

**Conduit Holdings Limited**  
 ("CHL" - LSE ticker: CRE)

**January 2023 Renewals Trading Update**

**Significant premium growth through new business and renewals, with year-on-year change of circa 60%; higher pricing and improved terms and conditions secured; entering 2023 from a position of strength and well placed to continue to take advantage of further anticipated momentum in rates**

CHL, the parent company of Conduit Re, a pure-play global reinsurance business based in Bermuda, today provides a trading update in relation to the key 1 January 2023 renewal season where it has seen a strong start to the year.

**Trevor Carvey, Chief Executive Officer, said:**

*"This has been an exceptional renewal season. 60% premium growth is the true indication of the underwriting conditions we have experienced. This is manifesting itself across pricing and rates, terms and deductibles, and the strong increase in new business that we have enjoyed. From a capital perspective, we have plenty of room to execute our plan and the growth we anticipate."*

**Key highlights of 1 January renewals:**

- Estimated ultimate premiums written of \$421.4 million:
  - Increase of circa 60% on 2022 (\$262.6 million)
  - Extremely strong Property and Specialty market conditions provided the opportunity to grow those classes more
  - Continued selective growth in Casualty lines which continue to provide attractive underwriting opportunities
- Business continues to trend towards a mid-80's combined ratio in the medium term, further supported by:
  - Significantly enhanced terms and conditions
  - Reduced acquisition costs on renewed business
  - Exceptional pricing environment
- 19% risk-adjusted rate change net of inflation across the portfolio, comprising:
  - 39% risk-adjusted rate change on Property
  - 1% risk-adjusted rate change on Casualty
  - 14% risk-adjusted rate change on Specialty
- Conduit Re continues to have a strong, legacy-free balance sheet and is well placed to continue to grow in the current market conditions

**Underwriting activities**

The split of our estimated ultimate premiums written by line of business at 1 January 2023 was:

Type of business	2023 \$m	%	2022 \$m	%	Year on Year increase %
Property	197.3	47	109.3	41	81
Casualty	112.2	27	85.5	33	31
Specialty	111.9	26	67.8	26	65
<b>Total</b>	<b>421.4</b>	<b>100</b>	<b>262.6</b>	<b>100</b>	<b>60</b>

**Pricing**

Conduit Re's year-on-year renewal business written at 1 January 2023 shows a further hardening of pricing, with an overall risk-adjusted rate change, net of inflation, of 19%:

Type of business	2023 January Renewals	Q3 2022 to-date	H1 2022 to-date	Q1 2022 to-date	2022 January Renewals
Property	39%	7%	8%	8%	8%
Casualty	1%	1%	1%	3%	4%
Specialty	14%	2%	2%	2%	2%
<b>Weighted</b>	<b>19%</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>

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.

**Gregory Roberts, Chief Underwriting Officer, commented:**

*"We experienced a busy and rewarding start to the year. In the 1 January renewals we increased our weighting towards Property and Specialty business, capitalising on an exceptional shift in pricing, while balancing it against our Casualty book, which is still attractively priced. A highlight was that we successfully secured our retrocession programme in line with our objectives. As a team, we are absolutely delighted in the way that we executed the renewals period and feel that we have developed a reputation as being a responsive, reliable and disciplined counterparty. We expect market conditions to continue to offer opportunities for further growth as the year develops."*

**Outlook**

The significant movement in pricing and terms and conditions is evidence of a structural shift in the market-place caused by a fundamental re-pricing of risk and an imbalance in the supply and demand of capital. We see this as an enduring environment creating the opportunity for improved margins in our business across the rest of 2023 and beyond.

We will announce our 2022 year-end financial results on 22 February 2023.

**Neil Eckert, Executive Chairman, commented:**

*"This has been an exciting January renewals. Premium up, conditions improving, and our team has had a really good start to 2023. We are continuing to see reserve strengthening across the reinsurance industry, which gives Conduit Re with its legacy-free balance sheet, competitive edge. Conduit Re is now truly through its start-up phase."*

**Webcast**

Conduit Re's management will host a live question-and-answer session via a webcast and

conference call for analysts and investors on Wednesday, 25 January 2023 at 12pm (midday) UK time / 8am Bermuda time.

To access the live webcast, please register in advance here:

<https://www.lsegissuerservices.com/spark/ConduitHoldingsLtd/events/47793d01-4b7b-45a6-bac1-926965246116>

To access the live conference call, please register to receive unique dial-in details here:

<https://cosprereg.btc.com/prereg/key.process?key=P9RCY7WUY>

A recording of the conference call will be made available on the Investors section of Conduit Re's website at [www.conduitreinsurance.com](http://www.conduitreinsurance.com) from approximately 4:00 p.m. BST on 25 January 2023.

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#### About Conduit Re

Conduit Re is a pure play global reinsurance business based in Bermuda. 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 Re and is listed on the London Stock Exchange (ticker: CRE).

#### Learn more about Conduit Re:

Website: <https://conduitreinsurance.com/>

LinkedIn: <https://www.linkedin.com/company/conduit-re>

#### Important Information

References below to Conduit Re include Conduit Holdings Limited and Conduit Reinsurance Limited.

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, future events or intentions. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, 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 Re's operations.

Forward-looking statements may and often do differ materially from actual results. Forward-looking statements reflect Conduit Re'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 Re'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 Re'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, and the European storms and floods in 2021; 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 Re's risk management and loss limitation methods, including to manage volatility; the recovery of losses and reinstatement premiums from Conduit Re's own reinsurance providers; the development of Conduit Re's technology platforms; a decline in Conduit Reinsurance Limited's ratings with A.M. Best or other rating agencies; the impact that Conduit Re's future operating results, capital position and ratings may have on the execution of Conduit Re's business plan, capital management initiatives or dividends; Conduit Re'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 Re'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 Re's key management and the potential loss of key personnel; the credit environment for issuers of fixed maturity investments in Conduit Re'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 Re operates; Conduit Re 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 Re conducts business. Forward-looking statements contained in this trading update may be impacted by the escalation or expansion of the Ukraine conflict on Conduit Re'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 Re 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 bound" is the estimated total gross premiums written that is expected to be earned assuming all bound contracts run to the end of the period of cover.

The Conduit Re renewal year on year risk-adjusted 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 Re'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 Re contracts. The future profitability of the portfolio of contracts within the change measure is dependent upon many factors besides the trends in premium rates.

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