

ASX ANNOUNCEMENT

31 August 2016

ENSURANCE GROWS IN KEY METRICS OF THE BUSINESS

- Ensurance records growth across all key metrics of the business in FY16 with operating revenue just over \$3.0m.
- Ensurance Underwriting experienced accelerated growth quarter-on-quarter with sales up 126% for the FY16 to \$424,187 vs. \$187,447 in FY15.
- Secures 12 white label clients in FY16 vs. one white label client signed up in FY15. With the majority signed up in the last quarter, showing strong momentum and market acceptance for the platform.
- Number of insurers on the Ensurance Platform have increased to 7 and product classes have increased to 25, compared to 14.
- Growth momentum increased in the second half of the financial year and is forecast to accelerate in FY17.

Ensurance Ltd (ASX: ENA, "Ensurance" or the "Company") is pleased to announce that it has recorded growth across all key metrics for its business with group operating revenue increasing 13% to \$3,012,554 compared to \$2,650,000 in FY15.

The result underscores the market share gain experienced by Ensurance, particularly in its underwriting and white label businesses, as demonstrated by the charts below.

Fig 1: Policies Written/Month (Underwriting)

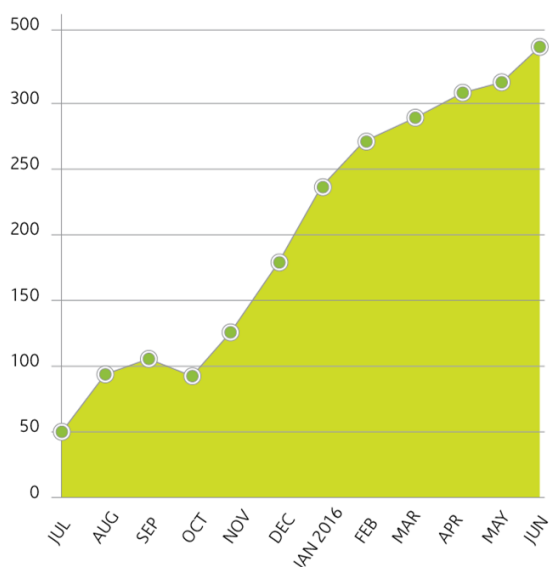
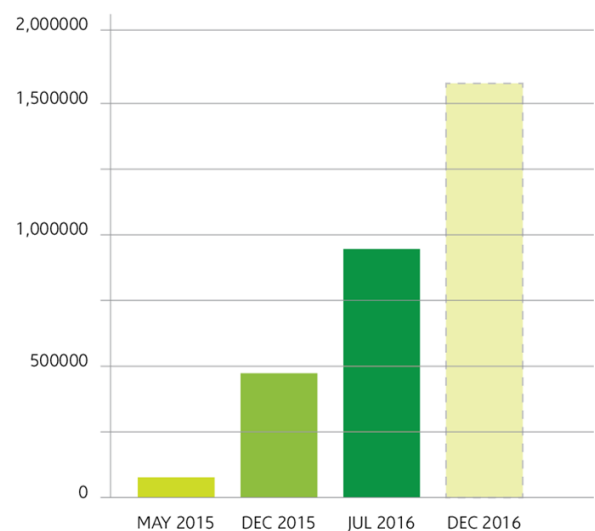


Fig 2: Reach (White Label Platforms)



Revenue from the Ensurance Underwriting Agency has jumped 126% to \$424,187 in FY16 as the number of policies written per month has grown to nearly 500 through more than 400 registered intermediaries; while the customer reach from the Company's White Label Partner Platforms has increased to nearly one million as the Company added 12 white label clients.

Growth momentum for both businesses are expected to accelerate in FY17, due in part to a number of strategic partnerships it formed in recent months – such as the agreement with Compare The Market (CTM), which will enable the Company to sell Ensurance-branded Home and Contents policies through the CTM website.

Ensurance is also close to signing up a number of new white label clients that will extend its reach and the Company will provide an update as these agreements are finalised.

“The growth we have experienced in FY16 shows that our strategy to disrupt the insurance market is paying off. We’ve only just scratched the surface in what we can achieve with our highly scalable and innovative platforms, which are readily deployable to international markets in Asia and Europe,” said the managing director of Ensurance, Stefan Hicks.

“Now that we’ve laid the groundwork for growth, we anticipate that we will be announcing a number of significant developments in the near term.”

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APPENDIX 4E

Preliminary Final Report

30 June 2016



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Results for Announcement to the Market

For the Year Ended 30 June 2016

1

REPORTING PERIOD (item 1)

Report for the financial year ended:

30 June 2016

Previous corresponding period is the financial year ended:

30 June 2015

2

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from ordinary activities (item 2.1)

↑

14.44 to

3,033,103

Loss from ordinary activities after tax attributable to members (item 2.2)

↓

(52.98) to

(1,753,114)

Loss from after tax attributable to members (item 2.3)

↓

(52.98) to

(1,753,114)

a. Dividends (item 2.4)

Interim dividend

Amount per Security ¢

nil

Franked amount per security %

n/a

Final dividend

nil

n/a

Record date for determining entitlements to the dividend (item 2.5)

n/a

b. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):

1. Ensurance Ltd (“the Group”) delivered a FY16 Loss after tax of \$1.75m, representing an improvement on the prior year loss which included a \$2.74m Corporate Transaction Accounting Expense. The normalized loss after tax of the group increased from \$1.03m to \$1.75m. The increase in the loss of the group was due to several main factors:

a. Increase in Employment Costs (mainly in sales and software development)

b. Increase in Business development costs (mainly in increased marketing activities)

c. The establishment of an office in Melbourne contributed to an increase in Occupancy, Computers and Communications Costs.

Additional sales personnel and additional targeted marketing activities have allowed the group to Secure 12 new white label clients in FY16 with significantly more signups expected in the current financial year. Number of insurers on the Ensurance platform have increased to seven and product classes have increased to 25.

2. Revenue of the Group increased to \$3.03m driven by Ensurance Underwriting with a more than doubling in sales for that business. The result underscores the strong market share gain experienced by the Group, particularly in its underwriting and white label businesses.

3. The Company is currently in the process of raising \$3m via a Convertible Notes issue. These funds will support the Group’s growth agenda and global reach.

3

PRELIMINARY FINAL REPORT

a. Statement of comprehensive income (item 3):

Refer to Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 5

b. Statement of financial position (item 4):

Refer to Consolidated Statement of Financial Position on page 6

Results for Announcement to the Market

For the Year Ended 30 June 2016

- c. Statement of cash flows (item 5):
Refer to Consolidated Statement of Cash Flows on page 8
- d. Statement of changes in equity (item 6):
Refer to Consolidated Statement of Changes in Equity on page 7

4 DIVIDENDS (item 7) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS (item 14.2)

Nil.

- a. Details of dividend or distribution reinvestment plans in operation are described below (item 8):
Not applicable

5 RATIOS

- a. Financial Information relating to 5b and 5c:

Earnings for the period attributable to Owners of the parent

Net assets

Less: Intangible assets

Net tangible (liabilities)/assets

Fully paid ordinary shares

- b. Net tangible (liability)/assets backing per share (cents) (item 9):

- c. Earnings per share attributable to owners of the parent (cents) (item 14.1):

The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group. During the 2016 financial year the Group had 1,000,000 unissued shares under option and 8,000,000 unissued shares under performance rights which are anti-dilutive.

Current period	Previous corresponding period
\$	\$
(1,753,114)	(3,728,736)
857,402	2,598,787
(1,768,131)	(835,679)
(910,729)	1,763,108
No.	No.
57,140,909	57,140,909
¢	¢
(1.594)	3.086
(3.068)	(6.526)

6 DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 10)

- a. Control gained over entities

- 📄 Name of entities (item 10.1) Nil
- 📄 Date(s) of gain of control (item 10.2) n/a

- b. Loss of control of entities

- 📄 Name of entities (item 10.1) Nil
- 📄 Date(s) of gain of control (item 10.2) n/a

- c. 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). n/a

Results for Announcement to the Market

For the Year Ended 30 June 2016

d. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3) n/a		
7 DETAILS OF ASSOCIATES AND JOINT VENTURE: (item 11)		
☞ Name of entities (item 11.1)	Nil	
☞ Percentage holding in each of these entities (item 11.2)	N/A	
	Current period	Previous corresponding period
☞ Aggregate share of profits (losses) of these entities (item 11.3)	N/A	N/A
8 Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position. (item 12): Refer to commentary update covering this 4E		
9 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 (item 13)		
10 A COMMENTARY ON THE RESULTS FOR THE PERIOD (item 14) Refer to commentary update covering this 4E. The results for the period are as expected		
11 The report is based on accounts which are in the process of being audited or reviewed (item 15)		

ADAM DAVEY

Chairman

Dated this Wednesday, 31 August 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Continuing operations			
Revenue	2	3,033,103	2,650,393
Other income	2	679,195	31,291
		3,712,298	2,681,684
Business development		(586,185)	(242,553)
Compliance costs		(286,824)	(188,028)
Computers and communications		(398,068)	(257,482)
Corporate transaction accounting expense	1	-	(2,738,961)
Depreciation and amortisation	3	(448,778)	(350,379)
Employment costs	3	(3,158,332)	(1,994,551)
Finance costs		(20,923)	(110,608)
Legal and consulting fees		(72,283)	(110,697)
Occupancy costs		(274,707)	(181,810)
Travel and accommodation		(197,156)	(176,414)
Other expenses		(94,137)	(63,911)
Loss before tax	1	(1,825,095)	(3,733,710)
Income tax benefit / (expense)	4	71,981	(31,548)
Loss from continuing operations	1	(1,753,114)	(3,765,258)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
► Revaluation of assets		11,729	(2,313)
Items that may be reclassified subsequently to profit or loss:		-	-
Other comprehensive income for the year, net of tax		11,729	(2,313)
Total comprehensive income attributable to members of the parent entity	1	(1,741,385)	(3,767,571)
Profit/(loss) for the period attributable to:			
Non-controlling interest		-	(36,522)
Owners of the parent		(1,753,114)	(3,728,736)
Total comprehensive income/(loss) attributable to:			
Non-controlling interest		-	(36,522)
Owners of the parent		(1,741,385)	(3,731,049)

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 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	5	389,645	2,485,532
Trade and other receivables	6	18,012	56,507
Trust account insurer assets	8a	3,846,573	3,068,194
Current tax assets	4	-	603
Other current assets	7	33,872	19,884
Total current assets		4,288,102	5,630,720
Non-current assets			
Financial assets	9	96,789	81,060
Plant and equipment	10	129,899	100,119
Intangible assets	11	1,768,131	835,679
Total non-current assets		1,994,819	1,016,858
Total assets		6,282,921	6,647,578
Current liabilities			
Trade and other payables	12	1,143,620	649,731
Trust account insurer liabilities	8b	3,846,573	3,068,194
Current tax liabilities	4	-	31,548
Provisions	14	233,114	97,887
Borrowings	13	140,120	175,847
Total current liabilities		5,363,427	4,023,207
Non-current liabilities			
Provisions	14	62,092	25,584
Total non-current liabilities		62,092	25,584
Total liabilities		5,425,519	4,048,791
Net assets		857,402	2,598,787
Equity			
Issued capital	15, 1	6,097,054	6,097,054
Reserves	16	9,687	(2,042)
(Accumulated losses) / Retained earnings	1	(5,249,339)	(3,496,225)
Non-controlling interest		-	-
Total equity		857,402	2,598,787

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

ENSURANCE LIMITED

AND CONTROLLED ENTITIES

ABN 76 149 278 759

APPENDIX 4E

Preliminary Final Report

30 June 2016

Consolidated Statement of Changes in Equity

for the year ended 30 June 2016

	Note	Issued Capital \$	Accumulated Losses \$	Revaluation Reserve \$	Non- controlling Interest \$	Total \$
Balance at 1 July 2014		121,210	312,261	271	(43,228)	390,514
Profit / (loss) for the year attributable owners of the parent		-	(3,728,736)	-	(36,522)	(3,765,258)
Other comprehensive income for the year attributable owners of the parent		-	-	(2,313)	-	(2,313)
Total comprehensive income for the year attributable owners of the parent		-	(3,728,736)	(2,313)	(36,522)	(3,767,571)
Transaction with owners, directly in equity						
Shares issued during the year	15a	6,396,337	-	-	-	6,396,337
Transaction costs	1	(420,493)	-	-	-	(420,493)
Acquisition of minority interest		-	(79,750)	-	79,750	-
Balance at 30 June 2015	1	6,097,054	(3,496,225)	(2,042)	-	2,598,787
Balance at 1 July 2015		6,097,054	(3,496,225)	(2,042)	-	2,598,787
Loss for the year attributable owners of the parent		-	(1,753,114)	-	-	(1,753,114)
Other comprehensive income for the year attributable owners of the parent		-	-	11,729	-	11,729
Total comprehensive income for the year attributable owners of the parent		-	(1,753,114)	11,729	-	(1,741,385)
Transaction with owners, directly in equity						
Shares issued during the year	15a	-	-	-	-	-
Transaction costs		-	-	-	-	-
Acquisition of minority interest		-	-	-	-	-
Balance at 30 June 2016		6,097,054	(5,249,339)	9,687	-	857,402

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 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		3,308,311	2,962,270
Interest received		43,093	10,790
Interest and borrowing costs paid		(20,923)	(110,608)
Payments to suppliers and employees		(4,564,979)	(3,507,474)
Research and development grant income received		-	266,331
(Payments) / Refund of income tax		41,035	(22,801)
Net cash from / (used in) operating activities	5c.i	(1,193,463)	(401,492)
Cash flows from Investing Activities			
Proceeds from asset development grant funds		538,313	527,067
Payment for development of intangible assets		(1,345,143)	(1,006,947)
Payment for Subsidiary net of cash acquired		-	2,920,916
Financial assets		(4,000)	88,139
Purchase of plant and equipment		(55,867)	(75,104)
Net cash from / (used in) investing activities		(866,697)	2,454,071
Cash flows from financing activities			
Proceeds from borrowings		-	150,000
Repayment of borrowings		(29,085)	(161,231)
Net cash provided by financing activities		(29,085)	(11,231)
Net increase/(decrease) in cash held		(2,089,245)	2,041,348
Cash and cash equivalents at the beginning of the year		2,346,703	305,355
Cash and cash equivalents at the end of the year	5b	257,458	2,346,703

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

Notes to the Appendix 4E Preliminary Final Report

for the year ended 30 June 2016

Note 1 Prior period correction
Business combinations

On 5 May 2015, Ensurance Limited (formerly Parker Resources Limited)(Ensurance), acquired 100% of the ordinary share capital and voting rights of Ensurance Capital Pty Ltd (Ensurance Capital) as described in the prospectus issued 6 February 2015 and supplementary prospectus issued 8 April 2015.

Under the principles of AASB 3, the transaction between Ensurance and Ensurance Capital was treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being Ensurance Capital, were measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Ensurance were measured at fair value on the date of acquisition.

Whilst the Company believed at the time this transaction was accounted for correctly in accordance with AASB 3, upon subsequent review, it was determined that a cash component paid by the legal parent to the vendors of the legal subsidiary should be brought into account in determining the fair value of the consideration transferred.

The effect of the correction was contained entirely within equity, and has no effect on the net asset of the Company. Furthermore, the effect is quarantined financial year ended 30 June 2015, effecting the results and equity balances of that period only. The correction has no effect on cash nor cash flows.

Details in relation to the impact of this correction on comparative financial information are disclosed following.

i. Adjustments made to statements of financial position (extract)
As at 30 June 2015
Assets
Net assets
Equity

Issued capital

Reserves

Accumulated losses

Total equity

Previously reported 30 June 2015 \$	Effect of accounting correction \$	30 June 2015 (restated) \$
2,598,787	-	2,598,787
6,517,547	(420,493)	6,097,054
(2,042)	-	(2,042)
(3,916,718)	420,493	(3,496,225)
2,598,787	-	2,598,787

ii. Statement of profit or loss and other comprehensive income (extract)
For the year ended at 30 June 2015

Corporate transaction accounting expense

Loss before income tax

Income tax benefit

Loss from continuing operations

Other comprehensive income, net of income tax

Total comprehensive income attributable to members of the parent entity

Previously reported 30 June 2015 \$	Effect of accounting correction \$	30 June 2015 (restated) \$
3,159,454	(420,493)	2,738,961
(4,154,203)	420,493	(3,733,710)
(31,548)	-	(31,548)
(4,185,751)	420,493	(3,765,258)
(2,313)	-	(2,313)
(4,188,064)	420,493	(3,767,571)

Notes to the Appendix 4E Preliminary Final Report
for the year ended 30 June 2016

Note 2 Revenue and other income

a. Revenue

	2016 \$	2015 \$
Revenue	2,452,546	2,421,946
Commissions	428,492	191,264
Interest	43,093	35,984
Other	108,972	1,199
	3,033,103	2,650,393

b. Other Income

Grants received	673,195	-
Other	6,000	31,291
	679,195	31,291

Note 3 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	36,088	13,754
Amortisation of intangibles	412,690	336,625
	448,778	350,379

b. Employment costs:

Directors fees	183,255	106,047
Increase / (decrease) in employee benefits provisions	160,404	54,480
Superannuation expenses	165,539	146,077
Wages and salaries	2,381,366	1,587,468
Other employment related costs	267,768	100,479
	3,158,332	1,994,551

Note 4 Income tax

a. Income tax expense / (benefit)

Current tax expense / (benefit)	(71,981)	31,548
Deferred tax	-	-
Tax rebate for Research and Development	-	-
	(71,981)	31,548

b. Current tax assets

Current tax asset	-	603
	-	603

c. Current tax liabilities

Current tax liabilities	-	31,548
	-	31,548

for the year ended 30 June 2016

Note

Cash at bank

Cash on hand

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

j. Reconciliation of cash flow from operations to loss after income tax

- Loss after income tax

- Cash flows excluded from profit attributable to operating activities

- Non-cash flows in profit from ordinary activities:

- Depreciation and amortisation
- Corporate transaction accounting expense
- Proceeds from asset development grants

- 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 grants unspent
- 🟢 Increase/(decrease) in provisions

- Cash flow (used in) / from operations

Trade receivables

- Interest receivable

Notes to the Appendix 4E Preliminary Final Report
for the year ended 30 June 2016

Note 7 Other assets

Current
Prepayments

2016 \$	2015 \$
33,872	19,884
33,872	19,884

Note 8 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

2016 \$	2015 \$
1,379,838	1,309,331
2,466,735	1,758,863
3,846,573	3,068,194
3,642,452	2,829,151
142,744	206,672
61,377	32,371
3,846,573	3,068,194
-	-

Note 9 Financial assets

a. Non-current

- Tier 1 Financial assets: Listed shares
- Tier 2 Financial assets: Unlisted shares or funds
- Bonds on deposit

2016 \$	2015 \$
19,467	3,826
33,435	33,347
43,887	43,887
96,789	81,060

Note 10 Property, plant, and equipment

a. Non-current

- Fixtures, furniture, and fittings
- Accumulated depreciation

- Plant and equipment
- Accumulated depreciation

Total plant and equipment

2016 \$	2015 \$
118,200	109,202
(67,601)	(62,217)
50,599	46,985
170,630	115,038
(91,330)	(61,904)
79,300	53,134
129,899	100,119

ENSURANCE LIMITED

AND CONTROLLED ENTITIES

ABN 76 149 278 759

APPENDIX 4E

Preliminary Final Report

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Notes to the Appendix 4E Preliminary Final Report

for the year ended 30 June 2016

Note 11 Intangible assets**a. Non-current**

Software development costs

Accumulated amortisation

Total intangible assets

2016	2015
\$	\$
2,909,315	1,564,172
(1,141,184)	(728,493)
1,768,131	835,679

Note 12 Trade and other payables**a. Current***Unsecured*

Trade payables

Other payables

Other taxes

Related party payables

Grant funds received in advance

2016	2015
\$	\$
303,341	206,752
328,762	87,140
509,032	218,472
2,485	2,485
-	134,882
1,143,620	649,731

Note 13 Borrowings**a. Current**

Bank overdrafts


Convertible notes

Lease liabilities

Premium funding

2016	2015
\$	\$
132,187	138,829
2,681	2,681
-	34,337
5,252	-
140,120	175,847

Note 14 Provisions**a. Disclosed as:**
 Current

 Non-current

Carrying amount at the end of year

2016	2015
\$	\$
233,114	97,887
62,092	25,584
295,206	123,471

Notes to the Appendix 4E Preliminary Final Report
for the year ended 30 June 2016

Note 15 Issued capital

	2016 No.	2015 No.	2016 \$	2015 \$
Fully paid ordinary shares at no par value	57,140,909	57,140,909	-	6,643,601
a. Ordinary shares				
At the beginning of the period	57,140,909	2,006,254	6,097,054	121,210
Shares issued during the year:				
Conversion of notes	-	141,779	-	425,337
<i>Balance before reverse acquisition</i>	-	2,148,033	-	546,547
Elimination of existing legal acquiree (Ensurance Capital) shares	-	(2,148,033)	-	-
Shares of legal acquirer (Ensurance) at acquisition date	-	27,140,909	-	-
Issue of shares to Ensurance Capital vendors	-	30,000,000	-	5,971,000
Transaction costs relating to share issues	-	-	-	(420,493)
At reporting date	57,140,909	57,140,909	6,097,054	6,097,054

b. Partly paid shares

	2016 No.	2015 No.
Partly-paid Shares	8,000,000	8,000,000

c. Options

Options exercisable at 20 cents expiring 19 September 2016	1,000,000	1,000,000
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d. Performance rights

Performance Rights Class A	6,500,000	-
Performance Rights Class B	500,000	-
	7,000,000	-

Note 16 Reserves

	2016 \$	2015 \$
Investment revaluation reserve	9,687	(2,042)

