CRL Board.

Conduit operates under a 'three lines of defence' risk management model, with the CRO reporting directly to the CRL Board's Risk, Capital and Compliance Committee. This reporting includes regular reporting of compliance with risk appetite and tolerance statements, emerging risks, risk event reports, key risk indicators and the solvency self-assessment. Membership of this committee includes Directors who also serve on the boards of both CHL and CRL.

The risk function provides independent challenge and oversight of the identification, measurement, management and monitoring of risk by the first line of defence, supporting the CRL Risk, Capital and Compliance Committee and the CHL Board.

Day-to-day oversight of the management of risk by the first line of defence and the independent challenge provided by the second line is supported by the CEO and the Executive Committee.

Outputs from other second line of defence functions (compliance and actuarial) and from the third line (internal audit, external audit and the independent Loss Reserve Specialist) are fed back into the overall risk assessment. Regular meetings take place between the second-line functions and Internal Audit. Outputs from all such functions may be used, where appropriate, to support independent validation, alongside the risk function's own reports and those of other independent third parties.

Conclusion

From a risk perspective, our increasing market significance continues to build our level of diversification, while a strong renewing book provides the operational capacity to evaluate new opportunities to build corporate value.

Andrew Smith
Chief Risk Officer
26 February 2025

Increasing Decreasing No change

Risk category	Relative appetite/preference	Trend	Commentary
Overall – capital adequacy	**Low** We maintain capital to support a minimum rating of A- by AM Best and to provide a surplus over the regulatory enhanced capital requirement of twice that prescribed as an early warning buffer by the Bermuda Monetary Authority (BMA).	No change	After a period of initial capital deployment, we are now operating within our target capital range, all be it at the upper end of the range. This increases the importance of capital management to support continued growth. Our target level of capital is intended to support our rating ambitions with AM Best and our increasing maturity has been acknowledged by our rating, moving to a positive outlook.
Underwriting – premium	**High** This is the risk we seek in order to generate return. The risk is managed by seeking a target portfolio based on our view of rate adequacy and target diversification, supported by event and/or aggregate retrocessional protections.	No change	Our well-established portfolio means that execution risk continues to decrease in Property and Casualty, but with rate momentum supported particularly in our chosen areas of Property. Our Specialty business presents strong growth opportunities notably on more complex transactions that have a higher execution risk.
Underwriting – exposure and aggregations	**Medium** We underwrite catastrophe-exposed reinsurance through our property and specialty classes, and business exposed to other aggregations, notably across casualty lines. We seek to understand and manage our exposures generally to a lower level than our Bermuda peer group.	Increasing	In Property our portfolio approach means we continue to have capacity to increase our peak zone accumulations as market conditions support, while in Casualty and Specialty our increasing scale continues to provide diversification.
Underwriting – reserve	**Medium** We underwrite a mix of classes including those where reserves take time to develop. We seek to minimise reserve risk through rigorous data analytics using market data, and benefit from an external loss reserve specialist review.	No change	Portfolio growth reduces reserve risk and an expected normalisation of inflationary factors supports this, albeit with some remaining macroeconomic uncertainty.
Investment – market and liquidity	**Low** Our primary aim is to protect capital and, consequently, we have a low appetite to expose our capital base to investment losses and a low appetite for volatility.	Decreasing	Our relatively low risk portfolio continues to remain highly liquid while current investment yields provide lower downside asset risk.

Increasing | Decreasing | No change

Risk category	Relative appetite/preference	Trend	Commentary
Credit	**Low** We use reinsurance to provide protection and therefore select reinsurers who provide limited credit risk.	No change	All retrocessionaires continue to be high quality and approved by the Counterparty Security Committee. Our collateralised reinsurers continue to be required to provide high-quality collateral, held in trust.
Operational and systems	**Low** We seek to minimise our operational risk within the context of operating as a reinsurer. We seek to attract and retain high-quality staff and gain competitive advantage by use of high-quality and integrated systems.	No change	We benefit from a single operating location which reduces operational complexity. Our focus on leveraging leading technology solutions can require enhanced levels of investment of time and optimisation of activity allocation as working practices evolve.
Strategic	**Low** We seek to manage risk by keeping a clear and focused strategy as a single balance sheet reinsurer based in one location.	Decreasing	We have executed on strategy to date and favourable market conditions further reduce strategic risk. The implementation of Bermuda Corporate Income Tax, previously identified as a risk, does not apply to Conduit Re.
Reputational	**Low** A focus on maintaining and enhancing brand and franchise value with support from the ESG Committee, established by the CHL Board.	No change	Public coverage is favourable to date and the quality and maturity of our external disclosures continue to improve. Conversely, as recognition of Conduit increases, this provides greater visibility.
Legal, regulatory and litigation	**Very low** We seek to minimise our legal, litigation and regulatory risk by investing in our systems and people. We have no appetite for censure by regulators and tax authorities.	Increasing	The level of regulatory change in Bermuda is increasing from low to moderate, though the topics addressed to date are not material to Conduit Re. Political changes in the US are generally expected to be more pro-business but could increase uncertainty.

Making a Difference: Employee Contributions to Community Charitable Initiatives

Conduit continues to demonstrate its commitment to corporate social responsibility through its employee charitable engagement. The supported initiatives encourage our employees to participate in community service, volunteer work, and fundraising events. Key components include paid volunteer days, employee donation matching, and team-led community projects.

In 2024, employees gave back to Waterstart, one of the Conduit Foundation-supported charities, by participating in a clean-up at Waterstart's living classroom on Burt Island. Waterstart is dedicated to promoting environmental awareness and personal growth through experiential education.

Waterstart has developed, and continues to expand, a collection of highly successful outdoor education programmes. These programmes typically involve training in snorkelling, scuba diving, and boating, aimed at environmental conservation and marine science, allowing students to embrace new experiences and gain skills through hands-on learning. In addition to the core programmes offered, students may also participate in projects such as woodland restoration, pilot aquaculture studies, seagrass monitoring, and fish identification surveys.

Looking ahead to 2025, Conduit remains committed to supporting Bermuda-based charitable initiatives. Continued employee involvement in community service projects makes a positive impact on the environment as well as in the local community.

It also underscores Conduit's belief in the importance of corporate social responsibility and its role in fostering a better future for all.

Heather Mello
Head of Human Resources

> Conduit believes that engaging with the local community through the support of local charities is critical to supporting the long-term sustainability of our business and our island community.

"Strong community engagement continued throughout 2024 and reflects Conduit's ongoing commitment to being a responsible company.

The Rt Hon. Lord Soames of Fletching, Chair, ESG Committee

As I reflect on the work of the ESG Committee over the past year, the exceptional commitment of the Conduit team to positively impact its stakeholders is clearly evident. A standout highlight was the Gala of Giving, which was organised by Conduit and supported by many other companies across the Bermuda community, raising over $430,000. This built on the success of the 2023 event and means that, in aggregate, more than $775,000 of support has been provided to the selected local charities over the two years.

The 13 charities supported by the Gala of Giving this year are all charities also supported by the Conduit Foundation, of which I am proud to serve as Chair of the Protector Committee. Overall, the Foundation has provided financial support to 20 Bermuda charities during 2024, while the Conduit Re team have also supported numerous causes by donating their time, including corporately coordinated input to Meals on Wheels, Relay for Life, Waterstart, Keep Bermuda Beautiful and the Bermuda Youth Climate Summit.

Engagement with the community goes beyond charitable giving, however, and arguably the greatest contribution to Conduit's local community is through its employees and future talent. 2024 was again a record for Conduit in terms of the number of interns hosted and students supported through scholarships. An important achievement too was the progress of a two-time intern into employment: Micah Cook interned with the risk team in 2023, returned as an intern with the underwriting team in 2024 and has subsequently accepted a position as an underwriting assistant. More broadly, Conduit continued to support its employees through an inflation-focused cost-of-living allowance for 2024 and a green loan policy that supports investment in solar power or electric vehicles.

As my exposure to the reinsurance community has increased, I have gained a heightened awareness of the vital role of reinsurance in addressing the environmental and social risks associated with climate change. While much of the discussion at the ESG Committee is focused on transparency and good governance, I'm always impressed by the knowledge and passion shown in discussions around emerging practices, projects and financial service solutions to far-reaching issues. I can see that, starting from Neil and Trevor, and permeating right through Conduit, there is a true desire to be a responsible and forward-looking company on all of these issues.

Transparency on ESG topics is very much part of demonstrating commitment and good governance to a wide range of stakeholders. I'm delighted that Conduit continues to enhance its public reporting on ESG topics. Beyond the specific requirements of the Taskforce on Climate-Related Financial Disclosures (TCFD), Conduit has embraced the evolution of the ClimateWise reporting framework, which is now designed to address the best emerging practices in the field. These efforts have been recognised by ClimateWise with Conduit moving now into the top-ten in their ranking of (re)insurance sector companies, alongside some much larger global peers, in terms of quality of disclosure.

I commend Conduit's continued commitment to being a sustainable and responsible company and wish the team continued success into 2025.

Lord Soames
ESG Committee Chair
26 February 2025

2024 sustainability highlights

Our key ESG achievements are highlighted on page 31.

TCFD Reporting

We leverage our ClimateWise Report to meet our TCFD reporting requirements. Find out more on page 33.

Conduit Re seeks to be a responsible company; we support the transition to a sustainable economy and focus on the long-term benefit of all our stakeholders.

Our approach to ESG is focused on maximising the positive impact we can have, while minimising the negative impacts. We do this recognising that we are a relatively small, treaty-focused reinsurer; and therefore a step back from the underlying business. We believe that Conduit and its employees benefit from the engagement and perspective provided by deliberate community engagement on environmental and social issues. Details on our ambitions and commitments, our impact, and updates on our key ESG metrics can be found in our standalone 2024 ESG Report, which is available on our website. Our ESG Report also sets out what we seek to achieve, how and why, and includes details on governance in place over climate and nature risks.

In this Annual Report and Accounts, we draw attention to specific matters of note and signpost our reporting in line with TCFD.

Our ESG ambitions remain:
- positively impacting our stakeholders;
- supporting the transition to a sustainable world; and
- minimising our negative impact on the environment.

As a relatively small company, we enjoy the benefits of being legacy-free in all its forms. This means we can take deliberate, purposeful and impactful steps as we seek to deliver on those ambitions.

2024 highlights

Our key ESG achievements for 2024 include:
1. the rollout of insurance sustainability training for all employees to help ensure that all staff have the opportunity to understand our own priorities in the context of wider ESG considerations and practices;
2. continuing to provide staff with Conduit-organised volunteering opportunities including coastal clean-ups and enhancing the facilities at a local environmental charity, in addition to staff's one day's volunteering allowance a year;
3. expanding our internships to a record number of university students, one of whom was subsequently hired into a full-time position at Conduit; and
4. hosted the Gala of Giving, which, together with the local Bermuda business community, raised over $430,000 for 13 Bermuda-based charities, taking the total raised over the two years, since we first founded the event, to over $775,000.

Emissions

In this Annual Report and Accounts, we include disclosures associated with the carbon emissions for which we are responsible. For the fourth consecutive year, since we embarked on underwriting in 2021, we have maintained our commitment to offset our Scope 1 and 2, as well as select Scope 3 emissions[1]. We strategically choose our offsets, to ensure they meet high quality standards, such as projects that have received third-party verification on the completeness and accuracy of their project's asserted GHG emissions reduction, certified by Verra and/or VCS, or have an element of social impact.

KPMG, our external auditors, provide limited assurance over certain greenhouse gas (GHG) emissions that we disclose. We are also capturing data on the emissions avoided because of our green loans policy. Our longer-term ambition is that our financed solar and electric vehicle initiatives provide emissions avoidance greater than our Scope 2 emissions.

TCFD reporting

A summary of our TCFD reporting follows on the next page. We use the ClimateWise framework to support our TCFD reporting and publish a standalone ClimateWise report. Following the release of new international regulatory requirements, in 2024, ClimateWise revised its guidance and launched a new set of principles for members to report on. ClimateWise score the quality of reporting against their framework and earlier this year we submitted a private disclosure to ClimateWise using their new principles for feedback. We are pleased to report that we received a significant increase in our results, testament to our commitment to transparency for all stakeholders and the sound governance we have in place over climate- and nature-related issues. Our latest report is available for review on our website and will be marked by ClimateWise later in 2025.

One aspect of TCFD is reporting on risks and opportunities associated with climate change. Further details are included in our ClimateWise and ESG Reports. These include both physical and transitional exposures, which are summarised on the following page.

1. Consistent with our approach first stated in 2022, this is in relation to business travel, hotel nights and staff commuting. We also report, but do not offset, our share of our suppliers' emissions.

Physical risks to which our underwriting is exposed stem from changing weather patterns, rising water levels and increased frequency and severity of extreme weather events, all of which can increase the value of insured losses in the long term. That said, the time horizon for such coverage is typically annual, thus the impact is more easily measured and factored into pricing and terms and conditions by our underwriters in contracts negotiations. Moreover, these events, as well as the growing populations and property values in vulnerable areas, are increasing the demand for property insurance, especially in the United States (US), expanding market opportunities for (re)insurance companies.

Transitional risks seen in underwriting are typically driven by liability for damage or harm stemming from our customers' business activities. As more economies strive to be more sustainable, there is an influx of new and increased ESG regulation, litigation, frameworks, investor demands and innovation pressures. Alongside these, an associated array of insurable transition risks has developed, creating a new casualty class with associated pricing risks, as there is for any new market. Currently, relevant casualty lines are offering a reasonable return for the risks we assume, but care is needed to ensure losses from risks that are yet to fully emerge are contained.

Our investment portfolio is lower risk and highly liquid in nature and, over the planning horizon, aims to have relatively limited performance exposure to climate-related change and nature loss. From an operational perspective, hurricanes can occur relatively frequently in Bermuda, the strength and frequency of which are forecast to increase as a result of climate change. Bermuda currently has robust infrastructure, providing resilience to, and protection from, hurricanes, and therefore we do not expect any significant damage to our office nor interruptions to our operations.

Reinsurance has a role to play in providing protection to those in transitioning industries. A careful balance between each of the environmental and social concerns must be found, all within the context of delivering returns for shareholders and reducing the protection gap.

The Board has overall responsibility for ensuring that Conduit is appropriately considering the risks and opportunities presented by climate change and in doing so is supported by the work of management and the ESG Committee.

Below is a summary of our TCFD disclosures, which are intended to provide context alongside a reference to where each topic is explored in more depth. ClimateWise provides an industry-specific framework for TCFD reporting and is most meaningfully read as a standalone document, so it has not been reproduced in full in the Annual Report and Accounts. Our ESG Report is a free-form disclosure in which we add additional context and commentary, notably in relation to our ESG metrics and the relevance of climate to each member of executive management. Both our 2024 ESG and ClimateWise reports are available to download on our website.

TCFD pillars	TCFD recommended disclosures	Disclosure status and reference to where disclosures have been made
Governance Disclose the organisation's governance around climate-related risks and opportunities.	A Describe the Board's oversight of climate-related risks and opportunities.	**See Principle 1 of our ClimateWise Report.** The Board has held strategy sessions that have considered climate-related risks and opportunities and have established parameters within which management can operate. It receives regular reports and is also supported by the ESG Committee.
	B Describe management's role in assessing and managing climate-related risks and opportunities.	**See Principle 1 of our ClimateWise Report and the governance section of our ESG Report.** Climate-related risk is integrated into various management policies. Each Executive Committee member has specific climate responsibilities as set out in our ESG Report which is available on our website.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	A Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	**See Principles 1 and 3 of our ClimateWise Report.** Climate-related risks and opportunities exist across our underwriting, investments and operations.
	B Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	**See Principles 1 and 3 of our ClimateWise Report.** Climate-related risks and opportunities exist across our underwriting, investments and operations that are relevant for our business, strategy and financial planning.
	C Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**See Principle 1 of our ClimateWise Report.** Our planning time horizon and the short-tail nature of our insurance liabilities and asset portfolio limit the impact of a 2°C scenario on our business plan and short-term capital management.

TCFD pillars	TCFD recommended disclosures	Disclosure status and reference to where disclosures have been made
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks.	A Describe the organisation's processes for identifying and assessing climate-related risks.	**See Principle 1 of our ClimateWise Report.** Our processes are integrated with our wider risk management framework described in the enterprise risk management report, as well as in in our Financial Condition Report which is available on our website.
	B Describe the organisation's processes for managing climate-related risks.	**See Principles 1 and 3 of our ClimateWise Report.** Our processes are integrated with our wider risk management framework described in the Enterprise Risk Management Report, as well as in our Financial Condition Report which is available on our website.
	C Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	**See Principles 1 and 3 of our ClimateWise Report.** Our processes are integrated with our wider risk management framework described in the Enterprise Risk Management Report, as well as in our Financial Condition Report which is available on our website.
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	A Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	**See Principle 4 of our ClimateWise Report.** Our metrics relate primarily to carbon neutrality and to our business partners' commitments to climate matters.
	B Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	**Disclosed in this section of the Annual Report and Accounts.** Further detail can also be found in our ESG Report which is available on our website.
	C Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	**See the 'Environment' section of our ESG Report and Principle 4 of our ClimateWise Report.** Our metrics relate primarily to offsetting Scope 1, 2 and select Scope 3 emissions (business travel including flights and hotels; employee commuting).

Carbon emissions

We have included in the table below our Scope 1 to 3 emissions for 2024 and 2023. We look to grow as sustainably as possible, with a focus on the average emissions per employee. For details on our methodology, our carbon offsets and our environmental commitments and priorities, please refer to Principle 4 of our ClimateWise Report which is available on our website.

			2024		2023	
Emission type	**Activity**	**Basis of measurement**	**Quantity**	**tCO_2e**	**Quantity**	**tCO_2e**
Scope 1						
Direct	None		**-**	**-△**	**-**	**-△**
Scope 2						
Indirect energy	Electricity	kWh	**205,240.1**		**175,186.9**	
	– location based			**152.4△**		**129.2△**
	– market based			**135.2△**		**122.9△**
Scope 3						
Indirect other	Business travel[1]	Kilometres	**2,084,991**	**403.9△**	**1,951,215**	**227.5△**
	Hotels	Nights	**515**	**27.7△**	**329**	**27.9△**
	Staff commuting	Kilometres	**191,907.9**	**21.6△**	**187,749.9**	**17.7△**
Total gross emissions from our operations[2]						
Gross emissions (location based)				**605.6△**		**402.3△**
Gross emissions (market based)				**588.4△**		**396.0△**
Carbon offset applied				**(588.4)**		**(396.0)**
Net carbon impact from operations				**-**		**-**
Gross emissions per average employee						
Average number of employees			**63.5**		**57.6**	
Location based				**9.5△**		**7.0△**
Market based				**9.3△**		**6.9△**
Gross emissions including our share of suppliers' emissions						
Total gross emissions as per above market-based approach				**588.4△**		**396.0△**
Share of suppliers' emissions[3]				**220.6**		**559.1**
Grand total				**809.0**		**955.0**

1. Emissions for air travel were calculated using the International Civil Aviation Authority (ICAO) Emission Calculator, consistent with 2023 data. Emission factors have changed, and flight classes are now divided into first, business, premium, and economy, leading to higher emission factors for long-haul business flights. Our 2023 emissions calculated using these updated factors are (tCO2e): Business travel emissions: 423.5; Total Emissions (market based): 591.9; Gross emissions per employee: 10.3.
2. We do not differentiate Scope 3 emissions by location. Our Scope 2 emissions in the UK relate to less than 1% of the total emissions.
3. Previously, many of our suppliers disclosed their total emissions, and did not breakdown their Scope 1, 2 and 3 emissions. Now their reports are more advanced, suppliers are providing this breakdown. We have therefore updated our methodology for 2024, and restated the comparative for 2023, to include only emissions related to Scope 1 and 2 from suppliers, in line with PCAF's guidance. Where this is not provided, we continue to use total emissions.

△ KPMG performed limited assurance procedures over these GHG disclosures. Their report is included in our 2024 ESG Report, available on our website.

Provision 5 of The UK Code notes that the Board should understand the views of the Company's key stakeholders and describe in the Annual Report and Accounts how their interests and the matters set out in Section 172 of the UK Companies Act 2006 have been considered in Board discussions and decision-making. Conduit is a Bermuda-incorporated issuer and the Board is obliged to follow director duties under Bermuda company law. Although Conduit is not required by law to prepare a Section 172 Statement it has chosen to do so as a matter of best corporate governance.

The Board confirms that during the year ended 31 December 2024 they have discharged their duties to act in a way that they believe promotes the long-term success of Conduit for the benefit of its members as a whole, while having regard to the matters set out in Section 172 of the UK Companies Act 2006. Further information on how these duties have been discharged is provided in this statement.

Section 172 requires a director to have regard, among other practical matters, to the:

- likely consequences of any decision in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the company.

Stakeholder engagement

In 2024, Conduit continued to focus on key stakeholder engagement, to understand their perspectives and the potential long-term consequences of decisions and matters of strategic importance to Conduit.

As key stakeholders, the Board discussed broker and client relationships, shareholder and employee engagement, government and regulator engagement, rating agency interaction, environmental matters and Conduit's impact on, and relationship with, the local community, and considered these matters in its decision-making.

Brokers and clients

- Relationships with the reinsurance broking community and cedants are key to Conduit's success. In considering Conduit Re's strategy and business planning, the Board received reports on, and noted the extent of, the broker and cedant support received by Conduit Re.

Shareholders

- In 2024, representatives of Conduit held over 200 meetings one on one with investors and via group calls. The Executive Chairman, the CEO, the CFO and Conduit's Head of Investor Relations regularly met with shareholders throughout the year, both quarterly to review trading results and on an ad-hoc basis to discuss various matters. Feedback from these meetings was presented to the Board on a regular basis and informed Board debate and decision-making on strategy and business planning.
- Our Directors and management recognise the benefits that come from dialogue with shareholders and we have embraced an active engagement strategy to discuss with our shareholders the issues that are important to them, hear their expectations of us and share our views.
- The Board strives to be proactive, transparent and interactive with shareholders, who are always welcome to ask questions. For further information, and contact details, visit the Investor Relations and Regulatory News Service section on the Conduit Re website (conduitreinsurance.com).
- Following consultation with Conduit's shareholders which occurred in early 2024, the Shareholders approved an amendment to the Directors' Remuneration Policy at the 2024 AGM held on 15 May 2024. The details of the revised Remuneration Policy, which is intended to apply for the years 2024, 2025 and 2026, are set out on pages 66 to 71.

Employees

- Malcolm Furbert continued as Conduit's Non-Executive Director responsible for engagement with the workforce.
- Malcolm met with our COO and our Head of Human Resources regularly to discuss employee engagement at Conduit. The Board received reports of Malcolm's and HR's activities, ensuring workforce views were obtained and considered in Board and management decision-making.
- During 2024, the Head of Human Resources continued to conduct detailed reviews of Conduit's HR policies and procedures to ensure that they remain robust, current and competitive within the market.
- Having a supportive and inclusive culture is important to us and we regularly track how employees feel about working at Conduit. In 2024, we conducted another employee engagement survey. The results were shared across Conduit as well as with Malcolm, who provides his own observations on employee engagement to the Board from his meetings internally.

- The Board was kept apprised of Conduit's recruitment activities throughout 2024. Headcount grew from 59 to 65 as at 31 December 2024.
- In 2024 all staff participated in compliance training which covered key compliance topics including sanctions, information security and cyber risk, anti-money laundering, anti-terrorist financing, anti-bribery and corruption, conflicts of interest, and compliance with tax and regulatory operating guidelines. Training was also provided which covered Conduit's code of conduct and whistleblowing procedures.
- We prioritize transparent and open communication with our employees. For example, throughout the year, we organised regular "town hall" meetings where employees were provided with updates on key company matters and performance. These sessions foster a culture of inclusivity and help to ensure that all employees are aligned with the company's goals and objectives.

Government and regulators

- The Board recognises the need to monitor changes in law and regulation, and to work closely and openly with all relevant regulatory and supervisory bodies. Conduit's main operating subsidiary, CRL, is licensed and supervised by the BMA. Representatives of management met with the BMA every quarter through the year. The Board received regular reports covering governmental, legal, regulatory and supervisory matters and was kept apprised of communications with and from relevant bodies, in particular the quarterly meetings with the BMA, and this information was factored into strategy and business planning.
- In 2024, we obtained and expanded our reciprocal jurisdiction reinsurer (RJR) status in various states within the US which reduces the need for CRL to post collateral to support cedants in those states.
- The Bermuda Corporate Income Tax Act 2023 was enacted in late 2023, heralding the introduction of a corporate income tax in Bermuda for in-scope multinational groups. While Conduit does not currently meet the criteria to fall within the scope of the corporate income tax regime and has no plans to do so, the legislation has significant ramifications for Bermuda and consequently, Conduit followed developments closely in 2024, and participated, via its membership of industry associations such as the Association of Bermuda Insurers and Reinsurers (ABIR), in providing feedback to the Bermuda Government on related legislation where it was felt appropriate to do so.
- The Bermuda Personal Information Protection Act 2016 (PIPA), which became effective on 1 January 2025, was a point of focus for Conduit. Preparations included assessing data practices, implementing robust safeguards, training staff, and updating privacy policies to ensure compliance with the new regulations.
- CRL reviewed its adherence inter alia to the BMA Code of Conduct. Regular training sessions were conducted to reinforce ethical behaviour and compliance standards.
- In preparation for the changes to The UK Code effective from 1 January 2025, Conduit undertook a review of measures to ensure compliance (or explaining non-compliance). These included considering ways to improve the internal control framework and reporting, updating governance policies, and conducting briefings for Board members and staff.
- Under the new UK Listing Rules, which became effective 29 July 2024, Conduit was included automatically in the new Equity Shares (Transition) ('EST') category. Fundamentally there is no change in CHL's regulatory obligations because of this automatic inclusion in the EST category as the rules of the EST category have been designed to match the former standard listed segment. We are assessing the UK Listing Rules, recognising that the EST category is intended to be transitional in nature and a move to the Equity Shares (Commercial Companies) ('ESCC') category in due course could be beneficial, including potentially offering a pathway to index inclusion.

Rating agencies

- CRL having and maintaining an AM Best Financial Strength Rating of A– (Excellent), and a Long-Term Issuer Credit Rating of 'a-' (Excellent) is critical to Conduit's success. Maintaining this rating is factored into Board decisions with respect to capital adequacy and risk management.
- Management regularly kept AM Best apprised of developments within CRL and fed back to the Board the results of meetings and interactions with AM Best.
- In December 2024, AM Best reaffirmed CRL's AM Best Financial Strength Rating of A– (Excellent) and Long-Term Issuer Credit Rating of 'a-' (Excellent) and raised the ratings outlook to 'positive' from 'stable'.

Our community and the environment

- As set out in the ESG summary on pages 30 to 35, environmental matters and the community are a key focus for Conduit.
- Board decision-making is influenced by a recognition that some economic activity has negative outcomes. As detailed in the ESG summary, we factor applicable criteria into our decisions. Resulting examples include Conduit's commitment to achieving and maintaining net-zero-carbon emissions[1] and to giving back to the community via initiatives such as the Conduit Foundation, whose mission includes supporting organisations and outreach projects focused on the environment, diversity and inclusion initiatives, education and Bermuda's vulnerable populations.

Principal decisions

The principal decision made by the Board in 2024 was to continue with the current strategy of building a sustainable business for the long-term benefit of our stakeholders which delivers profitability and a mid-teens RoE across the market cycle.

The Board participated in a two-day strategy session before making its decision to continue with the current strategy.

Trevor Carvey
CEO
26 February 2025

Elaine Whelan
CFO
26 February 2025

1. Consistent with our approach first stated in 2022, we are carbon neutral in relation to our Scope 1 and Scope 2 emissions, and in relation to business travel, hotel nights and staff commuting. We also report, but do not offset our share of our suppliers' emissions.