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Helios targets £20mn raise to fuel 2021 growth

Lloyd's investment vehicle Helios is seeking to raise £20mn (\$25.8mn) through a share issuance to take advantage of the "attractive opportunities" for growth and shareholder value enhancement in the hardening market.

The new shares are expected to be issued at a price of 120 pence per share, a discount of 42 percent to adjusted net asset value but a premium of 25 percent to the closing mid-market price on 6 October 2020.

Helios said it currently has indications of interest for the substantial part of the fundraising, including "sizeable orders" from insurance specialist institutional investors.

As part of the fundraising, Helios will acquire a limited liability vehicle (LLV) from CEO Nigel Hanbury and CFO Arthur Manners for a combined consideration of £5.5mn, a 21 percent discount on their £7.0mn valuation.

Hanbury and Manners will receive an allotment and issue of mainly new shares of £4.3mn and cash of £1.0mn, after the repayment of an inter-company loan of approximately £1.2mn at completion.

The fundraising – which is subject to shareholder approval – will allow the investment vehicle to raise the necessary firepower to finance additional capital to fund an increase in capacity from pre-emptions, make further LLV acquisitions, increase Helios' retained capacity and to participate in upcoming capacity auctions.

Helios added that discussions are ongoing and remain at an early stage and a further announcement will be made in due course.

"There can be no certainty that the fundraising and acquisitions will be completed, nor as to the terms on which it may be achieved," it added in a statement Wednesday.

Helios is advised by Shore Capital on the fundraise.

Hanbury said: "We are most encouraged by the progress we have made on the potential fundraising thus far, and by the significant interest we have seen from well-known and respected insurance specialist institutions.

"We remain convinced that this is a period of unprecedented opportunity for Helios, with a hardening market coupled with the opportunities we see to increase capacity from pre-emptions, make further LLV acquisitions and participate in capacity auctions, all of which would be value enhancing for our shareholders."

The move comes after Helios [announced in August](#) that it is considering options to finance additional capital to support plans to increase its underwriting capacity in 2021.