



DELIVERING MILESTONE RESULTS

Performance

I am particularly pleased to present Conduit's 2023 results as they denote a significant milestone in the development of the business. Conduit was only formed three years ago, yet, with comprehensive income of \$190.8 million, 2023 is when we truly started to reap the benefits of the strategic decisions and the hard work done by Trevor and the rest of the Conduit team during those first three years. As earnings start to mature, we still have a very strong pipeline of unearned premium, and we have shown strong growth in gross premiums written while enjoying exceptional market pricing. We pride ourselves on being a pure-play, single location reinsurer that has built a platform for organic growth and has the capital base to support its business on an ongoing basis.

We are maintaining our dividend at \$0.18 per share making it \$0.36 per share for the full year (approximately 28 pence).



“Our efficient underwriting platform and strong balance sheet put us in a wonderful position to continue our planned growth in exceptional market conditions.”

Neil Eckert
Executive Chairman

Market

Market conditions remain exceptionally strong. In some primary markets there are still acute shortages of capacity. For example, several of the large, regulated insurance providers are pulling back in some geographies and types of risks. This is often referred to as a structural shift in the way that insurance business is conducted especially in the US. The market is also grappling with the difficult issue of the 'Protection Gap', which is the difference between the insured versus economic loss on major catastrophic events. The market perception is that less than half of the economic value of major losses are insured. This gap will only worsen as the major insurance providers try to protect themselves through increased deductibles and new exclusions, which is serving to drive more business into the non-admitted market.

People

Over the course of 2023 we added talent and diversity across all areas of Conduit's business, increasing leadership, expertise and depth.

At Board level, we welcomed Rebecca Shelley as a Non-Executive Director. Rebecca brings a wealth of public company experience. Along with extensive knowledge of financial services, she has a strong background in investor and public relations and in sustainability. She is the senior independent director of one other UK public company.

Brian Williamson will step down from the Senior Independent Director role in February 2024, and will be replaced by Rebecca Shelley. He will however continue to serve on the Board as a Non-Executive Director and Chair of the Remuneration Committee until CHL's AGM on 15 May 2024, when he will step down from the Board having served a three-year term.

Brian joined the Board at Conduit's formation in 2020 and I am deeply grateful to him for his wise counsel as Senior Independent Director and for his contribution to Conduit's establishment.

Dr. Richard Sandor stepped down from the Board in November 2023. Richard joined the Board of CHL at the time of the Company's IPO in December 2020, shortly after Conduit's formation and I would also like to thank him for his contribution during our formative first three years.

Four out of nine Board members and over half of our staff are female; only one way in which we evidence our diversity. We also maintain an open and collaborative culture, led by a demonstrably accessible executive team. With only 59 staff we can maintain a flat structure that makes decision taking and execution simpler than in large multinational organisations.

Our corporate values and work ethic, in my opinion, make Conduit a great place to be. The hard work that has been required to get the business to where it is today cannot be underestimated and, while there has been a huge amount of work in underwriting, the work then must flow right through the organisation ably supported by operations, finance, modelling, actuarial, risk, HR and legal and compliance. Simply put, the team have delivered on all fronts.

We aspire to the values expected by our investors, especially as they relate to ESG. But it is not about words, and one of the outstanding achievements for the year has been our charitable activity exclusively in Bermuda, which we highlight in the ESG section of this Annual Report. My thanks go to the ESG Committee and the Board for their oversight and for ensuring that these values are deeply embedded across all areas of our business.

Conclusion

These results are a significant step forward for Conduit and our top-line growth is well ahead of original projections at the time of the IPO.

It only remains for me to thank Trevor, the entire Conduit team, our brokers, customers and shareholders. Conduit is now established as a business that is well placed to generate strong investor returns and we are excited about our prospects.

Neil Eckert

Executive Chairman
28 February 2024