

Restructuring and poised for growth

Investor Update

6 June 2018

(ASX:ENA)

Disclaimer

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Enurance Limited (ASX : ENA)

Enurance Limited - an insurance underwriting agency operating in the global insurance market with existing operations in Australia and the UK.

Listed ASX - 2015



Enurance has evolved into a successful wholesale insurance agency business, driven by established operations as a Managing General Agency (MGA) in the UK.

Bespoke insurance



Predominantly focussed on providing coverage for construction and engineering risk.

Partnerships



Partnerships with leading global insurance companies, including Lloyds of London, Swiss Re and XL Caitlin, provide capacity to underwrite large wholesale policies globally.

Operations in Sydney and London



Enurance Limited employs 46 full-time staff and services customers in the UK, the European Union and Australia.

Revised strategic direction



Focussed on divesting Australian retail brokerage arm and leveraging global partnerships to bring new products and replicate UK wholesale model in Australia.

Newly appointed board and leadership team

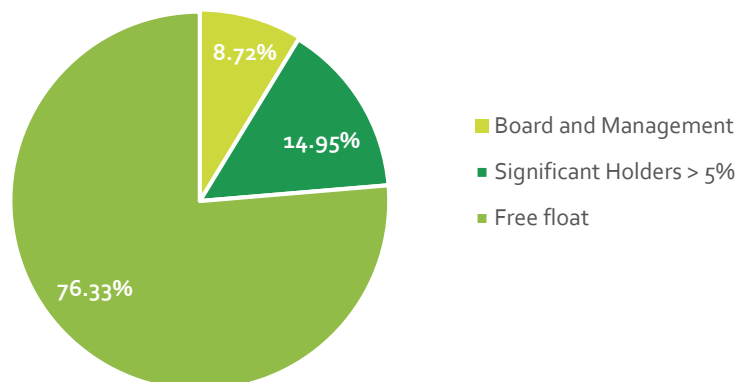


Focussed on restructuring business and driving global growth.

Corporate Overview

ASX Ticker	ENA
52 week high-low	\$0.14 - \$0.039
Market cap @ \$0.039 (as at 4 June 2018)	\$6.75m
Ordinary Shares on Issue	173,113,862
3 Year Convertible Note (\$3.0m) ¹	75,000,000
Options ²	25,497,314
Partly Paid Shares ³	8,000,000
Performance Rights ⁴	1,500,000

Shareholder Composition



1. 3-Year convertible note, right to convert at \$0.04 (expiry dates Dec 2019 and Dec 2020).

2. Options:

- 2,597,314 options, exercise price \$0.08, expiring 31 July 2020.
- 3,500,000 options, exercise price \$0.04, expiring 31 July 2020.
- 3,000,000 options, exercise price \$0.046, expiring 31 July 2020.
- 1,000,000 options, exercise price \$0.12, expiring 31 July 2020.
- 5,000,000 options, exercise price \$0.04, expiring 15 December 2019.
- 3,150,000 options, exercise price \$0.05, expiring 15 December 2019.
- 7,250,000 options, exercise price \$0.05, expiring 15 December 2020.

3. 8,000,000 Partly paid shares, \$0.199 per share outstanding, expiring 30 November 2020.

4. Performance Rights:

- 1,000,000 Performance Rights Class A, which will convert into Ordinary Shares if the 30 Day VWAP exceeds \$0.80 prior to expiring on 30 November 2020.
- 500,000 Performance Rights Class B, vesting at the Board's discretion.

Investment Overview

Expert Board and Management

Newly appointed Board and Leadership team driving a restructure of Ensurance's operations as part of a new strategic direction to drive global growth

High margin, low risk model

Managed General Agent (MGA) model delivers high-margin revenue with no on-balance sheet risk for any insurance policies sold

FCA License provides additional revenue stream

Licence from the UK's Financial Conduct Authority (FCA) provides the opportunity to generate additional revenues from authorised representatives acting under Ensurance's authority

Exclusive partnerships with leading global insurers

Partnerships with leading global insurers provides unique and exclusive capacity to underwrite construction and engineering lines

Large global market opportunity

High barriers to entry of established partnerships, credible and established underwriting team and investment into IT platforms

UK operations to be cashflow positive from March 2019

UK operations fully-established and poised for ramp up in sales and revenue growth, with commercial model easily replicated in Australian market

Expert Board and Leadership Team



Tony Leibowitz

Executive Chairman

Over 30 years of corporate finance, investment banking and broad commercial experience.

Proven track record of generating significant shareholder value, most notably in his roles as Chairman of Chandler Macleod Ltd and more recently Pilbara Minerals Ltd.



Adam Davey

Non Executive Director

Over 30 years experience in capital raising (both private and public), mergers and acquisition, ASX listings, asset sales and purchases, transaction due diligence and director duties.

Previous roles include Managing Director of financial services companies.



Tony Wehby

Non-Executive Director

Broad experience across Non-Executive Director roles since 2001.

Formerly a Partner at PwC for 19 years where he managed its Corporate Finance business.

Chartered Accountant (FCA) and member of the Australian Institute of Company Directors.

Current Chair of ASX listed Kingston Resources Ltd (KSN) and Deputy Chair of Royal Rehab.



Arjan van Ameyde

CFO

Over 25 years of experience in senior finance roles in listed companies and SMEs across multiple sectors.

Chartered Accountant (South Africa) from KPMG and a fellow of CPA Australia.

Successfully established a short term lending company, a short term insurance company and set up the treasury function for a large listed group.



Tim James

CEO Ensurance UK

Former Director at one of the world's largest insurers HSB (owned by Munich Re).

Joined Ensurance in 2017, bringing a team of underwriters with significant credibility and strong existing industry relationships.

Specialist in wholesale and reinsurance broking and MGAs globally.



Michael Huntly

CEO Ensurance AU

Extensive experience across underwriting, compliance and portfolio management.

Previous positions at ASX listed companies Austagencies, Calliden and Vero.

Our Operations

Ensurance UK

Licence and Capabilities

- Managed General Agent (underwriting agency) in the UK.
- Authorised and regulated by Financial Conduct Authority (FCA).
- Coverholder at Lloyds.

Products

- Wholesale insurance provider specialising in the construction and engineering sector.

Customers

- Small Medium Enterprise to Mid Market segment of Construction and Engineering sectors.

Distribution

- Broker network of 55 strategic brokers including Marsh, JLT, Willis, Lockton and Gallagher.

Financials

- Gross written premiums (GWP) of £1.4m by April 2018.
- £13m GWP (expected FY19).

Ensurance Underwriting Australia

- Australian underwriting agency.
- Australian Financial Services Licence (AFSL).

- Wholesale insurance provider specialising in the construction, engineering and household insurance sectors.
- Retail insurance provider of owner-builder insurance.

- Australian housebuilders and construction companies.

- Distributed via 340+ broker network.

- GWP of \$6.7m for FY18.
- \$9.1m GWP (expected FY19).

Ensurance IT

Developing IT platforms to support automated insurance brokerage and underwriting services.

(To Be Restructured) Australian Insurance Brokerage

- Direct to consumer insurance broking.
- White label insurance via online platforms.
- Direct to customer construction and engineering insurance via SHC Insurance brokers brand (ENA owned).
- Ensurance NOW retail products include full suite of home and contents insurance products.
- SHC Insurance broker network.
- White label retail product distribution.
- Compare the Market platform.



Ensurance UK

Targeting a £2.9 Billion Market

Operating as an MGA in the UK to provide wholesale insurance for construction and engineering in the UK and EU

Fully authorised and regulated by the FCA¹



- Provides the ability to sell insurance globally, not just in the UK.
- Capability to act as Principle to enable UK to engage and develop Appointed Representative Network.
- Targeting July 2018 to sign first authorised representative agreement.

£2.9 billion construction and engineering underwriting market in the UK and EU



- Niche market, of which £1.2B of gross written premiums are written annually to cover construction risk, and £1.7B for engineering risk.
- MGA focused on providing a Construction / Plant / Engineering / Property / Latent Defects insurance solutions.

Significant growth trajectory in the next 18 months



- UK business expected to be significantly larger than the Australian operations within the next 18 months.
- Over £1.4 million in written policies since business inception in August 2016.
- Generated first cash flows at beginning of FY18.

High quality personnel



- Led by former Director at one of the world's largest insurers HSB (owned by Munich Re) who joined in 2017.
- Brings a team of leading, specialist underwriters with significant credibility and relationships.

Providing insurance without the risk



- Providing market leading insurance products, without the balance sheet risk, in sectors that can provide healthy return to all stakeholders.

Independent, not broker-owned



- Most brokers are reluctant to trade with broker-owned MGAs.

1. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

The Ensurance UK Business and Revenue Model


Poised for strong growth following a 2-year investment period to establish UK business

Capacity to write policies up to **£100M** per risk

Commissions revenue earned as a % of gross written premium

Established relationships with +55 brokers

Targeting a **£2.9B** UK/EU market

 **Swiss Re**

Coverholder at **LLOYD'S**

XL CATLIN

FARADAY

100% of **risk held by insurance partners**, not Ensurance





Established partnerships with global insurers provide capacity and the **exclusive rights** to distribute insurance products

Ensurance underwrites policies using the capacity provided by partners

Ensurance products distributed via established broker network, providing broad distribution

Providing end customers with wholesale construction and engineering sector insurance

Partnerships with Leading Insurance Providers

SWISS RE CORPORATE SOLUTIONS AA-Standard & Poor's Rated

- Commercial insurance arm of the Swiss Re Group, the world's 2nd-largest reinsurer.
- Ensurance has the **exclusive authority** to issue construction and engineering products in the UK and parts of the EU.
- **All brokers required to use Ensurance UK** for policies <£100m.
- One of only 14 MGA partners of Swiss Re Corporate Solutions globally – one of only 4 in the UK.



Significant partnerships with the world's largest insurance providers provide Ensurance UK with **exclusivity** to distribute products

LLOYD'S OF LONDON A+ Standard & Poor's Rated

- World's specialist insurance and reinsurance provider.
- Ensurance has the exclusive authority to issue insurance documents on behalf of Lloyd's syndicates.

Coverholder at 

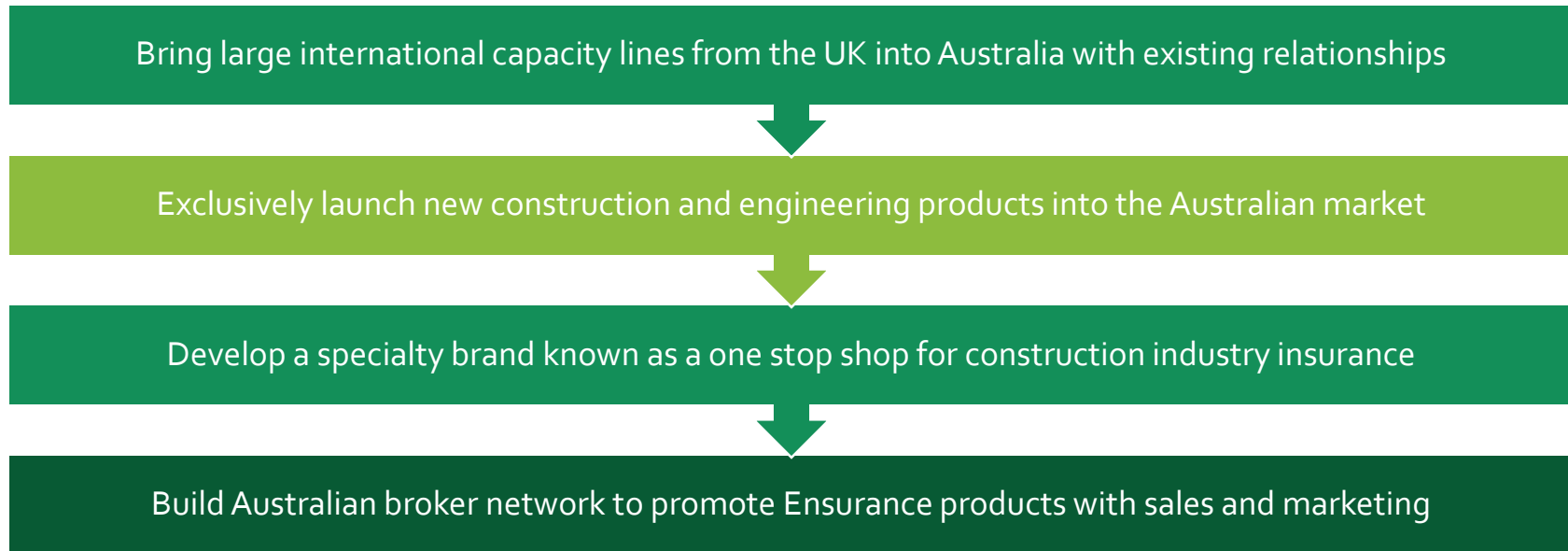
XL CATLIN

- One of Lloyd's largest and most prestigious syndicates.
- Exclusive, bespoke construction insurance product to high net worth UK domestic clients.



Commercial Model Easily Replicated in Australia

Leveraging UK partnerships and capacity provided by global insurers to exclusively distribute new innovative products into Australian market, to replicate proven UK MGA business model



Utilising Australian operation's existing broker relationships and distribution capabilities, underwriting staff and established policies and procedures to roll out UK MGA model over the next 2-3 years.

Value Creation Milestones

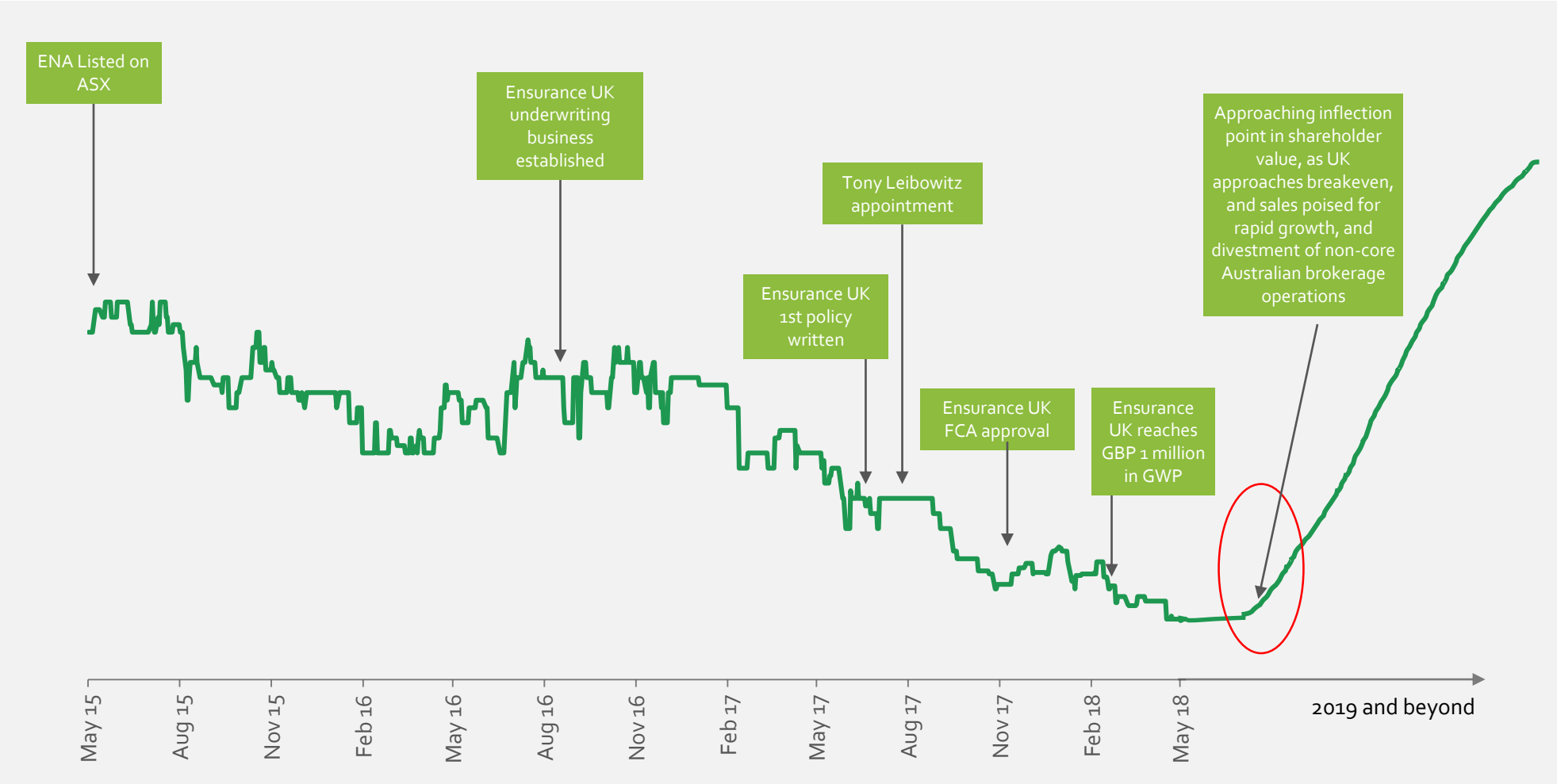
Next 12 Months

- Disposal of retail broking business.
- First authorised representative agreement signed in the UK.
- UK Underwriting operations to be cashflow positive by March 2019.

Next 12-18 Months

- Replicate successful UK MGA model in Australia and bring new products from the UK to the Australian market.
- Launch of new insurance products into Australian construction and engineering market.

Approaching an Inflection Point in Shareholder Value Creation



UK MGA Business Poised for Revaluation

UK operations poised for rapid growth following completion of successful build-out

Complete

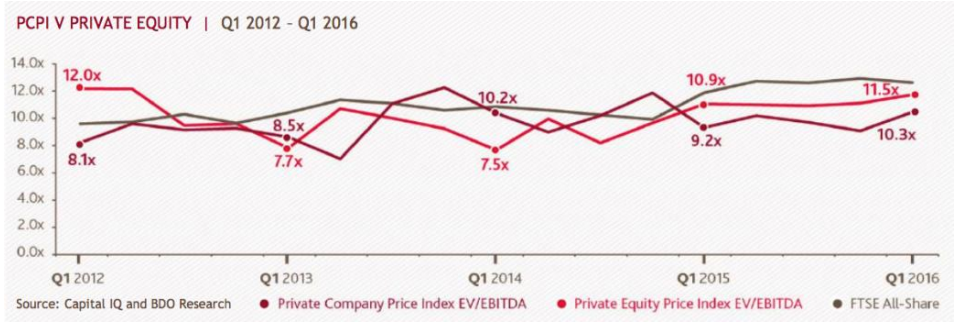
✓ 2 years of significant investment (£2.9m) to establish Ensurance’s UK business now complete

In Progress

- ✓ Commencement of cashflow to drive asset revaluation
- ✓ On-track for positive cashflow from March 2019.

Focus on driving rapid growth by leveraging existing broker relationships to drive sales, launch additional product lines and expand broker network.

Significant valuation multiples already achieved for MGAs in the UK



Source: BDO MERGERS & ACQUISITIONS - INSURANCE BROKING, Market Update June 2016

- The PCPI/PEPI index tracks multiples paid by trade and private equity buyers for private companies.
- EBITDA multiples for UK MGAs average ~10.3x (Q1 2016) (trade sale).
- This bodes well for Ensurance and its future financial position.

Strong Outlook for the Group for 2019 & Beyond

Ensurance UK

Grow UK MGA business, adding further product lines, capacities and expanding broker network.

Continue to target specialist construction brokers to take part in our secured risk placements

Appoint underwriting talent in strategic locations to support regional expansion and new product launches

Specialists in UK team to support primary insurers with niche white labelled solutions in Construction & Engineering market

Opportunistic bolt-on acquisitions of earnings accretive businesses or books of business.

Ensurance Underwriting Australia

Replicate UK MGA business model in Australia to expand operations and leverage existing UK partnerships

Utilise existing capacity and exclusive rights to distribute new products into Australian market from UK partners

Solid growth in underwriting businesses to continue through 2018/19 with renewal cycle and new products

Disposal of Aust Brokerage Business

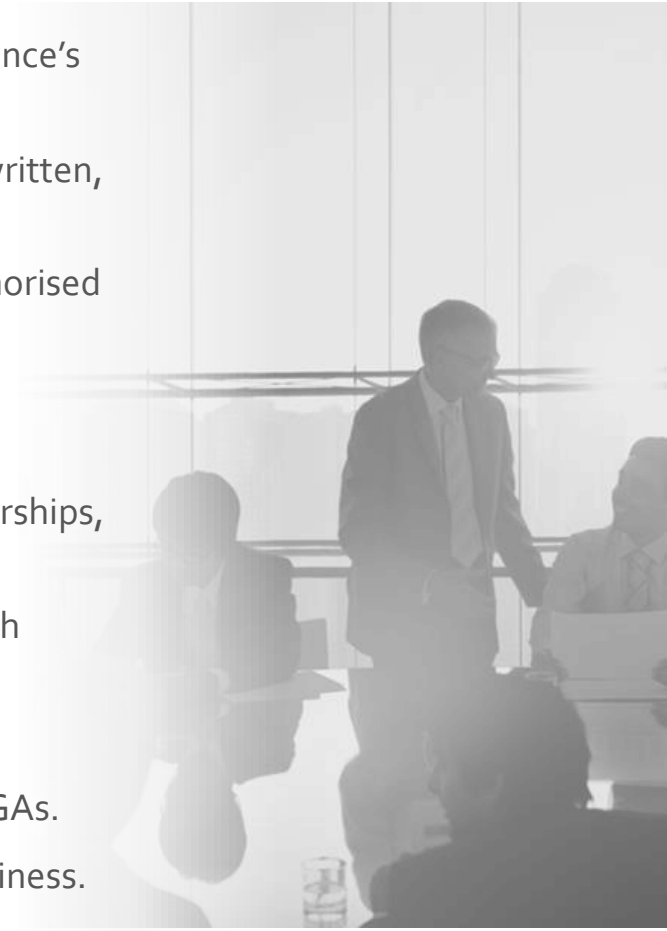
Management seeking opportunities to dispose of Australian Brokerage Business

Early-stage, non-binding proposals for the purchase of the Company's brokerage assets received and currently being assessed

Investment Summary

A significant investment opportunity in a rapidly expanding industry

- Newly appointed Board and Leadership team implementing a restructure of Ensurance's operations as part of new strategic direction which will drive global growth.
- High margin, low risk business model generating commission revenue for policies written, with no risk on-balance sheet.
- FCA Licensed in the UK, providing opportunity to generate recurring fees from authorised representatives operating under Ensurance UK's FCA authority.
- Partnerships with leading global insurers provides unique and exclusive capacity to underwrite construction and engineering lines.
- Large global market opportunity with high barriers to entry with established partnerships, credible and established underwriting team and investment into IT platforms.
- UK operations established and poised for ramp up in sales and revenue growth, with positive cashflow expected by March 2019.
- UK MGA commercial model easily replicated in Australian market.
- Significant scope for high valuation multiple (EBITDA multiple of ~10.5x) for UK MGAs.
- Ability to bolt on earnings accretive acquisitions or books of business to current business.



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