



CONDUIT RE

Conduit Holdings Limited

Q1 2023 Trading Update

17 May 2023



Strong first quarter of 2023

- ❑ Strong year-on-year growth supported by selective underwriting within excellent market conditions:
 - Estimated ultimate premiums written¹⁾ of \$443.2 million, +50.7% over the three months ended 31 March 2022
 - Gross premiums written¹⁾ for the three months ended 31 March 2023 of \$278.0 million, +59.1% from the first quarter of prior year

- ❑ Diversified growth in the quarter prioritising on property, specialty and casualty classes

- ❑ Overall year-on-year risk-adjusted rate change, net of claims inflation, of 19% supports target mid-80s combined ratio

- ❑ No major event loss, individually or in aggregate, having an outsized or material impact on Conduit Re in what was an active natural catastrophe quarter for the industry

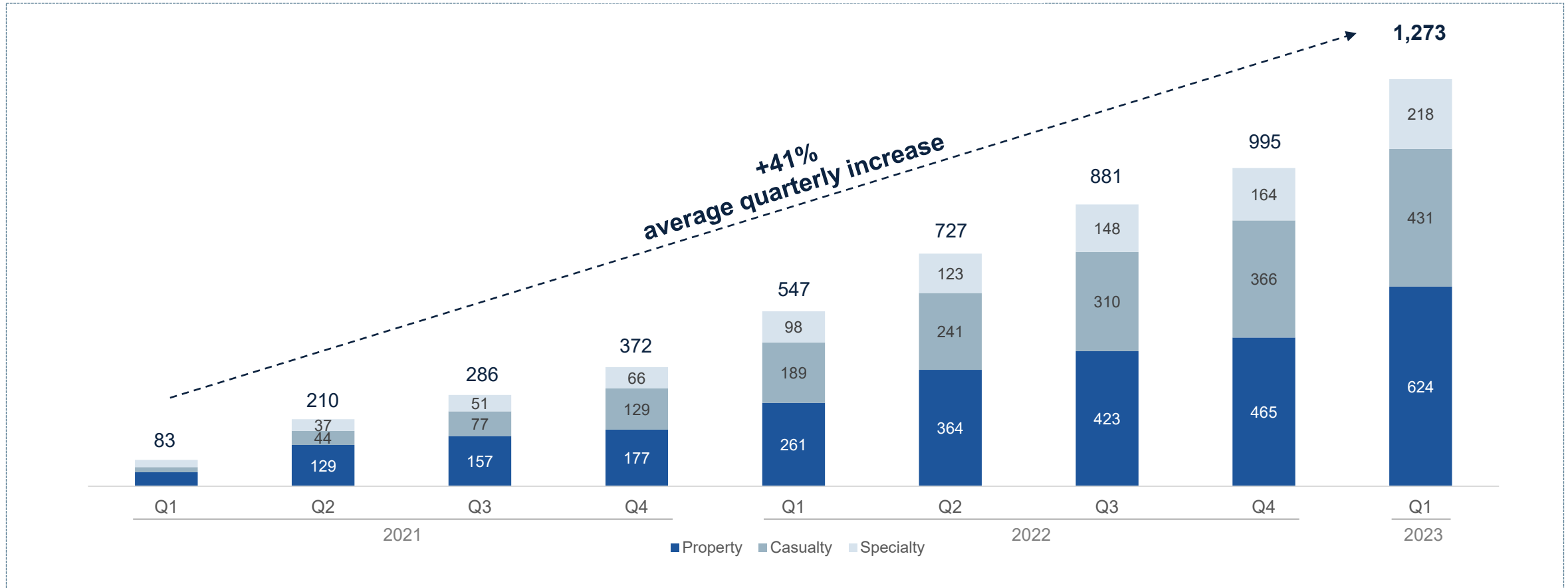
- ❑ Market conditions very favourable, driven by property and specialty - generally large disequilibrium between demand and supply for reinsurance: continuing rate increases and improvements in terms and conditions

- ❑ Momentum has been maintained in April and is expected to continue into the important June/July U.S. renewals

1) Estimated ultimate premiums written and gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue. Conduit Re will continue to report gross premiums written on this basis as it remains a key performance metric. See page 7 for details.

\$1.3 billion gross premiums written since inception

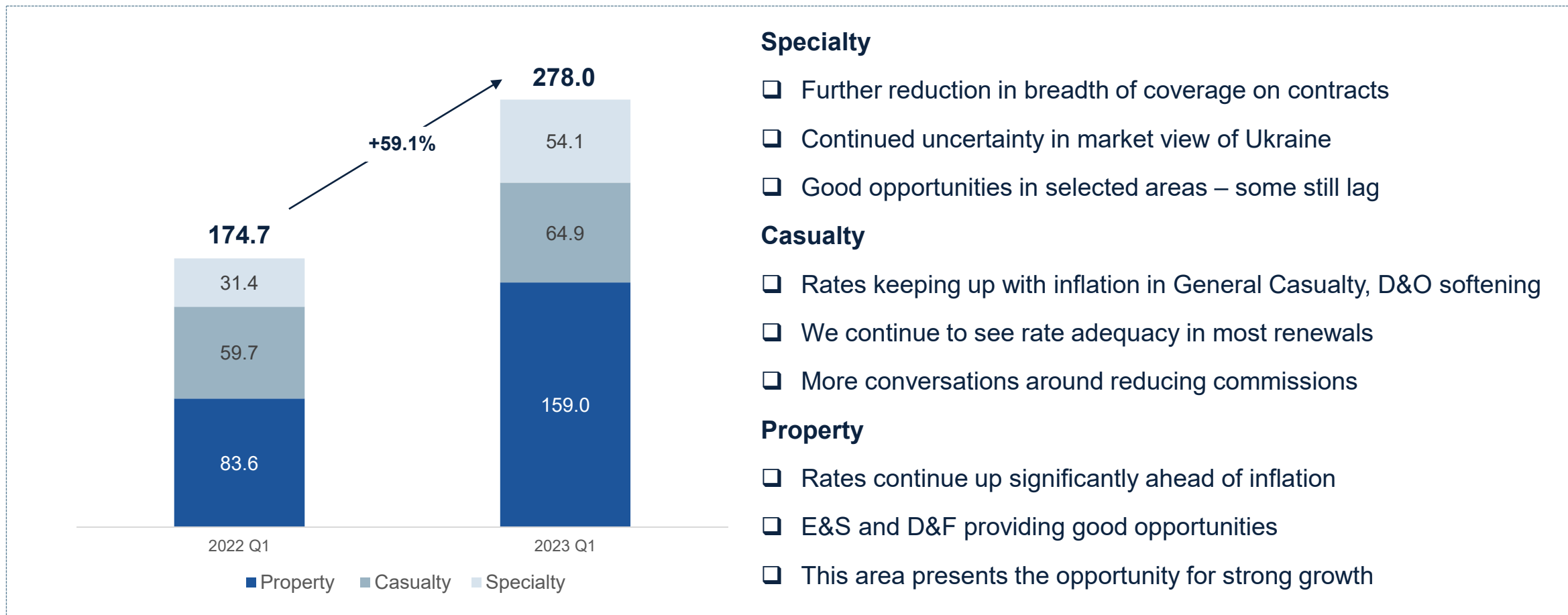
Cumulative gross premiums written¹⁾, \$m



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

Strong growth - particularly in property and specialty

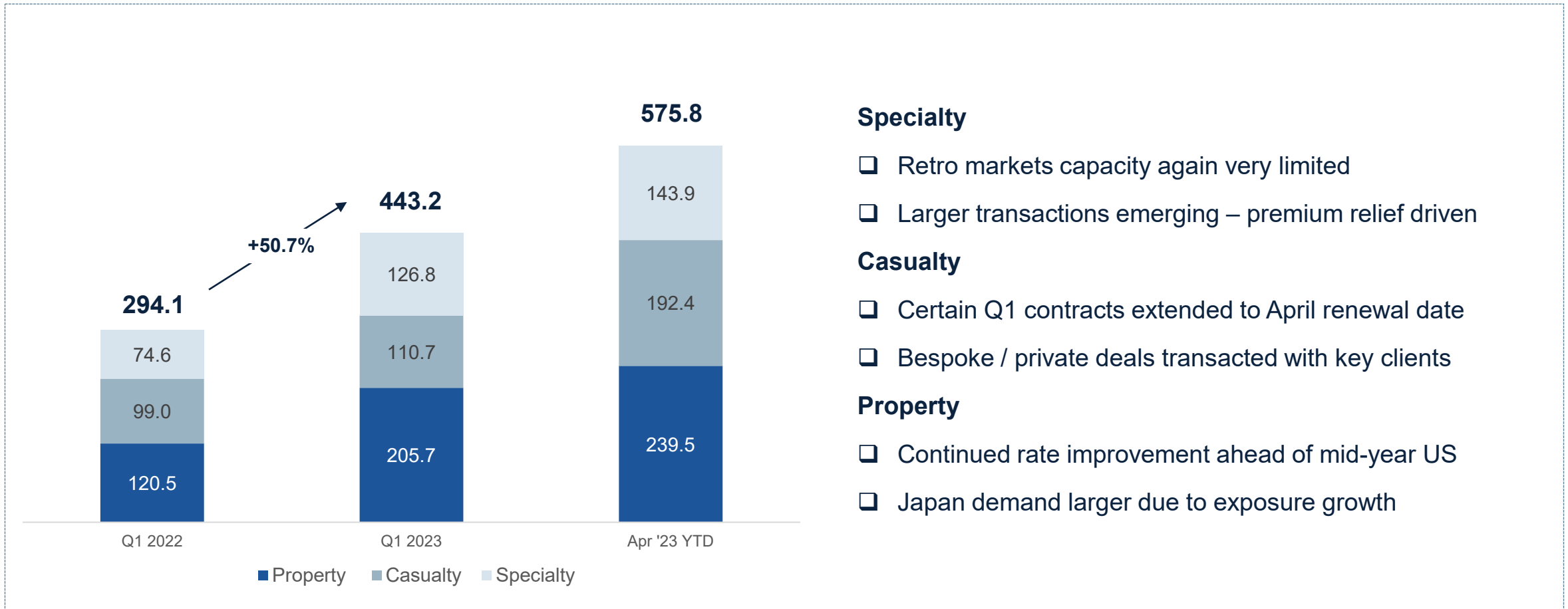
Gross premiums written¹⁾, \$m



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

April business – building on renewals

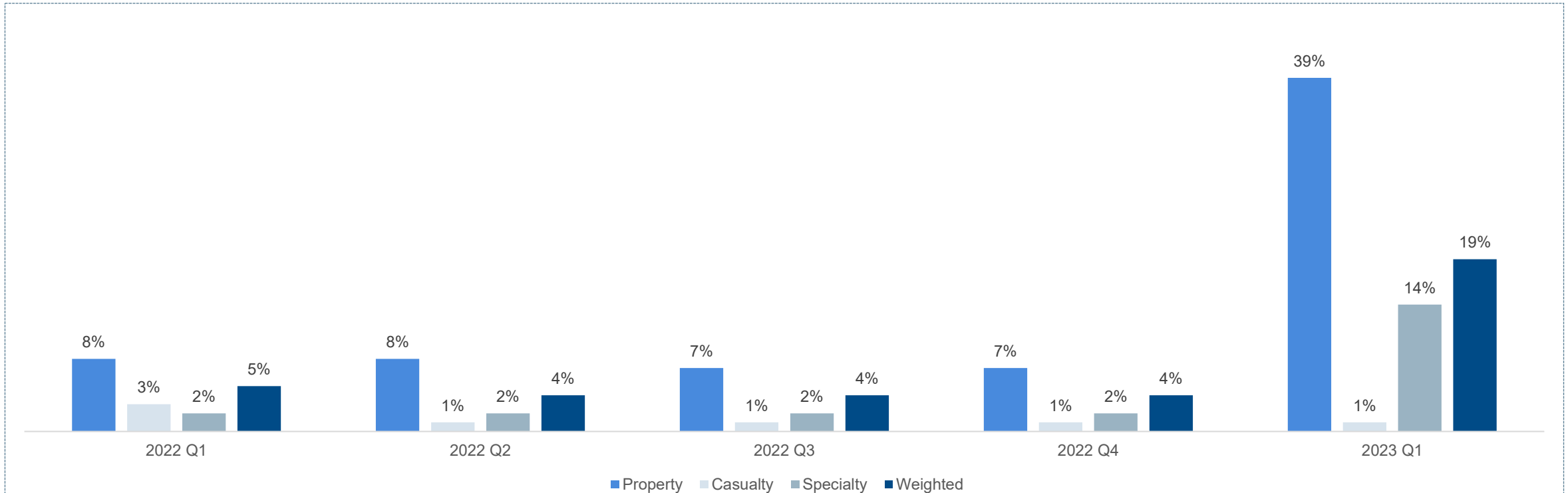
Estimated ultimate premiums written¹⁾, \$m



1) Estimated ultimate premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue.

Capitalising on the structural marketplace shift

Risk-adjusted rate change, net of inflation¹⁾



- Enduring pricing environment creating the opportunity for improved margins in 2023 and beyond
- We have ample capital to deploy to continue taking advantage of market conditions

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. All quarterly net rate changes are on a year-to-date basis.

First quarter of 2023, financial highlights

Estimated ultimate premiums written¹⁾ for the three months ended 31 March:

	2023 \$m	2022 re-stated \$m	Change \$m	Change %	Q1 2022 Published ²⁾
Property	205.7	120.5	85.2	70.7%	120.8
Casualty	110.7	99.0	11.7	11.8%	99.0
Specialty	126.8	74.6	52.2	70.0%	77.1
Total	443.2	294.1	149.1	50.7%	296.9

☐ No significant loss events during the first quarter

Gross premiums written¹⁾ for the three months ended 31 March:

	2023 \$m	2022 re-stated \$m	Change \$m	Change %	Q1 2022 published ²⁾
Property	159.0	83.6	75.4	90.2%	83.8
Casualty	64.9	59.7	5.2	8.7%	59.7
Specialty	54.1	31.4	22.7	72.3%	34.0
Total	278.0	174.7	103.3	59.1%	177.5

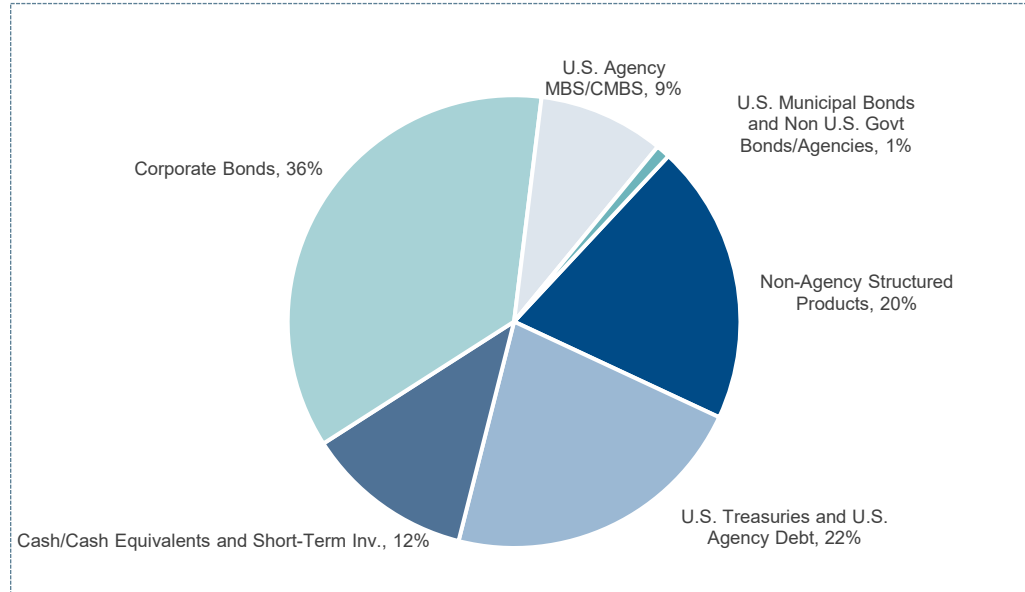
☐ Our ultimate loss estimates, net of reinsurance and reinstatement premiums, for previously reported major loss events remain stable

1) Estimated ultimate premiums written and gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue. Conduit Re will continue to report gross premiums written on this basis as it remains a key performance metric.

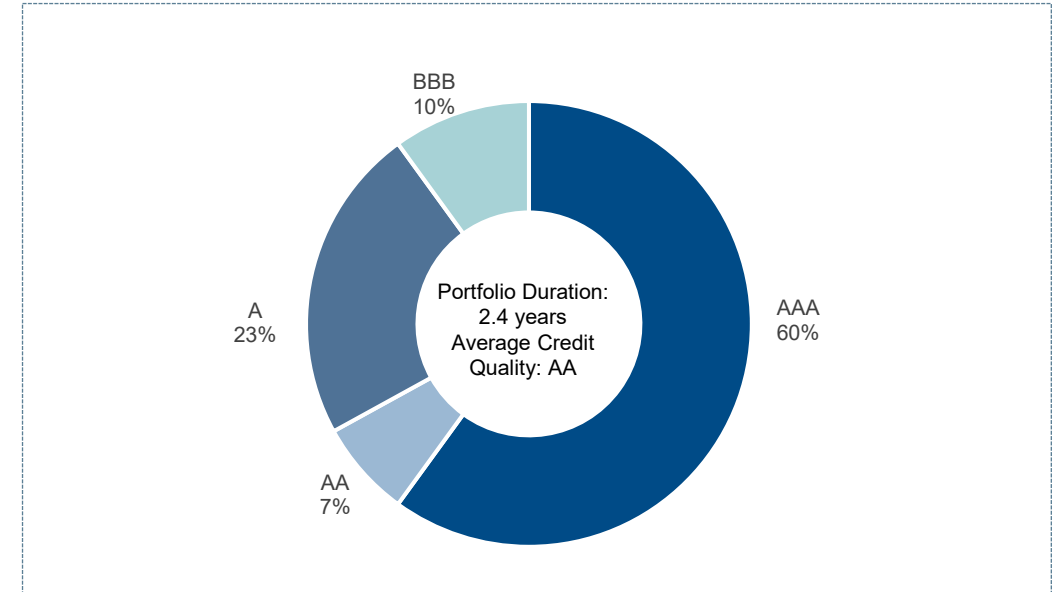
2) Numbers as reported in the Q1 2022 trading statement under IFRS 4.

High quality investment portfolio

Asset allocation as at 31 March 2023



Credit quality as at 31 March 2023



- ❑ Capital preservation and liquidity to support our underwriting teams remain of paramount importance and determines our low-risk strategic portfolio allocation (no holdings in Silicon Valley Bank, Signature Bank, Credit Suisse AT1s or First Republic Bank)
- ❑ High quality investment portfolio with average credit quality of AA; book yield 2.8%, market yield 5.0%
- ❑ Short portfolio duration of 2.4 years; opportunity to reinvest at higher interest rates as the existing portfolio rolls over
- ❑ Total return for the three months ended 31 March 2023 was 1.8%
- ❑ Unrealised gain of \$12.5 million compared to unrealised loss of \$32.6 million in the first quarter of 2022
- ❑ Continued consideration of ESG factors on management of investments

Perfectly positioned for excellent market conditions

- ❑ Excellent first quarter, in terms of premium growth – ahead of expectations – with no material claim experience
- ❑ Market conditions remain very favourable, and momentum has continued in April and into the mid-year renewals, supporting Conduit Re's mid-80s combined ratio target
- ❑ Conduit Re's underwriting approach perfectly matches a marketplace experiencing a structural shift caused by a fundamental re-pricing of risk
- ❑ Strong and legacy-free balance sheet increasingly recognised in the marketplace
- ❑ Scalable and efficient business model with a solid capital base leaves Conduit Re ideally positioned to deliver strong growth

APPENDICES

No change to target net natural catastrophe exposures

- ❑ Our business plan assumed target PMLs¹⁾ remain unchanged
- ❑ 1 in 100 at \$65 million, 1 in 250 at \$92 million or 8.0% and 12.2% of business plan TNAV respectively
- ❑ These targets are calibrated to 1 July viewpoints, on an OEP basis
- ❑ Capital capacity available to support growth, including PML growth, if attractive opportunities dictate, but no change to strategic approach to limiting cat exposure
- ❑ Successfully secured retro programmes at 1 January 2023, in line with our objectives, with expanded and well diversified panel
- ❑ May add to outwards protections to support growth if favourable opportunities are found

1) Net positions are calculated by applying relevant reinstatement premiums and outwards reinsurance to the respective modelled gross exposures.

Investor relations calendar - 2023

Conduit Re scheduled disclosures

- ❑ TBD: IFRS 17 Update
- ❑ 26 July: 2023 interim results
- ❑ 8 November: Q3 2023 trading update

Conduit Re planned roadshows & conferences

- ❑ 13 June: Goldman Sachs conference, Paris
- ❑ 11-12 September: Montecarlo rendez-vous
- ❑ 2-4 October: New York, Boston, Chicago

Forward looking statements

Important note:

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "goals", "objective", "rewards", "expectations", "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 (excluding reinstatement premiums) that is expected to be earned assuming all bound contracts run to the end of the period of cover, after management discount for prudence.

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.

Enquiries please contact:
H/Advisors Maitland
Vikki Kosmalska / Alistair de Kare-Silver
+44 (0) 207 379 5151
conduitre@h-advisors.global

Antonio Moretti
Investor Relations
+44 (0) 7935 708 723
Antonio.Moretti@conduitre.bm

About Conduit Re

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

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

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

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

conduitreinsurance.com