

## Overview – September Quarter Highlights

- ✓ **Ensurance now cashflow positive and maiden quarterly profit achieved.**
- ✓ **Revenue up 131.9% on Prior Corresponding Period (PCP).**
- ✓ **Insurance premiums under management increased 43.6% on PCP.**
- ✓ **Commitments towards a share placement to raise in excess of \$2M AUD.**
- ✓ **Re-branding and integration of recent acquisition TK Specialty Risks Pty Ltd completed, forming the new Australian division of the Company: Ensurance Australia Pty Ltd.**
- ✓ **Key appointment of East Coast based Professional Risks Manager to establish a new office in Sydney for Ensurance Australia.**
- ✓ **UK division launched new products and software solutions for its key insurance broker partners.**

**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 30 September 2021.



## September Quarter Summary

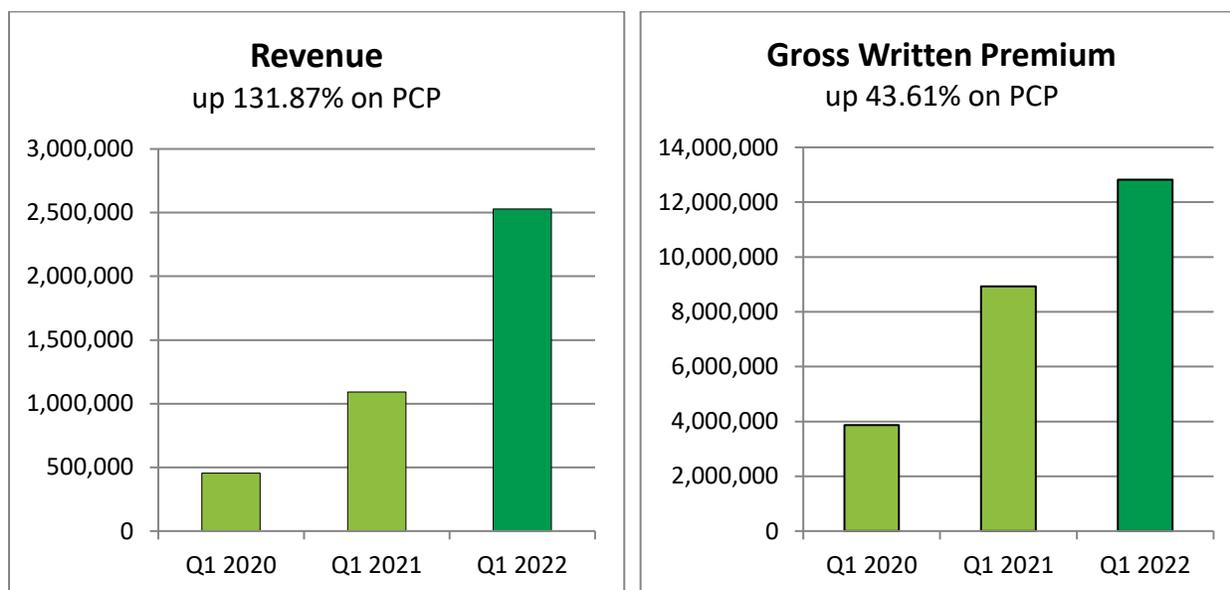
### Financial Performance

#### *Record increases across all key financial metrics*

During the September quarter, the Company established its Australian division, Ensurance Australia, by virtue of acquiring, integrating and re-branding TK Specialty Risks Pty Ltd (“TKSR”). A comparison of the quarterly figures below demonstrates the added value brought about by consolidating the increasing scale being achieved in the UK division with the newly acquired and profitable Australian division.

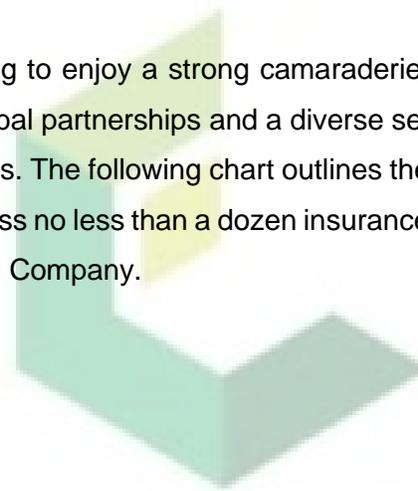
QUARTERLY RESULTS	Q1 FY2020	Q1 FY2021	Q1 FY2022	YTD FY2022
<b>Fees and Commissions</b>	\$425,726	\$955,480	\$2,511,129	\$2,511,129
<b>Other Income</b>	\$28,202	\$135,314	\$18,112	\$18,112
<b>Revenue</b>	\$453,928	\$1,090,794	\$2,529,241	\$2,529,241
<b>Profit/(Loss) before income tax</b>	\$(1,162,738)	\$(283,747)	\$271	\$271
<b>Gross Written Premium</b>	\$3,865,113	\$8,926,571	\$12,819,840	\$12,819,840

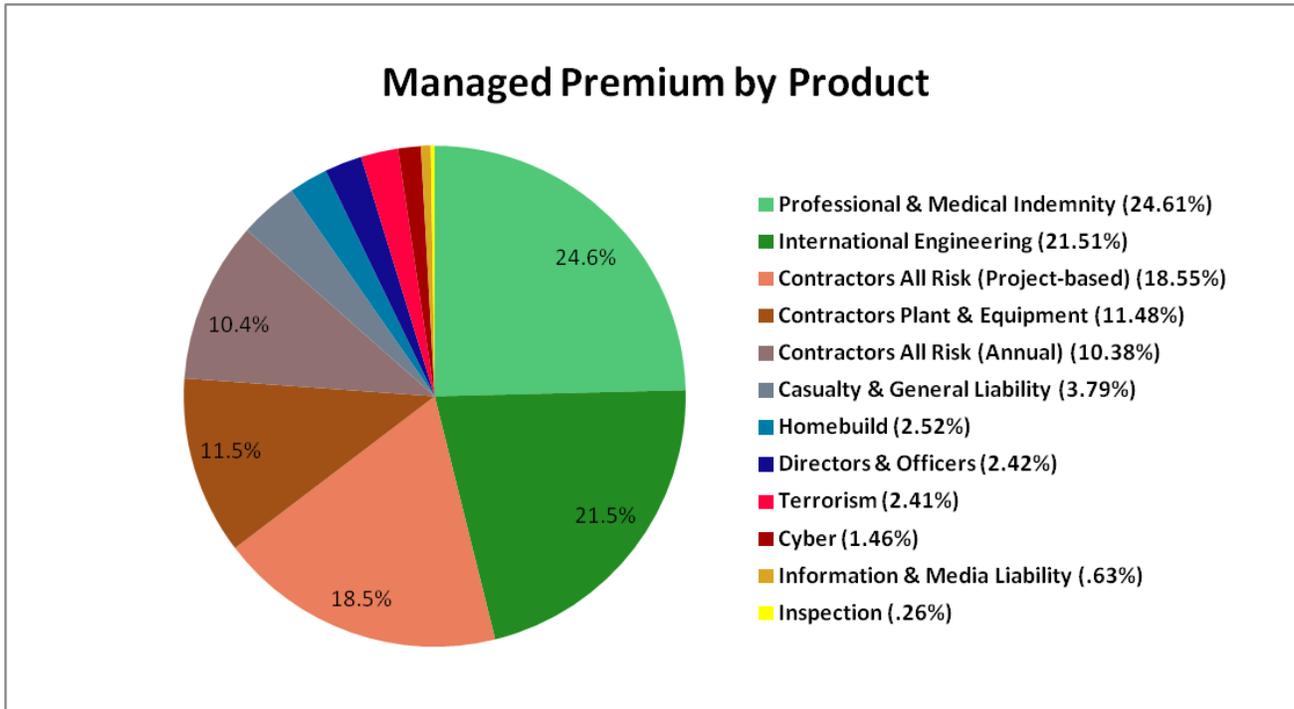




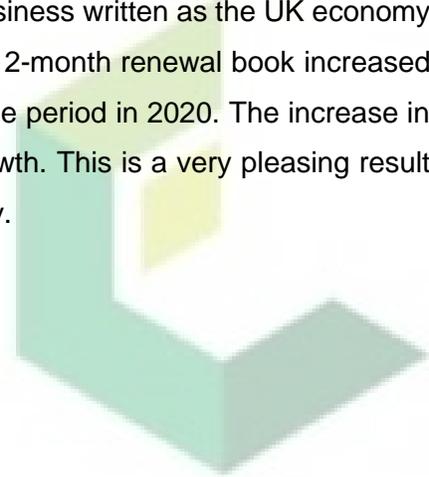
The strong financial performance was mainly attributable to the continued growth experienced by the underlying business units combined with other new revenue initiatives launched during the quarter. Both the UK and Australian divisions continued to expand their broker networks, which has led to improved penetration in their respective markets and higher levels of deal flow. Ensurance Australia recently signed a trading agreement with its 100<sup>th</sup> insurance broking partner, coinciding with the increased profile of the Company due to its acquisition of TKSR.

As a group, the UK and Australian divisions are now beginning to enjoy a strong camaraderie, laying the foundation for a resilient insurance business with global partnerships and a diverse set of products yielding increasing and sustainable revenue streams. The following chart outlines the spread of gross written premium for the September quarter across no less than a dozen insurance products underwritten by the Australian and UK divisions of the Company.





The UK division has now entered its fifth year of trading since inception and has recorded its first quarter with positive results. The business has already surpassed \$900k of commission income during this quarter, with over \$9m of premium being written; increases of 9.3% and 25.7% respectively compared to the same period in FY21. This positive performance is attributable to organic growth and from an increase in construction project business written as the UK economy recovers from the impacts of COVID-19. The Ensurance UK 12-month renewal book increased during the quarter to \$18.56m, up from \$14.7m during the same period in 2020. The increase in the renewal book sets a solid base for future revenue and growth. This is a very pleasing result considering the UK business is still regarded to be in its infancy.



During the September quarter, the Company was also pleased to announce that it had received commitments from new and existing professional, sophisticated and institutional investors to raise \$2.145M by way of a share placement (refer ASX announcement dated 29/09/21). The funds raised will be used to provide working capital for the expansion and scaling up of the Australian operations and to fund the launch of new insurance products in the UK division. The Share Placement was completed on the 8<sup>th</sup> October 2021 with \$170,000 of share placement funds received in the September quarter and the balance of funds received in October.

### **Operational Performance**

#### ***Looking to the East Coast and beyond for 2022***

During the quarter, Ensurance released an announcement to the ASX on 10/09/2021, that it had completed its acquisition and integration of TK Specialty Risks Pty Ltd (TKSR). TKSR has been re-branded as Ensurance Australia Pty Ltd, a wholly owned subsidiary of the Company. The rationale for this re-branding is straightforward: Ensurance Limited is the only ASX listed insurance business which wholly owns a UK based business that solely operates as an underwriting agency, and given that the UK division has a recognisable and highly reputable brand, the Company elected to unify the branding of the Group by adopting the Ensurance brand in Australia. In this way, customer transactions for insurance broker partners will be enhanced (and simplified) as the Australian division of the Company sets about releasing the products of its UK counterpart into the Australian insurance market.

Expansion plans are well underway for the newly formed Australian arm of the Company, with a key executive appointment being made during the September quarter. Mr. Nick Beswick will join Ensurance Australia as the Manager of the Professional Risks division with effect 1st January 2022. Mr. Beswick is currently the Product Leader for Professional Indemnity (PI) for AXA XL in Australia. He has 30 years of experience in the insurance industry and since 2014 has managed a significant national portfolio at AXA XL. The Company looks forward to strengthening the fruitful partnership the Australian and UK divisions have always enjoyed with the global insurer AXA XL.

Ensurance Australia’s Managing Director, Mr. Tom Kent, commented at the time: “The market response from our key broker partners on the appointment of Nick has been overwhelmingly positive. Having someone of Nick’s calibre join us to establish our Sydney branch in January 2022 speaks volumes about the strength of our relationship with our business partners. The stage is now set for the next phase of growth for the Company.”

Ensurance UK launched its new Liability product offering at the end of Q2 FY2021. The first quarter of trading for the product has been one of success, with large amounts of uptake for the product seen by numerous brokers. This initial success provides significant foundations for Ensurance’s offering within the market and will enable the business to rapidly grow the product line. The UK business continues to explore opportunities to add new product ranges to help increase profitability and diversification and is expected to launch additional product lines in the coming months. The launch of Ensurance’s Homebuild portal during Q2 FY2021 was met with positive feedback from the major broker involved in the release. The success of this launch has prompted Ensurance to provide this portal to an additional broker during the upcoming quarter which will bring about increases to revenue from the Homebuild offering.

### **Related Party Transactions**

Payments to related parties of the Company and their associates amounted to \$169K for the September 2021 quarter. This includes monthly interest payments on an unsecured \$2.5 million loan from Kalonda Pty Ltd, a related entity of Tony Leibowitz, Executive Chairman. It also includes the Executive Chairman’s salary and the Non-Executive Director fees.



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

The Company held cash and cash equivalents at the end of the September quarter of \$1,561,208. Operating expenditure during the quarter was \$1,691,904 which included \$1,163,150 in staffing costs. Costs associated with the first three months trading of Ensurance UK's Liability offering was approximately \$50,000. Expenditure on the UK business's IT development during the quarter was circa \$56,000.

In investing activities, \$457,974 was received as the final payment from the sale of Ensurance Underwriting. Following the acquisition of TKSR, the Company increased its cash holdings by \$341,542.

In financing activities, the final interest payment of \$44,308 was paid to convertible note holders. Further Interest of \$69,315 was paid on the loan from a related party. On maturity of the Company's convertible notes in July 2021 an amount of \$772,506 was redeemed and paid to noteholders. The Company also received \$170,000 in share placement funds during the September quarter with the balance of funds being received in October. The Share Placement was completed on the 8th October 2021.

**ENDS**

This release has been authorised by the Board.

**For further information please contact:**

Tony Leibowitz  
Executive Chairman  
tleibowitz@ensurance.com.au  
Ph: +61 2 9167 8050

Sam Hallab  
Director & Company Secretary  
shallab@ensurance.com.au  
Ph: + 61 2 9167 8050

