

Key performance indicators

Gross premiums written

\$637.5m

(2021: \$378.8m)

RoE

(9.1)%

(2021: (4.0)%)

Combined ratio

107.0%

(2021: 119.4%)

Total net investment return

(5.0)%

(2021: (0.3)%)

Total shareholder return

5.5%

(2021: (12.2)%)

Net tangible asset value per share

\$5.08

(2021: \$5.93)

Gross premiums written: \$637.5 million

Gross premiums written is an important metric to show how the business grows and its size relative to peers. Conduit Re has grown during our second year of operations, continuing the excellent progress made in our first year. Conduit's focus remains on building and maintaining a balanced and diversified portfolio, in furtherance of our core underwriting philosophy.

RoE: (9.1)%

RoE enables Conduit to compare itself against other peer companies. It is also a key measure internally and is integral in the performance-related pay determinations. RoE is calculated as the profit for the period divided by the opening total shareholders' equity. RoE for 2022 was negatively impacted by above-average industry loss events and unrealised investment losses associated with increasing interest rates.

Combined ratio: 107.0%

The combined ratio is the sum of the net loss ratio, net acquisition expense ratio and other operating expense ratio. The combined ratio for 2022 was driven by major loss events impacting the industry during the year.

Total net investment return: (5.0)%

Conduit's principal investment objective is to preserve capital and provide adequate liquidity to support the payment of losses and other liabilities. In light of this, Conduit looks to generate an appropriate total net investment return. Conduit bases its total net investment return on the sum of non-operating cash and cash equivalents and fixed maturity securities. Total net investment return is calculated daily and expressed as a percentage.

The negative performance for 2022 is largely due to the Federal Reserve raising interest rates and the resulting negative mark-to-market unrealised loss booked against the investment portfolio.

Total shareholder return: 5.5%

Total shareholder return allows Conduit to compare itself against other peer public companies. Total shareholder return is calculated as the percentage change in Common Share price over a period, after adjustment for Common Share dividends. The Conduit share price at the beginning of 2022 was 433 pence and it closed the year at 428 pence. In February 2022, Conduit declared a final dividend relating to 2021 of \$0.18 (£0.14) and, in July 2022, an interim dividend of \$0.18 (£0.15) in respect of 2022, in line with our IPO plans.

Net tangible asset value: \$5.08 per share

Year-end shareholders' equity includes the profit/ (loss) for the financial year and dividends declared. Intangible assets consist of capitalised costs related to our internal software development. Intangible assets are excluded from shareholders' equity to calculate the net tangible asset value per share. Net tangible net assets for Conduit at year-end were \$813.0 million and the number of common shares outstanding was 165,239,997.

The decrease in net tangible assets per share during 2022 was due to the above-average industry loss events and unrealised losses on investments, in addition to the dividends paid by Conduit during the year.