



Ensurance
Limited

Investor Presentation

ASX: ENA

May 2021

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Corporate Overview

Ensurance Limited are a specialty underwriter that provide insurance underwriting on behalf of larger insurers in niche sectors within the U.K, USA and Australia.

Ensurance's expert team of underwriters develop and deploy specialised insurance solutions. The company offers a comprehensive suite of products through its extensive insurance broker network and is backed by several significant agreements with major global insurers.

Board of Directors



Tony Leibowitz
Executive Chairman

- Over 30 years of corporate finance, investment banking and broad commercial experience.
- Proven track record of generating significant shareholder value, most notably in his roles as Chairman of Chandler Macleod Ltd and more recently Pilbara Minerals Ltd.



Adam Davey
Non-Executive Director

- Over 30 years experience in capital raising (both private and public), mergers and acquisitions, ASX listings, asset sales and purchases, transaction due diligence and director duties.
- Previous roles include Managing Director of financial services companies.



Tony Wehby
Non-Executive Director

- Broad experience across Non-Executive Director roles since 2001.
- Formerly a Partner at PwC for 19 years where he managed its Corporate Finance business.
- Currently non-executive director of ASX listed Kingston Resources Ltd (KSN) and Deputy Chair of Royal Rehab.

| ASX Code | ENA |
|-------------------------------------|--|
| Ordinary shares on issue | 572.2m |
| Con. Notes (Maturing 30/06/2021) | 148.1m |
| Options | 91.6m |
| Market capitalisation | \$17.2m |
| Cash and cash equivalents | \$1.05m |
| Substantial shareholders | Kalonda Pty Ltd (21.29%) BNP Paribas Nominees Pty Ltd (8.15%) Mr Vaughan Thales Kent (6.14%) Church Street Trustees Limited (5.11%) |

Investment Highlights



Operations are cashflow positive

Ensurance U.K is on track to achieve maiden profits for the first year since incorporation, generating **\$480k in profit** for 1H FY'21 and a **record \$647k revenue** in Nov 2020.



Accretive acquisitions and new product lines

Ensurance has begun an acquisition and expansion strategy with the recently announced TKSR transaction, adding a top line of revenue of **\$1.5m** to the business and introducing several new products to Ensurance's offering.



High-margin, low-risk model

The underwriting agency model delivers high-margin revenue (**\$3.8m** in 2020, up from **\$1.5m** in 2019) and low churn (~**85%** of policies that can be renewed are) with no on-balance sheet risk for any insurance policies sold.



Strategic partnerships with leading global insurers

Ongoing agreements with leading insurers like AXA XL, AXA UK and Lloyd's are normally hard-to-secure, and grant Ensurance significant capacity to provide specialised underwriting.



Competitive position in the market

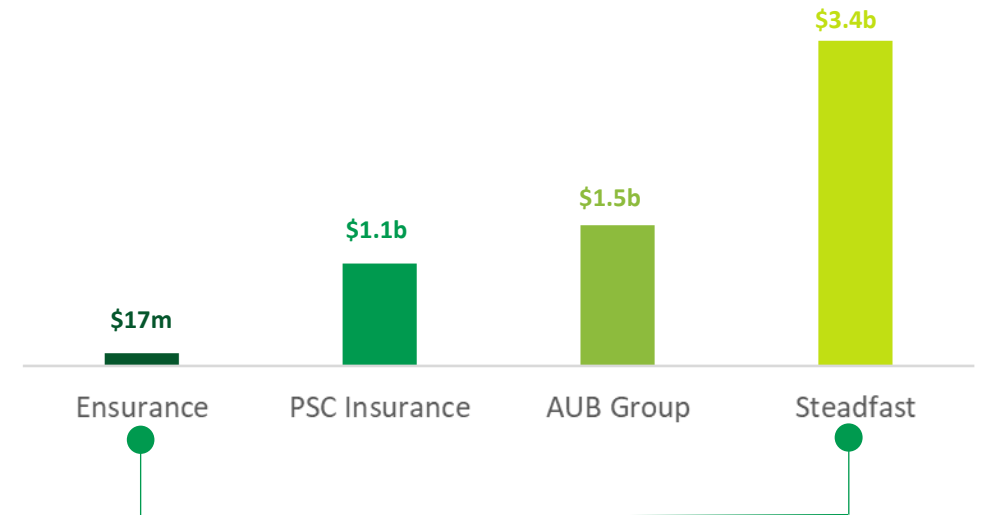
Ensurance's established partnerships, experienced and credible underwriting team and proprietary IT platform create a high barrier of entry into the market for competitors.



Expert board and management

Ensurance is led by an experienced board and leadership team who are focused on applying their learnings from the U.K business to organically and inorganically drive global growth, and have substantial ownership interest within the company.

Market cap of ASX listed companies operating in the insurance underwriting space



Potential upside of
x65-x200 when compared to
peers

Operational Management

Ensurance Limited are led by an expert management team with several decades of experience in corporate finance and insurance.

With the U.K arm on track to make a maiden year of profit, management is leading the company in a new direction to pursue an aggressive acquisition and expansion model through accretive acquisitions and roll-ups within the underwriting sector in Australia.

Key Executives



Tony Leibowitz
Executive Chairman

- Over 30 years of corporate finance, investment banking and broad commercial experience.
- Proven track record of generating significant shareholder value.
- Specialist in building undervalued assets; restructuring, mergers & acquisitions; and executing growth strategies.



Tim James
CEO Ensurance UK

- Former Board Director at Munich Re owned HSB Engineering Insurance Limited
- Established Ensurance UK Limited in 2016, onboarding a team of underwriters with significant credibility and strong existing industry relationships.
- Proven track record leading UK and International insurance portfolios.



Tom Kent
Managing Director of TKSR and Head of Australian Operations for Ensurance

- Founder and managing director of TK Specialty Risks Pty Ltd, a highly profitable specialist underwriting agency.
- Has grown TKSR YoY since inception in 2015, developing a strong rapport with leading insurer partners in Australia and managing insurance premiums in excess of \$10m AUD.
- Independent Director of Lawguard Management Pty Ltd, which holds \$40m of FUM.



| | |
|----------------------|----------------|
| 52 Week High | \$0.048 |
| 52 Week Low | \$0.012 |
| 1 Year Change | 87.5% |

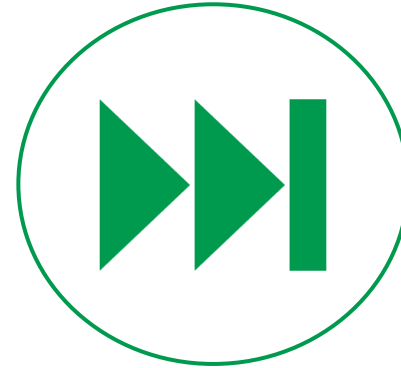
Effective & Sustainable Business Model



Ensurance underwrites insurance contracts on behalf of larger insurance partners. As a facilitator of these insurance arrangements Ensurance does not retain any underwriting profit or loss, this is retained by the insurer. **Ensurance is paid a commission by the insurer in return for management of the portfolio and often a share in any underwriting profits.**



The combination of Ensurance's specialist underwriters and extensive insurance broker distribution network **creates an attractive and low-cost proposition for larger insurers.**



Due to their specialised nature, **underwriting agencies like Ensurance are able to develop and launch new products to market quickly** and are capable of providing a higher level of service than major insurance companies.



Ensurance are pure underwriters and are not owned by any brokers, allowing the company **to differentiate through a focused distribution strategy** and avoid any conflicts of interest.

Growth Strategy: TK Specialty Risks

- Established in November 2015 by Tom Kent, TK Specialty Risks Pty Ltd (TKSR) is an underwriting agency wholly dedicated to Professional and Financial Lines insurance. The firm deals with **over 70 insurance broking houses across Australia.**
- TKSR provides products in both well-established lines of insurance and emerging risk classes adding both **complementary and diversified products** to Ensurance's portfolio.
- TKSR has grown significantly year-on-year since 2015, has insurance premiums under management in excess of \$10m AUD, strong profitability margins, a top line revenue of \$1.5m, a highly customised bespoke in-house IT platform and **a partnership with major insurer AXA XL.**



The accretive acquisition of TKSR will allow Ensurance to diversify its portfolio of offerings and distribute specialist underwriting services through a wider Australian broker network.

Growth Strategy: Next Steps

Acquisition and expansion model within the Australian underwriting space will allow Ensurance to build an impressive portfolio of specialised underwriting services and distribute contracts through a broad, far-reaching broker network to achieve \$100m in annual Gross Written Premiums (GWP) across the business.



Acquisition of TKSR

- 👉 The acquisition of TKSR will add \$11.5m of annual GWP to Ensurance U.K's existing annual GWP of ~\$34m (£19m)¹.



Future Acquisitions

- 👉 Ensurance will pursue additional acquisitions this year to expand the GWP, portfolio of offerings and broker networks within Australia.
- 👉 New acquisition opportunities will be continuously monitored to further diversify Ensurance's portfolio and to maximise the capacity of the company to underwrite specialised contracts.

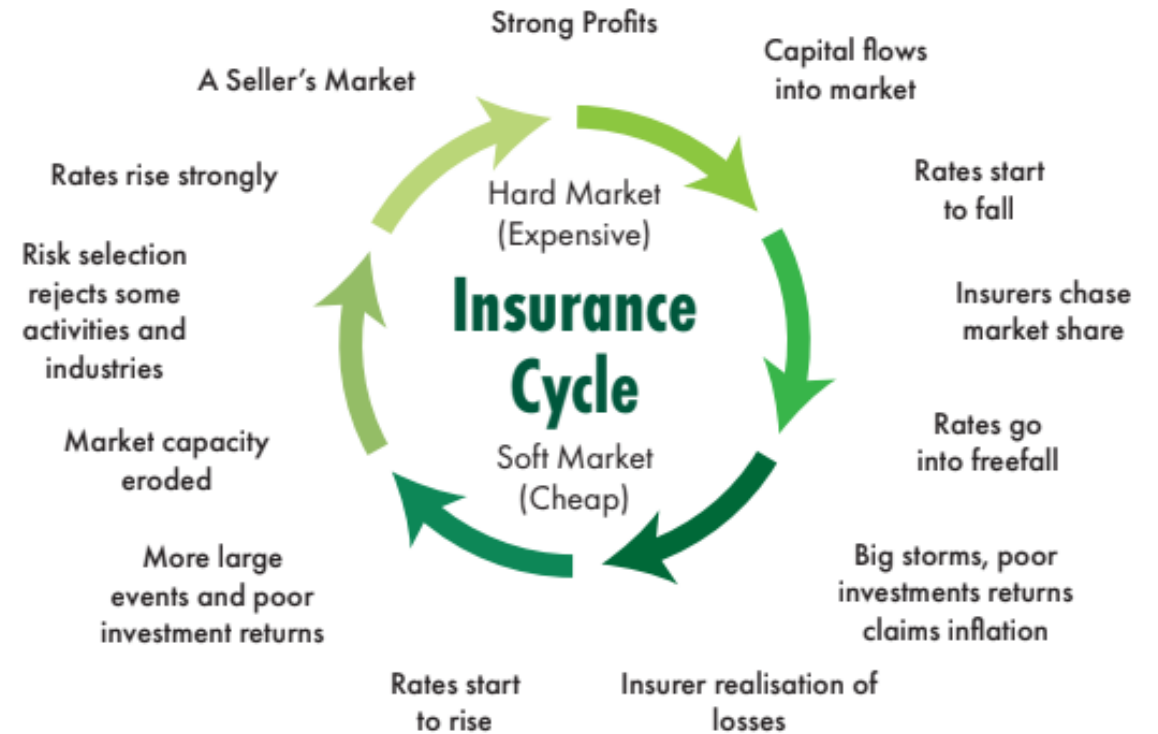
Roll-up of agencies within Australia

- 👉 Achieve a combined \$100m of GWP across both the U.K and Australia through acquisitions of smaller underwriting agencies.
- 👉 Access to wider broker networks will allow for the distribution of contracts nationwide.

1. Calculated using a currency conversion of \$1 AUD = £0.55 as at 17th May 2021

Growth Strategy: Timing is Right for Growth in Australia

- The insurance market is cyclical in nature, and can fluctuate between hard and soft.
- Now is the perfect time to start building Ensurance's footprint, acquire agencies and gain underwriting capacity as the market normalises.
- Ensurance's acquisitions, new products and aggressive growth strategy **should put the company ahead of the curve.**

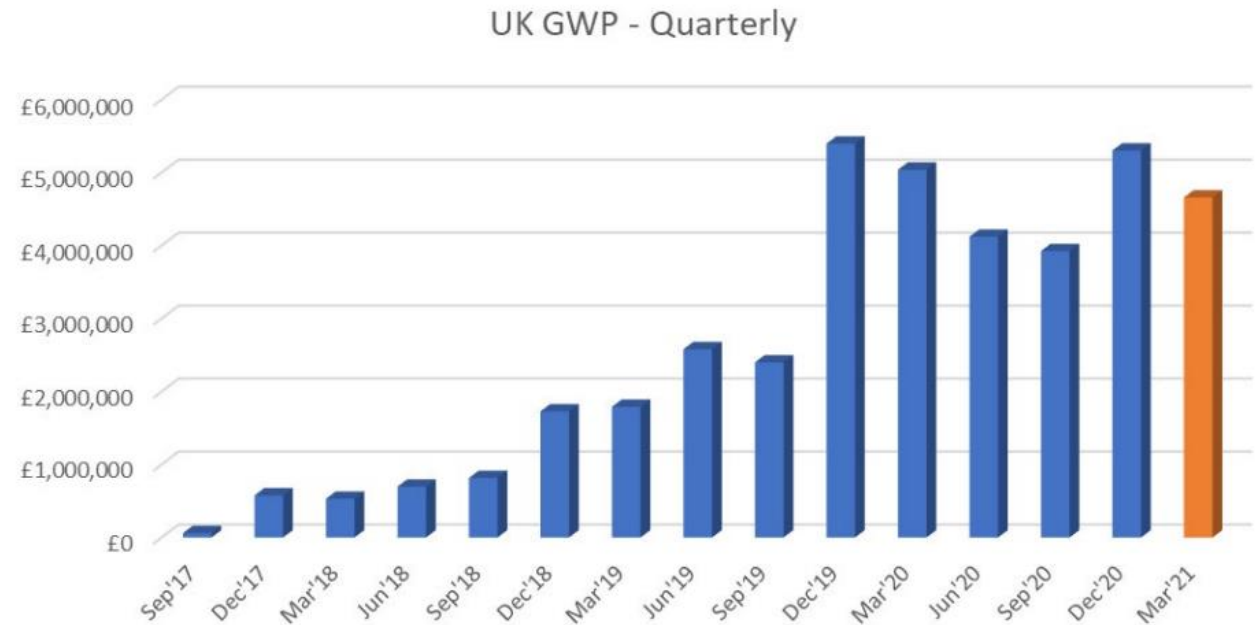


1. Image sourced from Berkley Australia as at 11th May 2021, <https://berkeleyinaus.com.au/why-is-the-insurance-market-hardening/>

Strong Financial Foundations

- Ensurance U.K is on track for the **first profit making year** since incorporation, having just achieved a record \$500k+ month of revenue, with TKSR adding \$1.5m to top line revenue.
- Record revenue achieved** in November of \$647k, made more impressive against the backdrop of a locked down U.K.
- The company recently received **the first two profit commission payments on underwritten contracts**, demonstrating the capability of the underwriting team.
- Remote working has seen the company remove one of the largest overheads through office costs, creating a leaner cost base to grow from.
- New product lines and acquisitions to be pursued in 2021 to expand Ensurance's portfolio and offering (See slide 12).
- Ensurance UK Limited secured a partnership with leading insurer AXA UK** to be the company's capacity provider for the core construction portfolio during a period in which insurers were more risk-averse and looking to reduce underwriting capacity.

1. Calculated using a currency conversion of \$1 AUD = £0.55 as at 17th May 2021



GWP (Gross Written Premiums) remains strong given COVID-19 and lockdowns within the U.K with GWP for Mar'21 quarter reaching £4.7m (\$8.5m AUD)¹.

Established Global Partnerships

- ↳ Ensurance is partnered with several leading insurers, such as AXA, which provide the company with a capacity to underwrite policies.
- ↳ These agreements are normally difficult to secure, indicating Ensurance’s capacity to develop specialised products within niche sectors.
- ↳ The company is in the process of finalising several additional capacity agreements to further increase its portfolio of offerings, including capacity to underwrite Construction and CPE risks internationally.

Current Partnerships



AXA

U.K Construction, Plant and Equipment and Construction All Risks



AXA Insurance Reinsurance

AXA XL

Homebuild Insurance



Lloyd’s

Terrorism and Sabotage Insurance



Beazley

Cyber Insurance



British Engineering Services

Engineering Inspection and Insurance



MGAM Limited

Online, U.K Liability Insurance



AXA¹

Professional Indemnity, Director and Officer Liability and Cyber



CFC Underwriting¹

Professional Indemnity, Director and Officer Liability and Cyber

Acquired through TKSR

Large Addressable Market

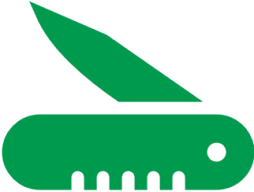
- ↳ Ensurance’s operations in the UK and Australia give the company access to a market worth a combined \$5.3b AUD (~£2.9b)¹.
- ↳ The acquisition of TKSR will expose Ensurance to an additional \$1.5b AUD through the new financial lines added to Ensurance’s portfolio.

Estimated U.K Market

Construction, Plant and Equipment
£2 billion



Terrorism and Sabotage
£560 million

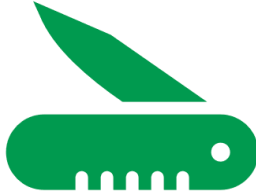


Estimated Aus Market

Construction, Plant and Equipment
\$450 million



Terrorism and Sabotage
\$200-250 million






Professional Indemnity, Director and Officer
Liability and Cyber Insurance
\$1.5 billion



Acquired through TKSR

1. Calculated using a currency conversion of \$1 AUD = £0.55 as at 17th May 2021

Upcoming Newsflow

| | May | June | July | August | September | October | November | December |
|---|-----------|---------|---------|---------|-----------|---------|----------|----------|
| U.K | | | | | | | | |
| Online UK Liability Launch  | | Planned | | | | | | |
| UK High Risk Liability Launch  | | Planned | | | | | | |
| UK Liability Launch | | | Planned | | | | | |
| Australia | | | | | | | | |
| TKSR Acquisition  | Completed | | | | | | | |
| 2 nd Acquisition in Roll-up Strategy | | | | | | | Ongoing | Ongoing |
| Hire specialised underwriters and experienced management to support Australian operations | | | Ongoing | Ongoing | Ongoing | Ongoing | Ongoing | Ongoing |
| International Markets | | | | | | | | |
| USA International Construction Launch | | | | Planned | | | | |
| Rest of World International Construction Launch | | | | Planned | Planned | | | |

Completed
 Planned
 Ongoing



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