

## Overview – March Quarter Summary

- ✓ Revenue exceeds **AU\$5M** in the 2022 financial period – an increase of **43%** on Prior Corresponding Period (PCP).
- ✓ Gross Written Premium (GWP) exceeds **AU\$40M** in the 2022 financial period – an increase of **66%** on PCP.
- ✓ Revenue for March Quarter of **AU\$1.46M** - up **46%** on PCP.
- ✓ GWP for March Quarter of **AU\$13.40M** - up **62%** on PCP.
- ✓ Third successive cashflow positive quarter.
- ✓ Opening of **NSW Sydney** branch; with a **VIC Melbourne** office opening scheduled for **May 2022**.
- ✓ Appointment of **Mr. Tom Kent** as **CEO and Executive Director**.
- ✓ Three-year contract executed with **Liberty Specialty Markets**, ensuring long term certainty for the **Australian revenue stream**.

**Ensurance Limited (ASX: ENA)** ('Ensurance' or 'the Company') is pleased to provide the following update on its financial and operational activity for the quarter ended 31st March 2022.



*Note: for consistency and ease of reporting purposes, financial results and Quarterly Activity Reports are presented on a consolidated basis in Australian Dollars (AUD).*

## March Quarter Summary

### Financial Results

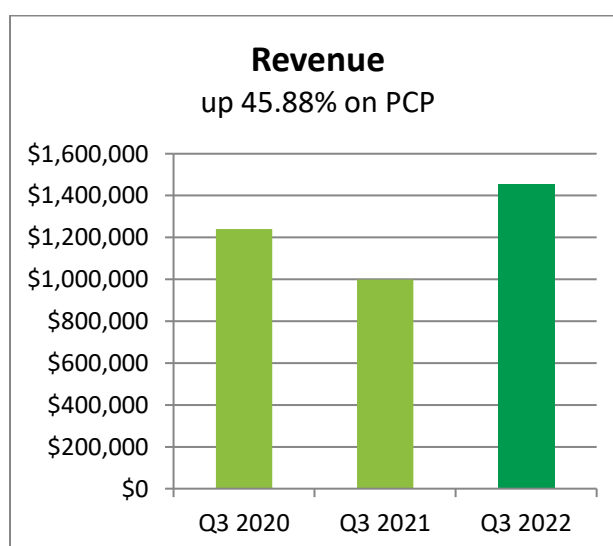
Quarterly financial results are set out below in two sections; (i) a comparison of quarter-on-quarter growth against the corresponding quarters from the previous two financial years, and (ii) a data set of year-to-date financials, compared with the same data for the previous year.

#### (i) *Previous Corresponding Period (PCP) Analysis*

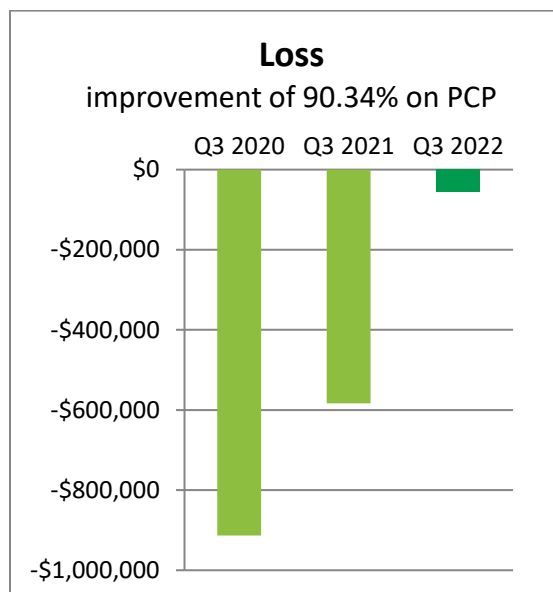
QUARTERLY RESULTS	Q3 2020	Q3 2021	Q3 2022	Change from PCP
	\$	\$	\$	%
<b>Fees and Commissions</b>	1,203,082	983,265	1,456,117	+ 48.09 %
<b>Other Income</b>	37,101	15,130	370	- 97.55 %
<b>Revenue</b>	1,240,183	998,395	1,456,487	+ 45.88 %
<b>Profit (before income tax)</b>	-913,574	-583,654	-56,380	+ 90.34 %
<b>Gross Written Premium</b>	\$8,773,407	\$8,256,148	\$13,396,019	+ 62.3%

\*These numbers include revenue from Ensurance Underwriting, which was sold in March 2020.

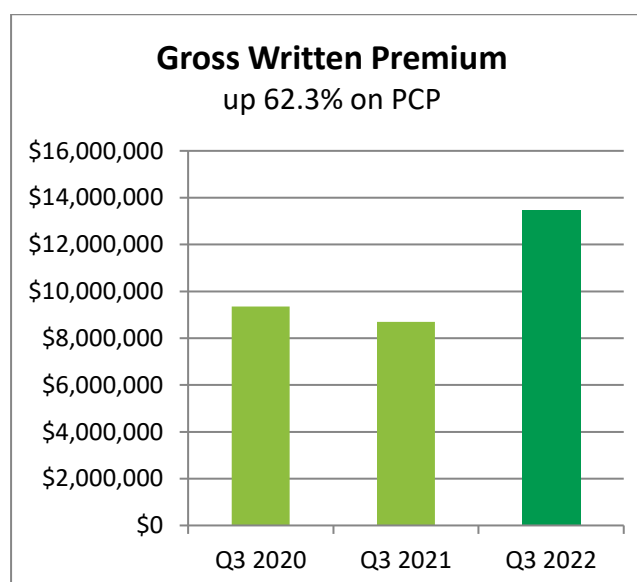
#### *Company Revenue – Q3 difference by corresponding reporting period*



*Group Loss – Q3 difference from corresponding reporting period*



*Gross Written Premium – Q3 difference from corresponding reporting period*



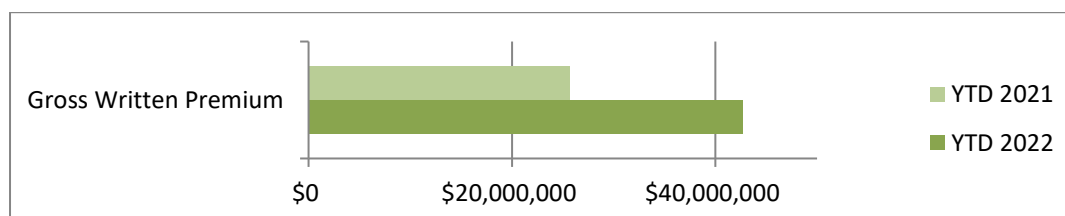
**(ii) Year to Date (YTD) Analysis**

Financial Period	Revenue	Profit Margin	Gross Written Premium
Q1 2022	\$1,516,035*	0.02 %	\$12,455,948
Q2 2022	\$2,081,272	13.35 %	\$15,761,244
Q3 2022	\$1,456,487	N/A	\$13,396,019
YTD 2022	\$5,053,794	4.39%	\$41,613,210
YTD 2021	\$3,530,412	N/A	\$24,447,742
Increase on YTD	(+ 43.15%) \$1,523,382	N/A	(+ 70.21%) \$17,165,468

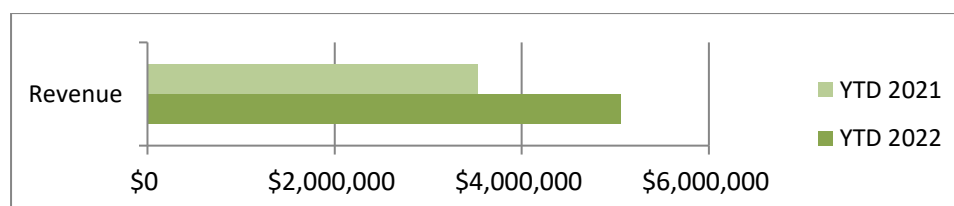
\*In Q2 2022 Ensurance Australia commenced reporting net Commissions, to be consistent with the UK accounting treatment. The Q1 2022 revenue has been disclosed on this basis.

**Year to Date (YTD)**

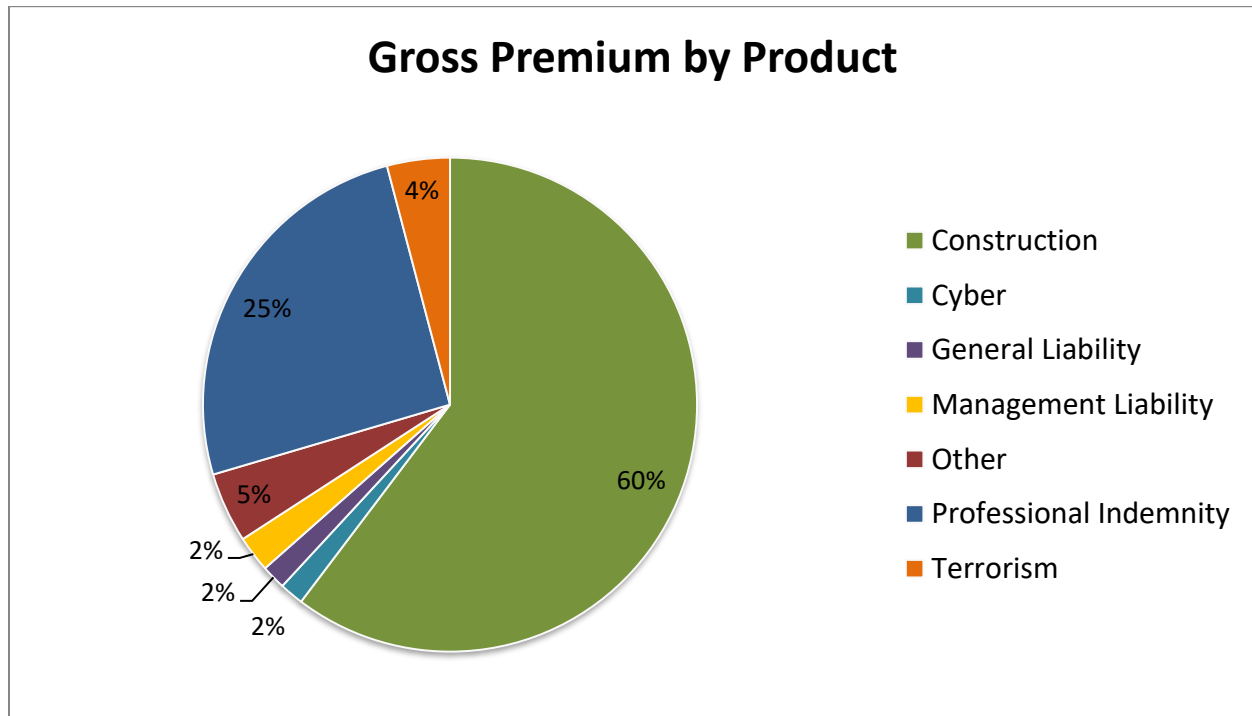
*Gross Written Premium – YTD Q3 Results*



*Revenue – YTD Q3 Results*



The following chart outlines the spread of gross written premiums managed as at 31 March 2022, across the Australian and UK divisions of the business.



## **Financial Commentary**

### ***Cashflow positive and record Gross Written Premiums***

The Company saw strong increases across all key metrics when compared with the prior corresponding period, including gross written premiums (up 70%) and revenue (up 43%). Additionally, the accompanying quarterly cashflow report demonstrates the focus of the Company with respect to maintaining a cashflow positive status (with the March Quarter being the third successive cashflow positive quarter).

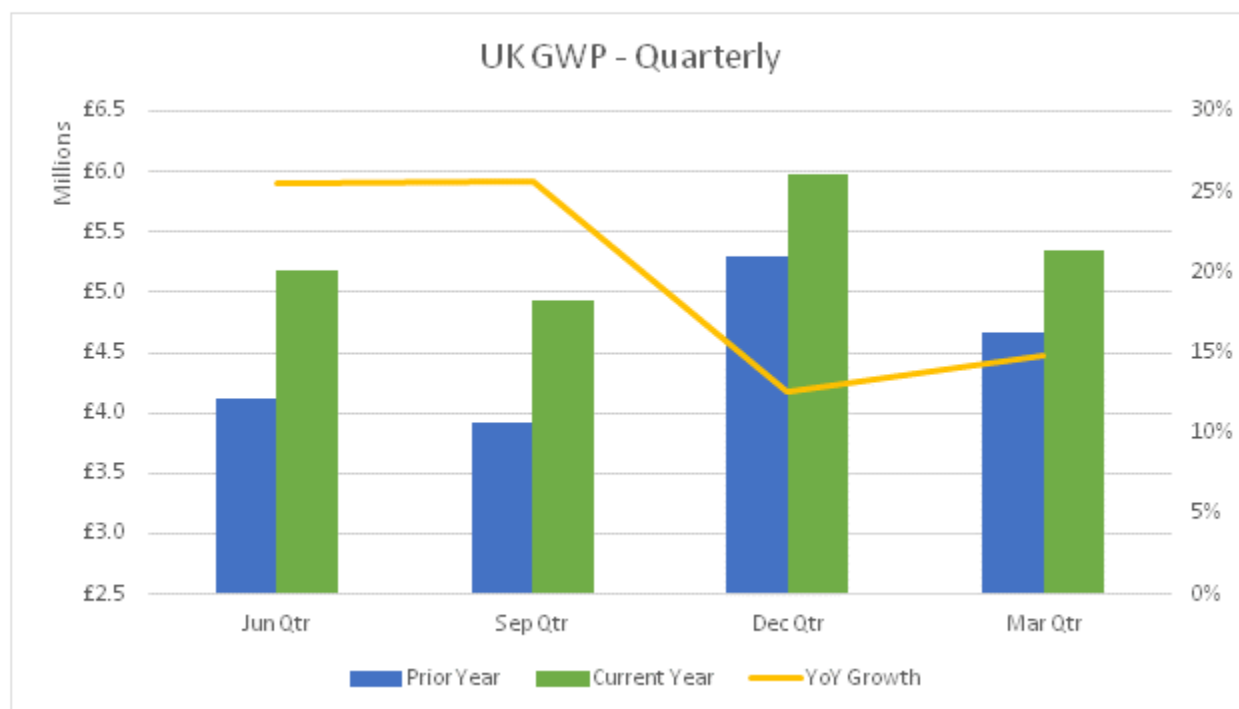
### ***Continuing hardening conditions in Australia***

The Australian division of the Company has again seen an increase in premiums, particularly in the classes of Professional Indemnity insurance and Cyber Liability insurance. The scarcity of capacity, particularly in construction related classes, has contributed to growth in new business enquiries and retention rates across the Ensurance Australia renewal portfolio. Additionally, the contract signed with Liberty Specialty Markets during the March quarter (see announcement dated March 7<sup>th</sup> 2022) will deliver increased profit margins to the business.

### ***Another strong quarter for Ensurance UK Limited***

Ensurance UK Limited has had another successful quarter, reporting \$9.6M of gross written premium (GWP), building on its record December quarter result. This is an increase of 16.8% on the previous corresponding period. For the three quarters to March, the company has recorded a record \$28.8M GWP. The positive performance continues to be driven by organic growth within the Company and an ever-increasing renewal book.





Please note that this graph is in Pounds.

## **Operational Commentary**

### ***Opening of NSW Branch, Appointment of CEO and Executive Director***

Ensurance Australia opened its Sydney Office on 1<sup>st</sup> January, headed up by Mr. Nick Beswick as Manager of the Professional Risks Division. Additionally, further to previous announcements, Mr. Tom Kent assumed the roles of Executive Director and Chief Executive Officer during the March Quarter.

The Company is also pleased to report that its expansion into the NSW and VIC markets in Australia will ramp up over the coming months with Ensurance Australia welcoming two key senior underwriters recruited in the March quarter. The opening of a Melbourne, Victoria office in early May will help service our growing base of insurance brokers, the core focus being to increase our presence in the SME and Middle Market.

***Finance – HR Update***

During the quarter, Mrs. Lauren McKiernan was appointed Chief Financial Officer and Ensurance UK Limited welcomed its new Head of Finance, Mr. Edward Cottle to the business. Mrs. McKiernan will work in conjunction with Mr. Cottle with a focus on delivering the Company its strongest financial result to date.

***Ensurance Australia signs three-year contract with Liberty Specialty Markets***

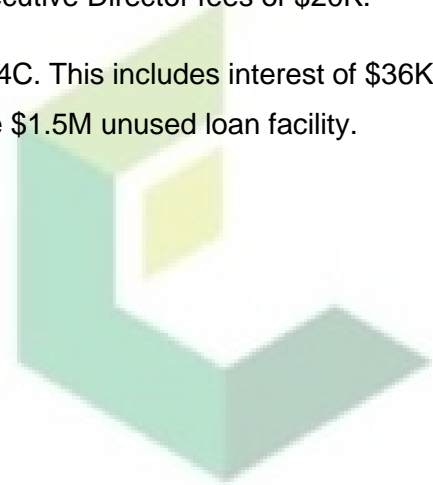
During the March Quarter, Ensurance Australia was pleased to announce (see ASX announcement dated March 7<sup>th</sup> 2022) a significant partnership with global insurer Liberty Mutual Insurance Company, Australia Branch, trading as Liberty Specialty Markets ('Liberty').

Mr. Kent commented at the time that "This is a transformational moment for our Australian division. The signing of this contract forges a path for long-term mutually beneficial growth with improved margins and increased capacity. Securing such a high calibre relationship in these uncertain times is a very positive result for the Company. We are excited to bring the global strength of Liberty to our local client base."

**Related Party Transactions**

Payments to related parties of the Company and their associates in section 6 of Appendix 4C, amounted to \$112K for the March 2022 quarter. This includes the Non-Executive Chairman's salary of \$55K, Executive Director salary of \$37K and Non-Executive Director fees of \$20K.

Other payments to related parties are in section 3 of Appendix 4C. This includes interest of \$36K to Kalonda on the unsecured \$1M loan drawn down and on the \$1.5M unused loan facility.





**Summary of Cash Position and Expenditure during the Period**

The Company held cash and cash equivalents at the end of the quarter of \$1.73M. Quarterly operating expenditure during the quarter was \$1.48M. This included \$1.15M in staffing costs.

In financing activities, a repayment of \$12K was made to Close Brothers Premium Finance and interest of \$36K was paid on the loan from related parties.

**ENDS**

This release has been authorised by the Board.

**For further information please contact:**

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Ensurance Limited (ASX: ENA)

**ABN**

80 148 142 634

**Quarter ended ("current quarter")**

31 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,600	4,957
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(1,153)	(3,487)
(f) administration and corporate costs	(327)	(1,206)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	(55)
1.7 Government grants and tax incentives	-	-
1.8 Other income	-	5
<b>1.9 Net cash from / (used in) operating activities</b>	<b>119</b>	<b>210</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(6)	(6)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	458
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(33)
2.4	Dividends received (see note 3)	-	-
2.5	(a) Other (TKSR's cash on acquisition of the company)	-	342
	(b) Other (Dividend paid in lieu of accumulated profits, on the acquisition of TKSR at 1 July 2021)	-	(243)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(6)</b>	<b>518</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,145
3.2	Proceeds from issue of convertible debt securities	-	(773)
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(37)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(12)	(1,580)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (incl. Interest on Convertible Notes & Related Party Loan)	(36)	(194)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(48)</b>	<b>(439)</b>

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,676	1,464
4.2	Net cash from / (used in) operating activities (item 1.9 above)	119	210
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	518
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(48)	(439)
4.5	Effect of movement in exchange rates on cash held	(12)	(24)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,729</b>	<b>1,729</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,682	1,629
5.2	Call deposits	47	47
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,729</b>	<b>1,676</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	2,500	1,000
7.2	Credit standby arrangements	750	-
7.3	Other (Principal Finance Loan)	121	121
7.4	<b>Total financing facilities</b>	<b>3,371</b>	<b>1,121</b>
7.5	<b>Unused financing facilities available at quarter end</b>		2,250
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>7.1 Unsecured loan from Kalonda Pty Ltd, which is an associated entity of the Non-Executive Chairman Tony Leibowitz. The term of the loan is 18 months to 31 December 2022. The amount drawn down is \$1,000,000 and has an interest rate of 11% pa. The unused loan facility of \$1,500,000 has a standby fee of 2.5% pa. The company also has a working capital facility of \$750,000 (section 7.2), if required.</p> <p>7.3 Unsecured loan from Close Brothers Premium Finance. Term until 29 December 2022 at an interest rate of 6.33% pa.</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	119
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,729
8.3	Unused finance facilities available at quarter end (item 7.5)	2,250
8.4	Total available funding (item 8.2 + item 8.3)	3,979
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
8.6.2	Has the entity 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?	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: The Board

(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.