
CONDUIT CAPITAL LIMITED
Incorporated in the Republic of South Africa
(Registration number 1998/017351/06)
Share code: CND ISIN: ZAE000073128
("Conduit" or "the Company" or "the Group")

**GENERAL MARKET UPDATE AND
INITIAL TRADING STATEMENT**

General Market Update

Conduit Capital is an investment holding company, primarily focused on the insurance industry.

Conduit is pleased to report a tremendous operating improvement at our insurance business, the Constantia Insurance Group ("CIG"). In February 2020 a new leadership team was introduced to this business. Since then, CIG has produced nine consecutive months of underwriting profits¹. Underwriting profitability increased by R165 million for the 6 months ended 31 December 2020 ("current period"), as compared to the 6 months ended 31 December 2019 ("prior comparable period"). The combined ratio has improved by 12% year-on-year.

The improved overall underwriting performance was aided by the decisive action taken in March 2020 to remove wastage, a necessary 20% reduction in the workforce in June 2020, and the elimination of legacy costs. Operating expenses were ahead of budget by 20% for the 5 months to November 2020. Excluding non-recurring outflows, the business generated R167 million in positive cash flows since the leadership change.

Century 21, our real estate brokerage business, improved sales by 45% for the current period against the prior comparable period.

Presentation

A comprehensive presentation, to be presented at the Annual General Meeting ("AGM") later today and containing additional information about the financial results through the end of November 2020, is available to all shareholders at <https://www.conduitcapital.co.za/presentations.php>. Shareholders still wishing to attend the AGM are referred to the details of the meeting as released on SENS on 11 January 2021.

Initial Trading Statement

In terms of the Listings Requirements of JSE Limited, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported on will differ by more than 20% from that of the previous corresponding period.

Accordingly, a provisional review by management of the financial results for the current period has indicated that both loss per share and the headline loss per share is expected to improve by more than 20%.

A further trading statement will be released once the Company has a greater degree of certainty with regards to its financial results for the current period.

The financial information on which this trading statement is based has not been reviewed or reported on by the Group's auditors. Conduit's financial results are expected to be released on SENS on or about 1 March 2021.

Johannesburg
18 January 2021

Sponsor

Merchantec Capital

¹ Underwriting profits is calculated before operating expenses