RANDALL & QUILTER INVESTMENT HOLDINGS LTD.

Full Year results for the 12 months ended 31 December 2017

PRIVATE & CONFIDENTIAL

STRATEGY I INNOVATION I EXPERTISE

APRIL 2018

MISSION STATEMENT

To offer investors profits and capital extractions from legacy insurance acquisitions/reinsurances and grow service revenue and commission income from licensed carriers in the US and UK/EU writing niche and profitable business, largely as a conduit for highly rated reinsurers

OUR MAIN STRATEGIC OBJECTIVES

- To acquire or reinsure run-off insurance companies and portfolios in the US and UK/EU to produce attractive book value growth & cash returns
- To develop Accredited, our A-rated US admitted carrier, into a fronting platform of choice, generating substantial repeatable fee income
- To develop R&Q Insurance Malta, our A-rated carrier, into a conduit for niche EU and UK MGA business to highly rated reinsurers, generating substantial repeatable fee income

FINANCIAL PERFORMANCE

STRATEGY I INNOVATION I EXPERTISE

RESULTS FOR THE 12 MONTHS ENDED 31 DECEMBER 2017

Financial highlights for the 12 months ended 31 December 2017:

- Pre-tax Profit of £23.5m * (2016: £8.5m)
- Underlying profit growth of 38%
- Basic earnings per share of 25.4p * (2016: 11.7p)
- ROE of 17.3% (2016: 13.5%)
- Proposed distributions per share increased to 8.9p (2016: 8.6p)
- Book value per share excluding goodwill of 120.8p (2016: 107.4p), increasing to 132.1p upon conversion of goodwill on sale of Insurance Services business in January 2018
- Cash and investments £602.8m (2016: £393.0m)

* Including profit on disposal of RQMA of £11.8m (net of costs)

Group Performance £'000	12 months 2017	12 months 2016
Group results		
Operating profit	27,949	10,386
Profit before tax	23,461	8,479
Underlying Profit before tax	11,661	8,479
Profit after tax	22,970	8,315
Earnings per share (basic)	25.4p	11.7p
Balance sheet information		
Total assets	1,065,791	786,212
Cash and Investments	602,753	392,978
Total insurance claims gross reserves	722,535	553,726
Shareholders' equity	166,772	94,368
Key statistics		
Investment return on invested assets	1.6%	2.7%
Return on tangible equity	17.3%	13.5%
NTA per share	105.3p	85.1p
Book value per share excluding goodwill	120.8p	107.4p
Distribution per share	8.9p	8.6p

BOOK VALUE EXCLUDING GOODWILL

MOVEMENTS SINCE CAPITAL RAISE

- Expectation at the time of the capital raise was for book value per share excluding goodwill to move into the range 136-146p after the sale of the Insurance Services Division (“ISD”)
- Impact of the ISD sale is 11.3p
- Taking into account the ISD sale in January 2018 the figure would have been 132.1p
- The strengthening of GBP against US$ late in 2017 has had an adverse impact which amounted to approx. 6p per share – if GBP had not strengthened we would be within the expected range

STRATEGY UPDATE

• Disposal programme complete:	
– Insurance Services	SOLD*
– Captive Management	SOLD
– Lloyd's Managing Agency	SOLD*
– Norway	SOLD
– Yachtsure MGA	SOLD
– Synergy MGA	SOLD
– Gibraltar	CLOSED
– US Services	CLOSED**
– Syndicate 1991	CEASES AFTER 2017 YOA
• March and October 2017 fund raises	COMPLETE
• Additional funding into Malta and Accredited	COMPLETE
• AM Best rating for Malta	COMPLETE
• AM Best upgrade for Accredited	COMPLETE

*Transitional services agreements
**Except US Healthcare and limited ongoing contracts whilst they run off

PROGRAM BUSINESS - DEVELOPMENTS

This area of our business has progressed very well, demonstrated by -

- 8 new programs signed in 2017 (5 in US; 3 in Europe)
- 12 new programs expected in 2018 in US and Europe
- Market disruption in both US and Europe fuelling strong demand and activity
- Positive A.M. Best rating actions underpinning the R&Q offering

The following two slides provide an illustration of the programs we have executed to date and those in the pipeline. At the present time we are assessing a significant number of opportunities; some of those will inevitably fall away as we go through our “due diligence” process, but we expect that further new business enquiries will be received to at least maintain the active pipeline.

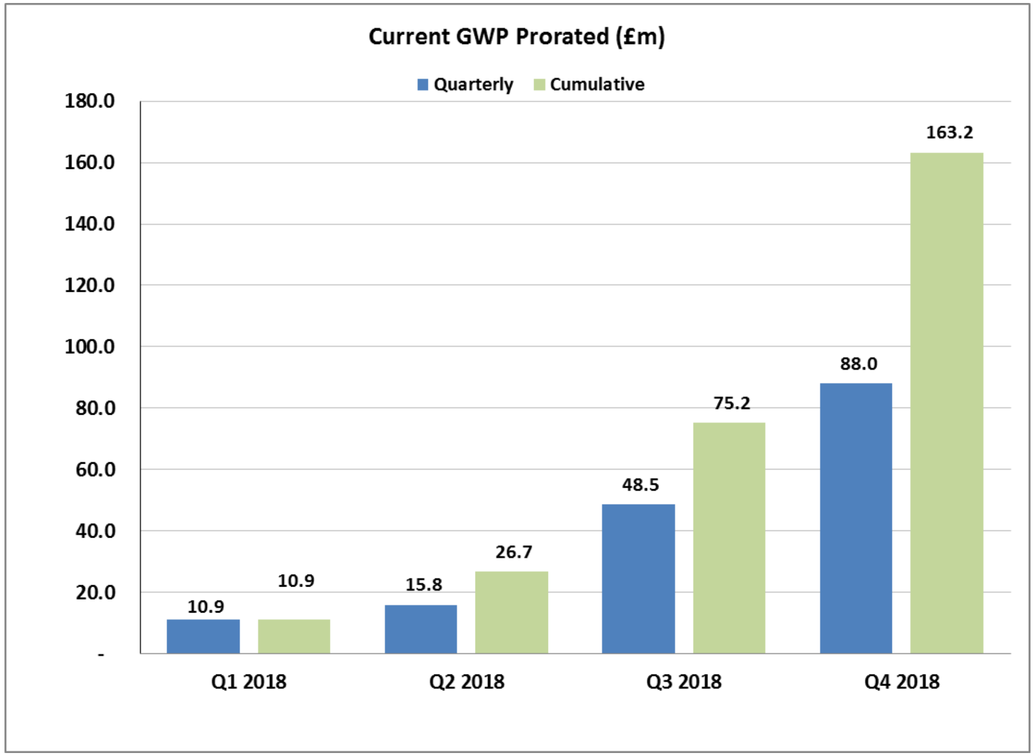
The illustrations are intended to show how the execution of each new program adds to future earned premiums and commissions for the Group.

It is stressed that there is uncertainty around the precise timing for the implementation of each new program.

R&Q MALTA – ILLUSTRATIVE PROGRAM GROSS WRITTEN PREMIUM (“GWP”)

STRATEGY I INNOVATION I EXPERTISE

This slide is for illustration only to demonstrate the slow development of earned commission income



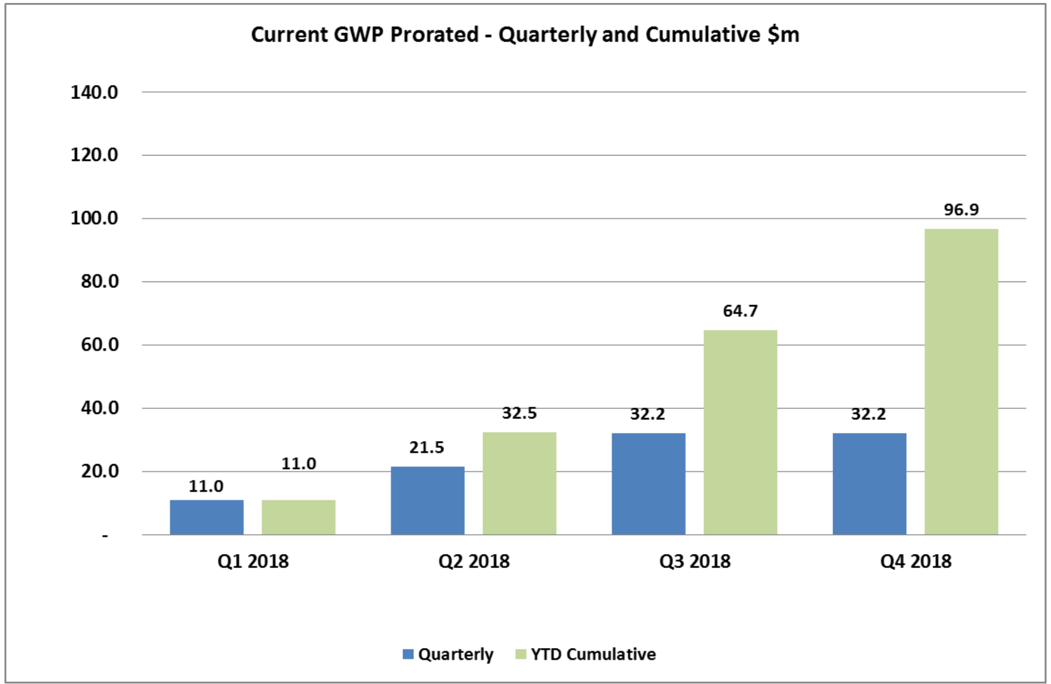
Program Launch Period	Account / Prospect Name	Illustrative GWP Annualised	Illustrative GWP Prorated	Illustrative Earned Premium	Illustrative RQIM Fee 2018 (based on Earned)
Existing (2016)	Program 1	24.2	24.2	13.9	0.3
Existing	Program 2	15.0	15.0	8.1	0.2
Existing	Program 3	7.8	7.8	4.2	0.1
Existing	Program 4	7.3	7.3	4.5	0.1
Live subtotal	- - -	**54.3**	**54.3**	**30.8**	**0.7**
Q2	Program 5	19.1	11.1	3.7	0.1
Q2	Program 6	3.4	2.0	0.7	0.0
Q2	Program 7	0.2	0.1	0.0	0.0
Q2 subtotal	- - -	**22.8**	**13.3**	**4.4**	**0.1**
Pipeline	Program 8	44.8	18.7	4.7	0.2
Pipeline	Program 9	35.5	14.8	3.7	0.1
Pipeline	Program 10	18.5	9.3	2.7	0.1
Pipeline	Program 11	15.6	6.5	1.6	0.1
Pipeline	Program 12	15.0	6.3	1.6	0.0
Pipeline	Program 13	13.0	4.3	0.9	0.1
Pipeline	Program 14	8.6	2.9	0.6	0.0
Pipeline	Program 15	7.2	3.0	0.8	0.0
Pipeline	Program 16	5.0	1.7	0.3	0.0
Pipeline	Program 17	2.2	0.9	0.2	0.0
Pipeline	Program 18	-	-	-	-
Q3 Subtotal	- - -	**165.4**	**68.3**	**17.1**	**0.7**
Pipeline	Program 19	25.0	6.3	1.0	0.1
Pipeline	Program 20	25.0	6.3	1.0	0.0
Pipeline	Program 21	15.0	3.8	0.6	0.0
Pipeline	Program 22	15.0	3.8	0.6	0.0
Pipeline	Program 23	14.0	3.5	0.6	0.0
Pipeline	Program 24	9.0	2.3	0.4	0.0
Pipeline	Program 25	5.0	1.3	0.2	0.0
Pipeline	Program 26	0.8	0.2	0.0	0.0
Pipeline	Program 27	0.6	0.2	0.0	0.0
Q4 subtotal	- - -	**109.4**	**27.3**	**4.6**	**0.2**
Total Q1-Q4		**351.9**	**163.2**	**56.8**	**1.7**

Programs signed
Programs at various stages of due diligence or where discussions being held

ACCREDITED – ILLUSTRATIVE PROGRAM GROSS WRITTEN PREMIUM ("GWP")

STRATEGY I INNOVATION I EXPERTISE

This slide is for illustration only to demonstrate the slow development of earned commission income



Program Launch Period	Account / Prospect Name	Illustrative GWP Annualized	Illustrative GWP Prorated	Illlustrative Earned Premium Estimate	Illustrative ASC Fee 2018 (based on Earned)
Existing	Program 1	4.0	4.0	2.5	0.2
Existing	Program 2	6.0	6.0	3.8	0.2
Existing	Program 3	3.0	3.0	1.9	0.1
Existing	Program 4	25.0	25.0	15.6	0.8
Existing	Program 5	5.0	5.0	3.1	0.2
Existing	Program 6	1.0	1.0	0.6	0.0
Q1 subtotal	- - -	**44.0**	**44.0**	**27.5**	**1.4**
Pipeline	Program 7	10.0	5.8	3.8	0.2
Pipeline	Program 8	13.0	7.6	4.9	0.2
Pipeline	Program 9	2.5	1.5	0.9	0.0
Pipeline	Program 10	10.0	4.2	2.4	0.1
Pipeline	Program 11	30.0	12.5	7.3	0.4
Q2 Subtotal	- - -	**65.5**	**31.5**	**19.3**	**1.0**
Pipeline	Program 12	18.0	6.0	3.4	0.2
Pipeline	Program 13	3.0	2.0	0.9	0.0
Pipeline	Program 14	15.0	5.0	2.8	0.1
Pipeline	Program 15	25.0	8.3	4.7	0.2
Q3 subtotal		**61.0**	**21.3**	**11.8**	**0.6**
Pipeline	Further Programs	20.0	-	-	-
Q4 subtotal	- - -	**20.0**	**-**	**-**	**-**
Total Q1-Q4		**190.5**	**96.9**	**58.6**	**3.0**

Programs signed (green)
Programs at various stages of due diligence or where discussions being held (amber)

MALTA/EUROPE

Background

- Ongoing discussions with Maltese regulator re R&Q retention requirements
- Internal process getting quicker/slicker, need to improve regulator timeframes
- Assessment process is extensive with on site due diligence performed on all opportunities
- Keen to establish a reputation for thoroughness and attention to detail
- Growth in team size in both UK and Malta planned for 1H2018
- Fintech start-ups are attractive to us; well supported by reinsurance markets
- A- Best's rating well received; high level of pipeline opportunities
- Increase in minimum fee from 1 February 2018 to 4% with target of 5% and higher rates for some classes/locations (i.e. 7% for Spanish surety bonds). Also start up or minimum fees required for some opportunities

Opportunities

- Coming in all shapes and sizes; €1m to €60m
- Mostly established MGAs and portfolios with A rated reinsurance already lined up
- 20% are start ups, mostly with technology solutions creating bespoke offerings and fully reinsured
- Opportunities to date coming out of UK, Ireland, Spain, Italy, Netherlands, Malta, Greece, Bahrain, India and Qatar
- Classes include: Motor, Surety Bond, Aviation, Travel, Homeowners, Pet Insurance and Medical Malpractice
- Three phase process prior to submission to regulator
- Opportunities coming though existing direct writers withdrawing from the class and reinsurers wanting to fast track portfolios they wish to support

BUSINESS UPDATE – FRONTING/PROGRAM MANAGEMENT

USA

Background

- A- VII AM Best rating; 45 year old company
- Valuable platform – licensed in all 50 states; ISO and AAIS company
- Have completed focused effort to broadly license the company; now able to write nearly every type of P&C cover.
- Positively viewed as alternative to current competitors
- 5% target fee; non-correlated, diverse business (line of business; geographic spread); minimum fees on accounts
- Experienced team in Atlanta and future additions to be added in Atlanta
- Marketing/key industry event presence throughout entire year

Accounts and Opportunities

- Broad mix of business with proven operators and established MGAs across America
- Classes include: surety, GL, inland marine, property, commercial auto, private passenger auto, and homeowners
- Favourable shift in account sizes over the past 18 months
- $5m-$40m current account size. Some active opportunities are much larger
- Working with global brokers (JLT, Willis, Guy Carp and super regionals and specialists)

LEGACY HIGHLIGHTS

Divisional Key Metrics £'000	12 months 2017	12 months 2016
Result of operating activities (live & run-off)	**25,356**	**23,515**
Key metrics		
Goodwill on bargain purchase	24,666	16,281
Loss on Syndicate 1991 participation	(2,824)	(2,088)
Investment return on invested assets	1.6%	2.7%
Investment income for year (net of costs)	8,187	7,972

Division Outlook

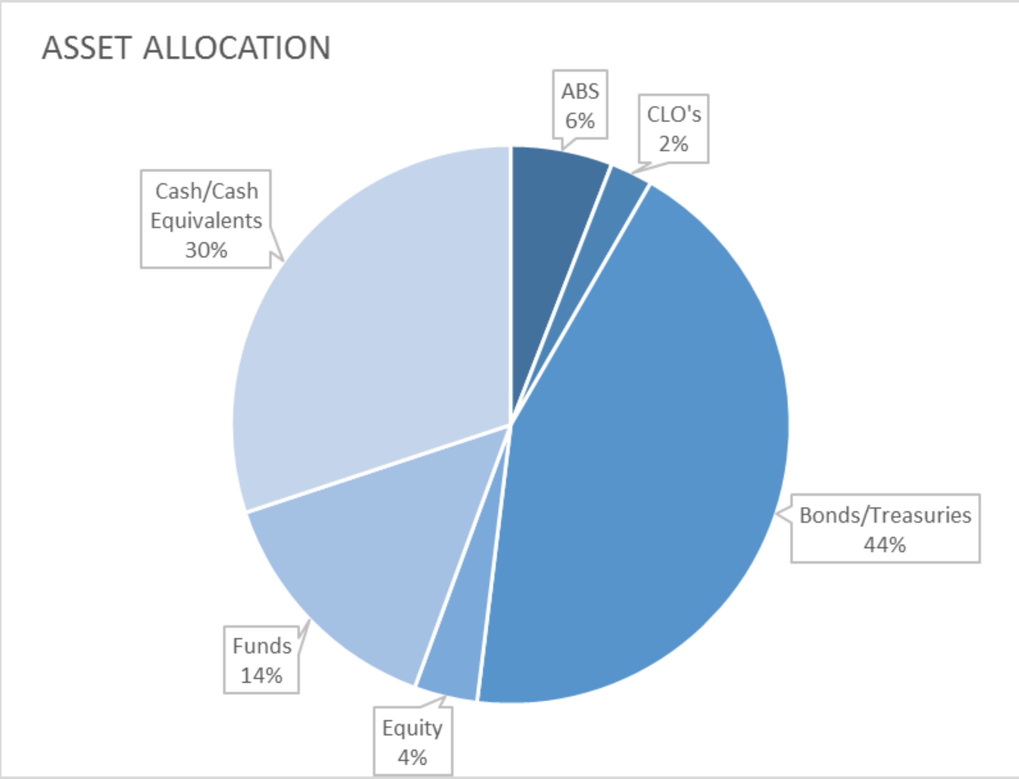
- Highly promising legacy and run-off acquisition pipeline. USA infrastructure and distribution improvements have brought particularly strong results.
- Participation in 2016 and 2017 years of Syndicate 1991 expected to finally produce a profit in 2018
- Investment returns have been impacted due to increasing collateral requirements

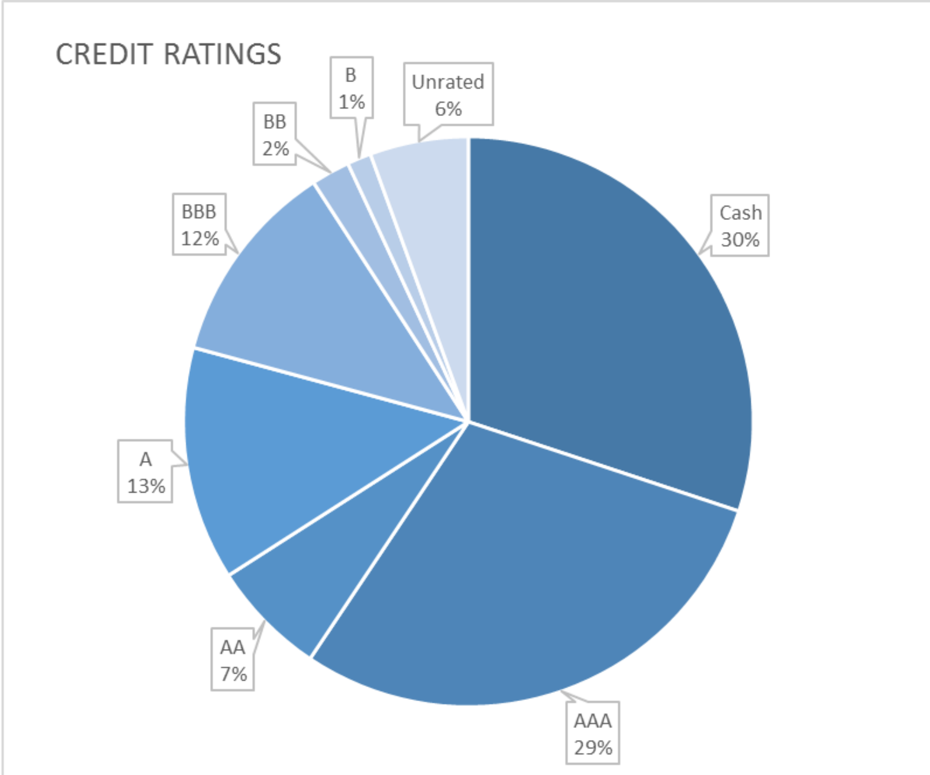
2017 M&A ACTIVITY

STRATEGY I INNOVATION I EXPERTISE

ICDC, Ltd Acquisition of a captive insurer of an American Fortune 500 company. Net Assets \$8.0m Net Reserves \$2.7m **March 2017**	**Linco Limited** Acquisition of a wholly owned captive insurer of Ameripride Services Inc. and Alsco Inc. **March 2017**	**Real estate investment trust** Reinsurance of workers compensation liabilities under deductible policies from a real estate investment trust **March 2017**	**Facultative Reinsurance to large US carrier** Issuance of a facultative reinsurance certificate to a large US P&C carrier for a premium of \$6.5m. **May 2017**	**Life Sciences Captive Insurance Company** Transfer of business by Part VII **May 2017**	**Fortune 500 Insurance Company** Loss portfolio transfer of a \$46.5m Bonds portfolio issued by an A+ rated Fortune 500 Insurance Group **June 2017**	**California based insurance group** Loss portfolio transfer of a \$43m portfolio of legacy livery, trucking and contractors liability programme business **June 2017**
Cayman domiciled captive Acquisition of a Cayman Captive wrote forced homeowners insurance **June 2017**	**AstraZeneca Insurance Company Limited** Acquisition of a wholly owned captive insurer of AstraZeneca plc **June 2017**	**AA- rated UK subsidiary of a CAC Next 20 insurance company** Loss portfolio transfer of a book of legacy liabilities **June 2017**	**Cayman domiciled group captive insurer** Novation of \$20m of legacy portfolio representing the following liabilities: Workers' Compensation, General Liability, Auto Liability and Products Liability **August 2017**	**US Corporate** Assignment of \$24m of insurance liabilities under deductible policies from a US corporate **August 2017**	**ProSight specialty insurance** Acquisition of two Corporate Members Net reserves £76m Net Assets £81m Home Services, Leisure and Sport, Contractors and Construction **October 2017**	**Colorado domiciled captive** Acquisition of a welding supply company captive insurer in run off **December 2017**
Assignment of deductible policies Assignment of insurance liabilities under deductible policies to a U.S manufacturer **December 2017**	**Constantia Insurance Company (Guernsey) Limited** Acquired a Guernsey based captive in run-off Net Assets £3.4m Net Reserves £18.6m **December 2017**	**Texas domiciled self-insurers** Novation of 2 Texas based self-insurer with net reserves of circa \$1.8m. Workers' compensation, Heating, ventilation, and Air conditioning **December 2017**	**Connecticut domiciled Risk Retention Group ("RRG")** Assumption of auto liabilities with estimated reserves of circa \$1.6m providing full finality to the RRG. **December 2017**	**US domiciled Risk Retention Group ("RRG")** Adverse development cover with \$70m of coverage. Medical professional and general liabilities **December 2017**		

INVESTMENT PORTFOLIO AS AT 31 DECEMBER 2017





Running yield	2.69% (2016:2.6%)
Average Duration	c. 1.98 years (2016:1.8 years)

2017 - investment return	1.60%
2016	2.70%

SUMMARY

- A much stronger underlying result in 2017
- Completion of disposals
- Better performance driven by large number of legacy transactions and exciting growth prospects in legacy and fronting in the US and UK/Europe
- Brexit and Solvency II are presenting further opportunities to the Group
- The Board is proposing a higher return of capital of 8.9 pence

2018 – Further Anticipated Improvement In Performance

- Continued increase in contribution from legacy transactions (acquisitions and reinsurance), especially in USA
- Malta and Accredited Program business will generate valuable new and repeatable income streams
- Increased investment income from larger float of cash and investments

Randall & Quilter Investment Holdings Ltd. Consolidated Income Statement	2017 £'000	2016 £'000
Gross premiums written	187,947	53,377
Reinsurers' share of gross premiums	(39,255)	(3,597)
Premums written, net of reinsurance	148,692	49,780
Change in gross provision for unearned premiums	16,553	(6,065)
Change in provision for unearned premiums, reinsurers' share	3,425	2,360
Net change in provision for unearned premiums	19,978	(3,705)
Earned premium, net of reinsurance	**168,670**	**46,075**
Net investment income	8,187	7,972
Other income	8,154	6,838
	16,341	14,810
Total income	**185,011**	**60,885**
Gross claims paid	(142,013)	(59,430)
Reinsurers' share of gross claims paid	60,585	113,599
Claims paid, net of reinsurance	(81,428)	54,169
Movement in gross technical provisions	(10,765)	(2,317)
Movement in reinsurers' share of technical provisions	(16,839)	(63,880)
Net change in provision for claims	(27,604)	(66,197)
Net insurance claims incurred	**(109,032)**	**(12,028)**
Operating expenses	(84,418)	(56,096)
Result of operating activities before negative goodwill and impairment of intangible assets	**(8,439)**	**(7,239)**
Goodwill on Bargain purchase	24,666	16,281
Impairment and amortisation of intangible assets	(1,909)	(779)
Result of operating activities	**14,318**	**8,263**
Finance costs	(4,204)	(1,889)
Share of loss of associates	(284)	(18)
Profit on ordinary activities before income taxes	**9,830**	**6,356**
Income tax income/(expense)	(313)	684
Profit for the period	**9,517**	**7,040**
Profit for the period from discontinued operations	**13,453**	**1,275**
Profit for the year	**22,970**	**8,315**
Attributable to equity holders of the parent	22,239	8,414
Minority interests	56	(99)
	9,517	8,315

Randall & Quilter Investment Holdings Ltd.		
Consolidated Balance Sheet	2017	2016
	£'000	£'000
Assets		
Intangible Assets	20,712	32,966
Investments in associates	-	-
Property, plant & equipment	3,035	3,396
Investment properties	426	407
Financial assets		
- Investments	405,516	245,744
- Deposits with ceding undertakings	6,674	5,578
Reinsurers' share of insurance liabilities	253,482	202,732
Corporation tax	10,907	6,344
Deferred tax asset	2,411	3,014
Insurance and other receivables	170,273	143,375
Cash and cash equivalents	173,393	141,656
Assets held for Sale	18,962	-
Total assets	**1,065,791**	**785,212**
Liabilities		
Insurance contract provisions	722,535	553,726
Financial liabilities		
- Amounts owed to credit institutions	55,889	65,931
- Deposits received from reinsurers	1,170	1,354
Deferred tax liabilities	6,890	2,893
Trade and other payables, including insurance payables	92,269	50,410
Current tax liabilities	7,426	7,656
Pension scheme obligations	11,214	9,868
Liabilities held for sale	1,792	-
Total liabilities	**899,185**	**691,838**
Equity		
Share capital	2,517	1,441
Share to be issued	-	64
Share premium	62,257	5,563
Foreign currency translation reserve	901	8,285
Retained earnings	101,097	79,015
Attributable to equity holders of the parent	**166,772**	**94,368**
Minority interest in subsidiary undertakings	(166)	6
Total equity	**166,606**	**94,374**
Total liabilities and equity	**1,065,791**	**786,212**

- Fronting arrangements have been around for decades – But the environment is changing
- What is fronting?
  - Business is sourced, priced and serviced by MGAs who have strictly controlled delegated underwriting authority
  - R&Q uses its licences and AM Best credit rating to underwrite the insurance risks and immediately reinsures with highly rated reinsurers
- Why is such business available?
  - Growth of MGAs to underwrite specialist insurance lines
  - Reinsurers and alternative capital can now access specialist business without in-house expertise and infrastructure.
  - Alternative capital (ILS) has no infrastructure or licenses
  - Fintech initiatives are “disrupters” and typically do not use traditional insurance channels (e.g. Amazon, Uber casual drivers, etc)
  - R&Q is not an added step in the process – we typically replace the traditional insurance company
- Why is there an opportunity for R&Q?
  - R&Q has the necessary licenses in the USA and Europe (Lloyd's Syndicates are not authorised for “admitted” insurance in the USA)
  - Hard Brexit (R&Q has European licenses)
  - Solvency II has exposed undercapitalised fronting specialists in Europe
  - Channel “conflicts” because State National (US) sold to Markel and Markerstudy (Europe) sold to Qatar Re
  - R&Q is a natural partner for “disrupters” because we have no traditional business to defend

- What are the risks?
  - MGA quality
  - Retentions
  - Reinsurer credit risk
  - "Gaps" between assumed risk and reinsurance
  - Reputational risk if assumed business is loss making
  - Compliance and conduct risk
- R&Q risk mitigation:
  - Well advanced with overarching plan to contain loss exposure to retain business
  - The MGAs do the work; we set the rules and monitor that they do it well
  - R&Q does not underwrite and process the detailed transactions but we control the process through excellent DD, regular technical audits and peer review
  - R&Q undertakes ongoing credit assessment and concentration of reinsurance (with cash collateral as a back-up)
  - Portfolios are reviewed prior to inception and regularly thereafter by R&Q pricing and reserving actuaries
  - Very tightly controlled reinsurance wordings ("follow the fortunes")
- Scale and profitability of the opportunity:
  - Projected GWP within three years??
  - Target commissions in the range of 4/5% of GWP
  - Limited additional expenses (underwriting vehicles already in place)
  - Contracts renewed annually (we target deals for 3-5 years minimum)
  - Good visibility of new business secured but slow initial impact on Group profits as whilst GWP grows quickly commission income comes through more slowly as "earned"

Ken Randall, FCCA

Group Chairman & Chief Executive Officer

- Mr. Randall is a certified accountant and has worked in the Insurance industry for almost 40 years.
- During the early 1980s, Mr. Randall was Head of Regulation at Lloyd's, which was then a self-regulated institution. From 1985 until 1991 Mr. Randall served as Chief Executive of the Merrett Group.
- In 1991, Mr. Randall set up the Eastgate Group, in partnership with Mr. Quilter, which developed into the UK's largest third party provider of insurance services (1,300 employees & turnover of over £80m).
- Following the sale of Eastgate, Mr. Randall & Mr. Quilter refocused R&Q onto the acquisition and servicing of non-life run-off portfolios. R&Q expanded its services to include Captive &Underwriting management.
- In 2007 Mr. Randall presided over the Group's initial admission to AIM, and readmission in 2013.

Alan Quilter, FCA ACII MCT

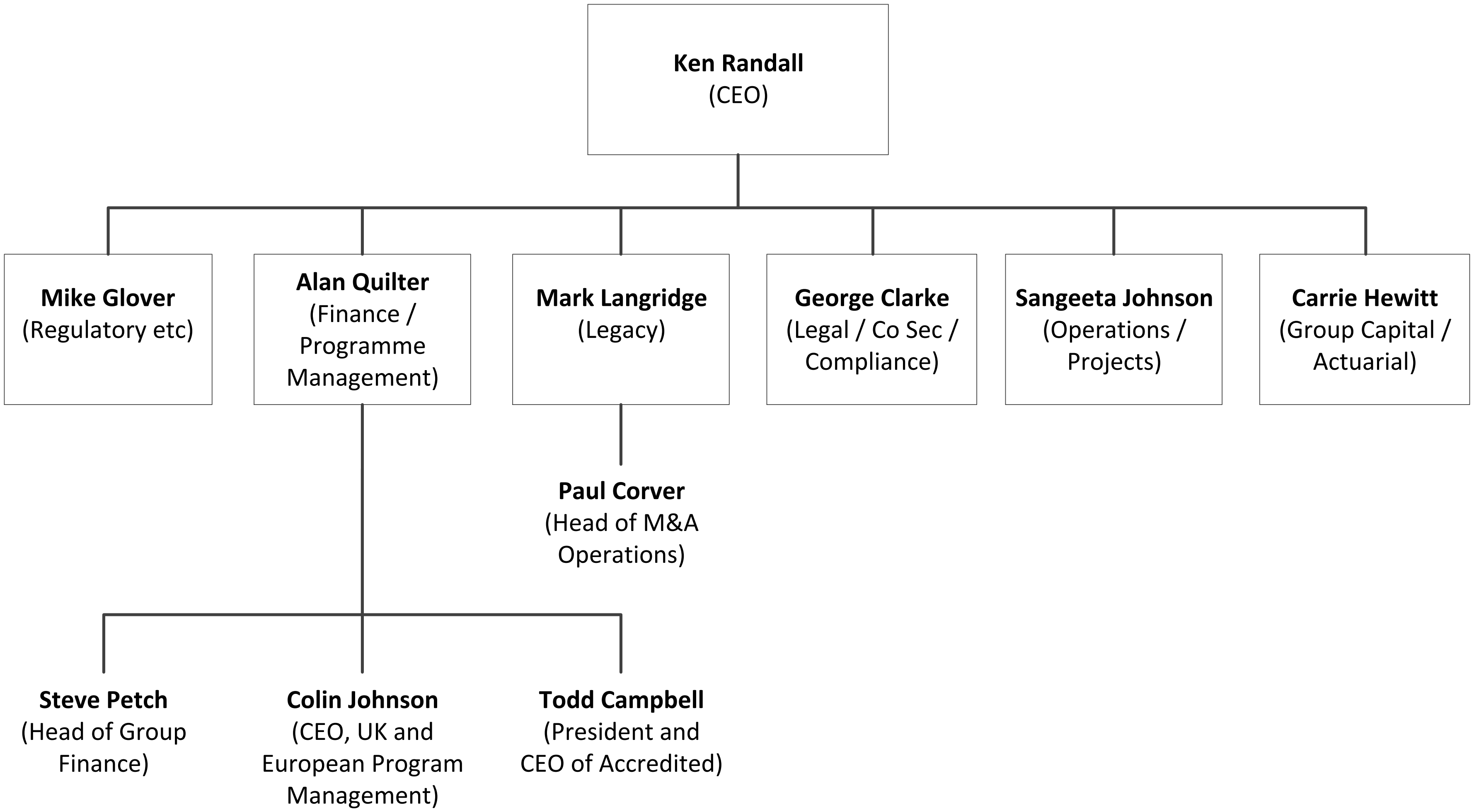
Group Chief Financial Officer & Deputy Group Chief Executive Officer

- Mr. Quilter is a chartered accountant and has worked in the London insurance market since 1969.
- Between 1980 and 1987, he headed the Market Financial Services Group at Lloyd's before having several senior roles within investment management companies focused on insurance markets in the UK.
- In 1992, Mr. Quilter joined Mr. Randall to form Randall & Quilter. He was Chief Financial Officer for the Group with overall responsibility of the Group's finance functions until June 2011 and has no resumed that role.

Mark Langridge, FCCA

Executive Director & Head of Legacy

- Mr. Langridge has worked within the London insurance industry since 1980 when he began his career with the Prudential Corporation, qualifying as an accountant in 1987.
- In 1993 he joined KWELM Management Services where, as Reinsurance Director, he was responsible for managing the legacy of the insolvent HS Weavers' underwriting pool which had liabilities of more than $9bn and which presented unique challenges for the P&C industry in London and internationally.
- Following the closure of the KWELM estate in 2005, Mark set up and part owned the KMS Group before its acquisition by R&Q in 2008.
- Prior to his appointment as Executive Director in January 2018, Mr. Langridge was Chief Executive Officer of the R&Q Insurance Investments Division and prior to that R&Q Insurance Services Division.



Ken Randall (CEO)
Mike Glover (Regulatory etc)
Alan Quilter (Finance / Programme Management)
Mark Langridge (Legacy)
George Clarke (Legal / Co Sec / Compliance)
Sangeeta Johnson (Operations / Projects)
Carrie Hewitt (Group Capital / Actuarial)
Paul Corver (Head of M&A Operations)
Steve Petch (Head of Group Finance)
Colin Johnson (CEO, UK and European Program Management)
Todd Campbell (President and CEO of Accredited)