

## Pembroke, Bermuda - 6 November 2024

Conduit Holdings Limited

("CHL" LSE ticker: CRE)

Trading update for Q3 2024

### Continued year-on-year growth of 25.2% in gross premiums written

CHL, the ultimate parent company of Conduit Re, a multi-line Bermuda-based reinsurance business, today presents its trading update for the nine months ended 30 September 2024.

**Trevor Carvey, Chief Executive Officer, commented:** "Our increase in premiums written of 25% year-on-year reflects continued growth into our capital base, in what we view as a strong market with healthy rate adequacy. We have seen an active quarter from an event perspective, notably natural catastrophe events across the US, Canada and the Caribbean, and as a well-diversified, predominantly quota share reinsurer we pick up our fair share of these, as we expect to do so. Looking forward and into 2025, we remain committed to risk selection and growing our business in a measured and balanced manner."

#### Key highlights:

- Gross premiums written of 957.3 million, a 25.2% increase over the first nine months of 2023
- Reinsurance revenue of 588.2 million, a 30.3% increase over the first nine months of 2023
- Overall portfolio risk-adjusted rate change for the nine months ended 30 September 2024 was 1%, net of claims inflation
- Activity across smaller and mid-size natural catastrophe and risk events has been elevated, and in aggregate our estimated undiscounted net loss recorded in the third quarter was approximately 50 million, net of reinsurance and reinstatement premiums
- 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
- High quality investment portfolio with average credit quality of AA; duration 2.5 years; book yield of 4.2% and market yield of 4.5% as at 30 September 2024 (respectively AA, 2.4 years, 2.8% and 5.0% as at 30 September 2023)

#### Outlook:

- Market conditions remain stable across the business classes we target, with Property and Specialty lines in particular providing continued opportunities for growth
- In October, Hurricane Milton made landfall in Florida and while we are in the early stages of assessing the loss we expect our undiscounted net loss to be in the range of 30-50 million, net of reinsurance and reinstatement premiums
- Recent natural catastrophe and risk events, as well as pre-2020 industry legacy reserve development, are expected to support a resilient pricing outlook
- The market outlook supports good risk / return dynamics, and our portfolio is well positioned to respond to market conditions. Rates in loss exposed classes, such as marine liability and civil unrest, are likely to respond positively
- Conduit Re's single location and efficient structure allow the team to be responsive to quickly changing market conditions
- Our partnership is valued in the market, and clients are engaging early in January renewal conversations
- Conduit Re remains well capitalised and positioned to deploy capacity to the classes it finds most attractive across its multi-line platform at upcoming renewals

#### Underwriting update

##### Premiums

Gross premiums written for the nine months ended 30 September 2024:

Segment	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%
<b>Total</b>	<b>957.3</b>	<b>764.4</b>	<b>192.9</b>	<b>25.2%</b>

##### Reinsurance revenue

Reinsurance revenue for the nine months ended 30 September 2024:

Segment	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%
<b>Total</b>	<b>588.2</b>	<b>451.3</b>	<b>136.9</b>	<b>30.3%</b>

##### Pricing

Pricing levels and terms and conditions generally continued to be attractive in the nine months ended 30

September 2024.

Conduit Re is seeing an increasing number of opportunities to deploy its capital into the areas and products that it targets. The non-catastrophe elements of both Property and Specialty in particular are providing good opportunities for selective growth.

Conduit Re's overall risk-adjusted rate change for the nine months ended 30 September 2024, net of claims inflation, was 1%, and by segment was:

Property	Casualty	Specialty
3%	(1%)	1%

**Gregory Roberts, Chief Underwriting Officer, commented:** "With two months remaining in the year, the reinsurance industry has already experienced a significant level of natural catastrophe and large loss activity. Pricing conditions remain broadly stable and benefit from several years of compounding rate increases. As a trusted partner, our underwriting team engages with clients in what is a dynamic marketplace as we continue to grow while maintaining the balance of our overall portfolio."

#### Net reinsurance losses and loss related amounts

Activity across smaller and mid-size natural catastrophe and large risk events was elevated in the third quarter. In aggregate, our estimated undiscounted net loss, after reinsurance and reinstatement premiums, for these large loss events recorded in the third quarter was approximately 50 million. While reserves have been recorded for these events, significant uncertainty exists in relation to the ultimate losses.

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.

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

#### Investments

In line with our stated strategy, we continue to maintain a conservative approach to managing our invested assets with a strong emphasis on preserving capital and liquidity. Our strategy is focused on maintaining a short-duration, highly-rated portfolio, with due consideration of the duration of our liabilities. Our investment portfolio does not hold any derivatives, equities, alternatives or emerging market debt.

The investment return for the nine months ended 30 September 2024 was 4.9%, driven primarily by a significant decrease in treasury yields during the third quarter, combined with investment income given a generally higher yielding portfolio. In the nine months ended 30 September 2023, the portfolio returned 2.1% driven primarily by investment income.

The breakdown of the managed investment portfolio is as follows:

	As at 30 September 2024	As at 30 September 2023
Fixed maturity securities	86.6%	87.5%
Cash and cash equivalents	13.4%	12.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Key investment portfolio statistics for our fixed maturity securities and managed cash were:

	As at 30 September 2024	As at 30 September 2023
Duration	2.5 years	2.3 years
Credit quality	AA	AA
Book yield	4.2%	3.5%
Market yield	4.5%	5.8%

#### Capital and dividends

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

During the third quarter of 2024, CHL's Board of Directors declared an interim dividend of 0.18 (£0.1394) per common share in respect of 2024, which was paid in pounds sterling on 5 September 2024 to shareholders of record on 16 August 2024, resulting in an aggregate payment of 29.7 million.

#### Presentation for Analysts and Investors at 12:00 noon UK time

Conduit's management team will host a virtual meeting and conference call for analysts and investors on Wednesday 6 November 2024 at 12:00 noon UK time / 8:00 am Bermuda time.

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

<https://sparklive.lseg.com/ConduitHoldingsLtd/events/d3bfb5ee-bde7-49a7-b1f7-f92465578a4e/conduit-holdings-limited-q3-2024-trading-update>

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

<https://registrations.events/direct/LON98987130>

The accompanying slides for this presentation are now available to view on the Investors section of Conduit's website at [www.conduitreinsurance.com](http://www.conduitreinsurance.com). A recording of the conference call will be made available later in the day at the same location.

#### Investor Presentation via Investor Meet Company at 16:00 pm UK time

Trevor Carvey, Chief Executive Officer, and Neil Eckert, Executive Chairman, will provide a separate live presentation aimed at retail investors, relating to the Q3 2024 Trading Update via the Investor Meet Company platform, on Wednesday, 6 November 2024 at 16:00 UK time / 12:00 noon Bermuda time.

The presentation is also open to all existing shareholders. No new trading, financial or other CHL information will be disclosed during the presentation.

There will be an opportunity for Questions & Answers at the end of the meeting. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9:00 am UK time on the day before the meeting or at any time during the live presentation.

**Investors can sign up to Investor Meet Company for free, or if signed up, can add to meet Conduit Holdings Limited via:**

<https://www.investormeetcompany.com/conduit-holdings-limited/register-investor>

Investors who are already registered on the Investor Meet Company platform and follow Conduit on the Investor Meet Company platform will automatically be invited.

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### **About Conduit Re**

Conduit Re is a multi-line Bermuda-based reinsurance business with 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.

### **Learn more about Conduit Re:**

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

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

### **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.

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