

CONDUIT CAPITAL LIMITED

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

CONDENSED CONSOLIDATED UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement and does not contain full or complete details. The full announcement is available at: <https://senspdf.jse.co.za/documents/2021/jse/isse/cnd/interim21.pdf>

and also published on the Group's website at www.conduitcapital.co.za. Any investment decisions should be based on consideration of the full announcement. A presentation relating to the results announcement is available at: <https://www.conduitcapital.co.za/presentations.php>

The full announcement is also available on request by emailing results@conduitcapital.co.za.

FINANCIAL HIGHLIGHTS

	<i>Unaudited six months ended Dec '20 vs six months ended Dec '19</i>
▪ Gross written premium	↘ 14.4% to R954.8 million
▪ Net premium income as reported	↘ 20.1% to R134.8 million
▪ Net premium income excluding solvency reinsurance	↘ 18.1% to R855.9 million
▪ Operating result from insurance operations	↗ from R126.3 million loss to R1.8m profit
▪ Loss per share	↘ from 43.8 cents to 7.5 cents
▪ Headline loss per share	↘ from 42.4 cents to 8.4 cents
▪ Net asset value per share	↘ from 61.7 cents to 16.3 cents
▪ Weighted average number of shares in issue ('000)	↘ 1.5% to 691,738

The turnaround in the performance of Conduit is pleasing and has continued into the new financial year.

Conduit's insurance business, the Constantia Insurance Group ("CIG"), achieved a combined ratio of 99.8% for the six months to 31 December 2020 ("current period") compared to 111.3% in the prior comparable period.

In February 2020, a new leadership team was introduced to CIG. Since then, CIG has produced ten consecutive months of underwriting profits¹ and a combined ratio below 100%. For the current period, CIG delivered an insurance operating profit of R1.8 million compared to a R126.3 million operating loss in the comparative period. This is a remarkable and sustainable turnaround of the business of which we are very proud.

Underwriting profitability increased by an estimated R91.5 million for the current period compared to the prior period. Net cash generated from group operations during the 11 months since the leadership change at CIG and excluding once-off costs and losses from discontinued business lines, was R47.7

¹ Underwriting profits is calculated before operating expenses.

million. Since the leadership change in February 2020, cumulative underwriting profits have amounted to R186.7 million.

The insurance operating result for the period under review includes R25.7 million in non-repeating losses from discontinued businesses, R8.8 million in once-off transaction costs, as well as various Covid-19 related provisions. Without these costs the insurance operating result would be substantially positive, and the combined ratio would be closer to our long-term target of 95%. The momentum in the business has continued through January 2021.

The Group's listed investments remain under price pressure, however business intrinsic value has held firm or improved, and the gap between reasonable fair value and market price is extremely wide.

Century 21 increased sales by 45% off a relatively fixed cost base, as low interest rates increased home sales. ASOC Fund 1 is expected to realise some of their investments at a profit during the course of the calendar year.

Johannesburg
22 February 2021

Directors:

Executive directors: Sean Riskowitz (Chief Executive Officer), Bianca Yan (Financial Director)
Non-executive directors: Ronald Napier (Chairman)*, Leo Chou, Adrian J Maizey, Nonzukiso Siyotula*, William N Thorndike Jr.*

* Independent

Company secretary: CIS Company Secretaries Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

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Sponsor: Merchantec Capital