Helios Underwriting PLC

Unlocking Access to High Quality Insurance Risk

ShareSoc Presentation | March 2024

HELIOS UNDERWRITING

Important Disclosure

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS PRESENTATION.

This Presentation (as defined in the following sentence) has been prepared by Helios Underwriting Plc (the "Issuer") solely for informational purposes. The "Presentation" means and includes the slides that follow, the oral presentation of the slides by the Issuer, or any person on behalf of the Issuer, or any of their respective subsidiaries or affiliates, any question-and-answer session that follows the oral presentation, hard or electronic copies of this document and any materials distributed at, or in connection with, the presentation.

By reading the Presentation, you will be deemed to have (i) agreed to all of the following restrictions and made the following undertakings and (ii) acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the Presentation.

This Presentation contains confidential information regarding the Issuer and its subsidiaries (together, the "Companies") and is being provided to the recipient on a confidential basis. The information contained in this Presentation may not be copied, reproduced, redistributed, published, passed on or disclosed in any way (including in electronic or physical form), in whole or in part, to any other person without the prior written consent of the Issuer. The Presentation (or any part of it) is not for publication, release or distribution in any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction nor should it be taken or transmitted into any such jurisdiction.

The Presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of any of the Companies, or an inducement to enter into investment activity in the United States of America, its territories or possessions (collectively, the "United States"), the United Kingdom (the "UK"), the European Economic Area (the "EEA") or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction.

This Presentation is only being distributed to and is only directed at (i) persons outside the UK, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (iii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order or (iv) persons to whom this document may otherwise be directed without contravention of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") (all such persons together being referred to as "relevant persons"). This Presentation must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Presentation relates is available only to relevant persons and will be engaged in only with relevant persons. This Presentation and its contents have not been approved by the UK Financial Conduct Authority or an authorized person (as defined in the FSMA) for distribution.

In member states of the EEA, this document is directed only at persons who are "qualified investors" within the meaning of Prospectus Regulation (Regulation (EU) 2017/1129).

This Presentation contains, and any related presentation may contain, financial information regarding the businesses and assets of the Companies. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. The inclusion of such financial information in this Presentation or any related presentation should not be regarded as a representation or warranty by the Companies, any of their respective affiliates, advisors or representatives or any other person as to the fairness, accuracy, correctness, reasonableness or completeness of such information's portrayal of the financial condition or results of operations of the Issuer.

None of the Companies nor their respective advisers are under any duty to update or inform any recipient of any changes to information in this Presentation (or referred to herein), provide any recipient with access to any additional information or to correct any inaccuracies in any such information which may become apparent.

This Presentation may contain forward-looking statements. All statements other than statements of historical fact included in this Presentation are forward-looking statements. Forward-looking statements express the Issuer's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which it will operate in the future. No representation is made or will be made that any "forward-looking" statements will be achieved or will prove to be correct. Actual events or conditions may differ materially from such assumptions. Similarly no representation is given that the assumptions disclosed in this Presentation upon which forward-looking statements may be based are reasonable. Past performance is not a reliable indicator of future performance. The recipient acknowledges that circumstances may change without notice and the contents of this Presentation may become outdated as a result.

Executive Summary

Positioned to benefit from market tailwinds and a curated portfolio of capacity in "Best at Lloyd's" syndicates

Helios at a glance

- Helios is an investment vehicle which builds shareholder value through exposure to the Lloyd's market
- Helios has curated a diversified and volatility-managed portfolio, comprised of capacity in some of the best performing syndicates at Lloyd's
- A capital efficient business, providing investors with a return uncorrelated to equity markets and an outperformance versus the Lloyd's market
- Spearheaded by a newly reorganised management team led by Martin Reith with a strong track record of executing on an ambitious growth plan

The Market Opportunity

- The hardening insurance cycle is driving the best market conditions seen in 20 years and Helios is extremely well positioned to benefit from it…
- …while the rising interest rate environment provides a further tail wind for Helios to deliver a strong RoE for investors

Financial Performance

- Total Capacity of £502mm[1] (£310m in FY23), a Combined Ratio of 88% (96.4% in FY22) and Net Tangible Asset per share of £1.54 (£1.52 in FY21)
- Increase in the value of the "Freehold Capacity" portfolio – representing an 11.9% increase in the Net Asset Value per share
- Net Asset Value as at 30/9/23 estimated to be £1.76p per share
- Base dividend doubled to 6p per share for 2024 supplemented by special dividends
- Issued A- Rated debt to raise $75m in Dec 23 to support the underwriting capital for the future growth of Helios retained capacity

(1) FY24 expected capacity as at 01/01/2024

HELIOS UNDERWRITING

2024 Helios Capacity Fund – Portfolio Metrics

2024 YOA Capacity Portfolio

NCOR	GGWP
89%	£547m

Freehold Capacity

35% of portfolio	Value of £82m – 78p per share

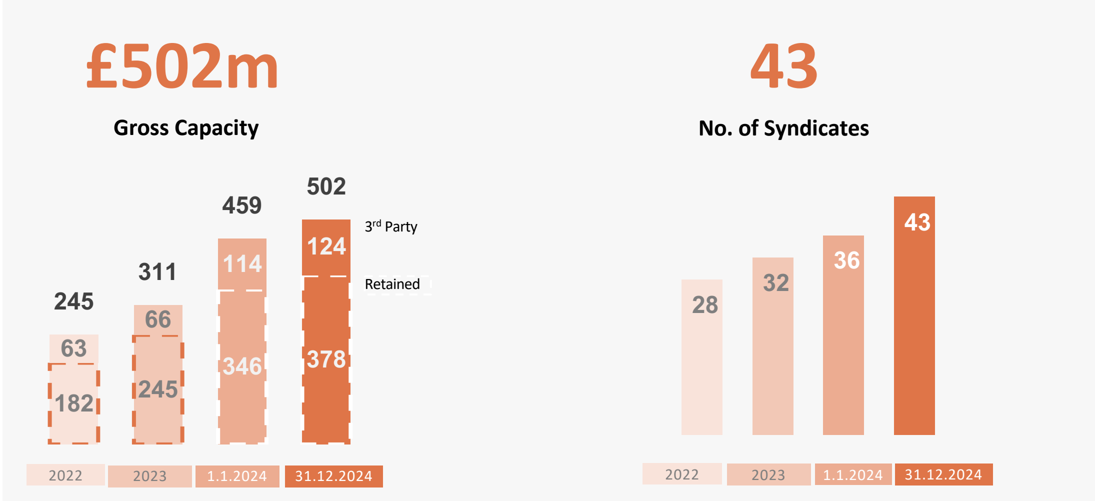
Increased Diversification

No. of Syndicates	ECA/Capacity
43	40%

Risk Management

Nat Cat %	Largest RDS/Capacity
20%	17%

61% Growth in Gross Capacity is Expected in 2024



- Helios' total gross capacity is expected to grow from £311m to £502m by the end of 2024, a 61% increase, achieved through growth beyond pre-emptions in several syndicates and the addition of 8 new syndicates.
- The projected NCOR stands at 89%, which is 6% lower than Lloyd's forecast.
- Diversification has been increased by the addition of more syndicates, an increase in risk types, and expansion into new geographical areas (e.g. Australia).
- 20% of capacity of the portfolio is exposed to Natural Catastrophe events – such as hurricanes, earthquakes and flooding
- The expected "large loss" from a series of events in a calendar year – the aggregate of the portfolio share of the output from modelling undertaken by each syndicate – is an expected impact on the profitability of the portfolio of 17% of capacity.

HELIOS UNDERWRITING

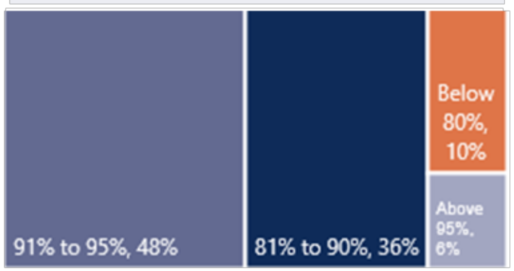
The 2024 bedrock: Portfolio Characteristics

Capacity

- Freehold Capacity 35%
- ECA per Capacity 40%

Forecast Profitability – 2024 YOA

- Net Combined Ratio 89%
- Return on Capital 31%
- NCOR distribution is show below

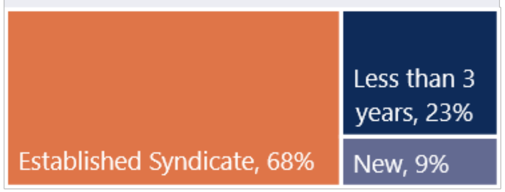


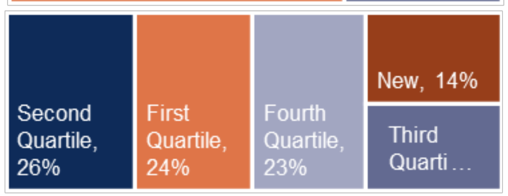
ESG

- Limited appetite for syndicates which insure coal-related assets or environmentally unfriendly activities

Syndicates

- Largest capacity on any syndicate is £32.7m (7% of overall capacity)
- Largest capacity on any syndicate with less than 3 years trading is £25m (5% of overall capacity)
- Largest capacity on any new syndicate is £12.5m (2% of overall capacity)
- Split by maturity and quartile is are shown below:



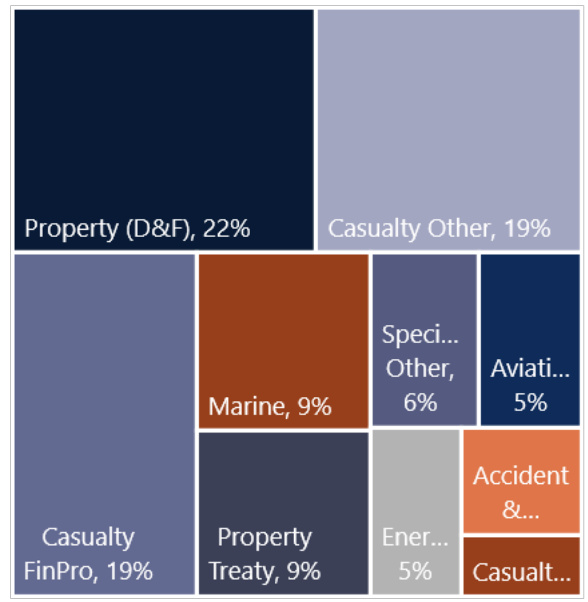


Volatility

- 20% of claims are Nat Cat
- Largest RDS per Capacity is 17%

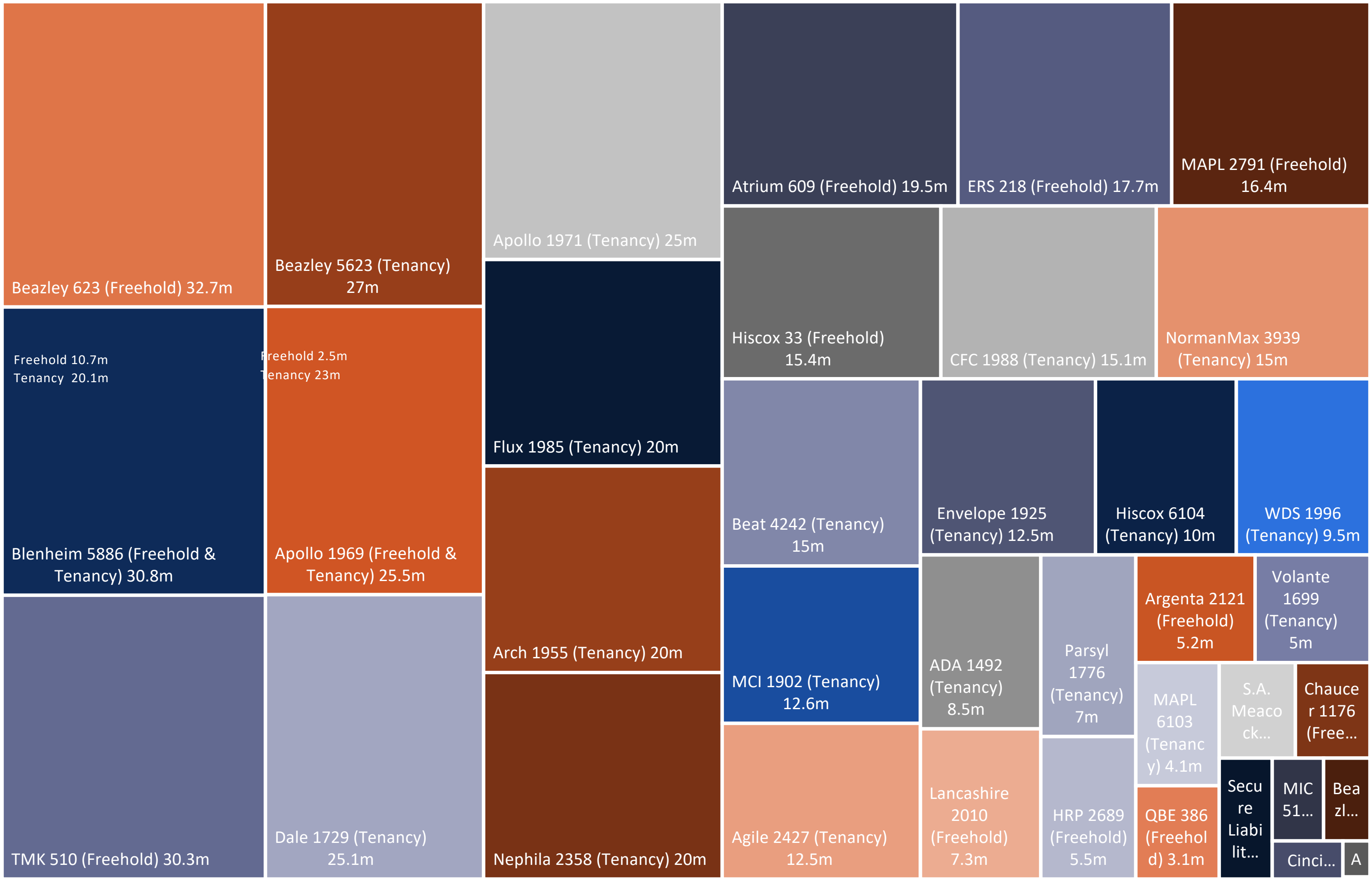
Classes of Risk

- 60% short tail and 40% long tail
- 80% insurance and 20% reinsurance
- Cyber represents 10% of the portfolio
- Current COB mix is shown below, but the target percentage for each class of business will be set using the risk code analysis carried out in Q1



HELIOS UNDERWRITING

2024 Planned Capacity Allocation by Syndicate (£)



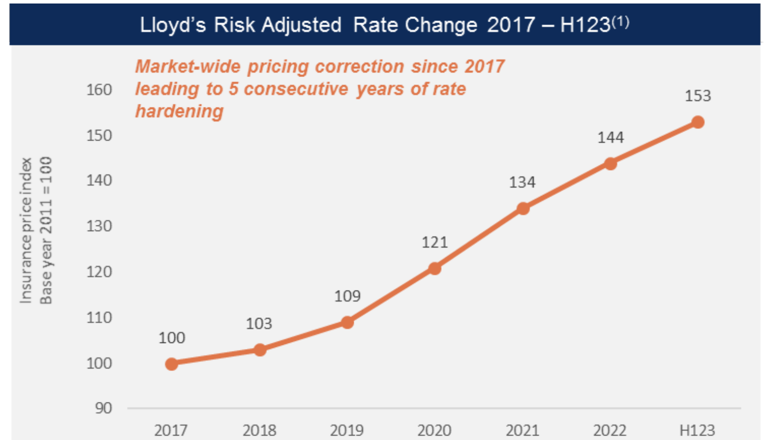
Favourable Market Conditions

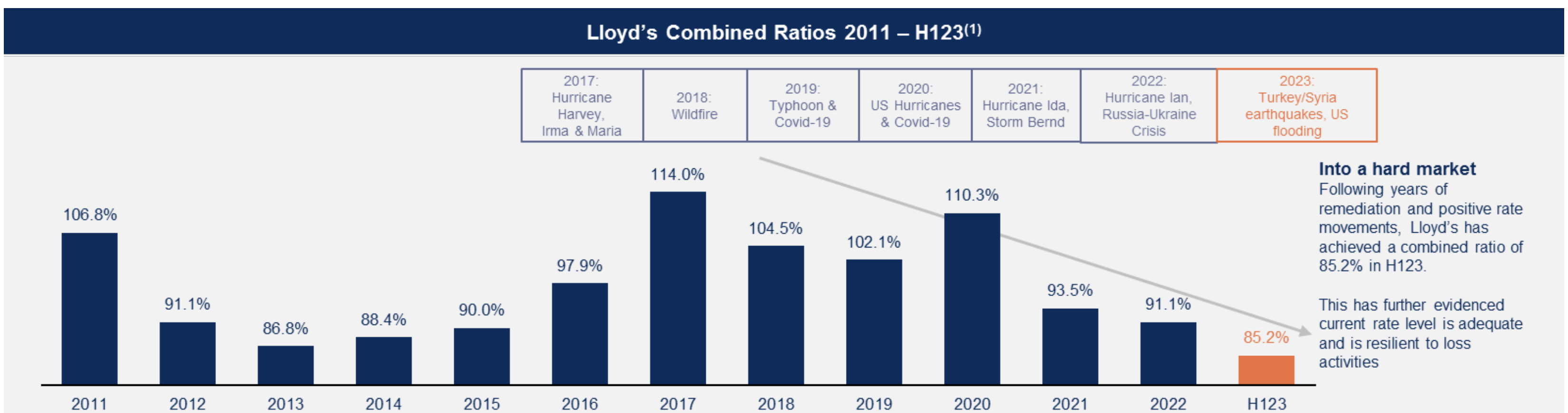
Stepping into a hard market against a high interest rate backdrop, Lloyd's is seeing the strongest tailwind in recent years

We're pleased to be reporting a strong set of results for the year so far – with profitability in both our underwriting and investments; a leading combined ratio, strong premium growth and a bulletproof balance sheet…

…Combined with the market's progress in driving sustainable performance, digitalisation and showing leadership from climate transition to culture change – these results set us up to deliver on our positive financial outlook for 2023…

John Neal – CEO of Lloyd's on 2023 half year results[1]





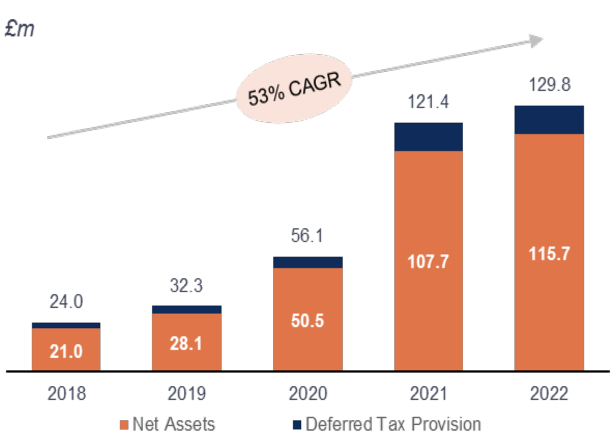
(1) Source: Lloyd's of London

Achieving Significant Growth

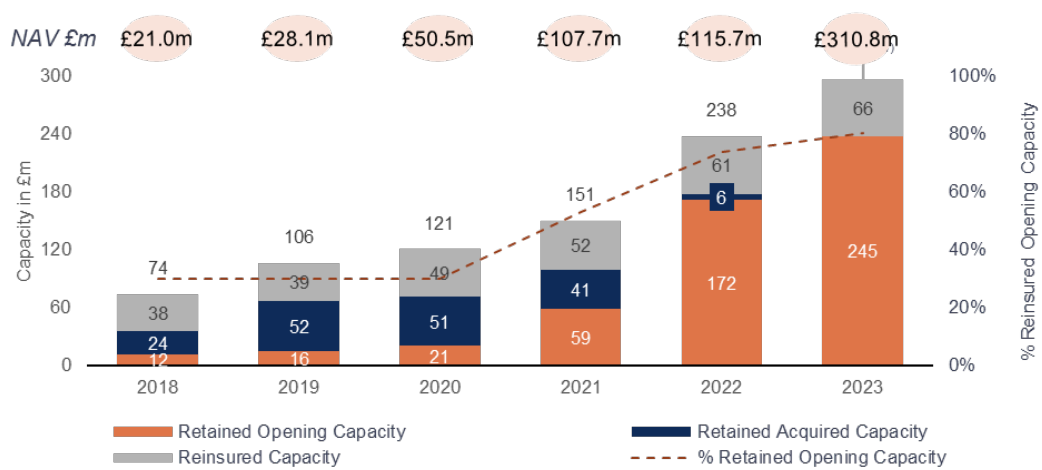
Helios has a track record of acquiring hard to access "freehold" syndicate capacity, which is a finite commodity

- Exceptional growth in syndicate capacity through:
  1) **Acquiring LLVs** from parties that want to exit the market with capacity portfolios
     - Helios has acquired 75 LLVs since inception
  2) **Acquiring capacity** at auctions
  3) Through **pre-emption rights** in the syndicates where it is invested
- Helios has been able to scale the business whilst achieving consistent underwriting profit due to the active management of risk through the use of quota share and stop loss reinsurance
- Dividend policy of 6p per share supplemented by special dividends going forward

Capital Employed



Helios has been tactically increasing the retained opening capacity



Note:
(1) Capacity as at 01/01/2023

YOA Forecasts & Net Tangible Assets 30th Sept 23

Year of Account	Retained Capacity - £m	Underwriting Year of Account Forecasts	Forecast Retained Pre-Tax Profits	Commentary
2021	£105.7m	7.2%	£7.6m	Material CAT losses – Hurricane Ian
2022	£184.5m	7.5%	£13.8m	Improved investment returns
2023	£244.5m	10.9%	£26.6m	Ahead of original business plans

	£ per share	£000's
Revised Net asset value per share - Note 1	1.51	115,711
Profits/(loss) for period to 30th September 2023	0.10	6,419
Capacity Revaluation - Note 2	0.18	13,903
Dividend Paid	(0.03)	(2,293)
Pro-forma Net Asset per Share - 30th Sept	1.76	133,740
Shares in issue at 30th September 2023		75,646

Note 1
The Net Asset Value as at 31 Dec 2022 has been restated to reflect the adjustment to the Net Assets having adopted UK GAAP from 1st Jan 2023.

Note 2
The Lloyd's capacity Auctions for 2023 were completed in November 2023 and the resulting increase in value was announced on 8th November 2023.

HELIOS UNDERWRITING

Generating Superior Return on Capital

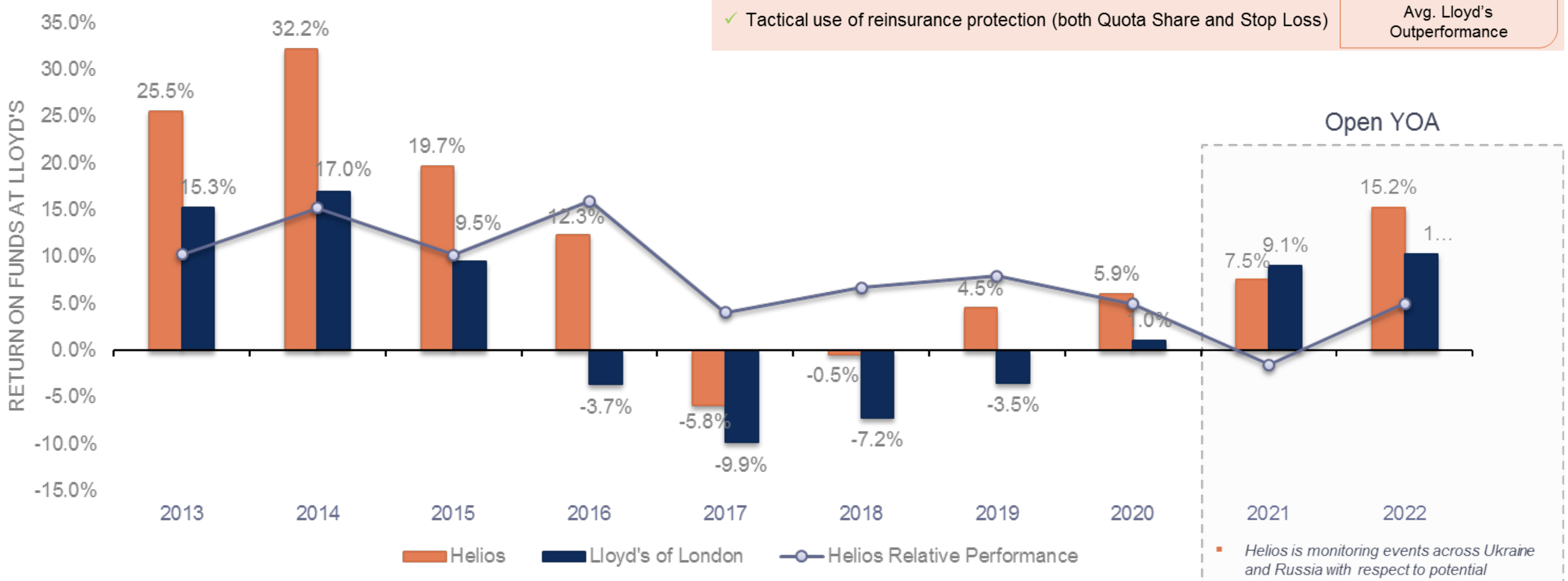
Helios' portfolio of syndicates has significantly outperformed the return on capital achieved by the Lloyd's market every year from 2014 to 2020

Helios vs Lloyd's Market Performance

Outperformance driven by:

- ✓ Selection of best performing syndicates
- ✓ Tactical use of reinsurance protection (both Quota Share and Stop Loss)

+7.9%
Avg. Lloyd's Outperformance



- *Helios is monitoring events across Ukraine and Russia with respect to potential exposure to losses.*
- *Helios is also monitoring its exposure to Hurricane Ian*

Summary of Investment Highlights

1. **Unique listed Lloyd's investment company**
   Helios gives investors direct access to a portfolio of high quality Lloyd's syndicates through a listed security traded on London's AIM market

2. **Strong track record of generating superior returns**
   Helios' portfolio of syndicates has outperformed the Lloyd's market in each completed year since 2014

3. **Favourable market conditions**
   Current pricing environment in Lloyd's is excellent following several years of market-wide remediation

4. **Unparalleled and perpetual access to high quality performers at Lloyd's**
   The most efficient way to access a portfolio of high quality syndicates at Lloyd's is through Helios – new "tenancy" rights are unlikely to be available (including to new entrants)

5. **Profits now being recognised from larger portfolio**
   2022 and 2023 underwriting year profitability expected to reflect improved market conditions

6. **Opportunity to return capital shareholders through share buy backs and dividends**

7. **Highly efficient model with in-built capital "leverage"**
   Helios has a relatively low capital requirement (circa 40%) to support "underwriting" through its diversified syndicate portfolio

HELIOS UNDERWRITING

HELIOS UNDERWRITING