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Neither this announcement, nor anything contained herein, nor anything contained in the Registration Document referred to herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not subscribe for or purchase any common shares (the "**Shares**") referred to in this announcement or the Registration Document except solely on the basis of the information contained in a prospectus in its final form (together with any supplementary prospectus, if relevant, the "**Prospectus**"), including the risk factors set out therein, that may be published by Conduit Holdings Limited (the "**Company**" or "**Conduit**", and together with its subsidiary undertakings, the "**Group**") in due course in connection with a possible offer of Shares in the Company and the possible admission to listing of such Shares to the standard listing segment of the Official List of the FCA (the "**Official List**") and to trading on the main market of London Stock Exchange plc (the "**London Stock Exchange**"). This announcement constitutes the Company's announcement of an Expected Intention to Float on the London Stock Exchange. A copy of any Prospectus published by the Company will, if published, be available for inspection at Conduit's registered office and website at [www.conduitreinsurance.com](http://www.conduitreinsurance.com) subject to certain access restrictions.

**FOR IMMEDIATE RELEASE**

**5 November 2020**

### **Conduit Holdings Limited**

#### **Publication of a Registration Document**

#### **Intention to Float on the London Stock Exchange**

Conduit announces that it is proceeding with an initial public offering (the "**IPO**" or the "**Offer**") and intends to publish today a registration document (the "**Registration Document**") that has been submitted for approval to the FCA. The Company intends to apply for admission of its Shares to the standard listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities (together, "**Admission**").

#### **Conduit Highlights**

- Conduit is a newly established reinsurance underwriting business focusing on producing strong risk adjusted returns from a diversified and focused business plan. The business has been formed to capitalise on what the Company's founders, Neil Eckert and Trevor Carvey (the "**Founders**") believe to be an exceptional market opportunity.
- Conduit expects to write reinsurance in the Property, Casualty and Specialty classes. Years of high insured losses, diminished reserves and the more recent losses and industry strain caused by Covid-19 and severe capacity shortages in certain classes of insurance and reinsurance have produced major corrections in reinsurance pricing and policy Terms & Conditions.
- Against the industry background of losses, litigation and capacity constraint, as a new business, Conduit has no legacy exposure and, following the Offer, its strong and unencumbered balance sheet will be fully available to write new business in what the Founders believe to be an attractive market environment.
- Conduit will be led by two highly successful, experienced and networked industry executives, Neil Eckert and Trevor Carvey.

- Conduit plans to build a strong underwriting franchise which will target strong cross-cycle returns on equity in the mid-teens. The business plan has a balanced approach to catastrophe risk exposures, generating profit and franchise value through the quality of its underwriting and its select portfolio of high-quality business.
- Following years of de-listings, in weak industry conditions and upon industry consolidation, Conduit offers investors the opportunity to take advantage of prevailing, highly positive industry conditions through investment in a listed business which is legacy free and focused only on reinsurance.

Neil Eckert said:

*"Trevor and I have traded in hard markets before, but we believe these are exceptional times by any standards and a really opportunistic time to launch a new reinsurance company bringing fresh capital and a very focused business plan to the market. We are enthused by the industry support we have had whilst developing our ideas for Conduit and look forward to opening for business."*

Trevor Carvey added:

*"We will be targeting an Excess of Loss and Quota Share book of treaty reinsurance business across Property, Specialty and Casualty lines. We are excited by a market where there is so much price improvement across so many classes. For the first time in a long while we think a well-capitalised new entrant can come into the market and successfully target quality business in scale and at historically attractive rates."*

#### **Expected Offer Highlights**

- \$1.1bn of new Shares to be issued by the Company.
- Admission to listing on the Standard Listing segment of the Official List of the FCA and Admission to trading on the Main Market for listed securities of the London Stock Exchange.
- Net proceeds from the issuance of the new Shares will be used to write reinsurance in line with the Company's business plan. The net proceeds will also be used to capitalise the Company to a level such that its capitalisation will meet the levels required for the purposes of its targeted A.M. Best rating of A- (Excellent)

Conduit has engaged Jefferies International Limited ("**Jefferies**") and Panmure Gordon (UK) Limited ("**Panmure Gordon**") as Joint Global Co-ordinators and Joint Bookrunners, in the event the Offer proceeds. Kinmont Limited ("**Kinmont**") and GC Securities, a division of MMC Securities (Europe) Limited ("**GC Securities**") are acting as Joint Financial Advisers to the Company.

#### **Investment and Business Highlights**

Conduit plans to build a strong underwriting franchise which will target returns on equity in the mid-teens. The business will have a balanced approach to catastrophe risk exposures and generate franchise value through the quality of its underwriting and its diverse portfolio of business. Conduit intends to operate as a Bermudian reinsurer with a class IV license issued by the Bermuda Monetary Authority.

Conduit expects to generate significant returns for its shareholders and to provide an ongoing and progressive dividend. The Company is targeting a dividend as soon as during the 2021 financial year of approximately 5% - 6% of equity capital, allocated between an interim and final distribution. Conduit will manage its balance sheet efficiently and in the long term may return excess capital through special dividends or share buybacks where appropriate.

The Company's directors (the "**Existing Directors**") and the proposed Director (the "**Proposed Director**" and, together with the Existing Directors, the "**Directors**") believe that the Group benefits from a number of attractive advantages. In particular, the Directors believe that the Group benefits from the following key strengths, and will seek to build its reputation on a strict underwriting philosophy of focused excellence and discipline:

- **Pure underwriting business:** Philosophically, the Founders believe that franchise value in a reinsurance business is built around a disciplined underwriting plan and the Group is therefore intended to be a pure underwriting business with limited risk being taken on the investment of its assets in order to protect solvency capital and rating.

- ***Both focused and diversified:*** With a focus on quality underwriting, the Group's business is expected to be constructed from six main "classes" with balanced line sizes across contracts and classes.
- ***Risk adjusted returns maximisation and portfolio optimisation:*** The Group intends to actively monitor its target classes and expects to regularly review and, if necessary, reallocate its capacity by class of business based on market dynamics to target the best returns on a risk-adjusted basis for the portfolio as a whole.
- ***Collaborative team with a focus on returns:*** The Group's underwriting team will collaborate to deliver a target overall portfolio with a collaborative approach rather than teams operating in 'silos' of business. The Group's central ethos will be built on discipline, transparency and risk management to deliver a portfolio return over the long-term.
- ***Insurance and reinsurance expertise:*** Conduit's team will be comprised of experienced individuals from both insurance and reinsurance backgrounds with the expertise and experience to access and manage risk through the market cycles.
- ***Efficient reinsurance operating platform:*** Focusing solely on reinsurance allows for such businesses to operate more efficiently than the broader insurance industry and provides the ability to establish the Group without incurring the high level of costs often associated with start-up financial services businesses.
- ***Efficient and targeted use of technology:*** Conduit will seek to complement its underwriting expertise with targeted use of technology with a particular focus on data driven pricing, analytics and exposure management. It will seek to ensure the team is positioned to make the best real time capacity allocation and underwriting decisions in a highly efficient operating environment.

## **The Directors**

The Founders, Neil Eckert and Trevor Carvey, have highly regarded industry credentials and each has over 30 years' experience in industry leading organisations in all aspects of insurance across distribution, underwriting and technology (including several successful start-up vehicles). They have devoted significant time over the previous months garnering support for the Group's business plan from a number of key reinsurance brokers.

The following individuals are the Directors:

### ***Neil Eckert – Director and proposed Executive Chairman***

Neil Eckert became a reinsurance broker in 1980, joining Benfield Lovick & Rees & Co in 1986. He was a board member from 1991 until his resignation in 2000. Neil founded Brit Insurance Limited in 1995 and remained its CEO until 2005, following which he served as a non-executive director of the company until 2008. Neil was the co-founder and CEO of Climate Exchange plc until its sale to Intercontinental exchange in 2010 for approximately £400 million.

Following the sale of Climate Exchange, Neil founded Aggregated Micropower which was sold in January 2020. Neil is currently Chairman of Incubex and is also on the board of Ebix, a \$600 million Nasdaq listed company and the world's leading provider of electronic exchange services to the insurance industry. It has been one of the fastest growing companies in the United States over the last decade.

### ***Trevor Carvey – Proposed Director and proposed Group Chief Executive Officer***

Trevor Carvey has a track record of profitable build outs in the reinsurance industry. He led the consolidation and subsequent profitable turnaround of the GE Frankona Marine & Energy Global portfolio. In 2002 he was recruited as a founding underwriter and leader at Arch Re Bermuda which was the poster child of the class of 2002 start-ups and where he was key in the development of the Reinsurance business.

In 2007 Trevor joined Harbor Point Re in the UK to lead the build out of the European operation over a 5-year period. Subsequently he held the role of CUO Europe in Alterra RE business. Trevor was part of the team responsible for the successful integration of the Alterra Global Re unit into Markel where he was appointed as a co-leader of the Global Reinsurance Portfolio.

Trevor was approached by Hamilton in 2015, to assist in building out a new treaty reinsurance strategy in the UK and subsequently took on the overall role for leading the Lloyd's approval of the syndicate business plan as an active underwriter.

Trevor Carvey will be appointed as a Director of the Company prior to the publication of any Prospectus issued in connection with the Offer.

### ***Mark Heintzman- Director and proposed Chief Financial Officer***

Mark Heintzman is a CPA/CFA/ARe qualified accountant with 30 years' experience in the insurance and reinsurance industry, most recently as CFO for Ironshore Insurance Limited, a Bermuda Class 4 licensed company. Mark has extensive experience in Treasury, Financial Controller and CFO roles in the industry, for businesses across a wide range of different underwriting classes and territories, including start up experience.

Mark will be based in Bermuda and will take responsibility for managing all financial aspects of the Group's business activities including our outsource partner relationships, all aspects of Group's internal and external financial reporting (including A.M. Best) and the execution and oversight of the Group's Investment Management strategy.

### ***Charles Collis – Director***

Charles Collis is a director in the Corporate department in the Bermuda office of Conyers Dill & Pearman and is Head of the Bermuda Insurance Practice. Charles is a Director for the purposes of the incorporation of the Company which occurred on 6 October 2020 and for the purposes of the Registration Document only; he will not have an ongoing role on the Board.

Full details on the Company's Board and management will be set out in the Company's prospectus.

A copy of the Registration Document will be submitted to the National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> once approved by the FCA. A copy of the Registration Document will also be available on Conduit's website at [www.conduitreinsurance.com](http://www.conduitreinsurance.com) subject to certain access restrictions.

### **Supplemental information for bona-fide, unconnected sellside research analysts**

A presentation and related information will be made available via a link to unconnected research analysts today. Please contact [info@conduitreinsurance.com](mailto:info@conduitreinsurance.com) for access details and credentials.

### **Enquiries**

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### **Important Legal Information**

This announcement which has been prepared by, and is the sole responsibility of, the Company has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Jefferies International Limited ("**Jefferies**").

Each of Jefferies, Panmure Gordon (UK) Limited ("**Panmure Gordon**") and, together with Jefferies, the "**Banks**") and Kinmont Limited (the "**Financial Adviser**") are authorised and regulated in the United Kingdom by the FCA and are acting exclusively for the Company and no one else in connection with the possible Offer and Admission. The Banks and the Financial Adviser will not regard any other person (whether or not a recipient of this announcement) as its client in relation to the Offer and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing any advice in relation to the Offer or Admission, the contents of this announcement or any transaction or arrangement referred to herein.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for, or otherwise invest in, securities to any person in the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada, Japan, the Republic of South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful. Any securities referred to herein may not be offered or sold in the United States unless registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") except pursuant to a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The possible offer of Shares referred to herein has not been and will not be registered under the Securities Act or under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Shares referred to herein may not be offered or sold in Australia, Canada, Japan or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa. There will be no public offer of the Shares in the United States, Australia, Canada, Japan, the Republic of South Africa or elsewhere.

**For investors in Canada:** This document may constitute an "offering memorandum" under applicable securities laws in Canada and you may therefore have, depending on your province or territory of residence, remedies for rescission or damages if this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by you within the time limit prescribed by the securities legislation of your province or territory. You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal advisor.

This document is being provided to Canadian residents hereby on a confidential basis solely to those entities or individuals who qualify both as "accredited investors" and "permitted clients", as such terms are defined in National Instrument 45-106 *Prospectus Exemptions* (and, for investors in Ontario, section 73.3 of the *Securities Act* (Ontario)) and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, respectively.

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Except as otherwise expressly required by applicable law or as agreed to in contract, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability of any kind or nature whatsoever is accepted by a Bank, the Financial Advisor or any other securities dealer as to the accuracy or completeness of the information contained in this document or any other information provided in connection with the offering in Canada. Pursuant to the exemption outlined in section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**"), the Company, a Bank and the Financial Advisor are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering in Canada.

This announcement and any offer if made subsequently is, and will be, directed at persons in member states of the European Economic Area (the "**EEA**") who are "qualified investors" within the meaning of Article 2.1 of the Prospectus Directive as amended and to the extent implemented in the relevant member state (Directive 2003/71/EC) ("**Qualified Persons**"). In addition, in the United Kingdom, these materials are directed solely at Qualified Persons: (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) who are persons falling within Article 49(2)(a) to (d) of the Order; or (iii) to whom it may lawfully be communicated without any further action by the Company (all such persons in (i) to (iii) together being referred to as "**relevant persons**"). Any investment or investment activity to which this announcement relates will be available only to relevant persons and will be engaged in only with such persons.

The Registration Document mentioned in this announcement may be combined with a securities note and summary to form a prospectus in accordance with the Prospectus Rules. A prospectus is required before an issuer can offer transferable securities to the public or request the admission of transferable securities to trading on a regulated market. However, the Registration Document referred to in this announcement, where not combined with the securities note and summary to form a prospectus, does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities in the Company in any jurisdiction, nor shall the Registration Document alone (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to any offer or otherwise. Any subscription or purchase of shares in the possible Offer

should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the possible Offer.

This announcement may include 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", "projects", "anticipates", "expects", "intends", "may", "will" 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 may and often do differ materially from actual results. Any forward-looking statements reflect the Company'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 the Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. 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. Each of the Company, the Banks and the Financial Adviser expressly 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 the Financial Services and Markets Act 2000, the Listing Rules or Prospectus Regulation Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.

Any purchase of Shares in the possible Offer should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offer. The information in this announcement is subject to change. Before subscribing for or purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Registration Document referred to herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The Company may decide not to go ahead with the Offer and there is therefore no guarantee that Admission will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the Registration Document referred to herein, constitutes a recommendation concerning a possible offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

Nothing contained herein constitutes or should be construed as (i) investment, tax, financial, accounting or legal advice; (ii) a representation that any investment or strategy is suitable or appropriate to your individual circumstances; or (iii) a personal recommendation to you.

Unless otherwise indicated, market and industry data are estimates (and accordingly, approximate) and should be treated with caution. Such information has not been audited or independently verified, nor has the Company ascertained the underlying economic assumptions relied upon therein.

For the avoidance of doubt, the contents of the Company's website are not incorporated by reference into, and does not form part of, this announcement.