

Overview – December Quarter Summary

- ✓ **Record Quarter for the Company with revenue up 35% on Previous Corresponding Period (PCP).**
- ✓ **Gross written insurance premiums of \$29m for the first half of FY 2022, up 70% year on year.**
- ✓ **Cashflow positive for a second consecutive quarter, with profit margins increasing.**
- ✓ **Completion of Share Placement, raising \$2.145m to fund growth.**
- ✓ **Appointment of Mr. Tom Kent as Chief Executive Officer.**
- ✓ **Increased uptake of Terrorism, International Construction and Professional Indemnity product classes across the UK and AU divisions.**
- ✓ **On-boarding of construction facility secured by Ensurance UK with global broker.**
- ✓ **Reduction of debt down to \$1m by virtue of repayment of 60% of total debt in a lump sum payment of \$1.5m.**

Ensurance Limited (ASX: ENA) ('Ensurance' or 'the Company') is pleased to provide the following update on its financial and operational activity for the quarter ended 31st December 2021.

Note: for consistency and ease of reporting purposes, financial results and Quarterly Activity Reports are presented on a consolidated basis in Australian Dollars (AUD).



December Quarter Summary

Financial Results

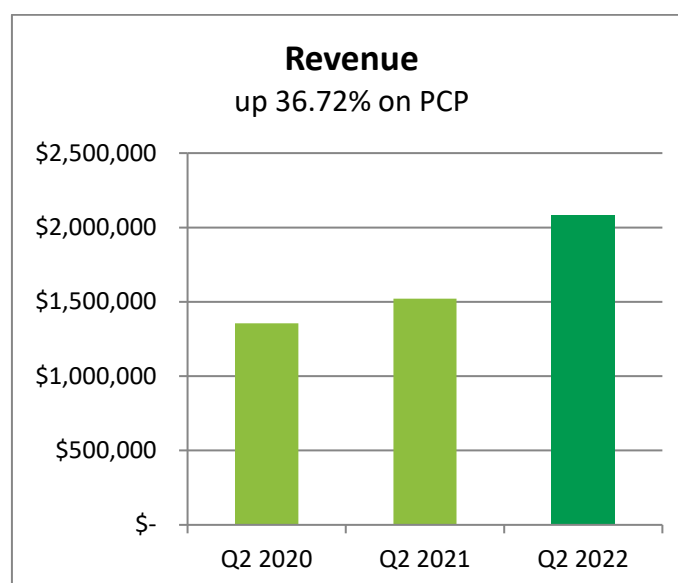
Quarterly financial results are laid out below in two sections: (i) a comparison of quarter-on-quarter growth against the corresponding quarters from the previous two financial years; and (ii) a data set of year-to-date financials, compared with the same data from the previous year.

(i) *Previous Corresponding Period (PCP) Analysis*

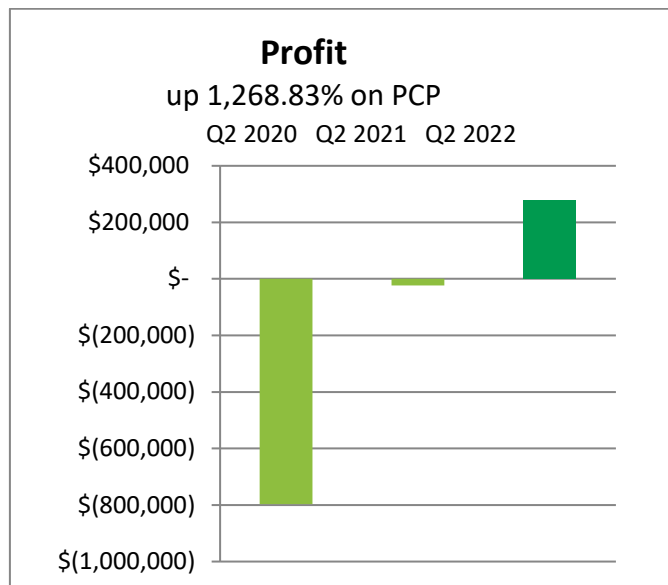
QUARTERLY RESULTS	Q2 2020*	Q2 2021	Q2 2022	% Change from PCP
Fees and Commissions	\$1,344,331	\$1,446,270	\$2,081,005	+ 43.89 %
Other Income	\$11,815	\$75,975	\$267	- 99.65 %
Revenue	\$1,356,146	\$1,522,245	\$2,081,272	+ 36.72 %
Profit (before income tax)	-\$796,517	-\$23,763	\$277,751	+ 1,268.83 %
Gross Written Premium	\$9,922,500	\$9,733,500	\$16,437,199	+ 68.87 %

*These numbers include revenue from Ensurance Underwriting, which was sold in March 2020.

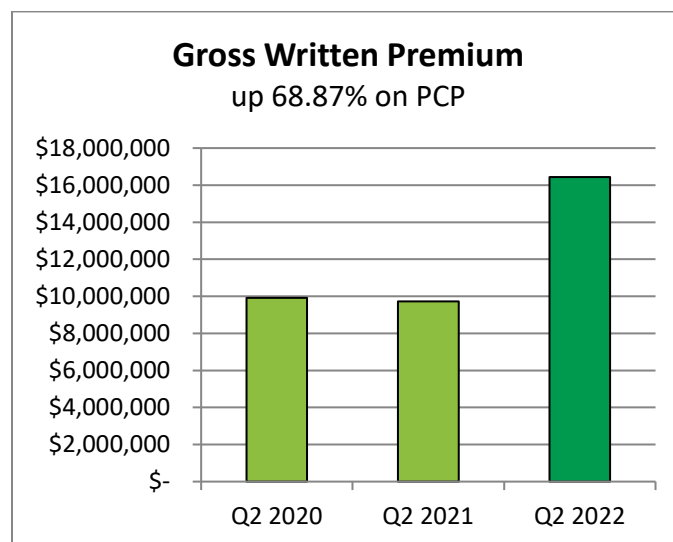
Company Revenue – Q2 difference by corresponding reporting period



Group Profit – Q2 difference by corresponding reporting period



Company Gross Written Premium – Q2 difference by corresponding reporting period



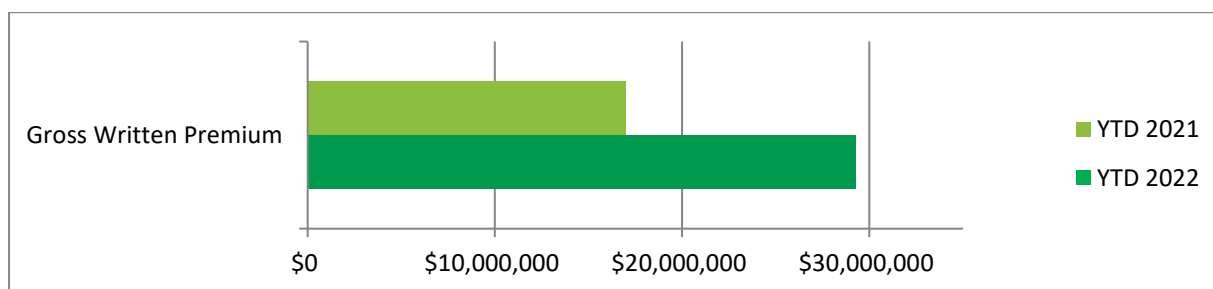
(II) Year to Date (YTD) Analysis

	Revenue	Profit Margin	Gross Written Premium
Q1 2022	\$1,516,035*	0.0178 %	\$12,819,840
Q2 2022	\$2,081,272	13.3452 %	\$16,437,199
YTD 2022	\$3,597,307	7.7286 %	\$29,257,039
YTD 2021	\$2,613,039	N/A	\$17,010,000
Increase on YTD	+ \$984,268	N/A	+ \$12,247,039

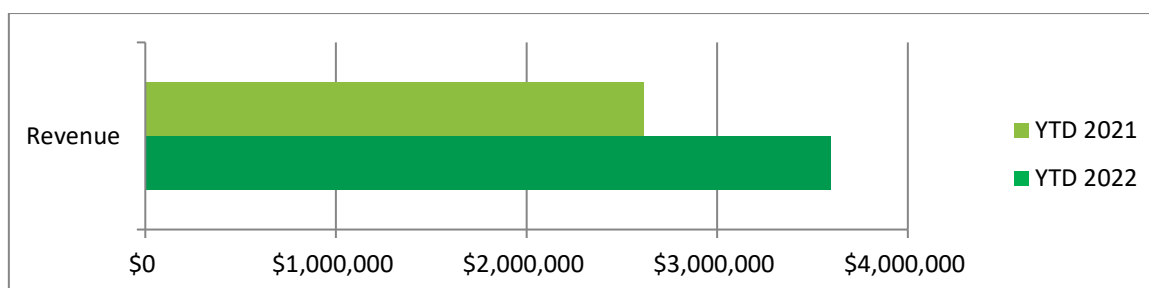
*In Q2 2022 Ensurance Australia reported net Commissions, to be consistent with the UK accounting treatment. The Q1 2022 revenue has been disclosed on this basis.

Year to Date (YTD) First Half (1H) Results

Company Gross Written Premium – YTD 1H Results



Company Revenue – YTD 1H Results



Financial Commentary

Record Quarter for Ensurance UK

Ensurance UK Limited has had a successful Q2, reporting a record \$11.35m of gross written premium (GWP) during the quarter. Additionally, the business recorded its largest 1H GWP result to date, with \$20.62m reported, \$3.22m higher than the same period in 2021. The positive performance continues to be driven by organic growth within the Company and an ever-increasing renewal book. During the quarter, Ensurance UK Limited wrote its first International Engineering risk. This new product line is expected to bring significant, additional growth to the business; the single risk written contributed a total of \$675k of the GWP in Q2 2022, demonstrating the substantial impact of the product on the business.

Favorable Market Conditions for Ensurance Australia

During the quarter, Ensurance Australia posted three consecutive months where gross written premiums on one of its product lines, Professional Indemnity, exceeded \$1m of GWP per month. Hardening market conditions coupled with recently developed in-house IT tools has resulted in Ensurance Australia being able to partner closely with key brokers who are in need of fast solutions to complex insurance placements.

Completion of Share Placement

The Company announced during the quarter that it had issued 9,326,092 ordinary shares at \$0.23 per share raising total proceeds of \$2.145m, as outlined in ASX announcements dated 29th September 2021. The shares were issued to existing and new sophisticated investors within the Company's existing share placement capacity under ASX Rule 7.1.



Operational Commentary

Appointment of Chief Executive Officer

The Company announced during the quarter that Mr. Tom Kent will take up the role of Chief Executive Officer (CEO) of the Company, effective 1 January 2022. Mr. Kent's appointment comes as Ensurance continues to build on its growth strategy following the acquisition of TKSR of which Mr. Kent was founder and Managing Director (refer ASX announcement 17/5/21). Following Mr. Kent's appointment, Mr. Tony Leibowitz reverted to the role of Non-Executive Chairman of the Group.

Mr. Kent's appointment as CEO coincides with the exciting appointment of Mr. Nick Beswick (refer ASX announcement 10/9/21) in the role of Professional Risks Manager for the Australian division of the Company, commencing 1 January 2022. Mr. Beswick will be based in Sydney and his appointment cements the foundation for East Coast expansion of the Company in 2022.

Additionally, the Company is pleased to report that during the quarter it secured serviced offices for Ensurance Australia at 1 O'Connell Street in Sydney, a location proximal to a large number of key insurance broking partners.

New Terrorism Binder Goes Live

Ensurance UK Limited launched a new Terrorism binding authority at the end of Q2. This new authority comprises a new lead insurer, as well as additional new capacity providers. The binder allows the business to better position itself within the market, making Ensurance more competitive on Terrorism pricing and able to offer wider coverages for customers. The new offering is expected to provide continued growth for the Terrorism product in 2022.

Ensurance Secures New Facility with Global Broker

Q2 saw the Company secure a profitable new facility agreement with a large global broker. This is a small works facility for Contractors All Risk Project business under \$50m in contract value. Ensurance UK is the sole capacity provider, so is securing all work placed through the facility; the business has replaced a global insurer on the facility which has been running for a number of years. The deal is expected to generate circa \$3.75m GWP per annum.

Head of Finance UK Update

During the quarter, Ensurance UK's Head of Finance resigned. An offer to take up the role has been accepted by Mr Edward Cottle. Mr Cottle holds an accounting degree from the University of South Australia, and previously worked in the corporate accounting division of William Buck prior to moving to the UK to work with a subsidiary of private equity firm Livingbridge in 2019.

Related Party Transactions

Payments to related parties of the Company and their associates in section 6 of Appendix 4C, amounted to \$331K for the December 2021 quarter. This included:

- the Non-Executive Chairman's salary of \$68.5K and Non-Executive Director fees of \$19.8K.
- a pre-acquisition dividend of \$243K paid to the CEO, as per the Binding Heads of Agreement with TK Specialty Risk Pty Ltd (TKSR).

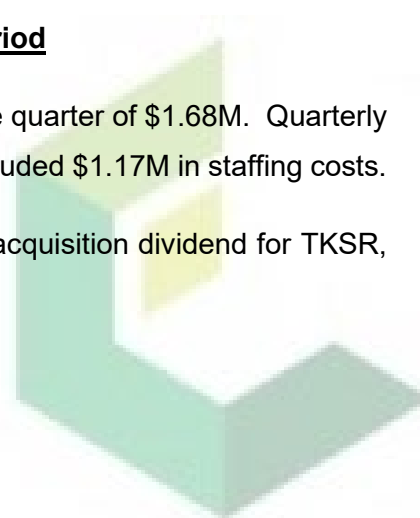
Other payments to related parties in section 3 of Appendix 4C included:

- a repayment of \$1.5M on the Kalonda Pty Ltd (Kalonda) loan, a related entity of Mr. Tony Leibowitz, Non-Executive Chairman.
- interest payments of \$43K on the unsecured \$1M loan from Kalonda.
- \$27.5K executive service fee paid to the Non-Executive Chairman, in relation to the share placement.

Summary of Cash Position and Expenditure during the Period

The Company held cash and cash equivalents at the end of the quarter of \$1.68M. Quarterly operating expenditure during the quarter was \$1.58M. This included \$1.17M in staffing costs.

In investing activities, \$243K was declared and paid as a pre-acquisition dividend for TKSR, as per the Binding Heads of Agreement.



In financing activities, interest of \$43K was paid on the loan from related parties and \$28K was paid to the Non-Executive Chairman as an executive service fee. The Company also received the balance of \$1.98M in October, for the Share Placement. The Placement was completed on the 8th October 2021. \$1.5M was repaid on the Kalonda loan and replaced with a standby facility, leaving an outstanding loan balance of \$1M.

ENDS

This release has been authorised by the Board.

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