Helios Underwriting plc

Investor presentation – September 2016

Disclaimer

This document has been prepared by Helios Underwriting plc solely for use at a confidential presentation in connection with the proposed placing of ordinary shares (the "Shares") in the capital of the Company (the "Placing").

This presentation is only directed at persons who are deemed sufficiently expert or sufficiently sophisticated to understand the risks involved. Accordingly, this presentation is made to and directed only at persons in member states of the European Economic Area who are "qualified investors" within the meaning of article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto and who fall within the definition of investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), high net worth companies or incorporated associations as defined in Article 49(2)(a) to (d) of the Order or overseas recipients as defined in Article 12 of that Order and to others to whom it can lawfully be communicated and distributed, whether inside or outside the United Kingdom, without approval by an authorised person (together, the "Relevant Persons"). Any investment activity to which this presentation relates is available only to, and will be engaged in only with, Relevant Persons. This document should not be acted on by persons who are not Relevant Persons.

This document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part for any purpose. Neither this document nor any copy of it may be distributed in or into the United States, Canada, Australia, the Republic of Ireland or Japan or in any other country outside of the United Kingdom where such distribution may lead to a breach of any law of regulatory requirement. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or under any securities laws of any state or other jurisdiction in the United States and may not be offered, sold, re-sold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any US Persons as defined in Regulation S under the Securities Act. There will be no public offering of Shares in the United States. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this presentation you agree to be bound by the foregoing instructions and limitations and the other terms of this disclaimer.

This presentation does not constitute or form part of and should not be relied on in connection with any offer or invitation to sell, or a solicitation of any offer to purchase or subscribe for shares or any other securities, nor may it or any part of it, nor the fact of its distribution, form the basis of, or be relied upon in connection with, any contract, commitment or investment decision. No representation or warranty express or implied is made as to the fairness, accuracy or completeness of the information contained herein and no reliance should be placed upon it. In particular it should be noted that information about the past performance of Helios Underwriting plc is not a guide as to its future performance.

The information and opinions contained in this presentation do not purport to be comprehensive, are provided as of the date of this document and are subject to change without notice. These materials do not cover all matters that may be relevant for prospective investment. Prospective investors should not treat these materials as advice in relation to legal, taxation or investment matters and are recommended to consult their own advisers in relation to any such issues.

This presentation includes information that has yet to be announced or otherwise made public and as such constitutes inside information for the purpose of the Market Abuse Regulation (EU 596/2014) and non-public price sensitive information for the purpose of the Criminal Justice Act 1993. No recipient of the information in this presentation should therefore deal in or arrange any dealing in or otherwise base any behaviour (including any action or inaction) in relation to the Shares and any derivatives or other financial instruments linked to them until after the formal release of an announcement by the Company of the Placing, as to do so may result in civil and/or criminal liability.

Stockdale Securities Limited, which is authorised and regulated by the Financial Conduct Authority, is acting for Helios Underwriting plc only and will not be responsible to any other person for providing the protection afforded to clients of Stockdale Securities Limited or for advising such persons in relation to the Placing or any of the matters referred to in this presentation. Stockdale Securities Limited has not approved the contents of, or any part of, this presentation.

Some of the statements in this presentation may be forward-looking statements or statements of future expectations based on currently available information. These forward-looking statements can be identified by the fact they do not relate only to historical or current facts. Such statements naturally are subject to significant risks and uncertainties and undue reliance should not be placed on them. Factors such as changes in general economic conditions or currency exchange rates, insurance market conditions, regulations or legislation and other circumstances such as war, acts of terrorism and natural disasters may cause the actual events or results to be materially different from those anticipated from such statements.

Management Team

Nigel Hanbury

Chief Executive Officer

Nigel was appointed CEO in October 2012. He joined Lloyd's in 1979 as an external member and became a Lloyd's broker in 1982. He later moved to the Members' Agency side, latterly becoming Chief Executive and then Chairman of Hampden Agencies Limited. He serves on the board of the Association of Lloyd's Members and was elected to the Council of Lloyd's for the "Working Names" constituency, serving on that body between 1999 and 2001 and then 2005 to 2008, as well as participating on the Market Board and other Lloyd's committees. In December 2009 he ceased being Chairman of Hampden and in 2011 acquired a majority stake in HIPCC, a Guernsey cell Company, formerly wholly owned by Hampden plc.

Arthur Manners

Finance Director

Arthur has over 20 years' experience in the insurance industry He has been a consultant to Helios since June 2015 and joined the Board in April 2016. His role as Finance Director at Helios is part time. He previously worked for Beazley Group plc from 1993 to 2009 as Finance Director and latterly as Company Secretary. He remains Chairman of the Trustees of the Beazley Furlonge Pension Scheme.

An introduction to Helios Underwriting Plc

Providing access to a global specialty insurance market

- Helios provides access to insurance exposures in the Lloyd's of London insurance market.
- A quality portfolio of Lloyds' underwriting participations is being built through targeted acquisitions.
- It has expanded its portfolio of syndicate capacity from £12.9m in 2013 to £32.7m as at June 2016.
- It has bought 16 companies that own Lloyd's capacity since January 2013. Helios manages the capacity portfolio to improve the quality and the balance of the portfolio whilst minimising the downside risk.
- The capacity is capitalised by reinsurers, private capital and from Helios' resources.
- Stop loss reinsurance is bought to protect the retained exposures from large losses.
- Future growth is expected to be supported by a steady flow of acquisition opportunities as existing private capital providers exit the market.
- The Company significantly benefits from the support and services provided by Hampden Agencies, the largest members' agent at Lloyd's.

An overview of Helios Underwriting Plc

Acquisition Strategy

Acquired 16 companies since January 2013.

- Total consideration - £19.4m
- Satisfied issue of shares - £3.0m
- Reinsurers contribute £13.3m towards Funds at Lloyds'

Helios Capacity Fund

£32.7m of capacity for 2016
253% increase in capacity owned since January 2013
Portfolio of participations on 20 syndicates at Lloyd's

Reinsurance Strategy

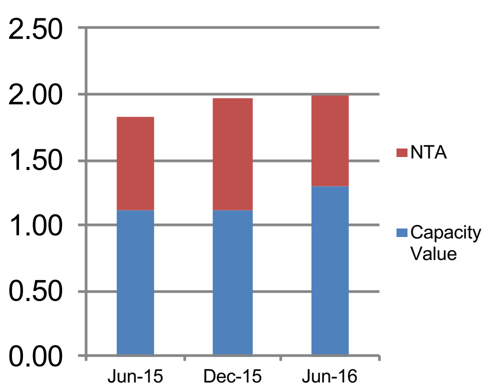
Provides access to Lloyd's exposures
Assists in the financing of the acquisitions
Mitigates the risk to capital from large losses

Results for half year ended 30th June 2016

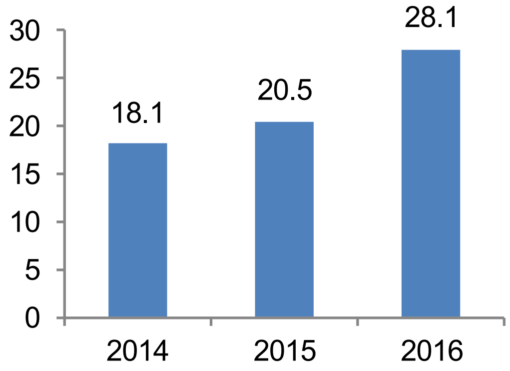
Key highlights

- Operating profit before goodwill, impairment and tax of £605,000 (H1 2015 - £73,000)
- Increased fees from quota share reinsurers and reduced stop loss costs have benefited the result. Two acquisitions of corporate members during the period
- Earnings per share – 6.4p (H1 2015 – 2.9p)
- Adjusted net tangible asset value increase to 200p per share (H1 2015 – 183p per share)
- Capacity value is 130p per share (H1 2015 – 112p per share)
- No revaluation of capacity as Lloyds' auctions have yet to take place in 2016
- Goodwill no longer impaired at date of acquisition

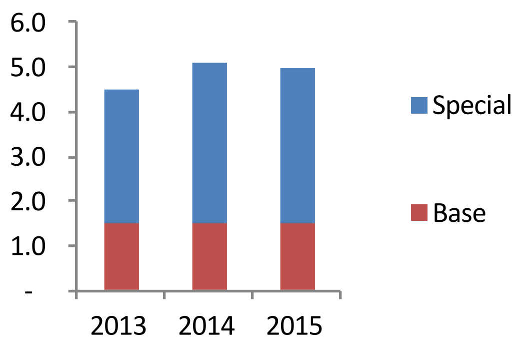
Adjusted net asset value per share (pence)



Capacity at start of u/wing year (£m)



Dividend for the year Pence per share



Summary Financial Information

Six months to 30th June 2016

Underwriting year	Helios retained capacity at 30/6/2016- £m	6 months to 30/6/2016 - £000's	6 months to 30/6/2015 - £000's	Year to 31/12/2015 - £000's
2014	19.5	638	375	1,198
2015	15.1	601	529	854
2016	9.8	(188)	(82)	12
		1,051	822	2,064
	Pre – acquisition profits	(117)	(26)	(190)
	Fees from reinsurers	331	244	385
	Stop loss costs	(121)	(400)	(407)
	Operating costs	(637)	(610)	(1,334)
	Other income	98	42	91
	Operating profit	605	73	609
	Earnings per share	6.38p	2.89p	8.38p

Helios generates its earnings from:

- The improvement in the syndicate profit estimates up to 36 month stage has been a significant contributor to the earnings.
- Fees and profit commissions from reinsurers also generate earnings

Costs include the cost of the management of the portfolio and the cost of reinsurance to reduce the downside risk.

Syndicate capacity now held at "fair value" as opposed to being depreciated

Acquisition Strategy

Attractive returns available from building capacity portfolio for current and prior years

The acquisition policy has built the current portfolio

Capacity acquired with same companies

Capacity Acquired	2013	2014	2015	2016
	Year of Account			
Capacity at start of u/wing year - £m	12.9	18.1	20.5	28.1
% capacity reinsured at outset	50%	70%	70%	70%
Acquired in Year 1 - £m	3.9	4.7	6.3	4.6
Acquired in Year 2 - £m	4.5	6.3	4.5	-
Acquired in Year 3 - £m	5.8	5.2	-	-
Current Capacity - £m	27.0	34.4	31.3	32.7
Capacity reinsured - £m	6.4	14.9	16.1	22.9
Proportion reinsured - %	24%	43%	52%	70%
Helios Retained	20.6	19.5	15.2	9.8
Proportion retained - %	76%	57%	48%	30%

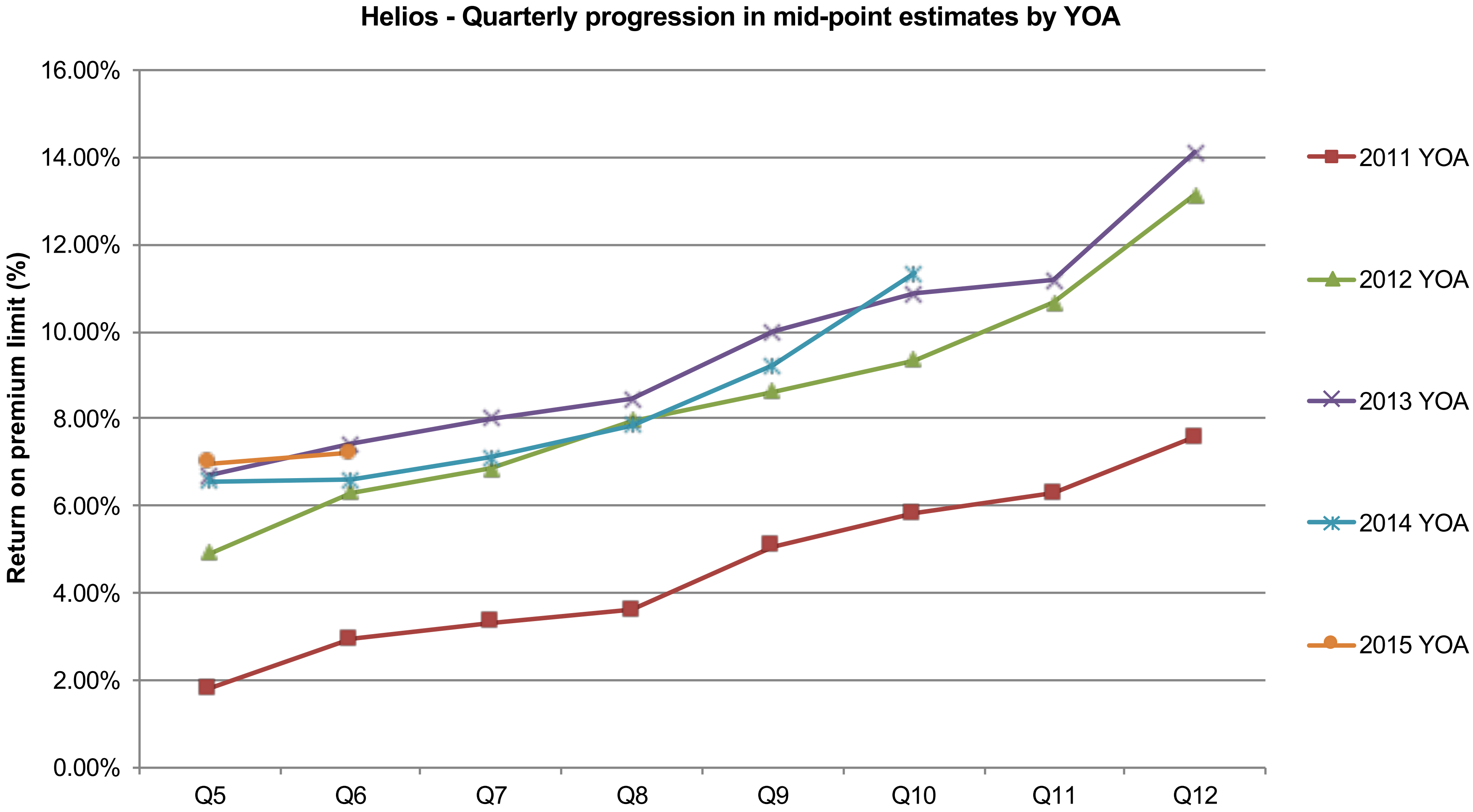
On risk

Off risk

- Corporate vehicles underwrite on a three year of account basis – Helios inherits three years of estimated undistributed profits when it buys a corporate vehicle.
- Profits are recognised by Helios from the date of acquisition and 100% of the cash distributed from “open years” is received
- The estimates on these open years of account have historically tended to improve
- “On risk” capacity partly re-insured to provide access to reinsurers and private capital
- “Off risk” capacity exposures retained 100% by Helios

Quarterly progression of syndicate forecasts – mid point

indicating the benefit to Helios of the improvement in syndicate forecasts
On average 40% of improvement in forecasts occur in final quarter



High quality underwriting portfolio

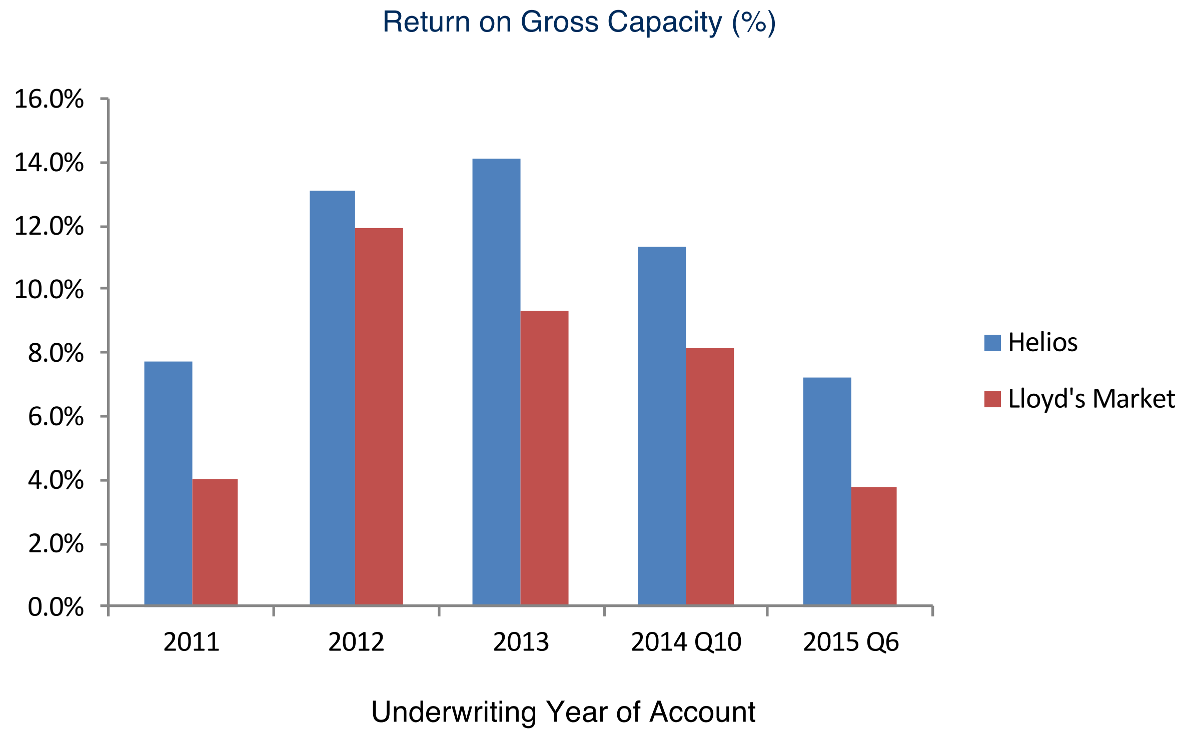
Top seven holdings by Managing Agent comprise 79% of the 2016 portfolio

Syndicate	Managing Agent	Helios 2016 capacity (£'000s)	% of Helios 2016 portfolio (note)	Syndicate Classification
510 / 557	Tokio Marine Kiln Syndicates Ltd	5,606	17%	Composite / Non Marine XL
623 / 6107	Beazley Furlonge Ltd	4,333	13%	Composite / Reinsurance
2791 / 6103	Managing Agency Partners Ltd	4,051	12%	Composite / Reinsurance
33 / 6104	Hiscox Syndicates Ltd	3,912	12%	Composite / Reinsurance
609	Atrium Underwriters Ltd	3,070	9%	Composite
6117 / 1910	Ariel Re / Asta Managing Agency	2,943	9%	Reinsurance
6111	Catlin Underwriting Agencies Ltd	1,819	6%	Composite
	Total		79%	

Note: Information as at 30th June 2016
Other syndicates supported : Syn 727 SA Meacock, 2.9% of portfolio & Syn 1176 Nuclear syndicate 1.7% of portfolio

Helios' Year of Account results 2011 - 2015 v overall Lloyd's market

Helios return on gross capacity is on average 3% higher than the Lloyd's market over the last five years



Year of Account	2011	2012	2013	2014 Q10	2015 Q6	Average
Helios	7.7%	13.1%	14.1%	11.31%	7.2%	10.7%
Lloyd's Market	4.0%	11.9%	9.3%	8.15%	3.75%	7.4%
Incremental	3.7%	1.2%	4.8%	3.2%	3.4%	3.3%

Note: 2014 & 2015 results are 30/6/2016 mid-point estimates received via Lloyd's and Hampden Underwriting Research

Reinsurance Strategy

Reinsurance provides access to the portfolio and manages the downside risk

Quota Share

- Reinsurers and private capital access the Lloyd's underwriting exposures of the portfolio using quota share reinsurance.

- This quota share reinsurance has been in place for 2013 to 2016 with several overseas reinsurers and more recently with private capital.

- For the 2016 underwriting year 70% of the current year capacity has been ceded but the proportion of the overall capacity reinsured for 2016 will reduce as further acquisitions are made and as the more certain prior years profits are retained 100% by Helios (providing the pipeline of profits, estimates of which typically tend to improve). This improves the risk/reward ratio.

- The reinsurance agreement provides that the reinsurers provide their share of the underwriting capital required. This allows Helios to fund only the balance of the Funds at Lloyd's ("FAL") requirements for the acquisitions. For 2016 underwriting year – reinsurers and private capital have provided £13.3m of capital.

- Helios receives management fees and a profit commission on the underwriting result from reinsurers.

- As the fund grows, Helios intends to increase the opportunities to allow private capital to gain access to Lloyd's exposures using a reinsurance structure.

Stop Loss

- Helios buys stop loss reinsurance which reduces the potential impact on shareholder funds from a significant underwriting loss.

Market Outlook 2016

Helios will seek to continue to outperform the Lloyd's market performance

- 2015 was another year without any serious insured losses, and this has led to further downward pressure on rates at the January 2016 renewals.
- There continued to be significant reductions in rates in energy markets in the January renewals although reinsurance rate reductions began to decelerate.
- Rates in most sectors of the market - casualty, energy, property and reinsurance continued to fall back during 2016.
- Reducing reinsurance rates have reduced the margins of insurers but has made purchasing reinsurance cheaper.
- The recent lower than average loss activity is expected to reverse which, combined with reduced rates, will put pressure on insurers' margins in 2016.
- Hampden Agencies' target underwriting profit for 2016 is in a range of 0% to 5% of underwriting capacity on a three year account basis.

BUT

- What's more important is the price we pay for vehicles and the availability and price of our quota share arrangements

Summary and discussion

Helios expects to deliver further profitable growth by acquisitions and from increasing fee income for providing access to Lloyd's exposures

- An opportunity to gain access to the Lloyd's insurance market and a high quality portfolio of syndicates
- Helios will look to continue to exploit opportunities to grow profitably and to refine its underwriting portfolio:
  - Acquire further corporate vehicles – an increase in the availability of quality vehicles at an attractive price is anticipated
  - Approx. 1,500 corporate vehicles remain in private hands and the age profile of investors may encourage sales
  - Intention to use a reinsurance structure to reduce exposure to underwriting risk and to assist in the funding of acquisitions
  - Support potentially profitable Special Purpose Syndicates
  - Acquire underwriting capacity in the Lloyd's auction process if attractive opportunities arise

2. Appendix - Additional information on Helios

Current Directors

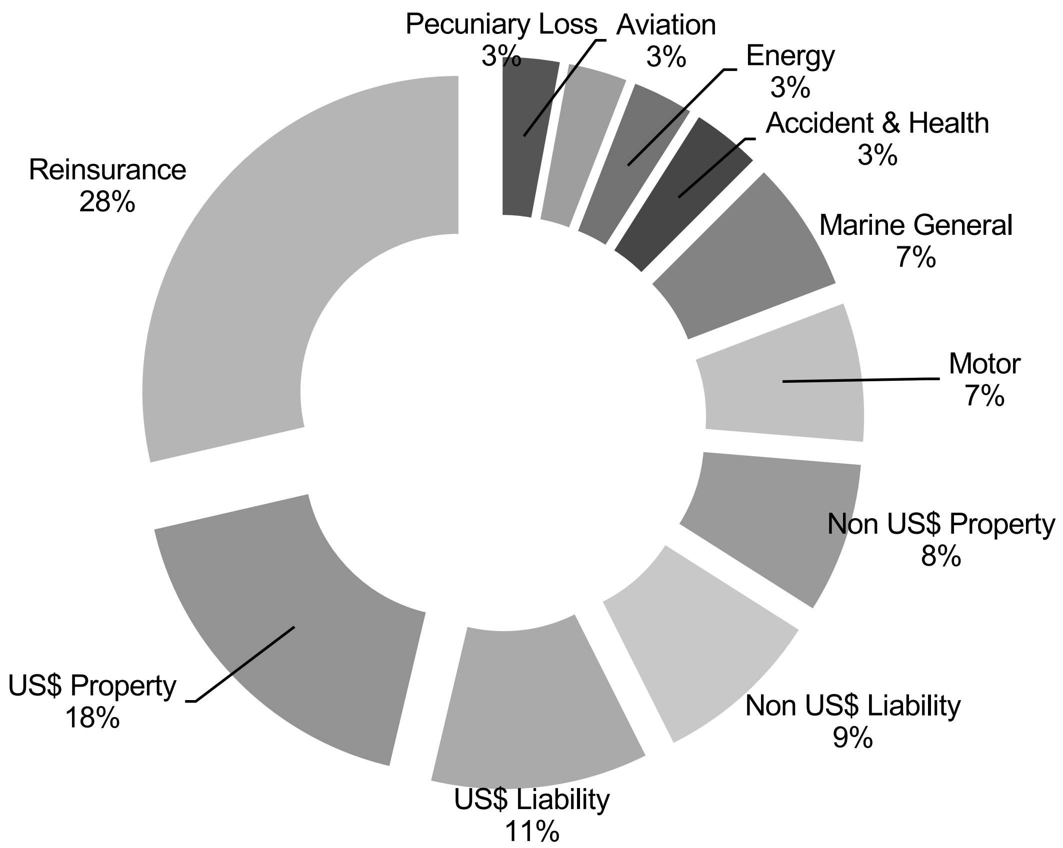
Sir Michael Oliver	Non-executive Chairman	Sir Michael Oliver is a director of a number of investment funds. He was previously a director, Investment Funds at Hill Samuel Asset Management and at Scottish Widows Investment Partnership Limited. He was a partner and subsequently managing director of the stockbrokers Carr Kitkat & Aitken.
Nigel Hanbury	Chief Executive	Nigel Hanbury joined Lloyd's in 1979 as an external member and became a Lloyd's broker in 1982. He was previously Chief Executive and then Chairman of Hampden Members Agency. He serves on the board of the Association of Lloyd's Members, was elected twice to the Council of Lloyd's for the "Working Names" constituency and participates on the Market Board and other Lloyd's committees.
Andrew Christie	Non-executive Director	Andrew is a founding partner of corporate finance advisory firm, Smith Square Partners and has nearly 30 years' experience in corporate finance. His previous roles include those of Managing Director in the Investment Banking Division of Credit Suisse European and head of investment banking in Asia Pacific for Credit Suisse First Boston and Barclays de Zoete Wedd. Andrew is a non-executive director of FTSE 250 company, Elementis plc
Michael Cunningham	Non-executive Director	Michael Cunningham has worked in the Investment Management business for over 25 years. He was an Investment Director at Rathbones with responsibility for the AIM focused Venture Capital Trusts. He is non-executive Chairman of Hazel Renewable Energy VCT PLC.
Jeremy Evans	Non-executive Director	Jeremy Evans joined Minories Underwriting Agencies in 1993, which was subsequently transferred to Aberdeen Underwriting Advisers Limited. He is the CEO of Nomina Plc as well as being a director of Hampden Capital Plc and Hampden Holdings Ltd.
Arthur Manners	Finance Director	Arthur has over 20 years' experience in the insurance industry and has been a consultant to Helios since June 2015. The role at Helios will be part time. He previously worked for Beazley from 1993 to 2009 as Finance Director and latterly as Company Secretary. He remains Chairman of the Trustee of the Beazley Pension Scheme.

Helios dividend policy

A commitment to providing an income for shareholders

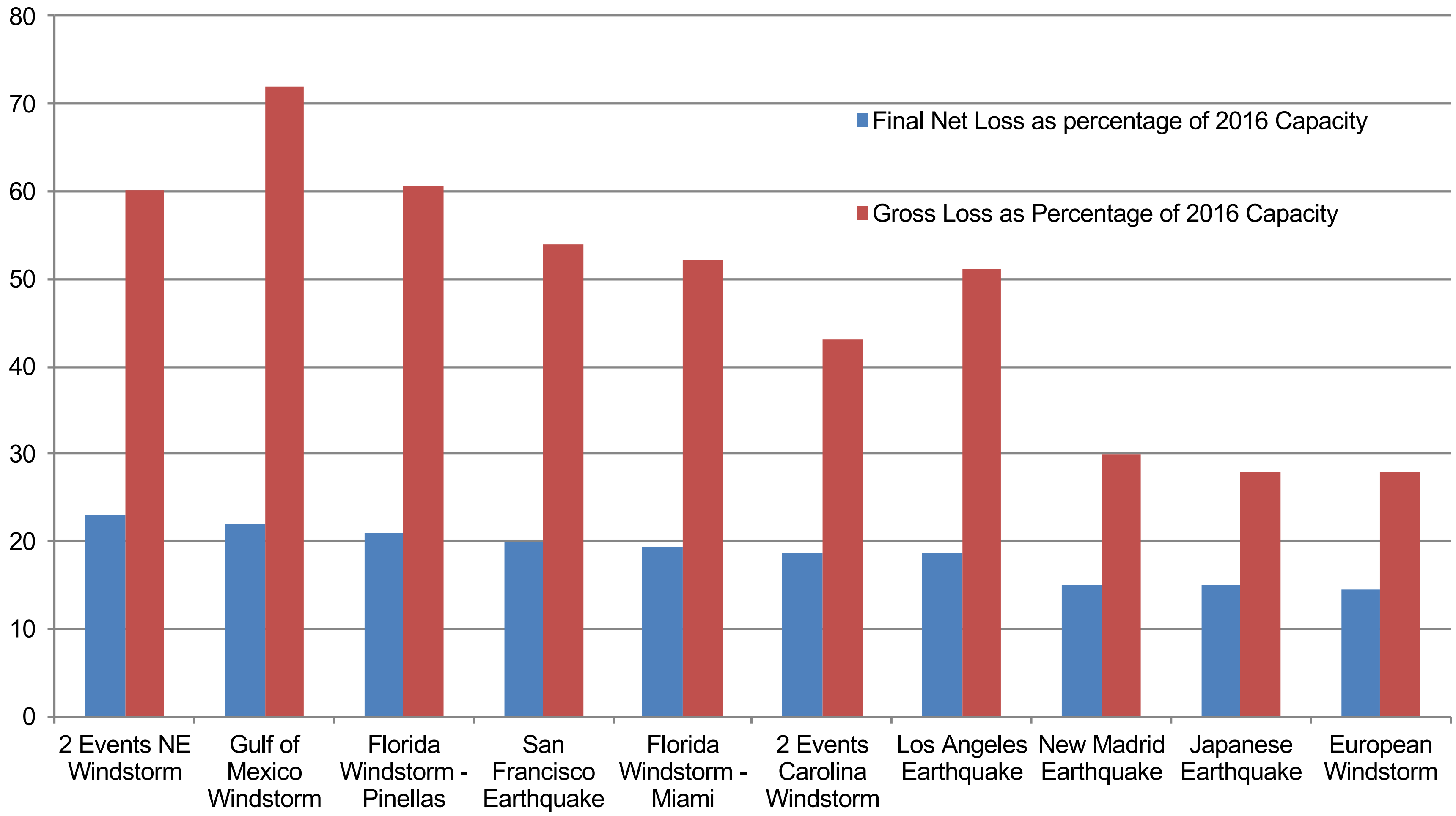
"Against the backdrop of our significant progress over the past year, and as announced in the Annual Report for the year ended 31 December 2013, the Board has concluded that it is the right time to introduce the payment of a modest and sustainable base annual dividend, to be paid as a single final dividend. This base annual dividend, which is not expected to grow significantly, will be supplemented, when circumstances allow, by an annual special dividend which, when paid, will target an amount between 20% and 30% of cash received by the Group, net of any amounts due to quota share reinsurers and amounts retained to fund FAL requirements, in relation to the most recently closed year of account, such profits normally being finalized and received by the Group approximately 6 months following the close of the relevant underwriting year of account. Payment of any special dividend will be dependent on the performance of the Group's underlying business, any business requirements resulting from major market events in the intervening period, and on opportunities for growth through the acquisition of additional capacity."

Categories of business for 2016 (%)



Net realistic disaster scenarios for Helios' 2016 portfolio

Loss as % of capacity gross of all Q/S reinsurance arrangements



Advisers

Company Secretary

Martha Bruce
Bruce Wallace Associates Limited
123 Pall Mall
London SW1Y 5EA

Lloyd's Agent

Hampden Agencies Limited
40 Gracechurch Street
London EC3V 0BT

Nominated Adviser & Broker

Stockdale Securities Limited
Beaufort House
15 St.Botolph Street
London EC3A 7BB

Registrar

Neville Registrars Limited
Neville House
18 Lauren Lane
Halesowen
B63 3DA

London Correspondence
Address:
Helios Underwriting plc
C/O Association of Lloyd's Members,
2nd Floor, 22 Bevis Marks,
London EC3A 7JB.

T +44 (0) 20 7863 6655
F +44 (0) 20 7863 6765

www.huwplc.com

Registered number: 05892671

Registered office:
40 Gracehurch Street
London EC3V 0BT