

Ensurance signs binding agreement to sell its UK operations to PSC Insurance

Proposed A\$8.2 million transaction progresses to next stage, with completion expected following regulatory approval in the UK

Highlights:

- ✓ **Binding Sale & Purchase Agreement with PSC Insurance Group (ASX: PSI).**
- ✓ **Due diligence successfully completed during the September 2022 quarter.**
- ✓ **Regulatory approval for the sale in the UK expected in 3-6 months.**
- ✓ **Transaction will position Ensurance to capitalise on strong growth opportunities in Australia.**

Ensurance Ltd (ASX: ENA) (**Ensurance** or the **Company**) is pleased to advise that the proposed divestment of its UK operations to ASX-listed PSC Insurance Group Ltd (ASX: PSI) has advanced to the next stage, with the execution of a binding Sale & Purchase Agreement (SPA) for the A\$8.2 million transaction.

The signing of the SPA follows the non-binding agreement announced on 22 July this year and follows the successful completion of due diligence by PSC during the September quarter.

Under the terms of the SPA, PSC will pay A\$6.15 million (excluding any settlement adjustments) in cash and the balance of A\$2.05 million in PSC shares (to be held in escrow for a period of 12 months) for the acquisition of 100% of the issued share capital of Ensurance UK Ltd (**Ensurance UK**) by PSC or a related party of PSC.

The sale proceeds are intended to be used to further expand the Company's Australian operations organically and by way of business acquisitions where suitable.

A summary of the key terms and conditions of the SPA is set out in the Appendix to this announcement.

Completion remains subject to usual closing conditions, the most material of which will be approval by the Financial Conduct Authority in the UK. This is expected to take 3-6 months. The Company will keep shareholders informed on the progression of the transaction.

Ensurance also advises that, with the progression of the transaction with PSC, Tim James will step down from his position as Chief Executive Officer at Ensurance UK, having held the position for the past five years.

Under his leadership, Ensurance UK has grown to £23m Gross Written Premium (**GWP**), providing insurance solutions both in the UK and internationally.

The Board and Senior management at ENA remain unchanged.

Ensurance CEO, Tom Kent, said the board was pleased to have finalised the binding Sale & Purchase Agreement with PSC, paving the way for the transaction to advance towards completion in 2023.

“The transaction is continuing to progress well, and we look forward to concluding the sale next year once regulatory approval is received,” he said.

“The completion of the deal will strengthen the Company’s balance sheet and position Ensurance to capitalise on the immense growth opportunities we see in the Australian market.

“Our Australian business is expanding rapidly and delivering strong results, as outlined in our September Quarterly Report, refer ASX release dated 31 October 2022” he said.

Ensurance’s business model is based on being an insurance agency which utilises underwriting agreements with leading insurers, meaning it can offer high-quality products while being nimble and opportunistic. This strategy enables it to offer much-needed insurance products, retaining a percentage of the premium but not carrying the underwriting risk.

ENDS

This release has been authorised for release by the Board of Ensurance Ltd.

For further information please contact:

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

Tom Kent
Chief Executive Officer
tom.kent@au.ensurance.ltd
Ph: + 61 2 9167 8050



Appendix – Key Terms and Conditions of Sale Agreement

The key terms and conditions of the binding agreement between Ensurance and PSC are set out below.

Acquisition	PSC, Chase UK Holdings and the Company have executed a binding Share Purchase Agreement setting out the proposed terms and conditions upon which Chase UK Holdings (a subsidiary of PSC) will acquire 100% of the issued share capital of Ensurance UK from the Company (Proposed Sale).
Consideration	<p>The consideration which the Company will receive for the Proposed Sale is AUD\$8,200,000, to be satisfied as follows:</p> <ul style="list-style-type: none"> • 75%, being AUD\$6,150,000 (excluding any settlement adjustments), in cash; and • 25%, being AUD\$2,050,000, in fully paid ordinary shares of PSC, at a deemed issue price to be determined by the average closing price of PSC shares for the 10 days prior to completion (to be held in escrow for a period of 12 months).
Conditions Precedent	<p>The conditions precedent to completion of the Proposed Sale include:</p> <ul style="list-style-type: none"> • change of control approval from the Financial Conduct Authority (UK); • the Company obtaining all necessary shareholder, statutory and regulatory approvals to the Transaction, including as required by the Corporations Act 2001 (Cth), the ASX Listing Rules and all Applicable Financial Services Laws; • The Company providing evidence to the satisfaction of the Purchaser that all binding authorities of the Company have an expiry period of not less than six months from 31 August 2022; • The Company providing evidence to the satisfaction of the Purchaser that all third parties to the binding authority agreements held by the Company consent to the proposed Change of Control of the Company; • The Company providing evidence to the satisfaction of the Purchaser that Ensurance UK has obtained the required insurance policies; and • The FCA having given written consent under the Senior Managers & Certification Regime (SMCR), or Approved Persons Regime (APER) to the approval of each individual intended to perform a senior management function (SMF) subject to FCA pre-approval under SUP 10C from Completion, as a result of the approval or deemed approval granted in respect of control of the Company provided by the FCA.
Completion Date	28 February 2023 or any prior month end as agreed by the Parties