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Helios Underwriting Confirms Plans For GBP20 Million Fundraise

Helios Underwriting PLC on Wednesday confirmed it is planning a GBP20 million fundraise, in an attempt to "take advantage of the attractive opportunities".

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

Discussions with potential **investors** have "crystallised around" an issue price of 120p per share, a 25% premium to Tuesday's closing price, Helios said.

Shares in the Lloyd's of London insurer were 21% higher in London on Wednesday at midday at 116.00 pence each.

Helios continued: "An issue at this price and to raise no more than GBP20 million will limit the dilution to existing shareholders' ANAV per share, whilst allowing the company to raise the necessary firepower to finance the additional capital required to fund the increase in the company's capacity from pre-emptions, make further LLV acquisitions, to increase Helios' retained capacity and to participate in upcoming capacity auctions."

As part of the fundraising, Helios intends to enter into conditional agreements with Chief Executive Nigel Hanbury and Chief Financial Officer Arthur Manners to acquire an LLV from each of them for a combined consideration of GBP5.5 million, being a 21% discount to their Humphrey valuation of approximately GBP7.0 million.

Helios said the deal will be satisfied by the allotment and issue of mainly new shares - totalling about GBP4.3 million - and some cash - about GBP1.0 million.

"The acquisitions are in-line with the company's strategy to increase its underwriting capacity, but also enables Nigel Hanbury and Arthur Manners to continue to invest in the company, within the context of the fundraising, further aligning themselves with the company's shareholders," Helios continued.

Hanbury added: "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."