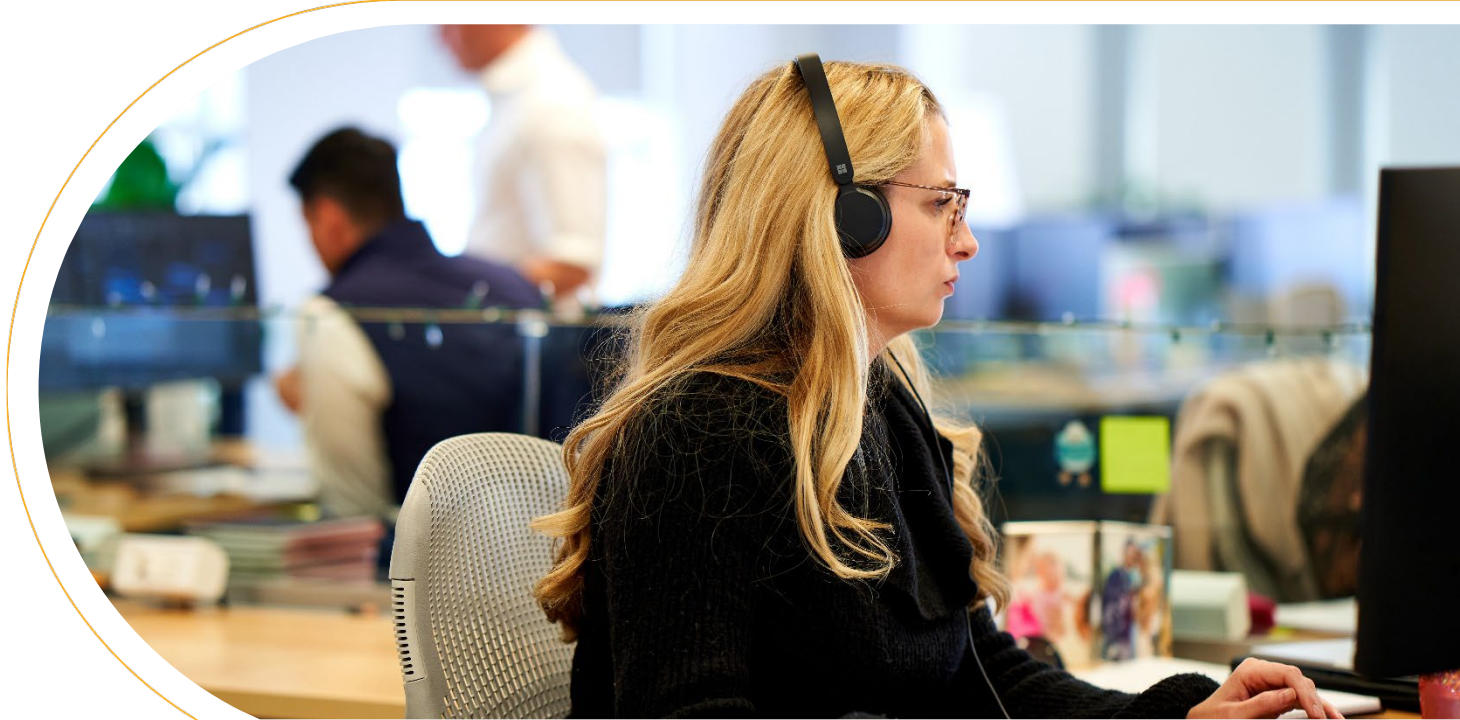




Conduit Holdings Limited

Q3 2023 Trading Update
8 November 2023



Market among the best in decades



The market environment continues to be the most favourable¹ it has been in a generation with reinsurer economics benefitting from improving pricing, favourable terms and conditions and higher attachment points



We see a number of factors combining to **maintain the current hard market environment**:

01

Inflationary pressures

continue – pricing discipline holding across the globe

02

New traditional capital

has been limited but ILS/ binary capital is increasing

03

Insurance carriers

exhibiting **strong demand for reinsurance** to relieve pressure points

04

US primary markets –

structural shift continues in E&S²

05

Industry legacy

reserves continue to drive focus on **forward rates and pricing**

Conduit Re is ideally positioned to capitalise on these market conditions

Excellent premium growth continues in Q3 2023



Robust year on year growth - disciplined underwriting, solid market conditions

- Estimated ultimate premiums written¹ of \$909.3m, +56.4% compared to the nine months ended 30 Sept 2022
- Gross premiums written for the nine months ended 30 Sept 2023 of \$764.4 m, +50.3% compared to the nine months ended 30 Sept 2022
- Diversification continues, risk margins very attractive alongside the cat business



Rate changes continues positive momentum

- Risk adjusted rate change for the nine months ended 30 Sept 2023 was 15% - net of claims inflation
- Property & Specialty classes leading, Casualty holding its own alongside underlying loss trends



An active natural catastrophe period for the industry

- Secondary perils / severe convective storms (SCS) dominating the industry news in the quarter - geographically wide-spread
- No event loss individually or in the aggregate had a material impact on Conduit Re during the first nine months of 2023

Premium momentum set to continue



Conduit Re has capital in place to support planned growth and RoE delivery

- Planned growth supported by capital level and future expectations of retained earnings
- Focus is fully on growing the business scale - diversification strength and 'best margin' approach
- Cat exposures will remain in proportion



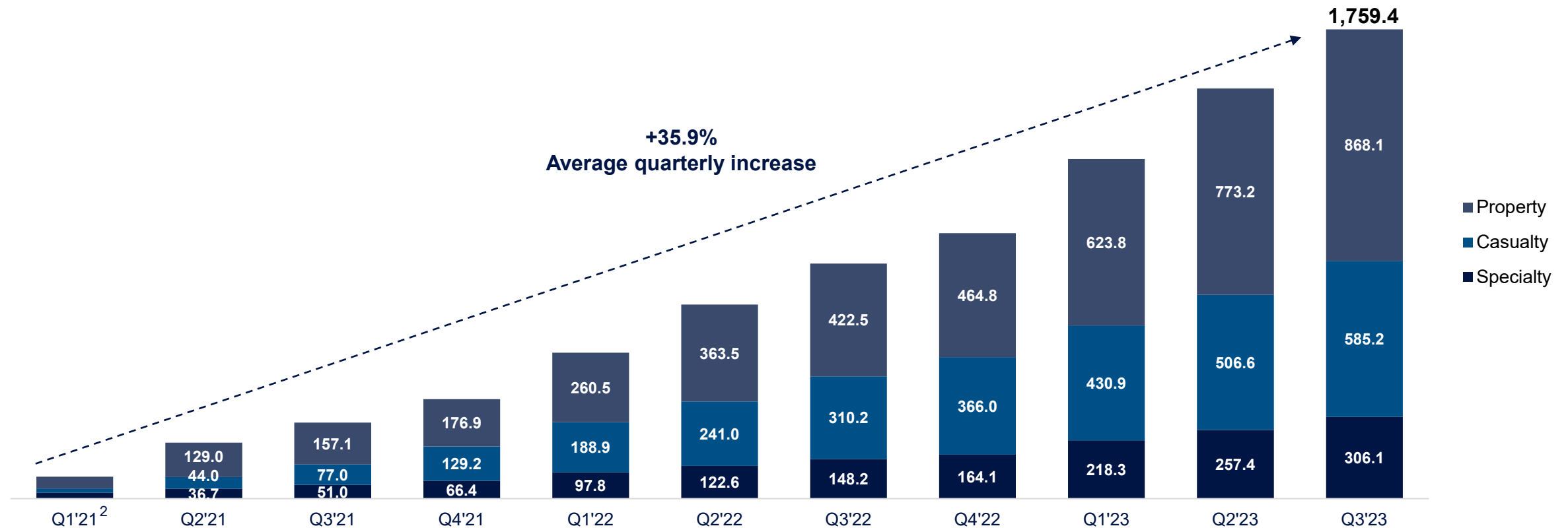
Market conditions remain very favourable - tailwinds still in play

- Margins in the Property & Specialty classes lead the way and growth here looks really attractive
- Risk / non-cat business - margins on plan across range of classes. Wordings continue to be under review
- Cat business - supply vs demand imbalance continues. Higher attachment points are helping



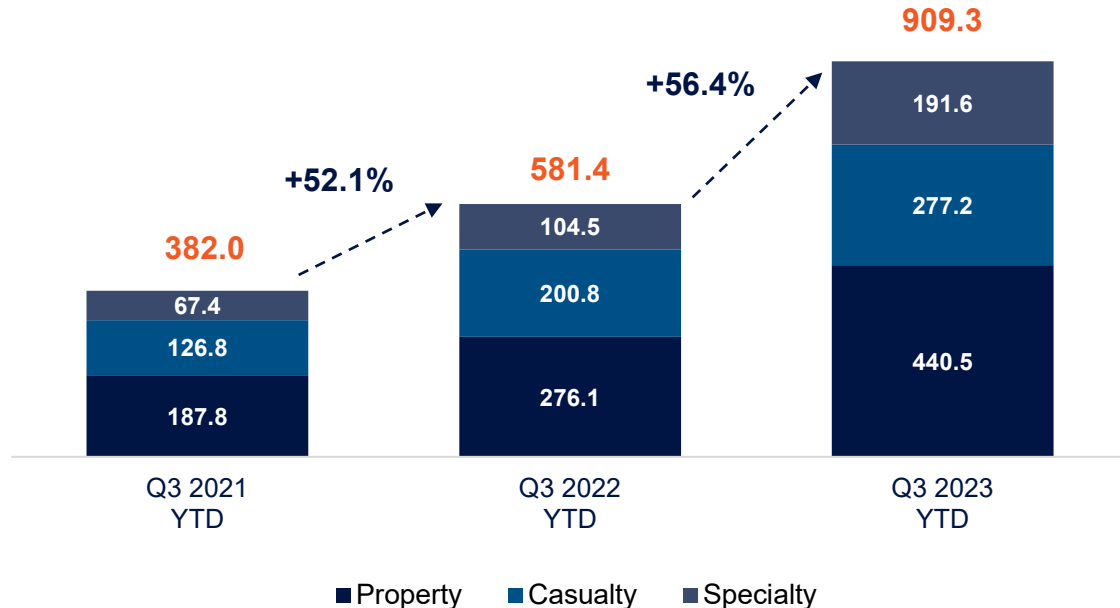
Over \$1.7 Bn gross premiums written since inception

Cumulative gross premiums written¹ (\$m)



Perspective on market conditions

Estimated ultimate premiums written¹ (\$m)



Property

- E&S² primary market continuing to show **strong pricing dynamics**
- Cat capacity currently trading with **disciplined hurdle metrics**
- Smaller and mid-size carriers presenting a **broad range of non-cat and cat opportunities**



Casualty

- Underlying **inflation** still the key driver
- Reinsurance market **reluctant to accept combined ratio deterioration**
- Insurance carriers - **divergent approaches** to their cycle management

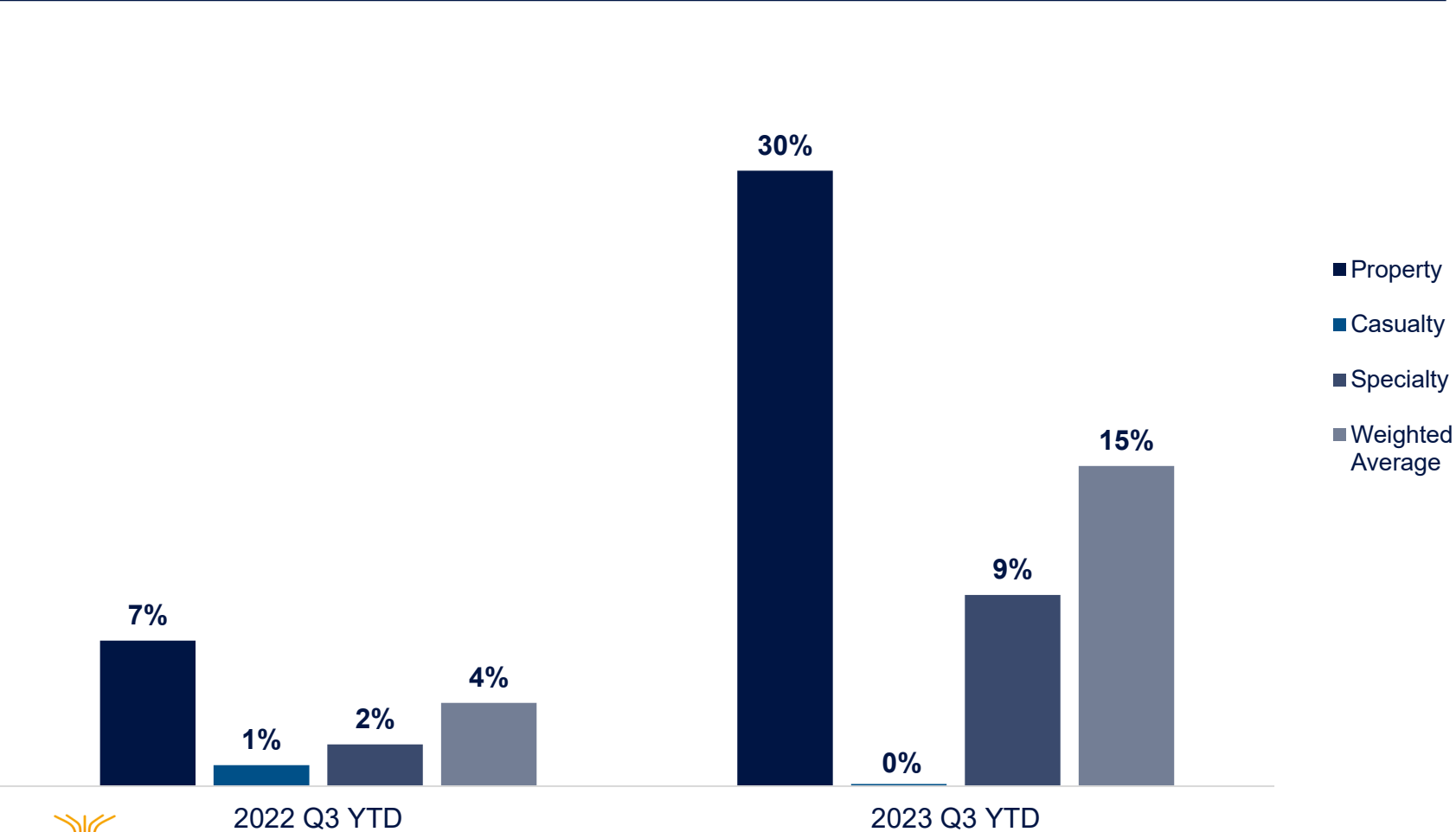


Specialty

- Increasing flow of **larger and diversifying submissions**
- Ceding **commissions** need to be appropriate
- Current conflicts will focus the market again on **wordings**

Rate environment

Risk-adjusted rate change, net of inflation¹



¹. 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 net rate changes are presented on a year-to-date basis.



Enduring pricing environment creating the opportunity for **improved margins in 2023** and beyond

Positive rate change across all divisions before adjusting for inflation

Financial highlights

Estimated ultimate premiums written¹ for the nine months ended 30 September 2023:

	2023 \$m	2022 \$m	Change \$m	Change %
Property	440.5	276.1	164.4	59.5%
Casualty	277.2	200.8	76.4	38.0%
Specialty	191.6	104.5	87.1	83.3%
Total	909.3	581.4	327.9	56.4%

Gross premiums written¹ for the nine months ended 30 September 2023:

	2023 \$m	2022 \$m	Change \$m	Change %
Property	403.3	245.6	157.7	64.2%
Casualty	219.2	181.1	38.1	21.0%
Specialty	141.9	82.0	59.9	73.0%
Total	764.4	508.7	255.7	50.3%



Significant growth, driven by **continued positive rate increases** (outpacing inflation), **strong demand and high retention**



In an active natural catastrophe period for the industry, **no event loss, individually or in aggregate, had a material impact on Conduit Re** during the first nine months of 2023



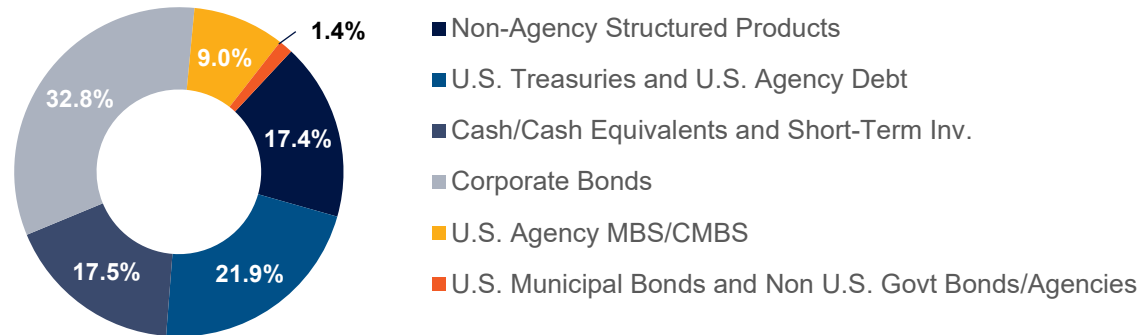
Our **undiscounted ultimate loss estimates**, net of ceded reinsurance and reinstatement premiums, for prior years reported loss events **remain stable**



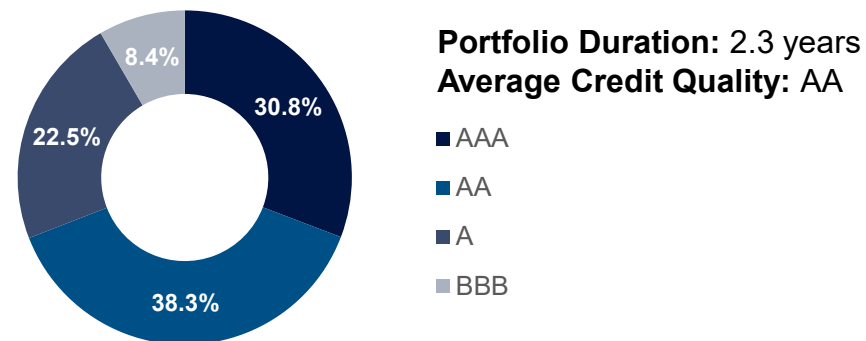
IFRS 17 is now **embedded** in the business

High quality investment portfolio

Asset allocation as at 30 September 2023



Credit quality as at 30 September 2023



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** with average credit quality of AA; book yield 3.5%, market yield 5.8%
- Short portfolio duration of 2.3 years; **opportunity to reinvest at higher interest rates** as the existing portfolio rolls over
- Total investment return during the nine months ended 30 September 2023 of 2.1%, **due to a higher yielding portfolio**, compared to (6.2)% during the nine months ended 30 September 2022, due to significant increases in treasury yields
- **Continued consideration of ESG factors** in the management of investments

Business optimised for future growth

01. Inflation is driving industry discipline:

Insurance carriers continue to seek reinsurance to alleviate pressure points in the current high inflationary environment, resulting in strong risk-adjusted rate changes in most property and specialty classes and positive momentum in terms and conditions

02. High quality capital base supporting growth:

Legacy-free balance sheet with capacity to support the planned growth, to generate return for our shareholders in these exceptional market conditions; AM Best A- (Excellent) rating, with “very strong” balance sheet strength

03. Diversified business mix established:

Our focus remains to continue to deploy more capacity towards the non-catastrophe and specialty space as margins remain very attractive with lower earnings volatility

04. Efficient and scalable business model:

We are able to deliver at scale from a single location with low overheads and a low headcount, resulting in improving relative costs as our business matures. Market-leading GPW per employee - YTD Q3 2023 is \$13.4 million

05. Established portfolio, foundation for future growth:

We have an excellent renewing portfolio plus an increase in policy submissions and deal flow, creating new opportunities across classes to provide strategic client solutions

Any questions?



Appendices

Our investment proposition



Targeted underwriting

Pure-play reinsurance treaty focus

Balanced and diversified portfolio

Dynamic cycle management across lines of business and geographies



Operational excellence

Single location, highly 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

Legacy-free balance sheet. Well capitalised for future growth

AM Best (A-) Excellent rating with “very strong” balance sheet strength

High quality investment portfolio, with average credit quality of AA

Bermuda corporate income tax consultation



Bermuda is currently in the second phase of its consultation regarding implementation of a corporate income tax in the context of OECD expectations regarding a global minimum tax



Given the current lack of clarity, it is too early to conclusively determine any potential exposure to the anticipated tax, however Conduit Re has a limited footprint, writing on a single balance sheet from a single location



As part of the consultation, various tax credits are contemplated and the Government is exploring ways in which revenue raised by any new tax can be used to reduce the cost of doing business in Bermuda. As such, even for those subject to the tax, the net implications are uncertain



Based on the current consultation and expected deferrals, we believe that Conduit Re will fall outside the scope of at least the initial implementation of the tax¹



Evolution of Conduit employee base

Total Employees

51 > **54** > **57**
2022 Q3 2022 FY 2023 Q3

As at 30 September 2023

49:51

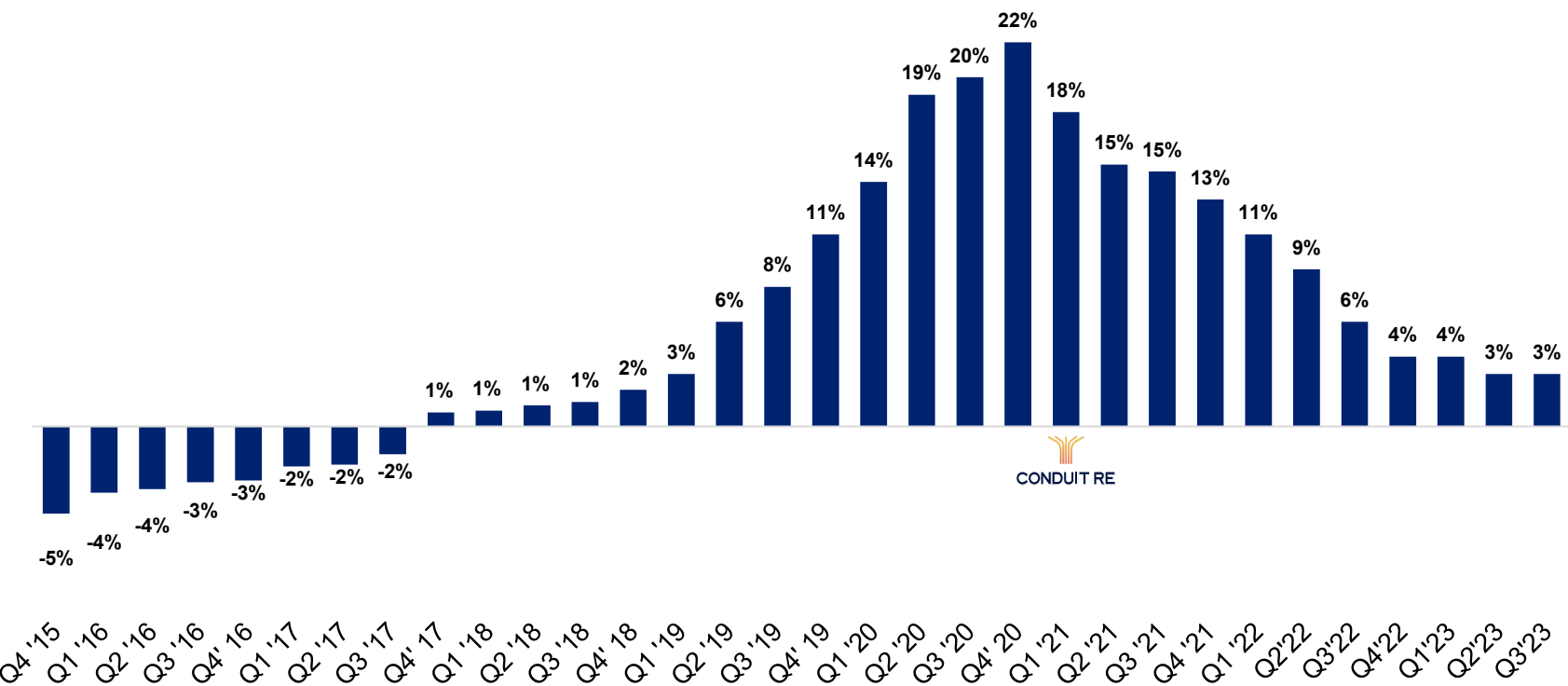
Female to Male ratio

71%

Of the Bermuda-based
employees do not require work permits

Robust Commercial insurance pricing environment

Marsh Global Insurance Market Index



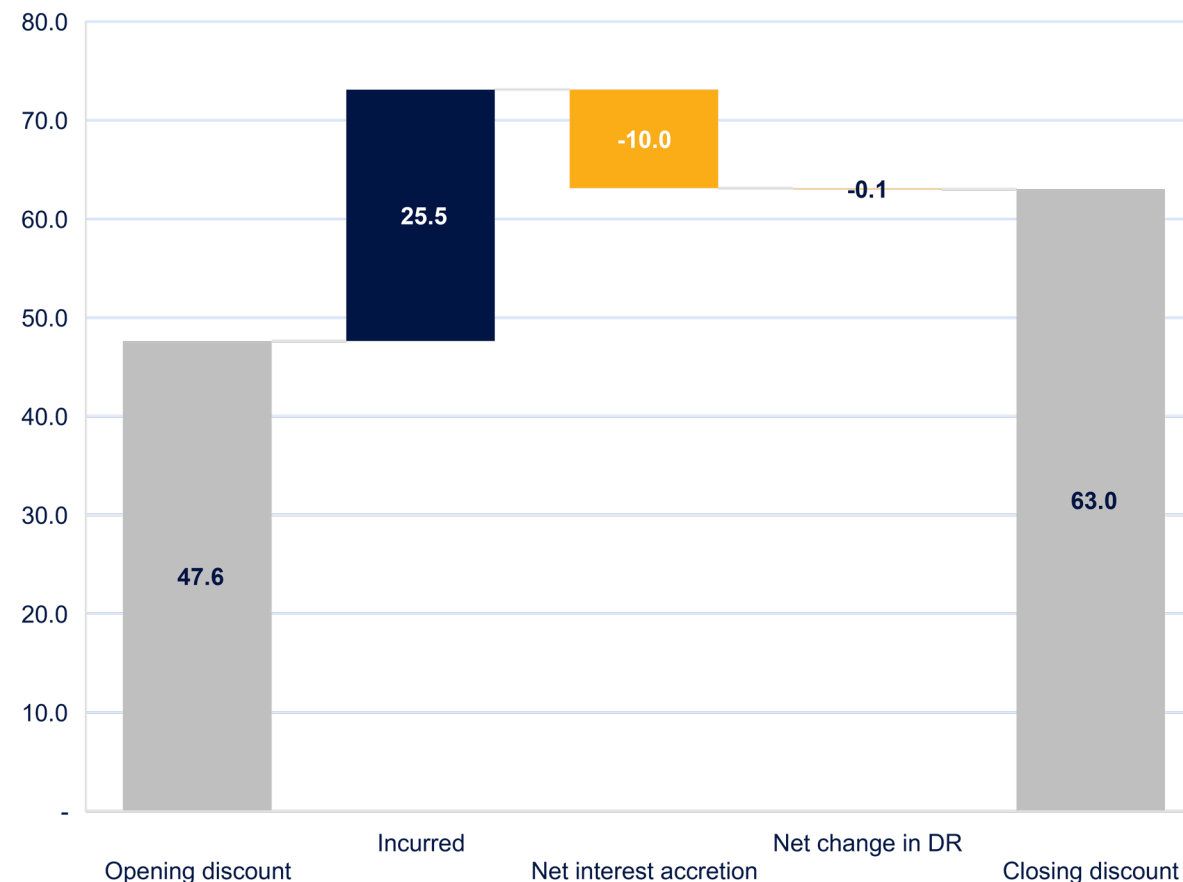
The Marsh Global Insurance Market Index was **up 3% overall** in the third quarter, in line with the last quarter as property rates **increased 7%, down from 10%** last quarter, while casualty rates increased

Discounting on losses

Discounting on incurred losses and loss reserves impacts the Reinsurance service result and the Reinsurance financial result

- Discounting on incurred claims is driven by opening discount rates and date of loss rates for material loss events. H2 2023 losses, except for large events, will be incurred using the discount rates at 31 December 2022– as disclosed in our interim statements
- The unwind of discount is on opening reserves and new incurred claims. The unwind is based on opening discount rates or date of loss for material loss events
- As rates change from opening/date of loss to closing the impact is presented in the reinsurance finance result. If the rate environment continues to be stable across H2 we expect minimal movement for the full year

Movement of discount on net liabilities (\$m) – HY 2023



Discounting on losses

	Calculation methodology	Variability
Discount on new incurred	<ul style="list-style-type: none"> - New incurred claims discounted using opening discount rate or date of loss rate for material events 	<ul style="list-style-type: none"> - 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
Discount on PYD	<ul style="list-style-type: none"> - Prior year development discounted using opening discount rates 	<ul style="list-style-type: none"> - Opening discount rates fixed for the period - Total discount dependent on undiscounted prior year development (PYD) for the period and the actual vs expected experience on timing of loss payments - Discounted PYD can be lower or higher than undiscounted PYD
Interest accretion on PY reserves	<ul style="list-style-type: none"> - Interest accretion based on opening discount rates on opening reserves 	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Interest accretion based on opening rates or date of loss rate for material events. Calculated on new incurred, not paid within the year 	<ul style="list-style-type: none"> - Variability on new incurred, amount of newly incurred claims paid during the period and markets rates for material events
Change in discount rates	<ul style="list-style-type: none"> - Calculated as difference between closing reserves using opening/event rate vs closing reserves using closing rates 	<ul style="list-style-type: none"> - Size and direction of movements driven by how interest rates move during the period

Investor relations calendar - 2024

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



Conduit Re scheduled disclosures

21 February 2024:

- 2023 Preliminary Results



Conduit Re planned roadshows & conferences

10 January 2024:

- BOFA SMID Conference 2024 (virtual)

31 January 2024:

- Peel Hunt ESG conference (virtual)

5 March 2024:

- RBCC conference (New York)

13 March 2024:

- Morgan Stanley conference (London)

20 March 2024:

- Berenberg conference (The Grove, Watford)



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", "signals", "projects", "anticipates", "expects", "achieve", "intends", "tends", "on track", "well placed", "continued", "estimated", "projected", "upcoming", "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, Ida, and Idalia, the European storms and floods in 2021 and 2022 and, the earthquake in Turkey and wildfires in Canada 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; 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 and at policy inception; the pattern and development of premiums as they are earned; 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 the ongoing conflicts in Ukraine and the Middle East, 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 Bermuda, 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. 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. All subsequent written and oral forward-looking statements attributable to Conduit and/or the group or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above.

"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 uses 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.

This announcement contains information, which may be of a price sensitive nature, that Conduit is making public in a manner consistent with the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, and other regulatory obligations. The information was submitted for publication, through the agency of the contact persons set out above, at 07:00 BST on 8 November 2023. 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. 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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. 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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

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