

## Pembroke, Bermuda - 14 May 2025

Conduit Holdings Limited

("CHL" LSE ticker: CRE)

Trading update for Q1 2025

Continued premium growth across all segments

Neil Eckert appointed Chief Executive Officer

Board approves buyback programme of up to 50 million

CHL, the ultimate parent company of Conduit Re, a multi-line Bermuda-based reinsurance business, today presents its trading update for the three months ended 31 March 2025.

**Neil Eckert, Chief Executive Officer, commented:** "I am honoured to accept the role of CEO and look forward to continuing to work with the talented team at Conduit to deliver on our objectives. During the quarter we have continued to see attractively priced underwriting opportunities and as a result have driven growth across all our divisions, delivering a 15% increase in gross premiums written. Our growing, high quality investment portfolio has also performed well with a 2.1% return for the quarter.

The experienced team at Conduit have effectively navigated one of the most challenging quarters for insured catastrophe losses in history, taking decisive action following the devastating California wildfires to enhance our resilience and reduce earnings volatility for the rest of 2025. Looking ahead, we continue to have confidence in our ability to deliver a target return on equity in the mid-teens across the insurance cycle. The Board's decision to approve a share buyback programme further demonstrates its confidence in the value of Conduit's franchise and our commitment to deliver shareholder value."

### Key highlights:

- Gross premiums written of 410.2 million, a 15.0% increase over the first three months of 2024, with growth achieved across all three segments
- Reinsurance revenue of 213.0 million, a 17.6% increase over the first three months of 2024
- Overall portfolio risk-adjusted rate change for the three months ended 31 March 2025 was (4)%<sup>1</sup>, net of claims inflation, but remains at attractive levels following improvements in pricing, terms and conditions during recent years
- No change from previously reported undiscounted ultimate net loss relating to the California wildfires of between 100.0 million and 140.0 million, net of reinsurance and reinstatement premiums
- High quality investment portfolio produced a return of 2.1% for the three months ended 31 March 2025, driven by a higher yielding portfolio and the reduction in treasury yields

### Outlook:

- Our deal flow remains robust and strong relationships with clients and brokers support our ability to target desired classes in a more competitive environment
- Additional reinsurance has been secured for both US and global secondary perils, alongside increased aggregate cover, complementing existing peak peril protection to enhance resilience and reduce potential earnings volatility
- The Board of Directors has approved a share buyback programme of up to 50 million, in line with Conduit's capital management strategy
- We expect a 2025 RoE between high single and low double digits, reflecting the California wildfires, as well as the noted additional reinsurance purchases and portfolio adjustments
- We remain confident in our ability to achieve our cross-cycle target of a mid-teens RoE

### Underwriting update

#### Premiums

Gross premiums written for the three months ended 31 March 2025:

Segment	2025 m	2024 m	Change m	Change %
Property	237.9	217.1	20.8	9.6%
Casualty	84.1	69.0	15.1	21.9%
Specialty	88.2	70.7	17.5	24.8%
<b>Total</b>	<b>410.2</b>	<b>356.8</b>	<b>53.4</b>	<b>15.0%</b>

During the first quarter of 2025, all segments delivered growth in gross premiums written, led by Casualty and Specialty. This performance was supported by our strong relationships with clients and brokers that have provided additional opportunities for renewal and new business.

#### Reinsurance revenue

Reinsurance revenue for the three months ended 31 March 2025:

Segment	2025 m	2024 m	Change m	Change %
Property	111.7	98.8	12.9	13.1%
Casualty	53.0	48.3	4.7	9.7%

Specialty	2025 48.3	2024 34.0	Change 14.3	Change 42.1%
<b>Total</b>	<b>213.0</b>	<b>181.1</b>	<b>31.9</b>	<b>17.6%</b>

### Pricing

Despite some moderation, pricing levels and terms and conditions continued to be attractive in the three months ended 31 March 2025, benefitting from multiple years of compounding rate increases.

Certain Casualty lines continue to benefit from market correction driven by reserve deterioration and loss emergence, primarily from pre-2020 years. Market conditions across Property and Specialty segments reflect some increased competition following significant pricing increases over the past several years.

Conduit Re's overall risk-adjusted rate change for the three months ended 31 March 2025, net of claims inflation, was (4)%, and by segment was:

Property	Casualty	Specialty
(6)%	(1)%	(3)%

### Net reinsurance losses and loss related amounts

The first quarter of 2025 was a highly active period for insured catastrophe events for the industry, including the California wildfires, severe convective storms and other risk events. The California wildfires were the most notable loss event during the first quarter of 2025, causing widespread damage in the Los Angeles area. As previously reported, our estimated undiscounted net loss estimate across all segments remains between 100.0 million and 140.0 million, net of reinsurance and reinstatement premiums.

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 continue to review these estimates as additional information becomes available and the financial impact will be reported in more detail in the interim results for the six months ended 30 June 2025. 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 remains maintaining a short duration, highly-rated portfolio, with due consideration of the duration of our liabilities. Our investment portfolio does not currently hold any derivatives, equities or alternatives.

The investment return for the first three months of 2025 was 2.1% driven by a higher yielding portfolio and the reduction in treasury yields. In the first three months of 2024 the portfolio returned 0.5% due to a higher yielding portfolio which offset the increase in treasury yields in the quarter.

The breakdown of the managed investment portfolio is as follows:

	As at 31 March 2025	As at 31 March 2024
Fixed maturity securities	87.9%	88.4%
Cash and cash equivalents	12.1%	11.6%
<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 31 March 2025	As at 31 March 2024
Duration	2.7 years	2.5 years
Credit quality	AA	AA
Book yield	4.1%	3.9%
Market yield	4.6%	5.3%

### Capital & dividends

During the first quarter of 2025, CHL's Board of Directors declared a final dividend of 0.18 (£0.13904) per common share in respect of 2024, which was paid in pounds sterling on 17 April 2025 to shareholders of record on 21 March 2025, resulting in an aggregate payment of 29.7 million.

During April, shares purchased by CHL's employee benefit trust amounted to 3.0 million or 693,474 shares, and will be held in trust to meet future obligations under CHL's variable incentive schemes.

CHL announced today that the Board of Directors has approved a share buyback programme of up to 50 million (the "Buyback"), in line with Conduit's capital management strategy. The Buyback will be funded from existing cash resources. Further details of the Buyback will be available following Conduit's Annual General Meeting.

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

Conduit's management will host a virtual meeting for analysts and investors via a webcast and conference call on Wednesday 14 May 2025 at 12:00 noon UK time. There will be an opportunity for questions & answers at the end of the update. To ask a question, please join via the conference call.

To access the webcast, please register in advance here:

<https://sparklive.lseg.com/ConduitHoldingsLtd/events/fbd8a020-3b29-4e4d-be70-fed703942a59/conduit-holdings-limited-q1-2025-trading-update>

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

<https://registrations.events/direct/LON2618419132>

A recording of the presentation will be made available later in the day on the Investors section of Conduit's website at [www.conduitreinsurance.com](http://www.conduitreinsurance.com).

### Investor Presentation via Investor Meet Company at 4:00 pm UK time

Conduit's management will provide a separate presentation aimed at retail investors, relating to the Q1 2025 trading update, via the Investor Meet Company platform, on Wednesday, 14 May 2025 at 4:00 pm UK time.

The presentation is open to all existing and potential shareholders. No new material, including trading or financial 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 the day before the meeting or at any

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**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 Holdings Limited will automatically be invited to the call.

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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 7:00 am UK time on 14 May 2025.

#### **About Conduit Re**

Conduit Re is a Bermuda-based multi-line 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 positive.

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 contains inside information for the purpose of the Market Abuse Regulation (EU) No 596/2014 (which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018, as amended).

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", "preliminary", "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 or loss estimates. Forward-looking statements include statements relating to the following: (i) future capital requirements, 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 hurricanes, storms, floods and wildfires; the impact of complex causation and coverage issues associated with attribution of losses to wildfires, wind or flood damage; the impact of increased costs and inflation to settle claims in high density areas and emerging information as losses develop; 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 emerging information regarding losses from the California wildfires, the escalation or expansion of the Ukraine conflict or Middle East conflict, 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.

The Conduit renewal year on year indicative risk-adjusted rate change measure is an internal methodology that management uses to track trends in premium rates of a portfolio of reinsurance contracts. The change measure is specific for our portfolio and 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. It is not intended to be commentary on wider market conditions. 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.

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