










# **APPENDIX 4E**

## **Preliminary Final Report**

**30 June 2017**

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Rule 4.3A

**Appendix 4E**  
Preliminary final report

Name of entity

**Ensurance Limited**

ABN or equivalent company  
reference

**80 148 142 634**

Half yearly  
(tick)

☐

Preliminary  
final (tick)

☒

Half year/financial year ended ('current  
period')

**30 June 2017**

## Results for announcement to the market

	Previous Period				Current Period
2.1 Revenues from ordinary activities	3,033,103	Up	4.75%	to	<b>3,177,155</b>
2.2 Profit (loss) from ordinary activities after tax attributable to members	(1,777,430)	Up	286.13%	to	(5,085,753)
2.3 Net profit (loss) for the period attributable to members	(1,765,701)	Up	287.93%	to	(5,083,952)
2.4 Dividends	Amount per security		Franked amount per security		
Final dividend	<b>nil</b>		<b>n/a</b>		
Interim dividend	<b>nil</b>		<b>n/a</b>		
2.5 Record date for determining entitlements to the dividend:	<b>n/a</b>				
2.6 Brief explanation of any of the figures reported above					
Please refer to commentary in Executive Director's Report on pages 7-9.					

## Supplementary information

### 3. Statement of Financial Performance

Refer to Consolidated Statement of Profit or Loss and Other Comprehensive Income on Page 10

### 4. Statement of Financial Position

Refer to Consolidated Statement of Financial Position on Page 11

### 5. Statement of Cash Flows

Refer to Consolidated Statement of Cash Flows on Page 13

### 6. Statement of Changes in Equity

Refer to Consolidated Statement of Changes in Equity on Page 12

#### 7a. Details of individual and total dividends

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	<i>(Preliminary final report only)</i>			
	<b>Final dividend:</b> Current year	Nil	N/A	N/A
	Previous year	Nil	N/A	N/A
	<i>(Half yearly and preliminary final reports)</i>			
	<b>Interim dividend:</b> Current year	N/A	N/A	N/A
	Previous year	N/A	N/A	N/A

#### 7b Total dividend per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
Ordinary securities	N/A	N/A
Preference securities	N/A	N/A

#### 7c Dividend payment details

Date the dividend is payable

N/A

Record date to determine entitlements to the dividend

(ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)

N/A

If it is a final dividend, has it been declared?

*(Preliminary final report only)*

N/A

## 7d Final dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
<sup>+</sup> Ordinary securities <i>(each class separately)</i>	N/A	N/A
Preference <sup>+</sup> securities <i>(each class separately)</i>	N/A	N/A
Other equity instruments <i>(each class separately)</i>	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

## 8 Dividend reinvestment plans

The dividend plans shown below are in operation.

N/A

## 9 Net Tangible Assets per security

	Current period	Previous corresponding period
Net Assets/(Deficiency) \$	(2,108,509)	842,066
Less: Intangible assets \$	(1,924,645)	(1,768,131)
Net Tangible assets/(Deficiency) \$	(4,033,154)	(926,065)
Ordinary securities on issue at period end (per financial statements)	83,113,862	57,140,909
<b>Net tangible asset backing per ordinary security</b>	<b>(4.853) cents</b>	<b>(1.621) cents</b>

## 10 Control gained or loss of control over entities having material effect

Control gained over entities during the period:

Name of entities (item 10.1)	Ensurance UK Limited
Date(s) of gain of control (item 10.2)	10 August 2016
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).	(1,015,032)
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)	Nil

## 11 Details of aggregate share of profits / (losses) of associates and joint venture entities

Not applicable

## 12 Any other significant information

Refer to commentary on pages 7 - 9

## 13 Accounting standards for foreign entities

The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards.

## 14 Commentary on results

Refer to commentary on pages 7 - 9. The results for the period are as expected.

14.1 Earnings per security (EPS)	Current period	Previous corresponding period
Basic EPS	<b>(6.117) cents</b>	<b>(3.110) cents</b>
Diluted EPS	<b>N/A</b>	<b>N/A</b>

The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group.

### 14.2 Returns to shareholders including distributions and buy-backs

**None**

### 14.3 Significant features of operating performance

Refer to commentary in Executive Director's Report on pages 7-9

### 14.4 Results of segments that are significant to an understanding of the business as a whole.

Refer to commentary in Executive Director's Report on pages 7-9

### 14.5 Trends in performance.

Refer to commentary in Executive Director's Report on pages 7-9

### 14.6 Any other factors which have affected the results in the period or likely to affect results in the future

Refer to commentary in Executive Director's Report on page 7-9

## Compliance statement

This report is based on accounts to which one of the following applies.

- |                                     |   |                          |   |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/>            | The +accounts have been audited.  | <input type="checkbox"/> | The +accounts have been subject to review.                  |
| <input checked="" type="checkbox"/> | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +accounts have <i>not</i> yet been audited or reviewed. |

Signature:



Date: 31 August 2017

(Director/~~Company Secretary~~)

Print name: Adam Davey

## Executive Director Report

### Ensurance Ltd sets up for a big 2018 with major milestones achieved in 2017

#### Highlights

- **Acquisition and commercialisation of the Ensurance UK team now completed.**
- **The Ensurance UK team has started writing business in the UK.**
- **Ensurance UK secures world leading insurance brands Swiss Re and Lloyds of London.**
- **International brokers signed up to Ensurance UK.**
- **Ensurance Underwriting Australia achieves market leading revenue growth of 50%.**
- **The Ensurance white label business has commercialised with 9 products, signed Compare The Market and 161 white label clients.**

The past 12 months has seen Ensurance deliver two new income streams, which are the Home and Contents White Label Platform and the Ensurance Underwriting UK team. Both these new income avenues are expected to deliver considerable sales growth in 2018 and beyond.

Importantly, these income streams have diversified the business away from traditional insurance business operations, whilst still keeping a considerable presence in this sector through Savill Hicks Corp Pty Ltd in their core products offered.

Ensurance raised \$5,077,857 in FY17 which has enabled the company to achieve the above company milestones.

#### Ensurance UK

The international expansion of the group, initially targeting the UK Construction and Engineering insurance market (which generates premiums in excess of £500m pounds), has been achieved through the employment of key industry leaders. The new team has brought with them their existing customers, enabling Ensurance to initially target 65 brokers, including a number of highly sought-after larger international brokers. Of the initial brokers targeted, circa 40 have now signed an agreement to transact with Ensurance UK.

The company has now got the insurers in place, and is expecting to achieve significant revenue over the next 12 months and beyond FY18.

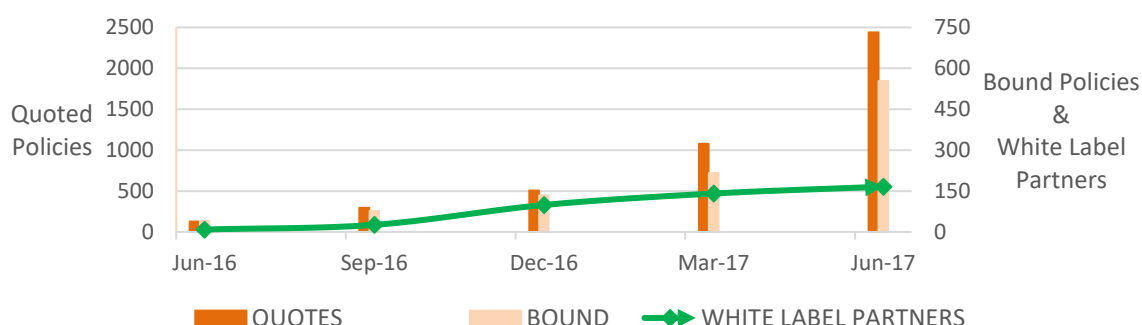
#### Savill Hicks Corp – White label platform

The commercialisation of the Ensurance online platform went live in February 2017. The platform initially targets the \$7-billion-dollar Australian residential insurance market, offering a range of 9 individual products through 3 insurers.

As at 30 June there were over 150 businesses signed onto the platform, including a major integration project connected to one of the largest direct insurance sales platforms in Australia, CompareTheMarket.com. This has generated immediate results.



### White Label Business - Cumulative

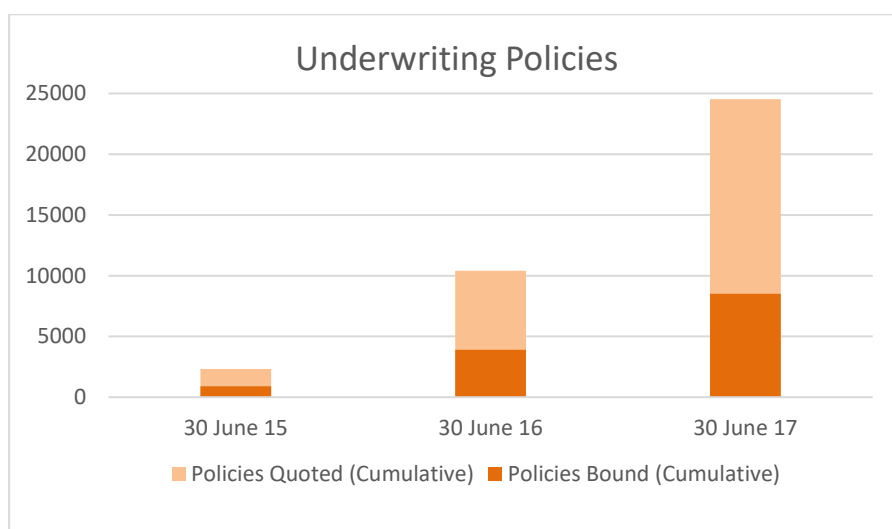


As per the above graph, the company is achieving quarter on quarter growth with White Label Partners joining the platform, quoted policies, bound policies and sales. This trend has continued into the current financial year 2018.

### Ensurance Underwriting

In its third year, Ensurance Underwriting achieved another strong year of 50% growth in revenue, within an industry where the growth revenue benchmark of 10% is considered strong.

Ensurance now directly distribute their products through their online platform to over 750 brokers, and will benefit from Ensurance UK in 2018 who can deliver new international products into the Australian market.



Ensurance Underwriting in FY17 achieved positive cash flows for the group.

**Ensurance Group - Summary of sales**

	2016	2017	Variance
Revenue	\$2,881,038	\$3,127,194	8.54%
Interest	\$43,093	\$23,428	-46%
Other	\$108,972	\$26,533	-76%
<b>Total Revenue</b>	<b>\$3,033,103</b>	<b>\$3,177,155</b>	<b>4.75%</b>

**Commentary**

- Ensurance UK started trading in June 2017 and income is expected to be received in the second quarter of 2018.
- Major white label connection project went live in May 2017 and has delivered a significant increase in sales since going live. These results are expected to continue and flow through into the following quarter's revenue numbers.
- Traditional SHC business revenues were down in 2017 by 3% due to the downturn in the construction industry in NSW.
- Ensurance Underwriting's revenue grew by 50%.

**Profit and Loss**

Group net loss was (\$5,083,952), down on previous year of (\$1,765,701) in 2016.

Main expenses which contributed to the loss were relate to increased wages to support international and white label expansion.

Wages – 2017	\$3,922,824
Wages – 2016	\$2,443,686

Cash flow from group operations were (\$3,734,446) in FY17, down from (\$1,180,782) in FY16.

**Group Benchmarks 2018**

- Demonstrate revenue growth via Ensurance UK through target market of 65 brokers.
- Achieve 3 more major white label connections targeting 2000 sales each.
- Introduce 2 more residential products onto the platform including Landlord's Insurance.
- Continued sales growth in Ensurance Underwriting – Australia.

Brett Graves

Executive Director & Chief Operating Officer

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
for the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Continuing operations</b>			
Revenue	1a	3,177,155	3,033,103
Other income	1b	6,000	679,195
		3,183,155	3,712,298
Business development		(611,112)	(603,698)
Compliance costs		(351,963)	(177,559)
Computers and communications		(782,300)	(327,478)
Depreciation and amortisation	2a	(436,542)	(448,778)
Employment costs	2b	(5,204,290)	(3,300,569)
Finance costs		(322,503)	(18,242)
Legal and consulting fees		(75,235)	(73,683)
Occupancy costs		(371,241)	(274,707)
Travel and accommodation		(240,336)	(140,677)
Share-based payment		-	(8,980)
Other expenses		(215,671)	(187,338)
Loss before tax		(5,428,038)	(1,849,411)
Income tax benefit / (expense)	3	342,285	71,981
<b>Loss from continuing operations</b>		<b>(5,085,753)</b>	<b>(1,777,430)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss:			
► Revaluation of assets		1,801	11,729
Items that may be reclassified subsequently to profit or loss:			
		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>1,801</b>	<b>11,729</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(5,083,952)</b>	<b>(1,765,701)</b>
<b>Profit/(loss) for the period attributable to:</b>			
Non-controlling interest		-	-
Owners of the parent		(5,085,753)	(1,777,430)
<b>Total comprehensive income/(loss) attributable to:</b>			
Non-controlling interest		-	-
Owners of the parent		(5,083,952)	(1,765,701)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position**

As at 30 June 2017

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Cash and cash equivalents	4	569,873	389,645
Trade and other receivables	5	1,724,981	19,426
Trust account insurer assets	7a	4,330,245	3,720,652
Current tax assets	3	-	-
Other current assets	6	74,030	33,872
<b>Total current assets</b>		<b>6,699,129</b>	<b>4,163,595</b>
<b>Non-current assets</b>			
Financial assets	8	30,266	96,789
Plant and equipment	9	96,027	129,899
Intangible assets	10	1,924,645	1,768,131
<b>Total non-current assets</b>		<b>2,050,938</b>	<b>1,994,819</b>
<b>Total assets</b>		<b>8,750,067</b>	<b>6,158,414</b>
<b>Current liabilities</b>			
Trade and other payables	11	2,042,127	1,163,051
Trust account insurer liabilities	7b	4,330,245	3,720,652
Current tax liabilities	3	-	-
Provisions	13	377,879	233,114
Borrowings	12a	1,304,966	137,439
<b>Total current liabilities</b>		<b>8,055,217</b>	<b>5,524,256</b>
<b>Non-current liabilities</b>			
Borrowings	12b	2,742,473	-
Provisions	13	60,886	62,092
<b>Total non-current liabilities</b>		<b>2,803,359</b>	<b>62,092</b>
<b>Total liabilities</b>		<b>10,858,576</b>	<b>5,316,348</b>
<b>Net assets</b>		<b>(2,108,509)</b>	<b>842,066</b>
<b>Equity</b>			
Issued capital	14	7,972,897	6,097,054
Reserves	15	278,002	18,667
(Accumulated losses) / Retained earnings		(10,359,408)	(5,273,655)
<b>Total equity</b>		<b>(2,108,509)</b>	<b>842,066</b>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity**  
for the year ended 30 June 2017

	Note	Issued Capital \$	Accumulated Losses \$	Revaluation Reserve \$	Convertible Note Option Premium Reserve \$	Share-based Payment Reserve \$	Total \$
Balance at 1 July 2015		6,097,054	(3,496,225)	(2,042)	-	-	2,598,787
Profit / (loss) for the year attributable owners of the parent		-	(1,777,430)	-	-	-	(1,777,430)
Other comprehensive income for the year attributable owners of the parent		-	-	11,729	-	-	11,729
<b>Total comprehensive income for the year attributable owners of the parent</b>		-	(1,777,430)	11,729	-	-	(1,765,701)
Transaction with owners, directly in equity							
Shares issued during the year	14a	-	-	-	-	8,980	8,980
Acquisition of minority interest							
<b>Balance at 30 June 2016</b>		6,097,054	(5,273,655)	9,687	-	8,980	842,066
Balance at 1 July 2016		6,097,054	(5,273,655)	9,687	-	8,980	842,066
Loss for the year attributable owners of the parent		-	(5,085,753)	-	-	-	(5,085,753)
Other comprehensive income for the year attributable owners of the parent		-	-	1,801	-	-	1,801
<b>Total comprehensive income for the year attributable owners of the parent</b>		-	(5,085,753)	1,801	-	-	(5,083,952)
Transaction with owners, directly in equity							
Shares issued during the year – rights issue	14a	2,077,851	-	-	-	-	2,077,851
Transaction costs – rights issue		(202,008)	-	-	-	-	(202,008)
Transfer from borrowings	12b	-	-	-	257,534	-	257,534
<b>Balance at 30 June 2017</b>		7,972,897	(10,359,408)	11,488	257,534	8,980	(2,108,509)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows**

for the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		3,475,100	3,308,311
Interest received		23,428	43,093
Interest and borrowing costs paid		(176,279)	(18,242)
Payments to suppliers and employees		(7,056,695)	(4,554,980)
(Payments) / Refund of income tax		-	41,036
<b>Net cash from / (used in) operating activities</b>	4ci	(3,734,446)	(1,180,782)
<b>Cash flows from Investing Activities</b>			
Proceeds from asset development grant funds		-	146,128
Payment for development of intangible assets		(533,265)	(952,958)
Proceeds from sale of financial assets		66,523	(4,000)
Purchase of plant and equipment		(25,918)	(65,867)
<b>Net cash from / (used in) investing activities</b>		(492,660)	(876,697)
<b>Cash flows from financing activities</b>			
Proceeds from rights issue		457,507	-
Proceeds from convertible notes		3,000,007	-
Net proceeds of borrowings		1,172,187	-
Repayment of borrowings		(90,960)	(31,766)
Convertible note interest		(145,692)	-
<b>Net cash provided by financing activities</b>		4,393,049	(31,766)
<b>Net increase/(decrease) in cash held</b>		165,943	(2,089,245)
Cash and cash equivalents at the beginning of the year		257,458	2,346,703
<b>Cash and cash equivalents at the end of the year</b>	4b	423,401	257,458

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

## APPENDIX 4E

Preliminary Final Report  
30 June 2017

## ENSURANCE LIMITED

AND CONTROLLED ENTITIES

ABN 80 148 142 634

### Notes to the Appendix 4E Preliminary Final Report for the year ended 30 June 2017

#### Note 1 Revenue and other income

##### a. Revenue

	2017 \$	2016 \$
Revenue	3,127,194	2,881,038
Interest	23,428	43,093
Other	26,533	108,972
	3,177,155	3,033,103

##### b. Other Income

Grants received	-	673,195
Other	6,000	6,000
	6,000	679,195

#### Note 2 Profit / (loss) before income tax

The following significant revenue and expense items are relevant in explaining the financial performance:

##### a. Depreciation and amortisation:

Depreciation and amortisation of plant and equipment	59,790	36,088
Amortisation of intangibles	376,751	412,690
	436,542	448,778

##### b. Employment costs:

Directors fees	204,750	193,958
Increase / (decrease) in employee benefits provisions	143,559	160,404
Superannuation expenses	423,185	236,128
Wages and salaries	3,922,824	2,443,686
Other employment related costs	509,972	266,393
	5,204,290	3,300,569

#### Note 3 Income tax

##### a. Income tax expense / (benefit)

Current tax expense / (benefit)	-	(71,981)
Deferred tax	-	-
Tax rebate for Research and Development	(342,285)	-
	(342,285)	(71,981)

##### b. Current tax assets

Current tax assets	-	-
	-	-

##### c. Current tax liabilities

Current tax liabilities	-	-
	-	-

**Notes to the Appendix 4E Preliminary Final Report**

for the year ended 30 June 2017

**Note 4 Cash and cash equivalents**
**a. Current**

Cash at bank

Cash on hand

**b. Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents

Bank overdrafts

**c. Cash Flow Information**
**i. Reconciliation of cash flow from operations to loss after income tax**

Loss after income tax

Non-cash flows in profit from ordinary activities:

Depreciation and amortisation

Convertible note interest

Proceeds from asset development grants

Share-based payments

Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries

(Increase)/decrease in receivables

(Increase)/decrease in prepayments and other assets

(Increase)/decrease in net tax assets

Increase/(decrease) in trade and other payables

Increase/(decrease) in provisions

Cash flow (used in) / from operations

**Note 5 Trade and other receivables**
**Current**

Trade receivables

R&amp;D Tax rebate receivable

Rights issue proceeds

Note	2017 \$	2016 \$
	568,694	388,635
	1,179	1,010
	569,873	389,645
4a	569,873	389,645
12	(146,472)	(132,187)
	423,401	257,458
	(5,085,753)	(1,777,430)
	436,542	448,778
	145,692	-
	-	(673,195)
		8,980
	(28,460)	37,080
	(40,158)	(13,989)
	(342,285)	(30,945)
	1,036,415	648,206
	143,559	171,733
	(3,734,448)	(1,180,782)
	47,886	19,426
	342,285	-
14	1,334,810	-
	1,724,981	19,426



## APPENDIX 4E

Preliminary Final Report  
30 June 2017

## ENSURANCE LIMITED

AND CONTROLLED ENTITIES

ABN 80 148 142 634

### Notes to the Appendix 4E Preliminary Final Report for the year ended 30 June 2017

#### Note 6 Other assets

##### Current

##### Prepayments

2017	2016
\$	\$
74,030	33,872
74,030	33,872

#### Note 7 Compliance of insurance assets versus insurance liabilities

##### a. Trust account insurer assets

Insurance debtors

Trust accounts

##### Total trust account insurance assets

##### b. Trust account insurer liabilities

Underwriter's liability

Unearned commissions

Other

##### Total trust account insurance liabilities

##### c. Excess of insurance assets over insurance liabilities

2017	2016
\$	\$
2,174,200	1,316,878
2,156,045	2,403,774
4,330,245	3,720,652
3,984,806	3,516,532
277,316	142,744
68,123	61,376
4,330,245	3,720,652
-	-

#### Note 8 Financial assets

##### Non-current

Tier 1 Financial assets: Listed shares

Tier 2 Financial assets: Unlisted shares or funds

Bonds on deposit

2017	2016
\$	\$
5,868	19,467
-	33,435
24,398	43,887
30,266	96,789

#### Note 9 Property, plant, and equipment

##### Non-current

Fixtures, furniture, and fittings

Accumulated depreciation

Plant and equipment

Accumulated depreciation

Total plant and equipment

2017	2016
\$	\$
127,527	118,200
(77,825)	(67,601)
49,702	50,599
186,616	170,630
(140,291)	(91,330)
46,325	79,300
96,027	129,899

## Notes to the Appendix 4E Preliminary Final Report for the year ended 30 June 2017

### Note 10 Intangible assets

#### Non-current

Software development costs

Accumulated amortisation

Total intangible assets

2017	2016
\$	\$
3,442,579	2,909,315
(1,517,934)	(1,141,184)
1,924,645	1,768,131

### Note 11 Trade and other payables

#### Current

##### Unsecured

Trade payables &amp; accruals

Other payables

Other taxes

Related party payables

2017	2016
\$	\$
615,222	341,783
677,244	239,897
747,176	578,886
2,485	2,485
2,042,127	1,163,051

### Note 12 Borrowings

#### a. Current

Bank overdrafts

Short term loans

Related party loans

Premium funding loans

2017	2016
\$	\$
146,472	132,187
1,040,000	-
114,906	-
3,588	5,252
1,304,966	137,439

#### b. Non-current

##### Convertible Notes:

Convertible notes

Converting loans

Less: Option premium transferred to reserves


15

2,280,007	-
720,000	-
(257,534)	-
2,742,473	-

### Note 13 Provisions

#### Disclosed as:

 Current

 Non-current

Carrying amount at the end of year

2017	2016
\$	\$
377,879	233,114
60,886	62,092
438,765	295,206

**Notes to the Appendix 4E Preliminary Final Report**  
for the year ended 30 June 2017

**Note 14 Issued capital**

	2017 No.	2016 No.	2017 \$	2016 \$
Fully paid ordinary shares at no par value	83,113,862	57,140,909	7,972,897	6,097,054
<b>a. Ordinary shares</b>				
At the beginning of the period	57,140,909	57,140,909	6,097,054	6,097,054
Shares issued during the year:				
Rights issue	25,972,953	-	2,077,851	-
Transaction costs relating to rights issue	-	-	(202,008)	-
At reporting date	83,113,862	57,140,909	7,972,897	6,097,054
<b>b. Partly paid shares</b>				
Partly-paid Shares			8,000,000	8,000,000
<b>c. Options</b>				
Options exercisable at 20 cents expiring 19 September 2016			-	1,000,000
<b>Issued subsequent to reporting date</b>				
Options exercisable at 12 cents expiring 31 July 2020			1,000,000	-
Options exercisable at 9.2 cents expiring 31 July 2020			3,000,000	-
Options exercisable at 8 cents expiring 31 July 2020			6,097,314	-
			10,097,314	1,000,000
<b>d. Performance rights</b>				
Performance Rights Class A			6,500,000	6,500,000
Performance Rights Class B			500,000	500,000
			7,000,000	7,000,000
<b>e. Convertible notes</b>				
Convertible notes			10,363,639	-
Converting loans			3,272,727	-
			13,636,366	-

**Note 15 Reserves**

		2017 \$	2016 \$
Convertible Note option premium reserve	12b	257,534	-
Share-based payment reserve		8,980	8,980
Investment revaluation reserve		11,488	9,687
		278,002	18,667

