

31 January 2018

APPENDIX 4C AND COMPANY UPDATE

Activity Highlights for the quarter ended 31 December 2017

- **Ensurance UK – achieves major milestones**
 - Receives Financial Conduct Authority (FCA) approval – now a fully authorised Managed General Agent (MGA – an underwriting agency)
 - Signed 50 new TOBA's (Terms of Business Arrangements) by end of December with major clients/brokers including large internationals – on target to sign 65 strategic brokers
 - Signs a five-year lease for 2nd Floor 10 Philpott Lane, London EC3M 8AA
- **Ensurance Now**
 - Compare the Market distribution model conversion rates increase by 9% in December Quarter 2017
 - New product to be launched on Compare the market entered testing stage - to be released early in 2018
 - Launch of new branding - website <http://ensurancenow.com.au/>
 - White label partners buying policies increasing 100% from 1st half 2017
- **Ensurance Underwriting Platform**
 - Despite challenging market conditions, revenue exceeded budget by 23%
 - Successfully found a replacement carrier for the trades product - to re-enter market in early 2018
 - During the December quarter, Ensurance Underwriting focussed on:
 - Group strategy
 - Compliance
 - Positioning for entry to mid-market construction sector

Corporate

- Tony Leibowitz - Highly-experienced executive with a strong track record of generating significant shareholder value - appointed Executive Chairman of Ensurance
- Executive changes made to align key executives to strategic company objectives and milestones
- Raises \$3.5 million through successful fully underwritten Share Placement
- Cash and cash equivalents as at 31 December 2017 of A\$688,000

The Directors of insurance industry disruptor Ensurance Ltd (ASX: ENA, or the “Company”) are pleased to report on the Company’s performance for the quarter ended December 31st 2017, a period in which significant milestones in its UK and Australian operations were achieved.

Ensurance UK

Ensurance UK Limited (EUK) – which specialises in construction and engineering insurance – continues to expand its footprint and reach significantly into major global markets of United Kingdom and Europe.

On 22 December 2017, EUK received Financial Conduct Authority (FCA) approval. This means the company is a fully authorised Managed General Agent (MGA), all within less than 18 months since being incorporated.

The FCA is a financial regulatory body in the United Kingdom, but operates independently of the UK government. The FCA regulates financial firms providing services to consumers and maintains the integrity of the UK’s financial markets.

It focuses on the regulation of conduct by both retail and wholesale financial services firms.

EUK is also on the path to reaching its initial target of signing 65 strategic brokers, having already signed 50 new Terms of Business Arrangements (TOBA’s) with major clients/brokers including large internationals by the end of the December 2017 quarter.

During the quarter, the company also signed a five-year lease for 2nd Floor 10 Philpott Lane, London EC3M 8AA, a quality office space situated ideally in the heart of the London insurance market.

The EUK team moved into this premises on the 22nd December 2017.

Executive Changes

In October, Ensurance made a significant appointment with Tony Leibowitz - who has over 30 years of corporate finance, investment banking and broad commercial experience – joining the board as Executive Chairman.

Mr Leibowitz’s appointment is a further step towards developing ENA into a global leader and substantial company.

In his role, Mr Leibowitz will spend his time in both London and Sydney, enabling him to play an active role in leading activities in the two key growth markets for the Company (particularly, Australia and Europe).

With Mr Leibowitz’s appointment, Adam Davey stepped down as company chair to remain on as a Non-Executive Director while Stefan Hicks moved from the role of Managing Director to the newly created role of Business Development Director.

Subsequent to December quarter end, Mr Hicks resigned as an executive of the Company and moved to the role of Non-Executive Director.

In addition, Brett Graves stepped down from the board to focus on implementing the sales strategy and managing relationships with key underwriting partners in Australia. His role as Chief Operating Executive of the Australian operations continued under Tony’s guidance and mentoring.

In November, Grant Priest and Neil Pinner tendered their resignations as Non-Executive Directors of the company.

Ensurance Now Platform

The Company has developed an online platform - Ensurance Now - which permits partnered insurers to directly and instantaneously issue policies to the market. ENA's proprietary disruptive technology creates simpler, faster, automated online transactions.

The company has a target of selling 50,000 home and contents policies via its scalable proprietary IT platform over the lifecycle of the platform.

The Company has a full Household product suite and in addition to home and contents insurance, the Company offers a range of other online insurance products including owner builder and Trades.

Ensurance Now customers or those of its white label partners can evaluate and purchase one of 12 Insurance products from 5 insurers in minutes.

During the December 2017 quarter, buying of new policies increased 10% quarter-on-quarter while quotes increased 2% quarter-on-quarter.

Meanwhile, revenue generated by Ensurance Now during the December quarter increased 18% quarter-on-quarter.

Ensurance Now – Dec Quarter 2017 performance

	1st Q	2nd Q	3rd Q	4th Q
Quote numbers	539	1307	3804	3876
New policies	86	332	659	724

White label partners actively buying policies during the December 2017 Quarter increased 30% quarter-on-quarter while White Label partners signing up during the quarter increased 15%.

	1st Q	2nd Q	3rd Q	4th Q
WL purchasing policies	20	19	37	48
WL signed up	141	164	189	218
% using	14%	11.50%	19.50%	22%

Distribution through Compare the Market (CTM), one of Australia's largest retail insurance comparison websites, during the December 2017 quarter increased by 9% quarter-on-quarter.

Ensurance considers CTM as a tier-one white label partner, meaning it is an organization capable of delivering in excess of 2,000 Ensurance policies per annum.

A new product on CTM has entered testing stage and is expected to be released early in 2018. Ensurance will update the market on this product in due course.

Ensurance Underwriting Business

Ensurance's underwriting platform, delivered through its wholly owned subsidiary Ensurance Underwriting Pty Ltd, permits partnered insurers to issue insurance products directly to the intermediated insurance market.

The platform creates simpler online transactions for members of the insurance broking community by producing multiple insurer quotes instantaneously for each client request. The platform offers 6 products through 4 Insurers (throughout the year Insurer changes have occurred).

During the period, Ensurance successfully found a replacement carrier for the trades product and will re-enter the market in early 2018.

December quarter 2017 was a challenging for the underwriting business with gross written premium (GWP) for the period down 26% quarter-on-quarter while quotes had fallen 8.4% quarter-on-quarter.

However, despite the challenging market conditions, revenue exceeded budget by 23%.

There was also continued growth in customer numbers and users in the underwriting platform as provided below:

Underwriting platform – December 2017 Quarter performance

	3rd Quarter 2017	4th Quarter 2017
Quotes	4,197	3,844
Bound	1,333	1,382

	Intermediary Agreements in place	Intermediaries Active on Quote and Bind system	Total number of registered users EUW	Total Policies Quoted	Total Policies Bound via the EU automated system. (Cumulative)
@ 30/6/2014	2	2	16	220	75
@ 30/6/2015	12	11	66	2439	928
@ 30/6/2016	203	77	578	9,236	3481
@31/12/2017	323	135	819	30,224	10,393

Share Placement

Following shareholder approval at the Company's Annual General Meeting on 29 November 2017, Ensurance issued 70 million ordinary shares at \$0.05 per share to raising total proceeds of \$3.5 million before costs.

Proceeds from the placement will be used to expand Australian and UK operations.

The share placement was fully underwritten by Transocean Securities Pty Ltd, a Sydney based boutique advisory and equities group.

In consideration for its services as underwriter to the Placement, the Company issued 7 million unlisted options to Transocean, with an exercise price of \$0.05 each and an expiry date of three years from the date of the issue.

ENDS

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