Conduit Holdings Limited

Q3 2024 Trading Update
6 November 2024

CONDUIT RE

Important notices

Important information (disclaimers)

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", "growth", "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 CHL'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, particularly for recent events where estimates are preliminary as more information arises, including but not limited to the Ukraine crisis, Atlantic and Gulf of Mexico Hurricanes, European storms and floods, earthquakes, wildfires in North America and Europe; 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; the impact of cyber attacks (including as exacerbated by geopolitical tensions) on technology, data and network security; 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 and opportunities 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 interim update may be impacted by the escalation or expansion of the Ukraine conflict or conflicts in the Middle East 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. CHL disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by law or regulation. All subsequent written and oral forward-looking statements attributable to CHL and/or the group or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above.

The Conduit renewal indicative rate change measure is an internal methodology that management intends to use to track risk-adjusted 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's contracts. The future profitability of the portfolio of contracts within the change measure is dependent upon many factors besides the trends in premium rates.

CONDUIT RE

Q3 2024 trading update: sustained market opportunities

Measured growth in gross premiums written, focused on classes with most attractive margins

- Gross premiums written of $957.3 million for the nine months ended 30 September 2024, surpassing full year 2023 premium totals
- Year-on-year growth of 25.2%, with Property +32.9%, Casualty +2.0% and Specialty +39.3%
- Attractive market to continue to deploy capacity

Active period for smaller and mid-sized natural catastrophe and large risk events

- In aggregate, our estimated net loss[1] for large loss events recorded in the third quarter was approximately $50 million
- Following the loss events of the third quarter, our undiscounted combined ratio was in the mid-90s on a year-to-date basis through 30 September 2024
- In October, Hurricane Milton made landfall in Florida; while we are in early stages of assessing the loss, we expect it to result in a net loss[1] in the range of $30-50 million

Technical rates remain broadly stable at attractive levels with favourable outlook

- Risk-adjusted rate change, net of inflation, year-to-date through 30 September 2024 was +1% across the portfolio
- By division, risk-adjusted rate change was +3% in Property, -1% in Casualty and +1% in Specialty
- Recent catastrophe and risk events, as well as industry legacy reserve development, to support a resilient pricing outlook

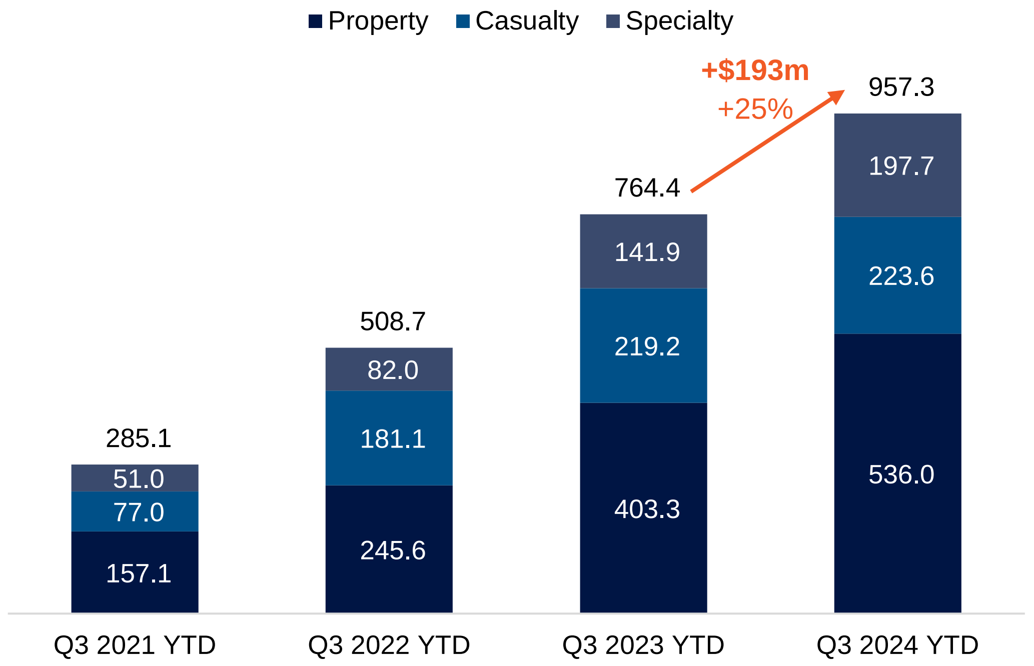
Trusted partner for clients, seeing a robust flow of business across classes

- Strong origination and selective risk approach across our multi-line platform
- Continue to partner with clients who are committed to strong data sharing standards and underwriting integrity

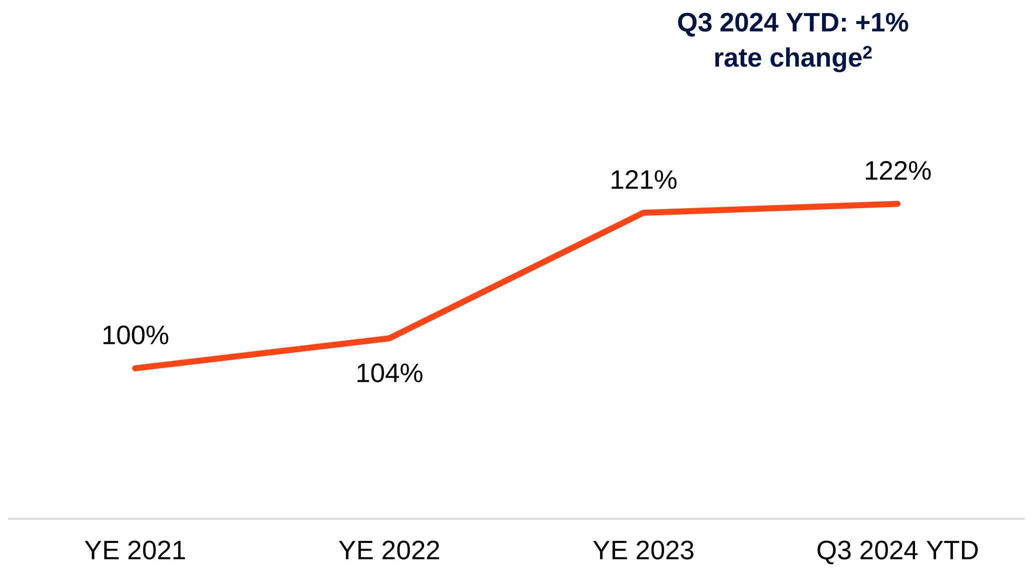
1. Our current estimated undiscounted ultimate loss, net of reinsurance recoveries and reinstatement premiums

25% increase in gross premiums written

Gross premiums written[1], $m



Cumulative risk-adjusted rate change, net of inflation[2]



Balanced portfolio construction allows for broad opportunity set; front-loaded growth is supported by strong renewal retention, select new business and underlying portfolio growth

+1% risk-adjusted rate change[2] across Conduit Re; technical pricing levels expected to remain attractive to deploy capacity further

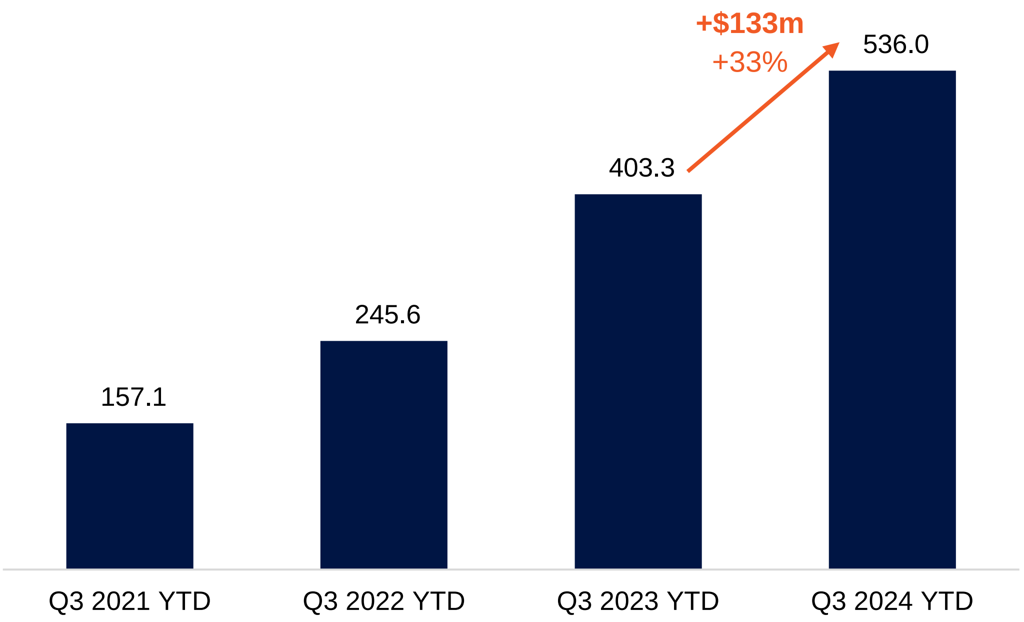
Reinsurance revenue growth of 30% to $588 million (2023: $451 million)

CONDUIT RE

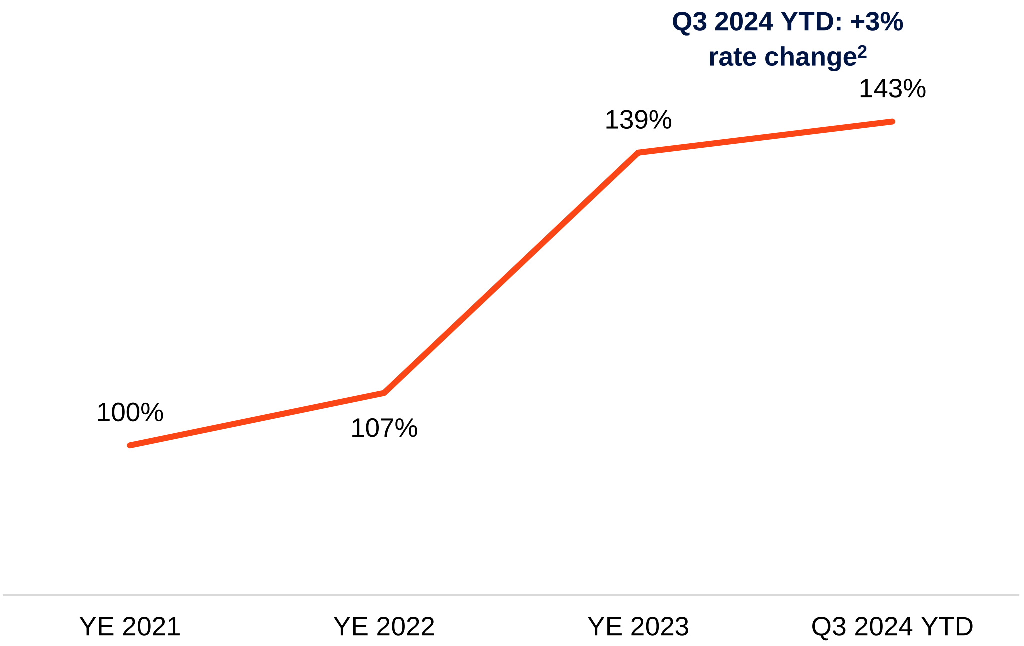
1. Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue
2. Net rate changes are on a year-to-date basis and reflect management's assessment of rate changes of our renewal business net of the impact of claims inflation, exposure changes and changes in any other terms and conditions

33% increase in gross premiums written in Property

Gross premiums written[1], $m



Cumulative risk-adjusted rate change, net of inflation[2]

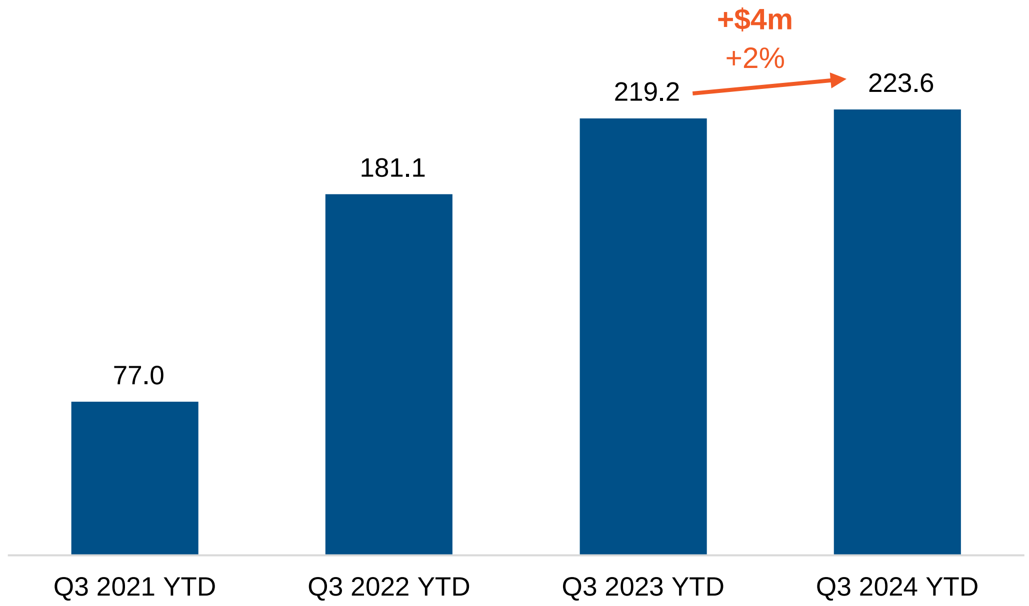


Quota share focused portfolio that includes non-cat and cat property exposures	Strong market demand for capacity due to continued high level of loss events and growth in insured exposures	+3% risk-adjusted rate change[2]; some additional capacity entering due to strong profitability levels	Reinsurance revenue growth of 30% to $320 million (2023: $245 million)

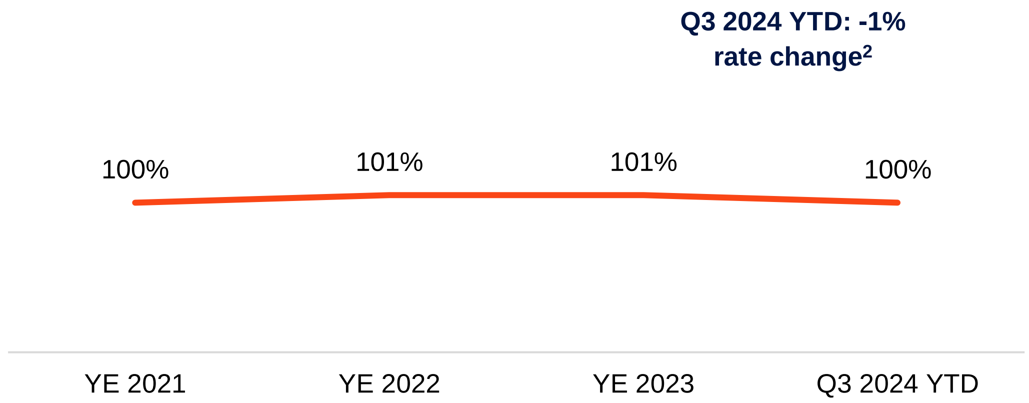
1. Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue
2. Net rate changes are on a year-to-date basis and reflect management's assessment of rate changes of our renewal business net of the impact of claims inflation, exposure changes and changes in any other terms and conditions

2% increase in gross premiums written in Casualty

Gross premiums written[1], $m



Cumulative risk-adjusted rate change, net of inflation[2]



Disciplined renewal of existing portfolio, with select new business opportunities

Primary market rate change is varied by liability class, European XoL challenging

-1% risk-adjusted rate change[2]; generally stable pricing - industry legacy reserve issues remain

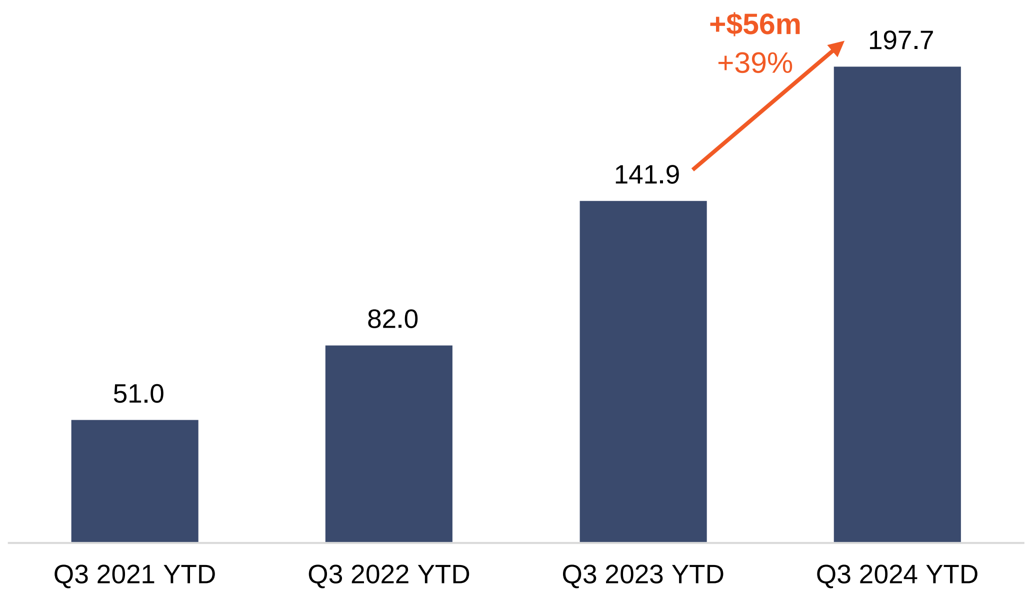
Reinsurance revenue growth of 19% to $149m (2023: $125m)

CONDUIT RE

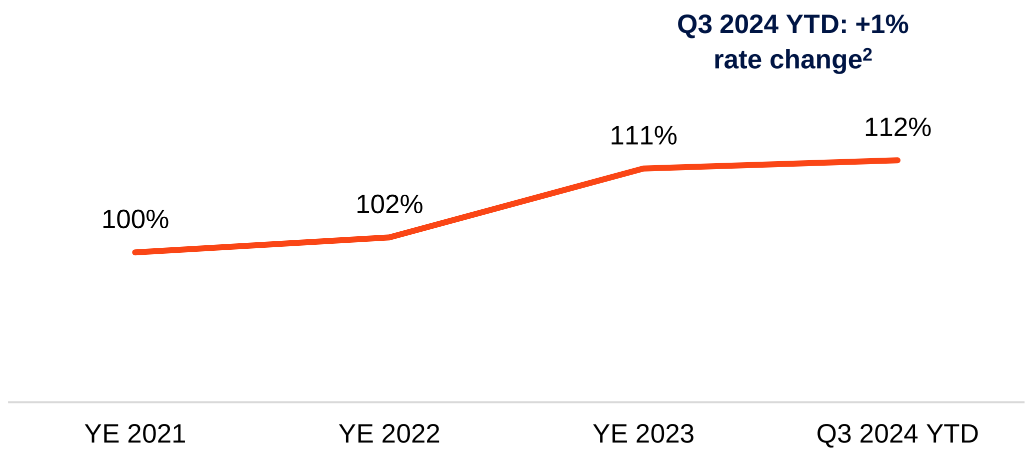
1. Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue
2. Net rate changes are on a year-to-date basis and reflect management's assessment of rate changes of our renewal business net of the impact of claims inflation, exposure changes and changes in any other terms and conditions

39% increase in gross premiums written in Specialty

Gross premiums written[1], $m



Cumulative risk-adjusted rate change, net of inflation[2]



Selectively underwriting a diversified portfolio of specialty classes, with limited correlation to cat accumulations

Signs of new capacity offered by the market in select classes; wordings generally expected to hold

+1% risk-adjusted rate change[2]; exposed classes such as marine liability and civil unrest coverage likely to respond positively

Reinsurance revenue growth of 48% to $120m (2023: $81m)

CONDUIT RE

1. Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue
2. Net rate changes are on a year-to-date basis and 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

Financial highlights

Gross premiums written[1] for the nine months ended 30 September 2024 and 2023:

	2024 $m	2023 $m	Change $m	Change %
Property	536.0	403.3	132.7	32.9%
Casualty	223.6	219.2	4.4	2.0%
Specialty	197.7	141.9	55.8	39.3%
Total	**957.3**	**764.4**	**192.9**	**25.2%**

Reinsurance revenue for the nine months ended 30 September 2024 and 2023:

	2024 $m	2023 $m	Change $m	Change %
Property	319.9	245.3	74.6	30.4%
Casualty	148.8	125.3	23.5	18.8%
Specialty	119.5	80.7	38.8	48.1%
Total	**588.2**	**451.3**	**136.9**	**30.3%**

Measured growth in gross premiums written and reinsurance revenue, driven by strong demand, growth in underlying exposures, high retention and stable risk-adjusted rate levels

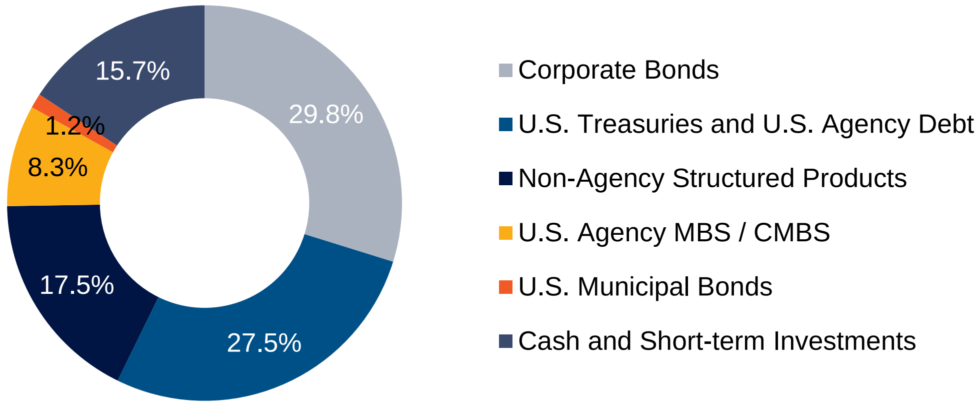
During Q3 2024, activity across smaller and mid-size natural catastrophe and large risk events was elevated. In aggregate, our estimated undiscounted net loss[2] for large loss events recorded in Q3 2024 was approximately $50 million.

Total capital and tangible capital available was $1.05 billion as at 30 September 2024 (30 September 2023: $0.92 billion)

1. Gross premiums written exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue
2. After reinsurance and reinstatement premiums. 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.

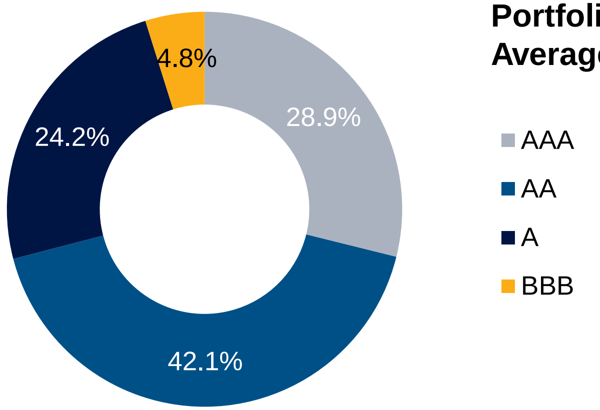
High quality investment portfolio

Asset allocation as at 30 September 2024



Credit quality as at 30 September 2024

Portfolio Duration: 2.5 years
Average Credit Quality: AA



Capital preservation and liquidity to support our underwriting teams remain of paramount importance and determines our conservative strategic portfolio allocation

- High quality and short duration portfolio with growing investment leverage:
  - Total managed investment portfolio of $1.7 billion ($1.3 billion as at 30 September 2023)
  - Average credit quality of AA (AA as at 30 September 2023)
  - Book yield of 4.2% (3.5% as at 30 September 2023)
  - Market yield of 4.5% (5.8% as at 30 September 2023)
  - Portfolio duration of 2.5 years (2.3 years as at 30 September 2023)
- Total investment return 4.9% for the nine months ended 30 September, due to a higher yielding portfolio and decrease in yields during the quarter (2.1% in the prior year period)

CONDUIT RE

Multi-line portfolio positioned to respond to market conditions

- 25% increase in gross premiums written through nine months of 2024, focused in Property and Specialty, with growth expected to continue in 2025
- Active industry period for smaller and mid-sized natural catastrophe and large risk events; Helene and Milton acting as a discipline to reinsurers
- Multi-line strategy maintained - broad access to classes of risk and ability to adapt proactively to changing market conditions
- While risk-adjusted rate increase slowed through 2024, underwriting discipline, firm terms and conditions and underwriting selection being maintained
- Expect an early start to renewal season - significant engagement with both inwards clients and outwards partners; market outlook supports a good risk / return dynamic
- Strong balance sheet with continued headroom to allocate capacity to targeted classes

Any questions?

Appendices

HOW WE CREATE VALUE

Our key business objectives

Building a sustainable business for the long-term benefit of our stakeholders

Deliver profitability and mid-teens return on equity across the cycle

Our investment proposition

Targeted underwriting

- Multi-line reinsurance treaty focus
- Balanced and diversified portfolio
- Dynamic cycle management across classes of business and geographies

Operational excellence

- Single location, efficient set up with open and collaborative culture
- Management team with proven industry track record
- Targeted and effective use of data-driven pricing, analytics and exposure management thanks to efficient cloud-based ecosystem

Strong balance sheet

- Balance sheet well capitalised for future growth
- Absence of covid & casualty legacy
- AM Best (A-) Excellent financial strength rating with “very strong” balance sheet
- High quality investment portfolio, with average credit quality of AA

Historical financial highlights

	FY 2022	FY 2023	H1 2023	H1 2024	9M 2023	9M 2024	Commentary
Gross premiums written ($m)[1]	$622.5	$931.4	$542.2	$737.8	$764.4	$957.3	Achieved meaningful scale
Gross premiums written growth[2]	+67%	+50%	+53%	+36%	+50%	+25%	Targeted growth, continued opportunity
Combined ratio (undiscounted)[1]	109.3%	81.9%	83.1%	85.7%	–	–	Elevated cat and risk losses in 2024
Other operating expense ratio	6.0%	5.1%	5.7%	4.6%	–	–	Efficient business model
Net investment income ($m)	$17.8	$41.3	$17.2	$29.9	–	–	Growing investment income contribution
Investment book yield	2.4%	3.7%	3.2%	4.1%	3.5%	4.2%	Maintaining high credit quality portfolio
Return on equity (RoE)[3]	(4.4%)	22.0%	9.1%	9.9%	–	–	Cross-cycle target of mid-teens RoE
Dividend per share	$0.36	$0.36	$0.18	$0.18	$0.36	$0.36	In-line with dividend policy
Net tangible assets per share	$5.41	$6.25	$5.72	$6.69	–	–	Growing capital through retained earnings

Ongoing delivery of strategic plan and focus on financial objectives

Single operating location with proven access to markets and focused allocation of capacity

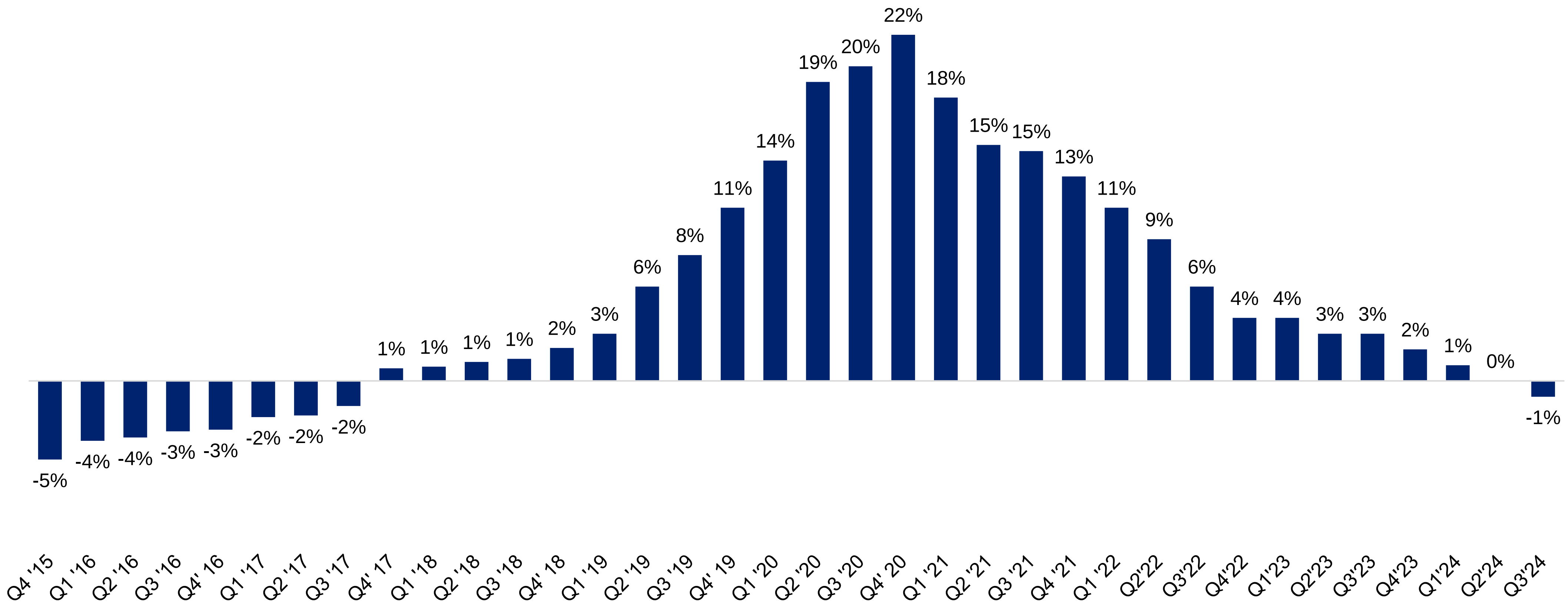
Continual investment in systems and talent; streamlined decision making

Strong balance sheet with high quality, short duration investment portfolio

1. On IFRS17 basis
2. Compared to the same period in the prior year
3. RoE on six-months basis for H1 2023 and H1 2024, not annualised

Commercial insurance pricing environment

Marsh Global Insurance Market Index

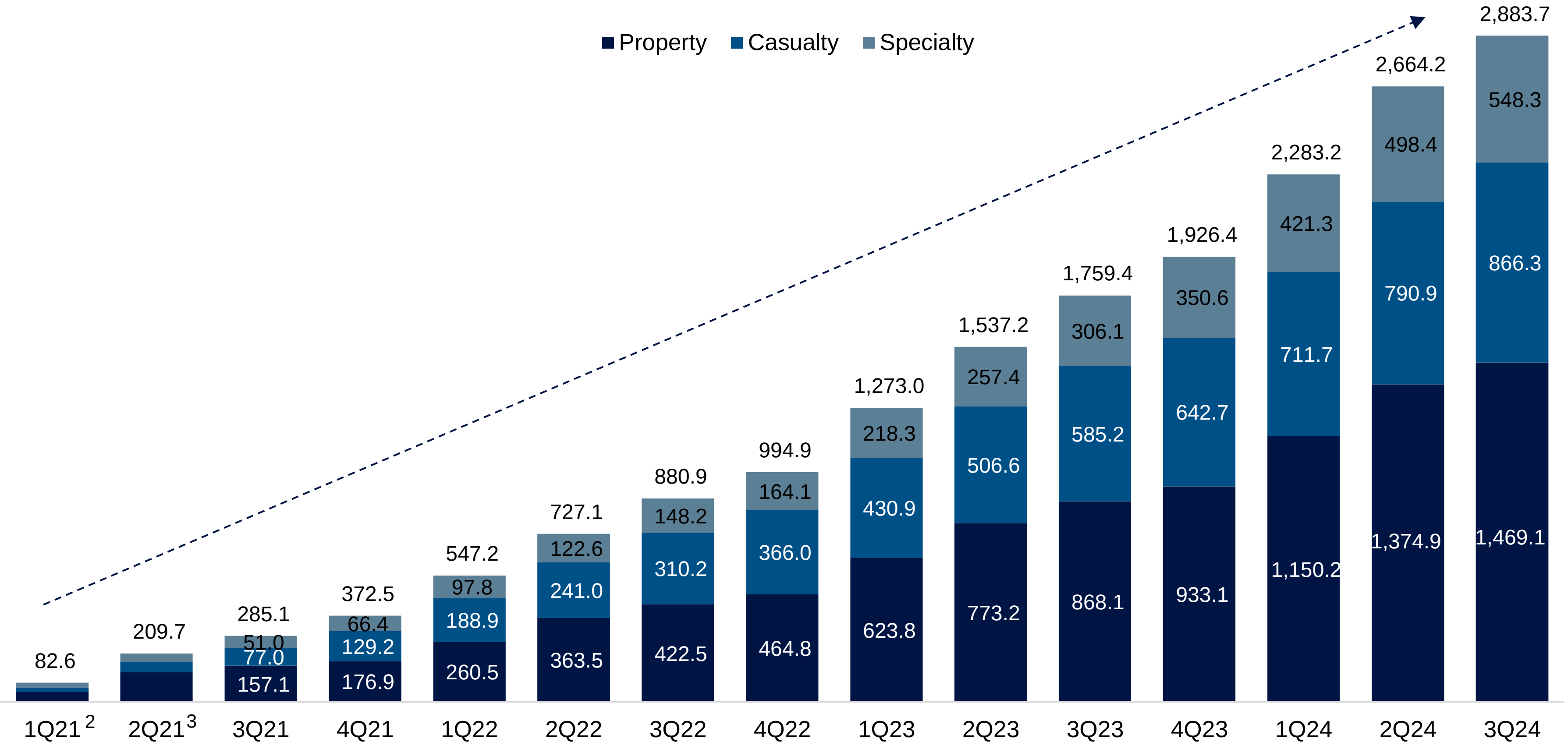


CONDUIT RE

Note: Conduit Re's underwriting business incepted in Q1 2021

Over $2.8bn gross premiums written since inception

Cumulative gross premiums written[1] ($m)



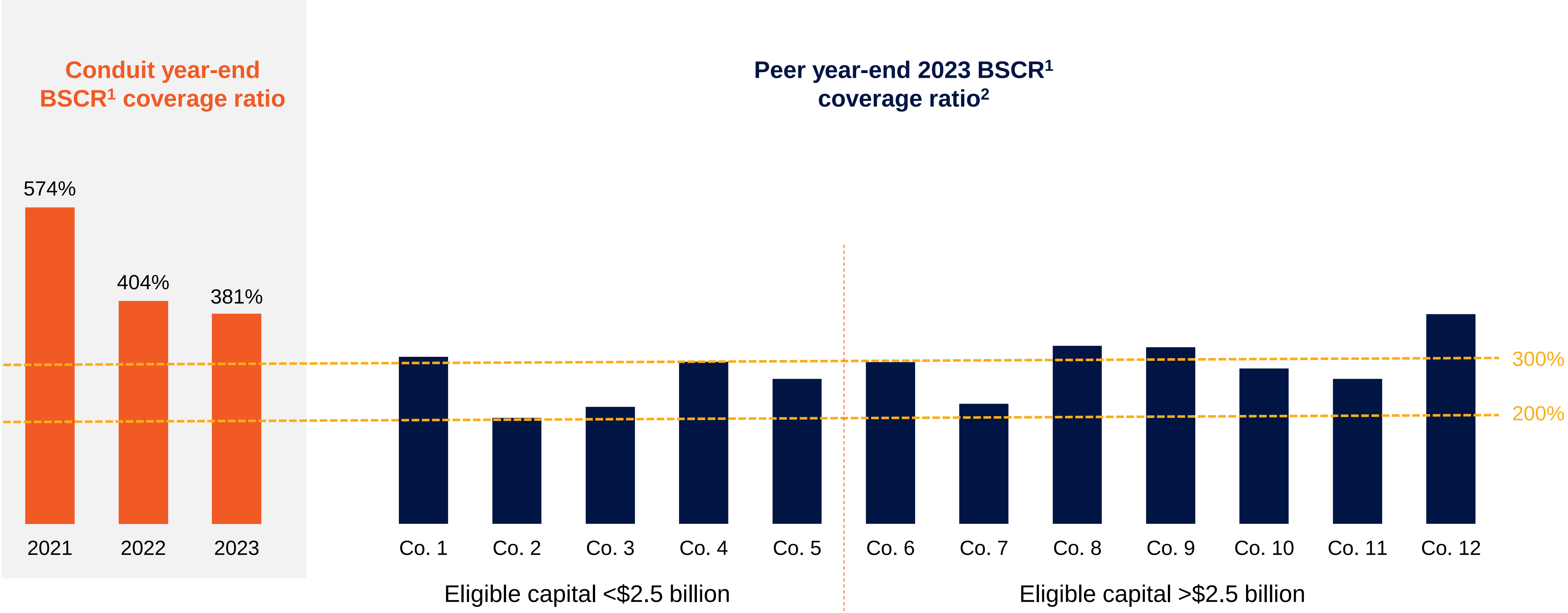
Significant pipeline of premium continues to flow through

Delivering on our strategy as a multi-line reinsurer

1. Gross premiums written now exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue
2. For Q1 2021, gross premiums written were: Property: $44.2m; Casualty: $15.9m; Specialty: $22.5m
3. For Q2 2021, gross premiums written were: Property: $129.0m; Casualty: $44.0m; Specialty $36.7m

CONDUIT RE

Capital to support continued growth



1. Bermuda Solvency Capital Requirement
2. Data is based on published year-end 2023 Financial Condition Reports. Includes Class 4 Bermuda (re)insurers and/or Bermuda Groups including one or more Class 4 (re)insurers, depending on data availability. Only companies with over $1 billion of eligible capital included. Companies part of a non-Bermuda Group also excluded. Data includes: Arch, Ascot, Aspen, Axis, Convex, Fidelis, Hamilton, Hiscox, Lancashire, PartnerRe, Renaissance Re, Sirius Point

Discounting on losses

Reminder of our discounting calculation methodology

	Calculation methodology	Variability
Discount on new incurred	– New incurred claims discounted using opening discount rate or date of loss rate for material events.	– Opening discount rates are fixed for the period but discount on material events are subject to prevailing market rates at time of event. – Size of discount driven by undiscounted new incurred losses that remain unpaid at the end of the period.
Discount on PYD	– Prior year development discounted using opening discount rates.	– Opening discount rates fixed for the period. – Total discount dependent on undiscounted PYD for the period and the actual versus expected experience on timing of loss payments. – Discounted PYD can be lower or higher than undiscounted PYD.
Interest accretion on PY reserves	– Interest accretion based on opening discount rates on opening reserves.	– Very little variability in the unwind of prior year reserves during the period. – High level calculation of Yield x Opening Reserves can help estimate PY unwind.
Interest accretion on new incurred	– Interest accretion based on opening rates or date of loss rate for material events. Calculated on new incurred, not paid within the year.	– Variability on new incurred, amount of newly incurred claims paid during the period and markets rates for material events.
Change in discount rates	– Calculated as difference between closing reserves using opening/event rate versus closing reserves using closing rates.	– Size and direction of movements driven by how interest rates move during the period.

Investor relations calendar

Although we endeavour to adhere to the dates below, all future planned events are provisional and subject to change

Conduit scheduled disclosures

19 February 2025:
- 2024 Results

Conduit planned attendance at conferences

4 December 2024:
- Berenberg European Conference (Pennyhill Park)

17 December 2024:
- UBS Global Specialty Insurance/Reinsurance Conference (Virtual)

3 March 2025:
- Association of Insurance and Financial Analysts (Naples)

5 March 2025:
- RBC Global Financials Conference (New York)

25 March 2025:
- Jefferies Pan-European Mid-Cap Conference (London)

Enquiries please contact:

Vikki Kosmalska / Genevieve Ryan
H/Advisors Maitland
+44 (0) 207 379 5151
conduitre@h-advisors.global

Brett Shirreffs
Investor Relations
+1 (441) 520 4058
brett.shirreffs@conduitre.bm

About Conduit Re

Conduit Re is a multi-line 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

CONDUIT RE