



## **AssurDeal**

**Building a leading insurance portfolio trading platform**

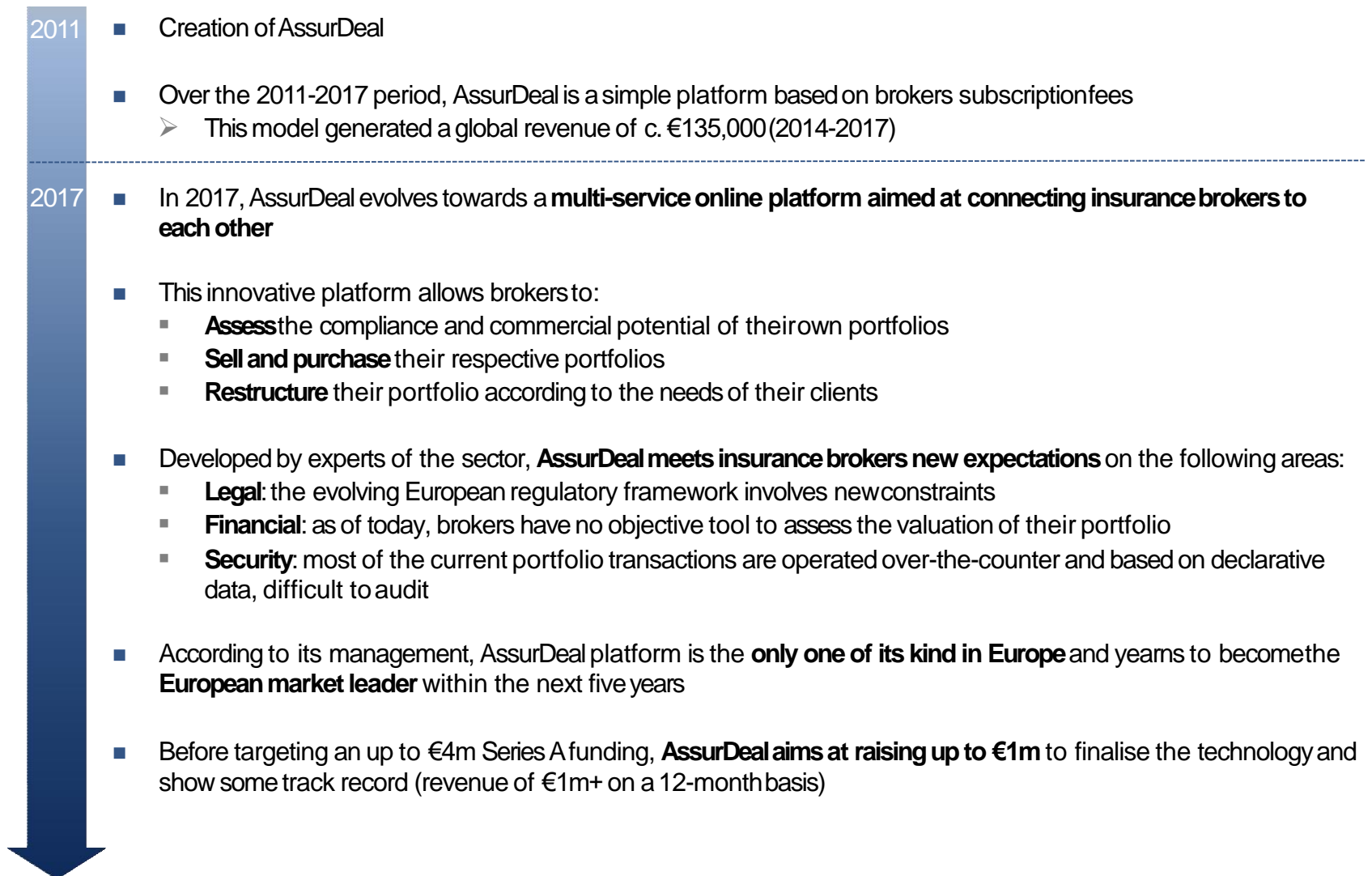
April 2018



1. Key investment highlights
2. AssurDeal overview
3. Contemplated fundraisings
4. A two-step fundraising to fuel an ambitious development plan
5. A unique momentum on a dynamic market
6. AssurDeal benefits from complementary revenue streams
7. Mapping of AssurDeal potential competitors
8. A project led by a complementary team
9. Phase II illustrative case

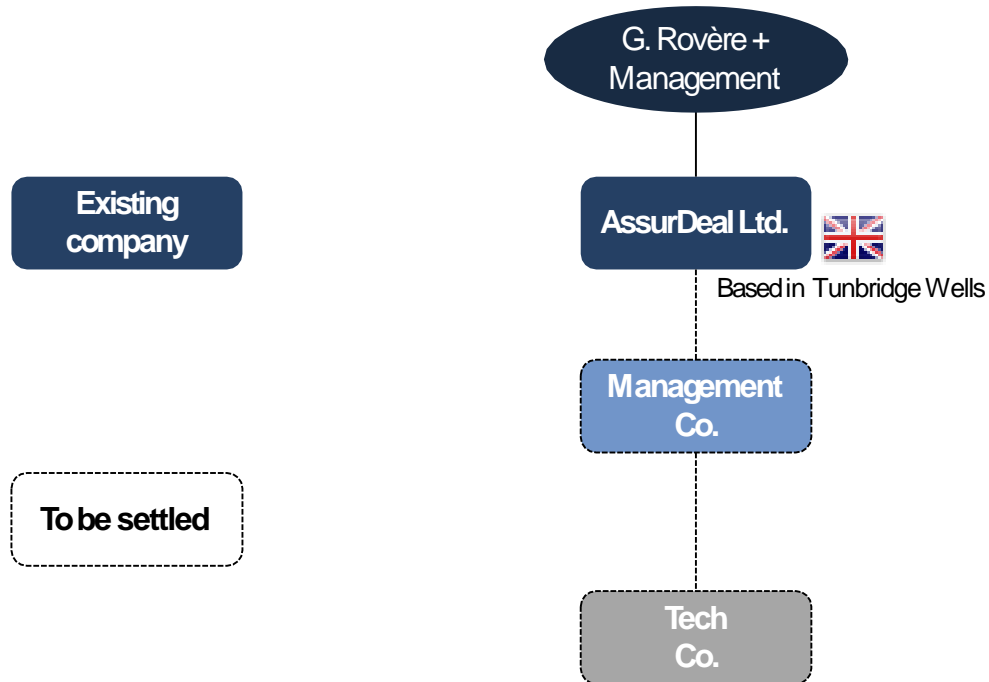
## OBJECTIVE: ESTABLISH A LEADING INSURANCE PORTFOLIO TRADING PLATFORM FOR EUROPEAN BROKERS





Source: Company

#### LEGAL STRUCTURE



- The funds will be raised either in AssurDeal Ltd. or in the Management Co.

#### CONTEMPLATED FUNDRAISINGS

##### PHASE I

- Date: 2Q – 3Q 2018
- Type of fundraising: capital increase
- Amount targeted: **Up to €1m**

##### PHASE II

- Date: 1S 2019
  - Type of fundraising: capital increase
  - Amount targeted: **[€3m-€4m]**
- Objective of the founders:
- **Value increase between Phase I and Phase II: 3x to 4x**


## 4. A two-step fundraising to fuel an ambitious development plan

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As of today

- Amount invested in the structure: €600k
- Number of portfolios presented on the platform: 12 (since January 2018)
- 2018 revenue secured: c. €200,000 (as of mid April)
- Major partnership with April:
  - AssurDeal is co-branding April's white book of insurance portfolio transfers, through which it will have access to 15,000 out of the 22,000 French brokers



	Date	Capital increase target	Key objectives	Key milestones
Phase I	2Q – 3Q 2018	Up to €1m	<ol style="list-style-type: none"> <li>1. Finalise the corporate structure</li> <li>2. Hire the first keypeople (management, IT)</li> <li>3. Finalise scoring engine</li> <li>4. Finalise the legal package</li> </ol>	<ul style="list-style-type: none"> <li>■ 2Q – 3Q 2018: <ul style="list-style-type: none"> <li>▪ Complete the full legal compliance</li> <li>▪ Bill the first transactions</li> <li>▪ 10 people hired</li> </ul> </li> <li>■ Targeted revenue: €1m+ on a 12-month basis</li> </ul>
Phase II	1S 2019	€3m to €4m	<ol style="list-style-type: none"> <li>1. Accelerate European rollout</li> <li>2. Develop the recommendation mechanism</li> <li>3. Integrate AI to the platform</li> <li>4. Hire new commercial and IT people</li> </ol>	<ul style="list-style-type: none"> <li>■ 04/2019: Spain / Portugal</li> <li>■ 10/2019: Germany</li> <li>■ 04/2020: Italy</li> <li>■ End of 2019: Build a team of 60 people</li> <li>■ 2020: Bring IA and blockchain into the platform</li> </ul>

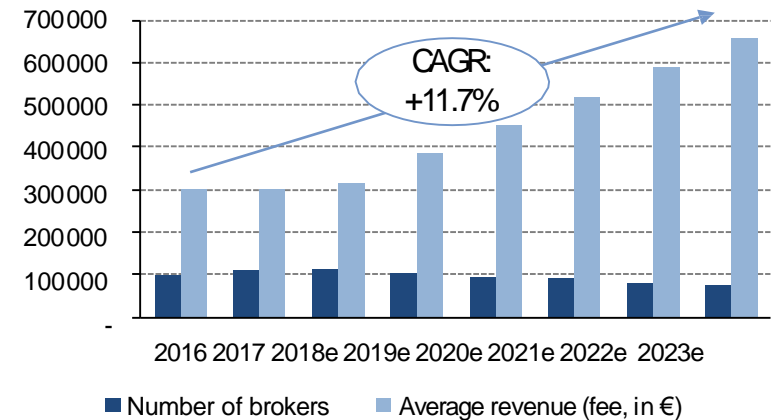
Source: company

### KEY DRIVERS OF THE PORTFOLIO DISPOSALS MARKET

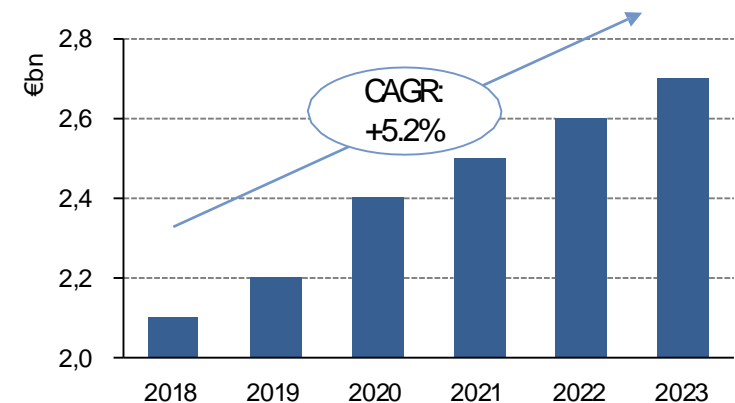
- **An evolving regulation leading to increasing transactions**
  - 2 European major legislative acts\* will entry into force with a twofold benefit:
    - They reinforce brokers' position within the insurance selling system
      - Their share of the premium (c. 54% in 2016) is expected to grow (vs. banks)
    - Many will not have the resources to adapt and will therefore divest their portfolios
  
- **Disruptive technologies meet new expectations**
  - As of today, c. 85% of the portfolio transactions are made over-the-counter, based on declarative data, difficult to screen
  - This creates a need for security, addressed by the emergence of computer-based technologies
  
- **Market consolidation.** Over the next 6 years:
  - The number of brokers is expected to decrease by 25%
  - The average revenue per portfolio is expected to double

AssurDeal benefits from a unique window of opportunity in Europe created by regulatory and technological shifts

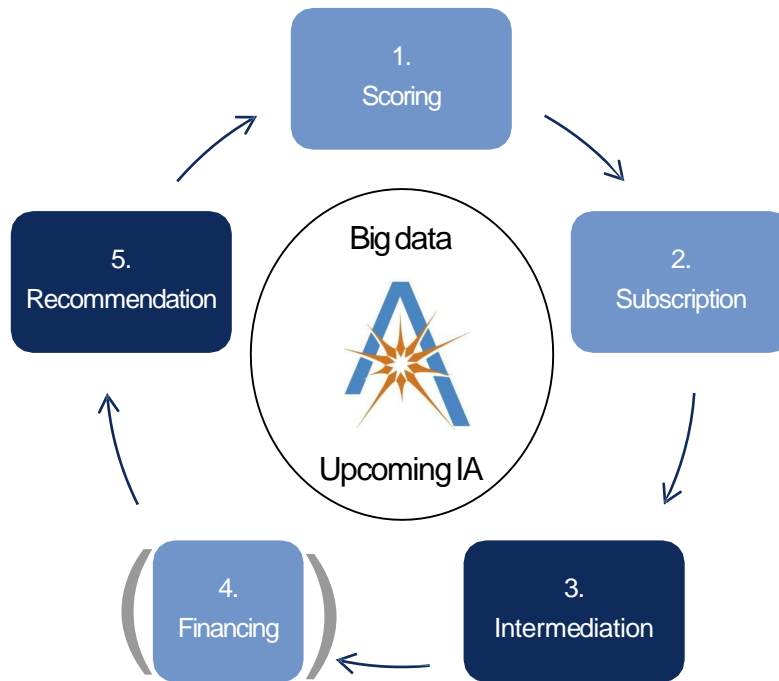
### EUROPEAN AVERAGE BROKERS REVENUE (2016-23<sup>E</sup>)



### GLOBAL PORTFOLIO DISPOSALS VALUATION (2018<sup>E</sup>-23<sup>E</sup>)



Both **intermediation** and **recommendation** account for c. 97% of AssurDeal expected total revenue in 2023



### ASSURDEAL BUSINESS MODEL: A VIRTUOUS CIRCLE

- The scoring system enables brokers to value their portfolios accurately
- The subscription mechanism allows broker to have access to counterparts' files, enabling potential purchasers to find the portfolios fit to their criteria and initiate transactions
- Becoming a reference trading platform, AssurDeal will accumulate data that will be used to:
  - Enhance the recommendation system
  - Improve the scoring capacity of the platform

### 1. SCORING

- Brokers provide the relevant portfolio data
- AssurDeal combines the answers and compares them to standard data of the sector to provide a full assessment of the portfolios (compliance and commercial potential)

### 2. SUBSCRIPTION

- In return for a quarterly payment, the subscriber has numerous advantages aimed at facilitating transactions

### 3. INTERMEDIATION



- ① AssurDeal earns a variable fee on each transaction operated on the platform

### 4. FINANCING

- AssurDeal earns a fee on the amounts funded by debt (if any)

### RECOMMENDATION



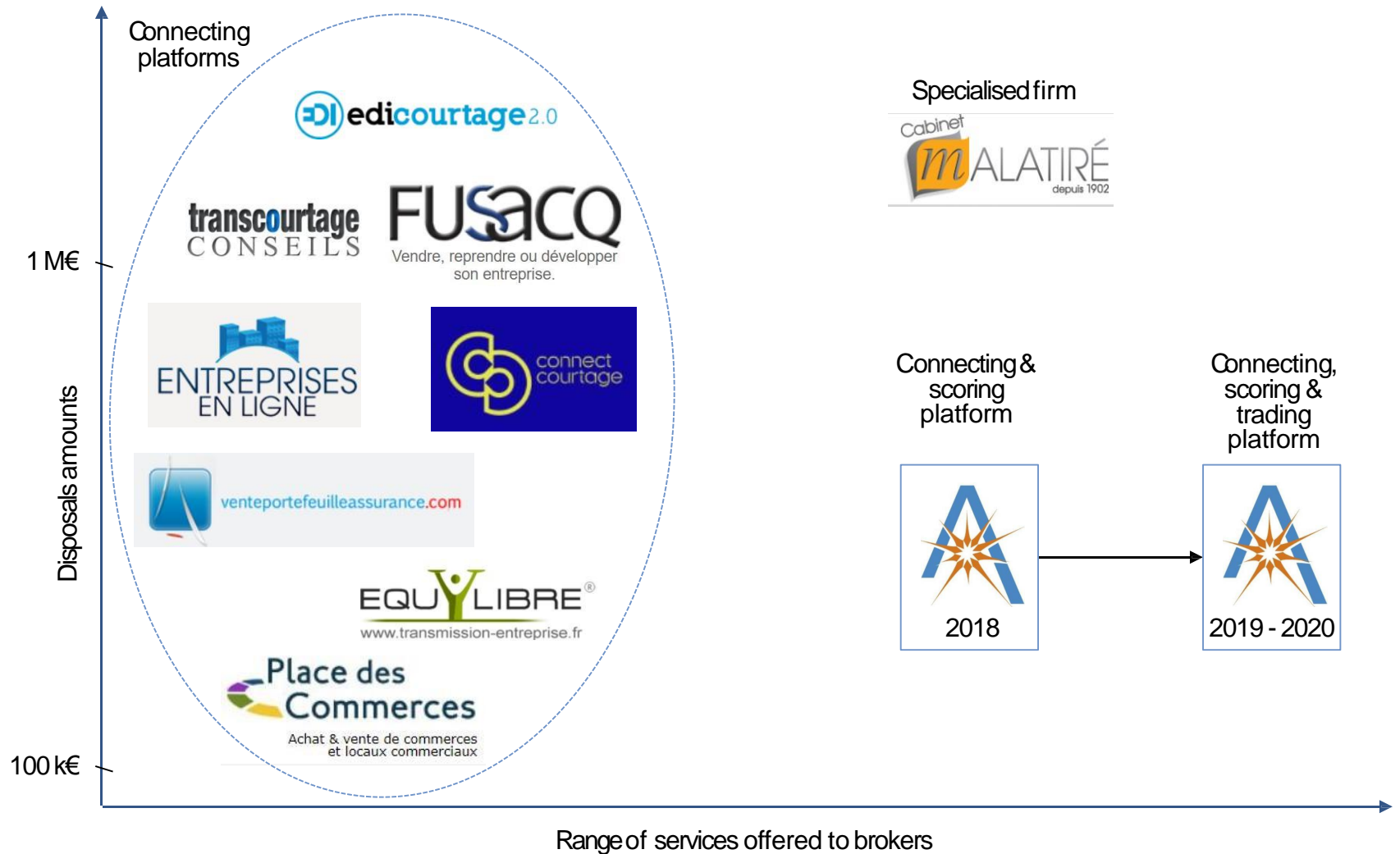
- Client A needs a product its insurer A cannot offer
- Based on scoring performance, Insurer A selects via AssurDeal an adequate Insurer B, who owns the product required by client A
- Insurer B signs a contract with Insurer A, giving him an ad hoc "temporary usufruct" on the required product. Insurer A pays Insurer B a referral fee
- AssurDeal earns a fee on this referral fee



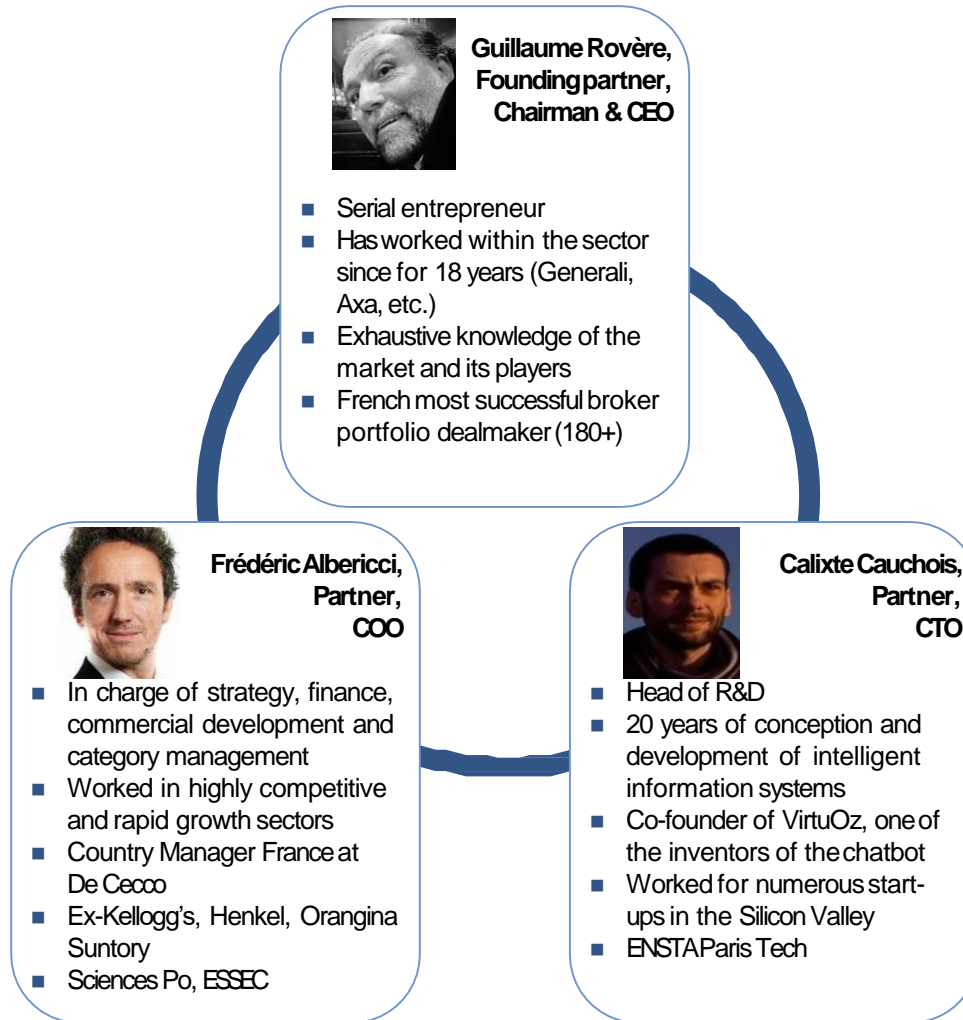
## 7. Mapping of AssurDeal potential competitors

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Most of AssurDeal current competitors are only connecting platforms, without audited data



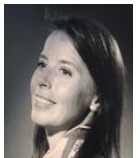
### A COMPLEMENTARY MANAGEMENT TEAM...



### ...SUPPORTED BY DEDICATED EXPERTS

#### PARTNERS

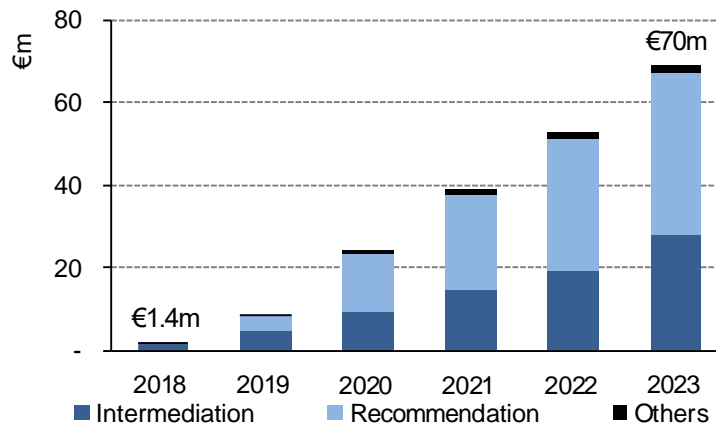
- Percy Mamedy, Co-Founder,
  - VP Engineering
- Thierry Albinet
  - Brokerage firm, among the 100 French biggest players
  - Developer of the business application
- Nelly Brossard
  - Digital Personality Insurance 2016
  - #Marketing #Digital #TransfoNum
- Sandy Beky
  - Organisation & Leadership Consultant
- Marc Couloigner
  - Technical expert, key accounts advisor



### FEESBYACTIVITY

- **Intermediation:**
  - 3.5% commission on the value of the transaction
- **Recommendation:**
  - 2.5% of the referral fee earned by the broker
- **Scoring:**
  - €500 per portfolio analysis
- **Financing:**
  - 1% commission on the financed amount
- **Subscription freemium system:**
  - €0 to €1,098 / quarter

### ILLUSTRATIVE ROLLOUT PHASE II



Source: Company

### A SCALABLE MODEL ALLOWING A LEVERAGING EFFECT

- Over the 2018 – 2023 period, main AssurDeal costs remain staff costs
- **AssurDeal scalable model** enables however a significant decrease of those staff costs compared to the global revenue (from c. 80% to c. 20% over the period), resulting in a **leveraging effect** as of 2020
- AssurDeal plans to reach as of 2020:
  - The breakeven point
  - An EBITDA margin > 30%
- By 2023, AssurDeal will be a 100-people team comprising:
  - 7 executive officers
  - 30 data analysts
  - 22 customer success managers
  - 9 managers
  - 9 marketing assistants
- From 2023 onwards, AssurDeal expects to face a rising competition but remain the market leader with an annual revenue of €70m+

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