

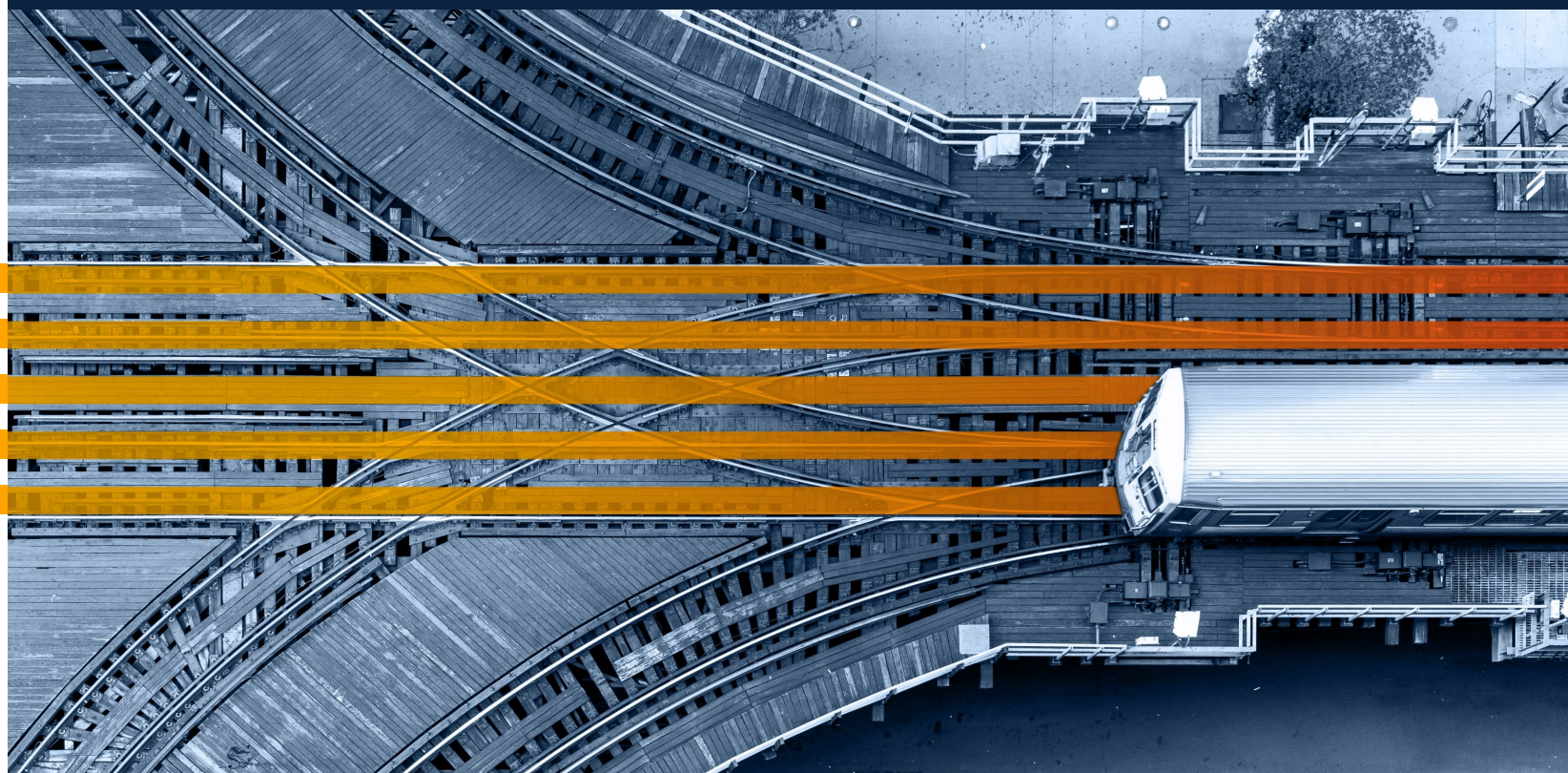


CONDUIT RE

Conduit Holdings Limited

Full Year 2022 results

22 February 2023



The best market environment in decades

Unique combination of events converged in the (re)insurance industry for the 2023 January Renewals

Inflationary pressures

Increasing interest rates

New Nat Cat environment

Industry specific events
(i.e. Ukraine crisis)

\$66bn (or 15%)
reinsurance capital
erosion in 2022¹⁾

**Exceptional market conditions at the 2023 January renewals,
better than envisaged when Conduit Re launched in December 2020**

1) Source: Howden, *The Great Realignment*, January 2023

Perfectly positioned for exceptional market conditions

Our scalable business model is greatly positioned to benefit from favourable market environment

Targeted underwriting

- ✓ Reinsurance treaty focus
- ✓ Balanced and diversified portfolio
- ✓ Class, geography and client neutral
- ✓ Efficient underwriting with empowered decision making

Balance sheet strength

- ✓ Legacy-free balance sheet
- ✓ Well capitalised with excess capital
- ✓ AM Best A- (Excellent) rating, with “very strong” Balance Sheet¹⁾
- ✓ High quality investment portfolio with average credit quality of AA

Operational excellence

- ✓ Single location, highly efficient operational set-up
- ✓ Management team with proven track record in the industry
- ✓ Data and technology focus
- ✓ Open, inquisitive culture

**With a legacy-free balance sheet and capital to deploy,
Conduit Re combines underwriting profitability and high growth**

¹⁾ AM Best press release of 15 December 2022

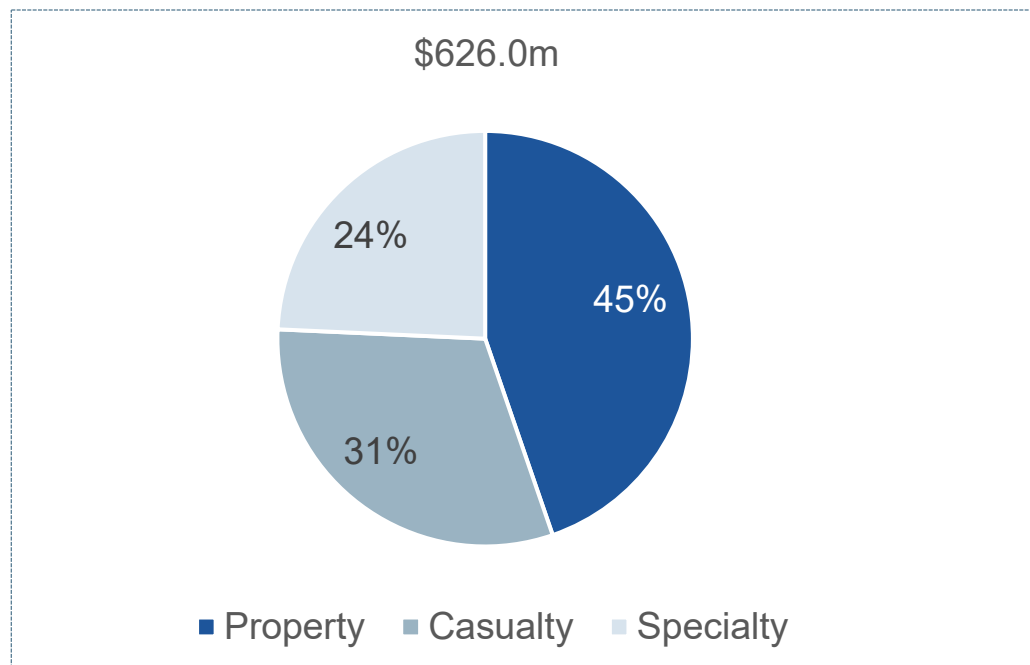
Excellent premium growth in a challenging environment

- ❑ Gross premiums written of \$637.5 million, +68.3% over 2021
- ❑ Underwriting profit of \$0.3 million in a year with extreme natural catastrophe and man-made losses
- ❑ 2022 combined ratio of 107.0%; diversified book of business accelerating towards a mid-80's combined ratio in the medium-term, thanks to successful 1/1 renewals and ongoing portfolio optimisation
- ❑ Net investment loss of \$52.8 million, including net unrealised losses of \$67.8 million for the year expected to largely unwind as securities mature. High (AA) quality investments: book yield of 2.4% & market yield of 5.2%
- ❑ Final dividend of \$0.18 (c15p) per share (for H2 2022) declared. Total 2022 dividend of \$0.36 (c30p)
- ❑ Strong start to 2023 with 60% premium growth and 19% price increase¹⁾ at 1 January 2023 renewals

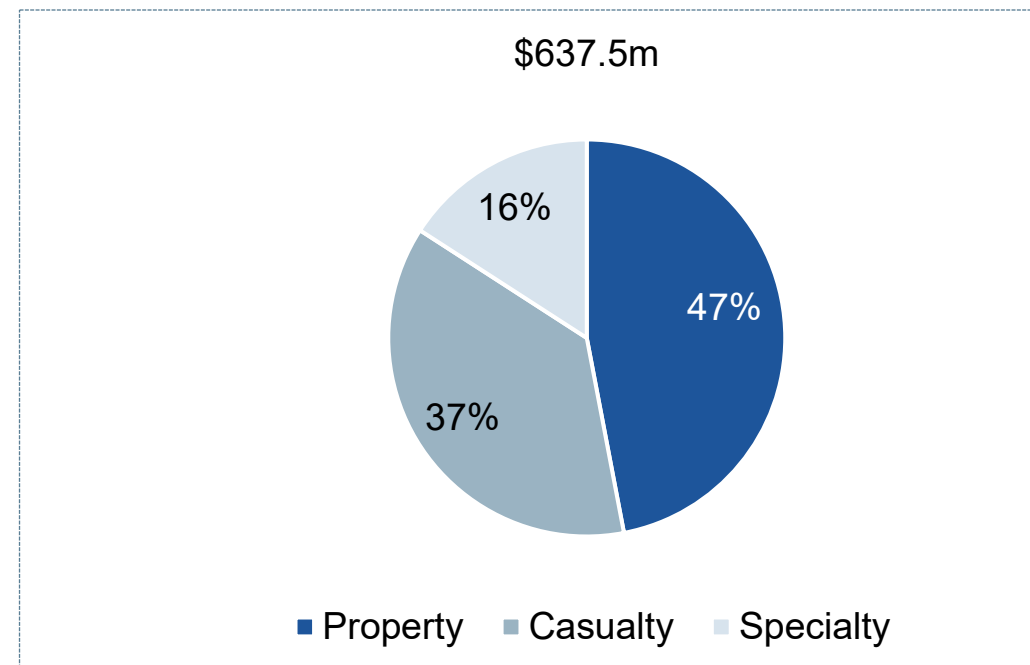
1) This risk-adjusted rate change, net of inflation, reflects management's assessment of rate changes of our renewal business net of the impact of claims inflation, exposure changes and changes in any other terms and conditions.

Decisive underwriting approach to build resilience

2022 IPO Plan, Gross premiums written

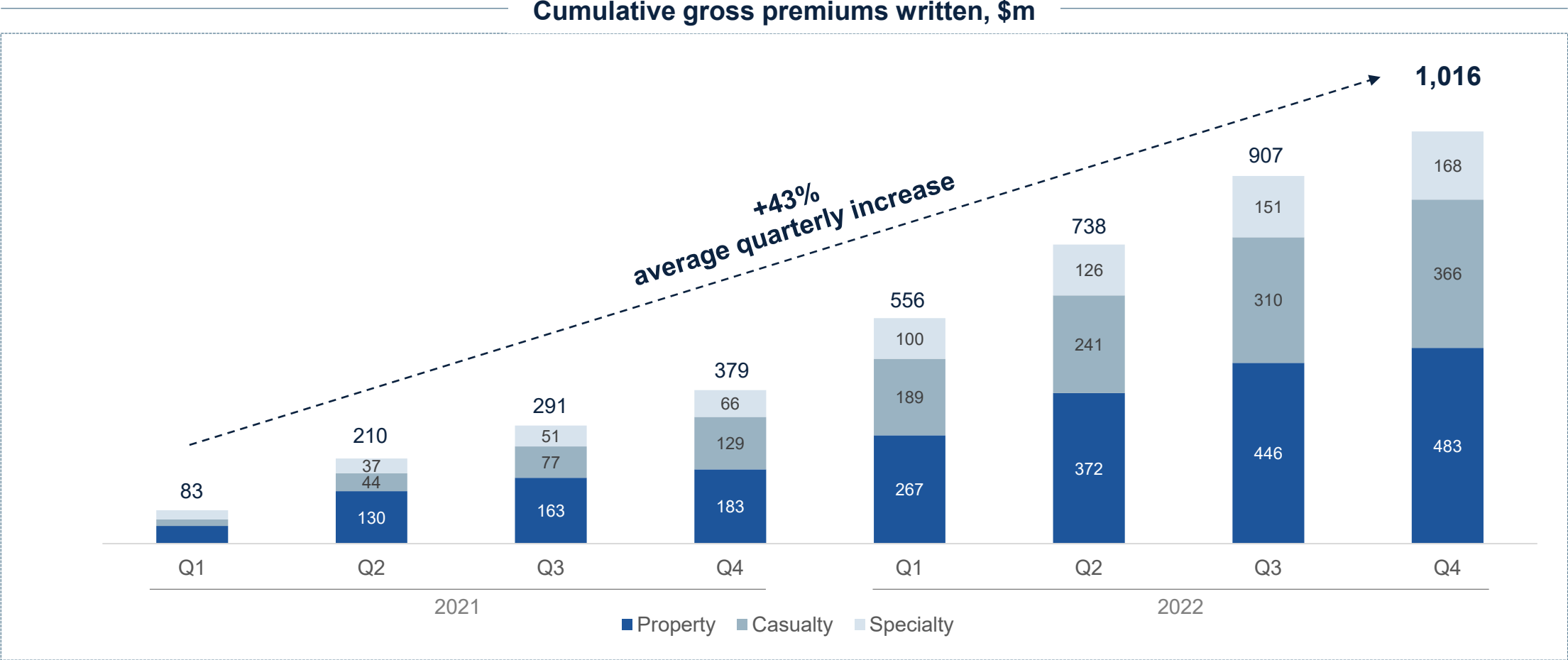


2022, Actual gross premiums written



- ❑ Tactically adjusting to industry dynamics, maintained strategic approach to Non-Cat / Cat-exposed business, with a ~70/30 split
- ❑ Split of underlying business is ~85% Commercial and ~15% Personal Lines
- ❑ Net acquisition expense ratio of 28.2% reduced by 2.2 percentage points (30.4% in 2021)
- ❑ More than 90% retention rate at renewals

>\$1 billion cumulative gross premiums written since inception

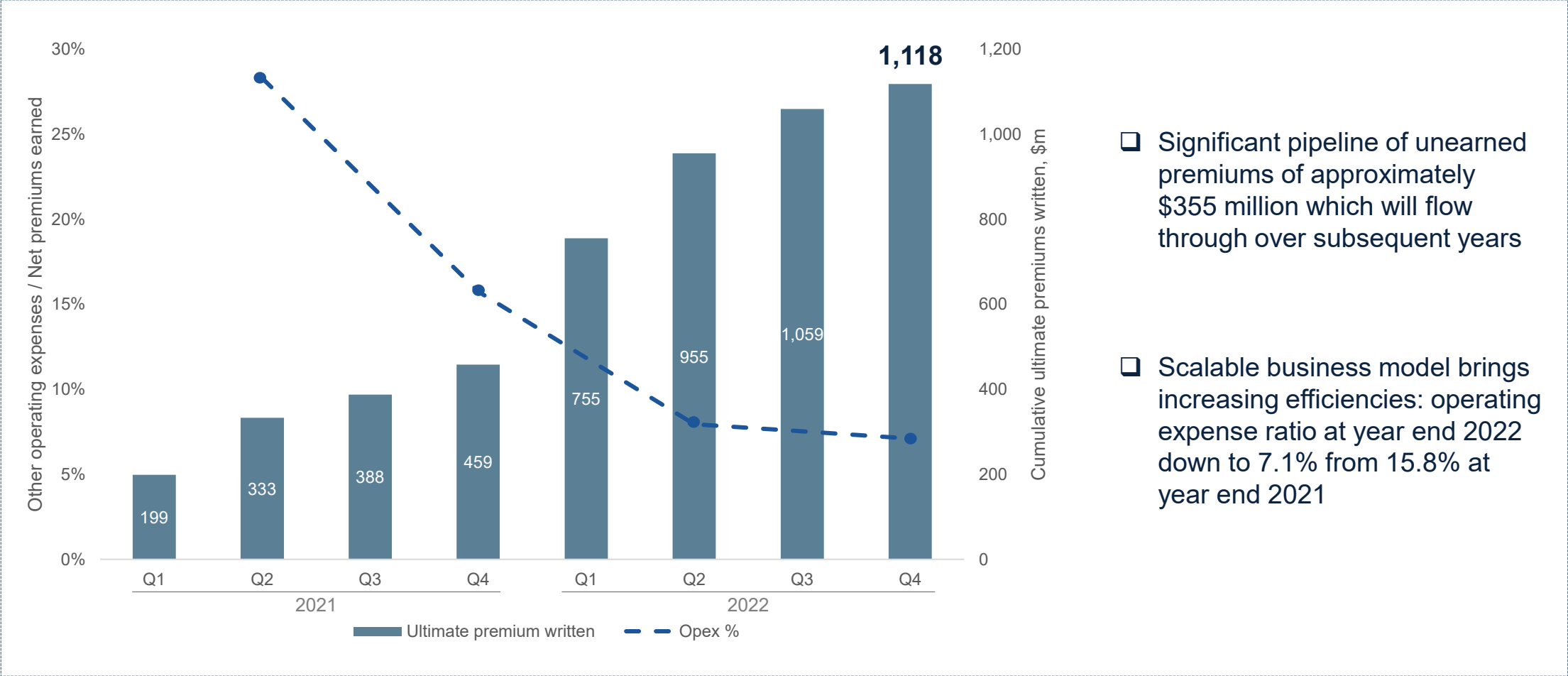


2022 financial highlights

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Change</u>
\$millions			
Gross premiums written	637.5	378.8	258.7
Net premiums earned	482.3	194.2	288.1
Net losses and loss adjustment expenses	345.9	142.1	203.8
Net acquisition expenses	136.1	59.1	77.0
Net underwriting profit	0.3	(7.0)	7.3
Net investment income	17.8	5.5	12.3
Net realised losses on investments	(2.8)	(1.0)	(1.8)
Net unrealised losses on investments	(67.8)	(7.6)	(60.2)
Other operating expenses	34.3	30.6	3.7
Total comprehensive loss	(89.7)	(42.0)	(47.7)
<hr/>			
Net loss ratio	71.7%	73.2%	(1.5%)
Net acquisition expense ratio	28.2%	30.4%	(2.2%)
Other operating expense ratio	7.1%	15.8%	(8.7%)
Combined ratio	107.0%	119.4%	(12.4%)
Total investment return	(5.0%)	(0.3%)	(4.7%)
Loss per share	\$(0.55)	\$(0.25)	\$(0.29)

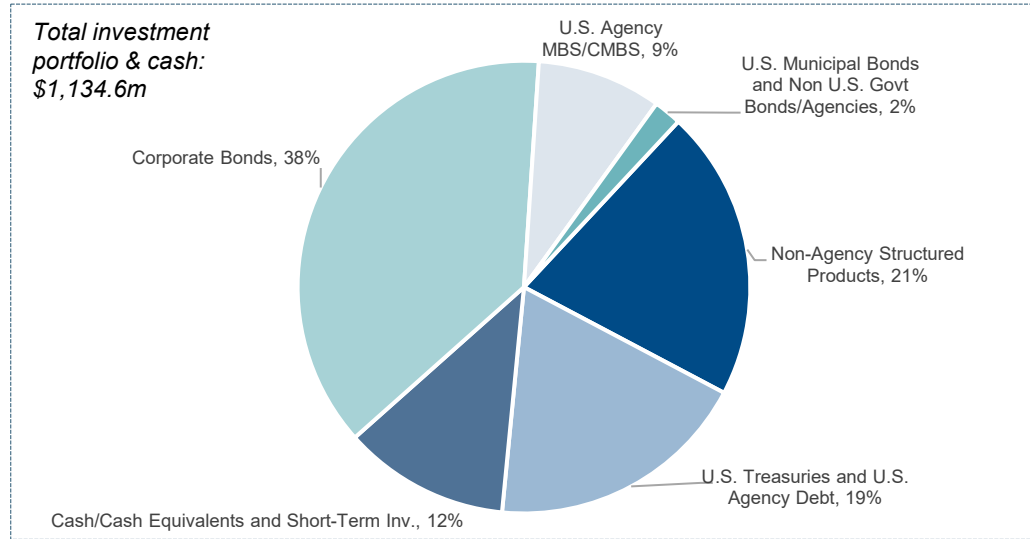
- ❑ Estimated ultimate losses, net of reinsurance recoveries and reinstatement premiums, from hurricane Ian (\$40.9 million) and from the Ukraine crisis (\$24.6 million) remain in line with previous announcements
- ❑ Net income for 2022, excluding impact of net unrealised losses on investments and net loss estimates for the Ukraine crisis & hurricane Ian is \$43.6 million
- ❑ On 22 February 2023 the Group's Board of Directors declared a final dividend of \$0.18 (approx. 15 pence) per common share
- ❑ In total, for 2022, Conduit Re has distributed dividends to its shareholders of \$58.4 million (\$0.36 per share)
- ❑ Regulatory capital coverage ratio in excess of 300% based on 31 December 2022 balance sheet

Operational efficiency

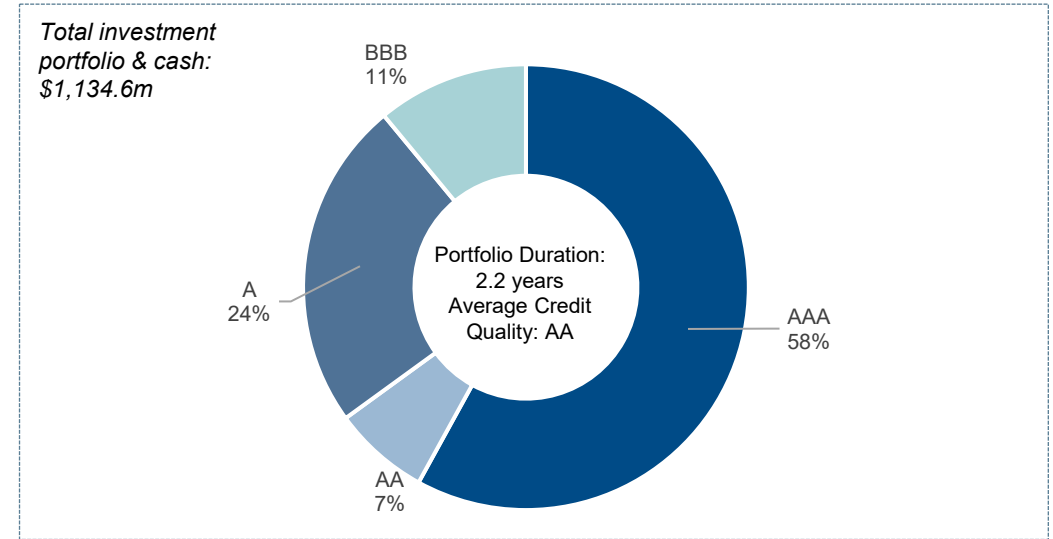


High quality investment portfolio

Asset allocation as at 31 December 2022

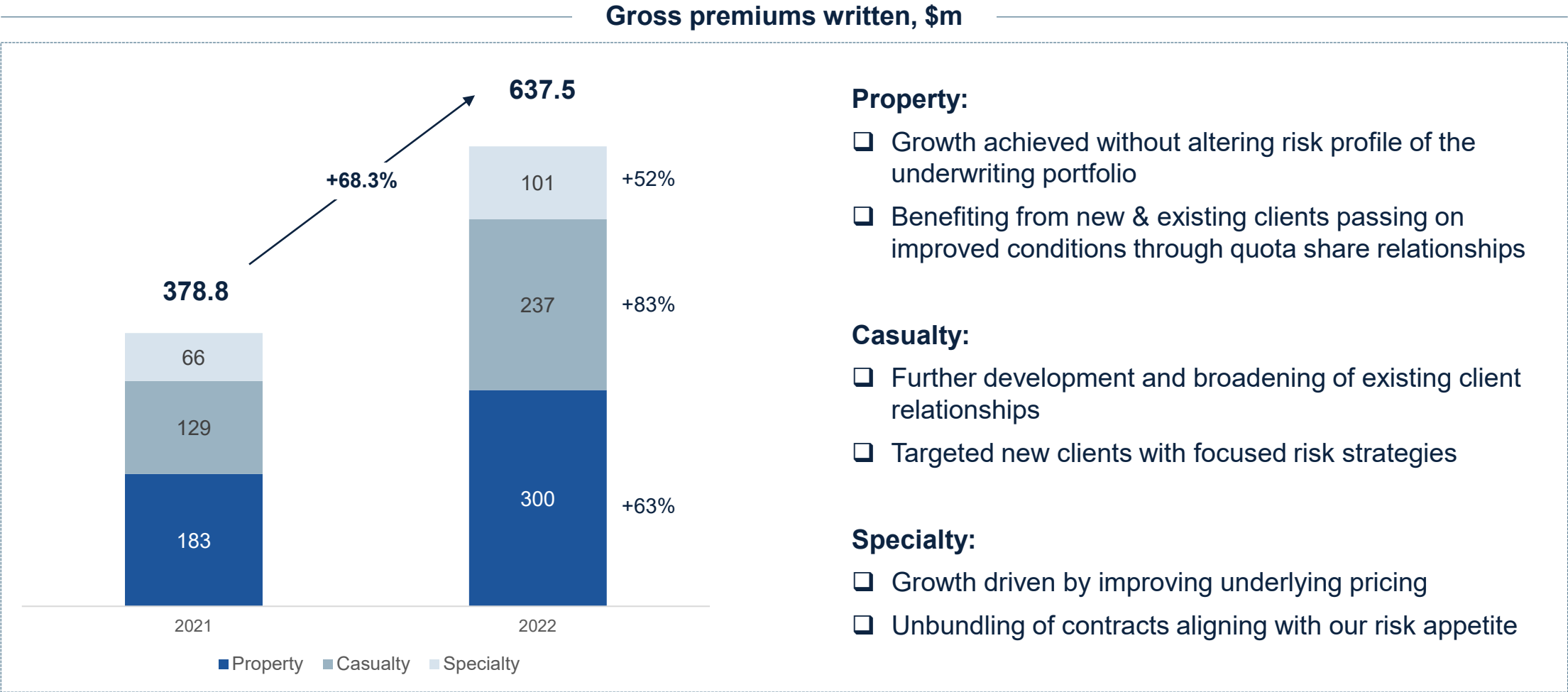


Credit quality as at 31 December 2022



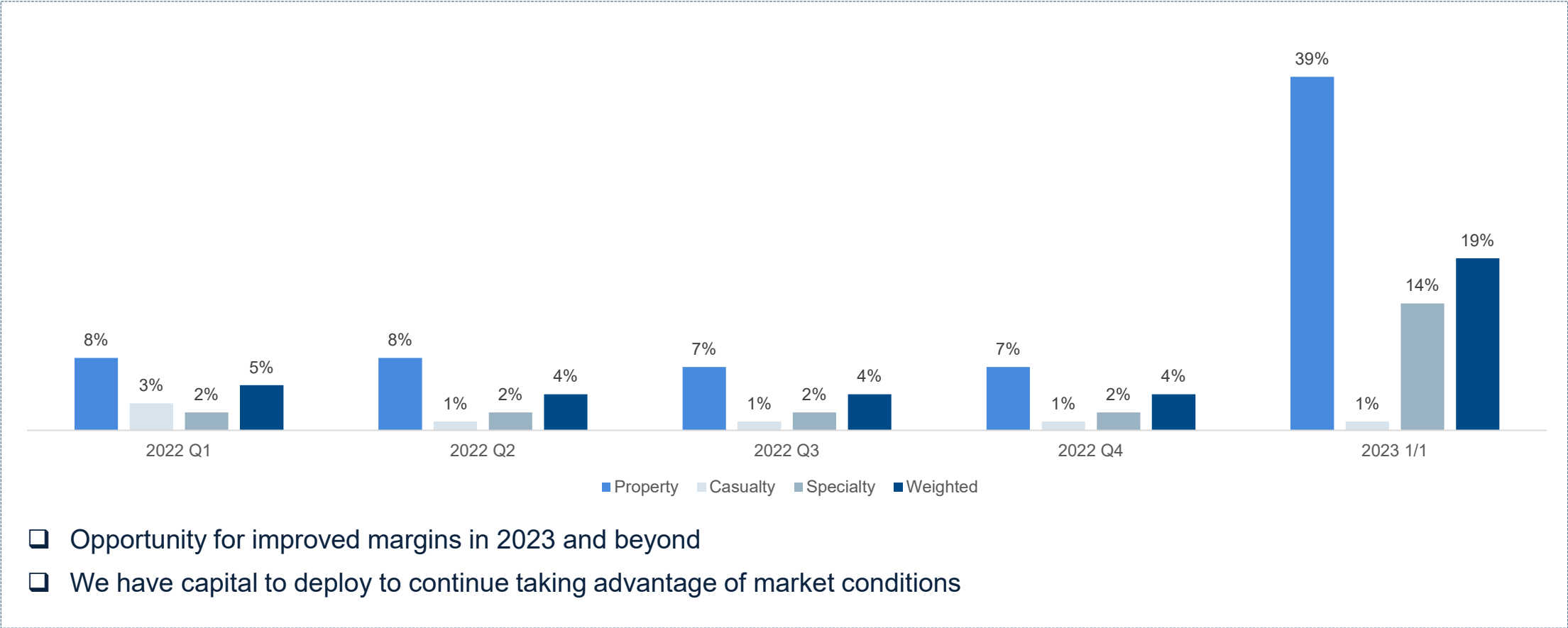
- ❑ Capital preservation and liquidity to support our underwriting teams remain of paramount importance and determines our low-risk strategic portfolio allocation
- ❑ High quality investment portfolio, USD focused, with no equities, derivatives or alternatives
- ❑ Short duration portfolio allows Conduit Re to mitigate the impact of actual and expected interest rate hikes
- ❑ (5.0)% net investment return driven by rate hikes; \$67.8 million net unrealised loss impact in 2022
- ❑ Book yield of 2.4%; Market yield of 5.2%
- ❑ Continued consideration of ESG factors on management of investments

Strong growth in 2022 across all segments



Capitalising on the structural marketplace shift

Risk-adjusted rate change, net of inflation¹⁾



1) These net rate changes reflect management's assessment of rate changes of our renewal business net of the impact of claims inflation, exposure changes and changes in any other terms and conditions. Q1, Q2, Q3 and Q4 figures are on a year-to-date basis.

January 2023: leaning into a hard market

Reporting segments	Premium ¹⁾ 1/1/2022, \$m	Premium ¹⁾ 1/1/2023, \$m	Premium changes	Price changes
Property	109.3	197.3	81%	+39%
Casualty	85.5	112.2	31%	+1%
Specialty	67.8	111.9	65%	+14%
Total 1 January	262.6	421.4	60%	+19%

- ☐ Another late renewal season for reinsurers
- ☐ Rate rises most evident on loss-impacted accounts
- ☐ Significant improvement in terms and conditions
- ☐ Acquisition expense reductions observed in 2022 continued through 1 January 2023
- ☐ Delivered outstanding premium growth, on our terms

1) Estimated ultimate premiums written

Measured approach to natural catastrophe exposures

Net PMLs ¹⁾	2021		2022		2023	
	\$m	% TNAV	\$m	% TNAV	\$m	% TNAV
1:100 Florida windstorm	44	4.2	54	5.5	65	8.0
1:250 California earthquake	62	5.9	75	7.7	99	12.2

- ❑ Conduit Re actively manages its net exposure with a retrocession programme designed to absorb capital-events shocks
- ❑ Successfully secured retro programmes at 1 January 2023, in line with our objectives, with expanded and well diversified panel
- ❑ Capital and capacity available to continue growing our book at the right terms

1) The table shows the estimated target exposures to these peak zone perils, calibrated to 1 July viewpoints, for a first occurrence and may change. Net positions are calculated by applying relevant reinstatement premiums and outwards reinsurance to the respective modelled gross exposures.

Exciting prospects for 2023

- ❑ 2022 saw the first underwriting profit in year of elevated claim activity, with further substantial rate increases at January 2023
- ❑ Conduit Re is protected from industry reserve strengthening caused by inflation
- ❑ Strong pipeline of premiums earning through as book matures
- ❑ Operating expense ratio expected to trend downwards. 2022 acquisition costs down
- ❑ Well positioned with ample capital to support planned growth and beyond

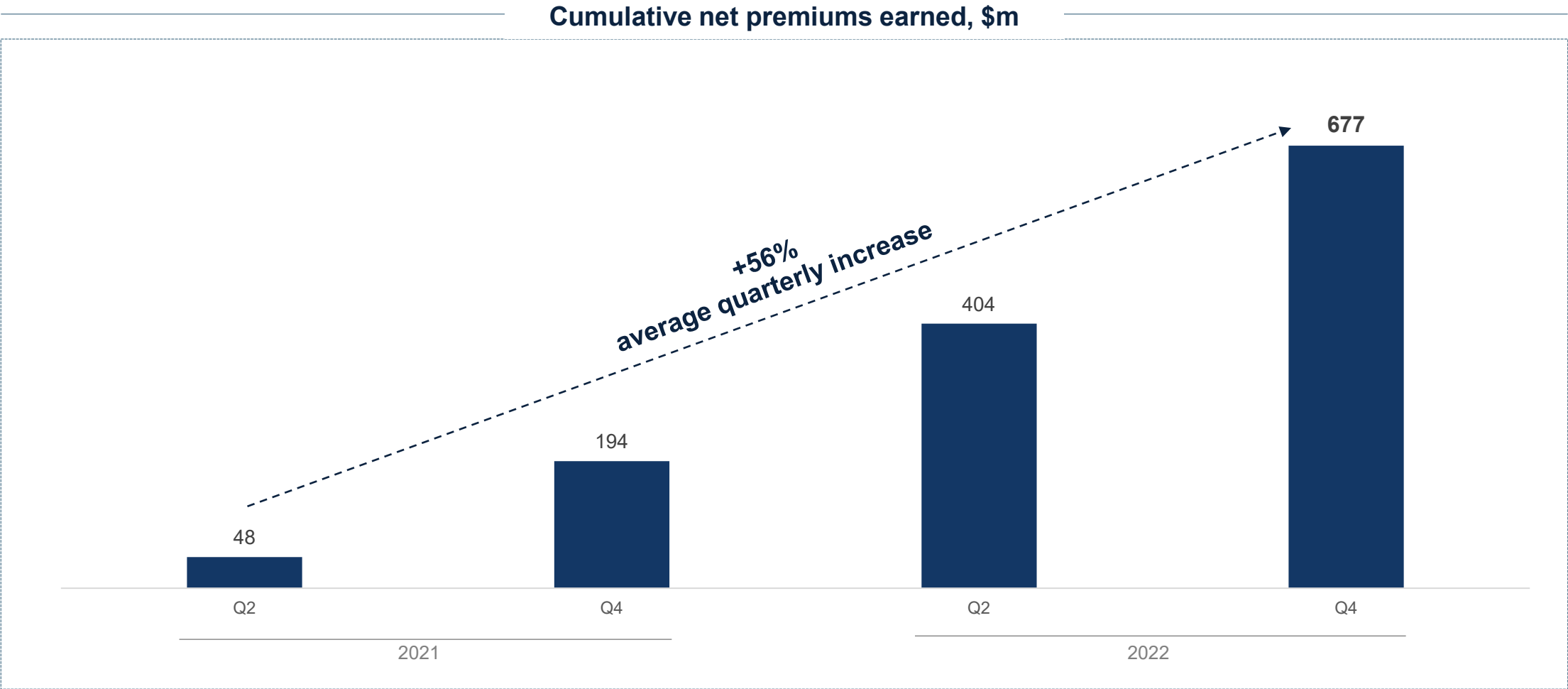
APPENDICES

Exceptional double-digit growth



- ❑ In 2022 Conduit Re continued to show robust growth across all segments, reflecting excellent renewals, with rate increases and significant new business, plus recognition of pipeline premiums from 2021
- ❑ Balanced portfolio maintained in 2022, with Non-Catastrophe ~70% vs Catastrophe ~30%
- ❑ Split of underlying business is ~85% Commercial and ~15% Personal Lines
- ❑ Over 90% of existing business renewed
- ❑ Rate change continued to be positive, outpacing inflation

Over \$670 million of net premiums earned over 24 months



Conduit Re 2022 large losses experience

- ❑ Hurricane Ian made landfall in the US state of Florida as a strong Category 4 hurricane on 28 September 2022. It continued its path north-east across Florida before making a second landfall in South Carolina.
- ❑ Based on current information, our ultimate loss estimate, net of reinsurance recoveries and reinstatement premiums, for this event is approximately \$40.9 million which is in line with previously reported estimates. While reserves have been recorded for this recent event, significant uncertainty exists in relation to the ultimate losses.

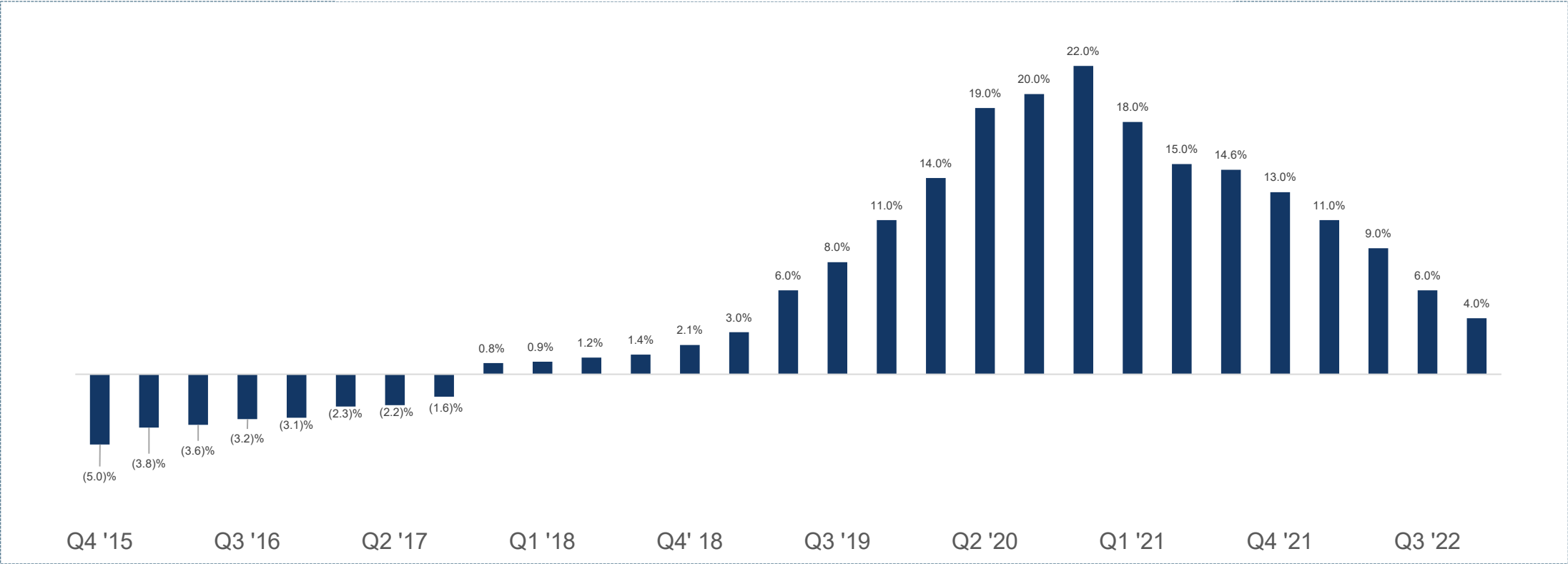
- ❑ As regards the ongoing crisis in Ukraine resulting from the Russian invasion on 24 February 2022, Conduit Re has potential exposure across its property and specialty reinsurance books, via classes such as aviation, war on land and marine war.
- ❑ There is significant uncertainty in estimating losses emanating from the conflict, not least as it is an ongoing event.
- ❑ Based on current information, Conduit Re's estimated ultimate losses, net of reinsurance recoveries and reinstatement premiums, in relation to the conflict are unchanged at \$24.6 million.

- ❑ Other catastrophe events in 2022 have not had a material impact on our results¹⁾
- ❑ Our ultimate loss estimates, net of reinsurance and reinstatement premiums, for the previously reported 2021 loss events remain relatively stable

1) Our loss and reserve estimates have been derived from a combination of market data and assumptions, modeled loss projections and reports from brokers and cedants. We will continue to keep these estimates under review as more detailed information becomes available.

Commercial insurance pricing environment remains robust

Marsh global insurance pricing change (gross of claims inflation)



- ❑ Post-hurricane Ian, global commercial insurance prices rose 4% in the 4th quarter, the 20th consecutive quarter of rising prices
- ❑ Global Property insurance pricing rose more than the previous quarter, accelerating from 6 percent to 7 percent; Casualty rates were up 3 percent in the quarter, representing a slowdown from the 4 percent reported in the 3rd quarter

Very strong capital position

- ❑ Single regulated balance sheet in Bermuda, with diversified portfolio of business lines
- ❑ Simple, legacy-free balance sheet, backed by ordinary shares
- ❑ Regulatory capital coverage ratio in excess of 300% based on 31 December 2022 balance sheet

- ❑ AM Best rating (A-, Excellent) affirmed in December 2022:

“Conduit Re’s balance sheet strength is underpinned by the strongest level of risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR). BCAR scores are expected to remain comfortably in excess of the strongest threshold as the company executes its business plans and grows its reinsurance portfolio”

IFRS 17 – Key messages

No impact to strategy and reserving approach	<ul style="list-style-type: none"> ❑ IFRS 17 and 9 are accounting changes and do not impact our underwriting strategy or the underlying economics ❑ Our reserving approach is unchanged but with more granular disclosures surrounding risk adjustment
Shareholders' equity	<ul style="list-style-type: none"> ❑ Net increase to Shareholders' equity of \$6m – \$9m on transition to IFRS 17, which represents 0.6% to 0.9% of Shareholders' equity under IFRS 4 as at 31 December 2021 ❑ The increase is primarily due to discounting and the effect of a net deferral of acquisition related operating expenses with minor impacts from foreign currency revaluation ❑ No impact on transition from IFRS 9 ❑ No impact to solvency position or cash generation
Profitability and Earnings	<ul style="list-style-type: none"> ❑ No change to overall profitability, the timing of earnings will initially benefit from the recognition of net incurred losses on a discounted basis, offset in the future by the unwind of discount over the settlement period of losses ❑ Reduced volatility as movement in net insurance liabilities due to updating discount rates will partially offset unrealised gains on investments caused from interest rate movement
Presentation and Disclosure	<ul style="list-style-type: none"> ❑ New look income statement which presents the underwriting result separately ❑ More granular disclosures

IFRS 17 and IFRS 9 key accounting policies

Measurement Model	<ul style="list-style-type: none"><input type="checkbox"/> Premium allocation approach (PAA) used for all reinsurance contract.<input type="checkbox"/> PAA is more closely aligned to current accounting and easier to understand.<input type="checkbox"/> Presentation of commissions as reduction to revenue will be a significant change in presentation.
Discount Rates	<ul style="list-style-type: none"><input type="checkbox"/> Bottom-up approach comprising of risk-free rate plus illiquidity premium.<input type="checkbox"/> Risk-free rate produced leveraging EIOPA Solvency II curves.
Risk Adjustment	<ul style="list-style-type: none"><input type="checkbox"/> Risk adjustment will be determined by the existing reserving approach which includes review of actuarial indications, historical loss experiences and managements judgment and experience.<input type="checkbox"/> Risk adjustment will be translated to a confidence interval and disclosed.
Expenses	<ul style="list-style-type: none"><input type="checkbox"/> IFRS 17 definition of expenses identified attributable operating expenses. Attributable operating expenses related to acquisition of reinsurance contracts will be deferred and amortised over the coverage period.
Investments	<ul style="list-style-type: none"><input type="checkbox"/> Currently anticipate all fixed maturity securities to be classified as fair value through profit and loss (FVTPL).

Investor relations calendar - 2023

Conduit Re scheduled disclosures

- ❑ 17 May: Q1 2023 trading update
- ❑ 17 May: Annual General Meeting
- ❑ TBD: IFRS 17 Update
- ❑ 26 July: 2023 interim results
- ❑ 8 November: Q3 2023 trading update

Conduit Re planned roadshow/conferences

- ❑ 24, 28 February: London roadshow
- ❑ 27 February: Edinburgh roadshow
- ❑ 8 March: RBCC conference, New York
- ❑ 15 March: Morgan Stanley conference, London
- ❑ 21 March: Berenberg conference, “The Grove”, UK
- ❑ 13 June: Goldman Sachs conference, Paris

Forward looking statements

Important note:

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

Forward-looking statements may and often do differ materially from actual results. Forward-looking statements reflect Conduit's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Conduit's business, results of operations, financial position, liquidity, prospects, growth and strategies. These risks, uncertainties and assumptions include, but are not limited to: the possibility of greater frequency or severity of claims and loss activity than Conduit's underwriting, reserving or investment practices have anticipated; the reliability of catastrophe pricing, accumulation and estimated loss models; the actual development of losses and expenses impacting estimates for claims which arose as a result of recent loss activity such as the Ukraine crisis, Hurricanes Ian and Ida, the European storms and floods in 2021 and 2022 and the earthquake in Turkey; the impact of complex causation and coverage issues associated with attribution of losses to wind or flood damage; unusual loss frequency or losses that are not modelled; the effectiveness of Conduit's risk management and loss limitation methods, including to manage volatility; the recovery of losses and reinstatement premiums from our own reinsurance providers; the development of Conduit's technology platforms; a decline in Conduit's ratings with A.M. Best or other rating agencies; the impact that Conduit's future operating results, capital position and ratings may have on the execution of Conduit's business plan, capital management initiatives or dividends; Conduit's ability to implement successfully its business plan and strategy during 'soft' as well as 'hard' markets; the premium rates which are available at the time of renewals within Conduit's targeted business lines; increased competition on the basis of pricing, capacity or coverage terms and the related demand and supply dynamics as contracts come up for renewal; the successful recruitment, retention and motivation of Conduit's key management and the potential loss of key personnel; the credit environment for issuers of fixed maturity investments in Conduit's portfolio; the impact of swings in market interest rates, currency exchange rates and securities prices; changes by central banks regarding the level of interest rates and the timing and extent of any such changes; the impact of inflation or deflation in relevant economies in which Conduit operates; Conduit becoming subject to income taxes in the United States or in the United Kingdom; and changes in insurance or tax laws or regulations in jurisdictions where Conduit conducts business. Forward-looking statements contained in this trading update may be impacted by the escalation or expansion of the Ukraine conflict on Conduit's clients, the volatility in global financial markets and governmental, regulatory and judicial actions, including coverage issues.

Forward-looking statements speak only as of the date they are made. No representation or warranty is made that any forward-looking statement will come to pass. These forward-looking statements speak only as at the date of this announcement. Conduit disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by law or regulation.

"Estimated ultimate premiums written" is the estimated total gross premiums written that is expected to be earned assuming all bound contracts run to the end of the period of cover, after management discount for prudence.

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

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About Conduit Re

Conduit Re is a pure-play reinsurance business based in Bermuda.

Conduit Reinsurance Limited is licensed by the Bermuda Monetary Authority as a Class 4 insurer.

A.M. Best has assigned a Financial Strength Rating of A- (Excellent) and a Long-Term Issuer Credit Rating of a- (Excellent) to Conduit Reinsurance Limited. The outlook assigned to these ratings is stable.

Conduit Holdings Limited is the ultimate parent of Conduit Reinsurance Limited and is listed on the London Stock Exchange (ticker: CRE). References to "Conduit" include Conduit Holdings Limited and all of its subsidiary companies.

conduitreinsurance.com