



20 May 2019

Ms Anjuli Sinniah
Senior Advisor
ASX Listing Compliance
By Email (listingscomplianceperth@asx.com.au)

Dear Ms Sinniah,

Ensurance Limited ('ENA'): Appendix 4C Query

We refer to your letter dated 16 May 2019 requesting further information with regards to ENA's (the 'Company') Appendix 4C quarterly report for the period ended 31 March 2019 lodged with the ASX on 30 April 2019.

We will respond separately to each of the questions raised in your letter which have been reproduced below in bold.

1. Does ENA expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

The Company does expect that it will continue to have negative operating cash flows for the time being. The Company has embarked on a growth phase, including expansion of the business into the UK, which the Company expects will deliver increased revenue, profitability and positive cash flows. The Company has made some recent announcements with regards to the expansion of its products and services (refer to ASX announcements dated 30 April 2019 and 17 May 2019), as well as the strategic hires to support new product development and long-term growth (refer to ASX announcement dated 30 April 2019). The Company has already started to see the benefits in the form of increased revenue from the significant investment made over the past few years. The Company expects to make some additional announcements with regards to the commercialization of more products and services in the near term which will lead to increases in revenue going forward.

2. Has ENA taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company is exploring various capital raising strategies which include, but are not limited to, securing additional working capital and renegotiating existing debt instruments. The Company has also received confirmation of continued unconditional financial support provided by a major shareholder of the Company, as disclosed in the December 2018 interim financial report.

The Company is currently in advanced discussions with a number of high net worth and strategic investors with a view to raising further capital in the near term. The Board is confident that these measures will be successful and will keep the market updated in accordance with its continuous disclosure obligations.

3. Does ENA expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

The Company is confident that it will be able to continue its operations and meet its business objectives. The Company is currently in advanced discussions with a number of high net worth and strategic investors with a view to raising further capital in the near term. To date the Company has been successful in raising capital through the issue of both debt and equity instruments and is confident in its ability to raise further capital to support its growth plans into the future.

4. Please confirm that ENA is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

We confirm that the Company is in compliance with Listing Rule 3.1. The Company's financial position was recently announced to the market in its December 2018 interim financial report. The Company's plans for growth, expansion of the business into the UK and the need to raise capital has already been announced to the market, in compliance with Listing Rule 3.1. The Company does intend to raise further capital and a market announcement will be made when the format of the capital raising has been agreed. The Company has also received confirmation of continued unconditional financial support provided by a major shareholder of the Company. The Company is not aware of any other information that has not already been released to the market in accordance with its compliance obligations under Listing Rule 3.1.

5. Please confirm that ENA's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

The Company's responses to your questions above have been reviewed and authorised for release by the Company's Board of Directors.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Sam Hallab', with a long horizontal flourish extending to the right.

Sam Hallab
Company Secretary



16 May 2019

Mr Sam Hallab
Company Secretary

By email:

Dear Mr Hallab

Ensurance Limited ('ENA'): Appendix 4C Query

ASX refers to ENA's Appendix 4C quarterly report for the period ended 31 March 2019 lodged with the ASX Market Announcements Platform and released on 30 April 2019 (the 'Appendix 4C').

ASX notes that ENA has reported:

- negative net operating cash flows for the quarter of \$936,000;
- cash at the end of the quarter of \$1,472,000; and
- estimated cash outflows for the next quarter of \$2,003,000.

It is possible to conclude, based on the information in the Appendix 4C, that if ENA were to continue to expend cash at the rate indicated by the Appendix 4C, ENA may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks ENA to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does ENA expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ENA taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does ENA expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that ENA is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that ENA's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ENA with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that ENA considers may be relevant to ASX forming an opinion on whether ENA is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AWST Tuesday, 21 May 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in ENA's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ENA's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to ENA's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ENA's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ENA's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

Anjuli Sinniah
Senior Adviser, Listings Compliance (Perth)