

24 July 2019

June 2019 Quarterly Review

Highlights

- Revenue for the quarter was almost twice that of the prior comparative quarter (30 June 2018)
- Launch of new products expected to contribute to strong revenue growth in 2H 2019
- Agreement signed to extend maturity date of \$2.2 million in Convertible Notes, to 30 June 2021
- \$2.5 million Director's Loan received

Ensurance Limited (ASX: ENA) ('Ensurance' or 'the Company') has today released its Appendix 4C and is pleased to provide an update of its activity for the quarter ended 30 June 2019.

Operational Overview

Latent Defects Insurance launches in Australia

During the quarter, Ensurance launched its Latent Defects Insurance in Australia, offering protection for policyholders against damage to property resulting from structural defects, discovered up to 10 years after construction is complete. The first product in Australia to feature coverage of this kind, the product targets the Australian building construction market which is estimated to be valued in excess of \$100 billion each year¹. Capacity is provided by Lloyds, the world's leading specialist insurance market, and the product is exclusively sold through Ensurance's Australian network of 337 licensed intermediaries.

The Latent Defects Insurance has received strong interest from Australian customers and is expected to contribute to revenue growth in 2H 2019.

Terrorism and Sabotage Insurance launched in UK, expanding addressable market

In May, Ensurance UK launched Terrorism and Sabotage Insurance, providing policyholders with coverage against damage to buildings, profits, employees or customers resulting from an act of terrorism or sabotage. Two specialist underwriters, well known within the local market for their expertise in this specialised field of underwriting, were appointed to the UK business to support its launch. The product expands Ensurance's addressable market with a specialised product outside of the construction and engineering sector and is available to businesses of all sizes and across all industries.

The product is generating strong interest in the market and the Company has secured capacity to launch into the large US market, followed by the Australian market.

¹ Master Builders Australia: Building and Construction Industry Forecasts Australia, January 2019.

Corporate Overview

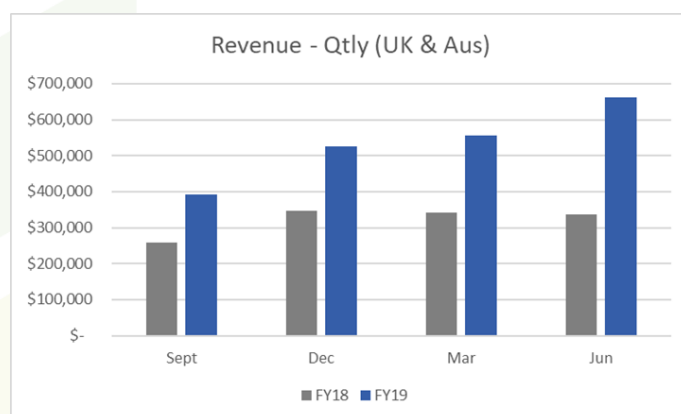
Funding support leaves Ensurance well-funded to execute strategic growth plans

In June, the Company received a Directors Loan of \$2.5 million from Executive Chairman and largest shareholder, Tony Leibowitz. The unsecured loan provides the capital required to support the Company's next phase of growth and demonstrates Tony's ongoing commitment and confidence in the long-term value of the Company.

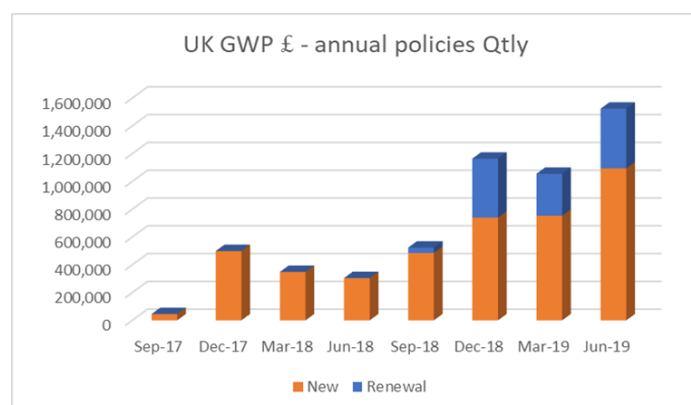
Furthermore, existing Convertible Note holders, (including Executive Chairman Tony Leibowitz and Non-Executive Director Adam Davey, subject to shareholder approval), agreed to extend the maturity date of \$2.2 million of existing notes to 30 June 2021. The agreement provides strong endorsement of the Company's strategic plans and expectations for long-term value creation from its existing lenders. Noteholders will be granted an additional option of one for every four shares that will be issued upon the convertible notes' maturity under the agreement.

Financial Overview

The 30 June 2019 quarter delivered revenue of \$0.66 million, representing the fourth consecutive quarter of revenue growth, and almost twice that of revenue for the prior comparative quarter (30 June 2018: \$0.34 million).



The Company's UK business continues to deliver strong growth in gross written premiums (GWP) and annual policy renewals for the period ended 30 June 2019 achieved an ~85% retention rate, representing a strong recurring revenue base, enhanced by a growing volume of new business written, including for specific, one-off projects. New business written has continued to grow strongly, quarter on quarter, setting the Company up for strong recurring revenue growth in FY20, based on current renewal rates.



Customer cash receipts were \$0.53m, down 16% on prior quarter (\$0.63m) reflecting the timing difference between writing policies and collecting commissions.

The Company had \$2.52 million of cash in the bank as at 30 June 2019.

Executive Chairman Tony Leibowitz states: “I am delighted that this quarter has delivered a strong result for our shareholders, not only through the continuation of revenue growth, but also with the extended maturity date of the Convertible Notes.”

“Our expansion initiatives to aggressively grow our UK business is starting to bear fruit, and we remain focussed on driving growth in this area of the business, to capitalise on our unique position as a specialised insurer, providing products that meet growing underserved markets.”

ENDS

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