

17 May 2021

## Ensurance acquires new platform for growth in Australia through strategic acquisition of boutique underwriting agency

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### Highlights

- Ensurance has agreed to acquire 100% of Australian boutique underwriting agency, TK Specialty Risks Pty Ltd, through the issue of 83,333,334 Ensurance shares at 3 cents per share.
  - TK Specialty Risks Pty Ltd is a successful, fast growing and profitable Australian underwriting agency with a network of more than 70 insurance brokers Australia-wide.
  - This transformational acquisition provides Ensurance with the opportunity to scale existing operations and expand into both Professional and Financial lines insurance markets and emerging risk classes, including Cyber Liability, in Australia.
  - The acquisition is currently scheduled for completion following shareholder approval, which is expected towards the end of July 2021.
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Ensurance Ltd (ASX: ENA) (Ensurance, ENA or the Company) is pleased to advise that the Company has executed an agreement to acquire 100% of the issued share capital of TK Specialty Risks Pty Ltd (ACN 608 877 783) trading as TKSR (TKSR) from its sole shareholder (Acquisition Agreement) for \$2,500,000, to be satisfied by the issue of shares in ENA.

TKSR was established in November 2015 as an underwriting agency wholly dedicated to Professional and Financial Lines insurance, underwritten on an intermediated basis via insurance brokers. TKSR offers premium standard products in well-established lines of insurance, such as Management Liability and Professional Indemnity, but also has a strong emphasis on providing solutions for emerging risk classes, including Cyber Liability. Additionally, TKSR offers first-rate claims handling expertise, principally in partnership with global insurer, AXA.

TKSR has experienced strong, profitable growth in recent years through its network of more than 70 insurance broking houses Australia-wide and now has insurance premiums under management in excess of \$10 million.

Ensurance, through its UK operations, has established a growing and profitable business, aided by the recent launch of its new IT system and newly announced capacity relationship with AXA Insurance UK Plc (refer ASX release 27 April 2021). Following these milestones, ENA has been seeking to grow and scale its existing business as well as consider earnings accretive acquisition opportunities when they present.

The Company believes TKSR, through its complementary underwriting business lines and existing partnership agreement with AXA, provides an excellent opportunity to scale and grow into the Australian market. Australia has seen significant growth in more personalised product offerings, which is where TKSR has been building its presence through specialty underwriting. The nature of TKSR's specialised underwriters allow it to create bespoke and tailored solutions to address the needs of individual clients.

Ensurance, through TKSR and further acquisitions, intends to grow its Australian operations by expanding into New Zealand and the wider Asia Pacific markets over time.

In consideration for the acquisition of the TKSR shares, Ensurance will (subject to receipt of shareholder approval) issue the vendor with 83,333,334 fully paid ordinary shares in the capital of the Company at a deemed issue price of \$0.03 per ENA Share. The Company will convene a general meeting to seek shareholder approval for the issue of these shares in due course. An Appendix 3B for the proposed issue of these securities follows this announcement.

**Commenting on the acquisition, Tom Kent, Founder/CEO TKSR, commented:**

*"We are very pleased to form this partnership with Ensurance which creates an opportunity to build on our footprint in Australia..."*

**Commenting on the acquisition, Tony Leibowitz, Chairman Ensurance, said:**

*"Ensurance has focused on repositioning the business over the last 2 ½ years and is now seeking to build from this platform. TKSR, and in particular, its CEO, provide the Company with an excellent opportunity to expand and grow in the Australian market through its complementary lines of business activity...."*

The key terms and conditions of the Acquisition Agreement, including the conditions precedent to settlement, are summarised in the Appendix to this announcement.

This announcement has been authorised for release by the Board.

**ENDS**

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## APPENDIX: KEY TERMS AND CONDITIONS OF THE ACQUISITION AGREEMENT

<b>Vendor</b>	Vaughan Thales Kent as trustee for the Vaughan Kent Family Trust ( <b>Vendor</b> ).
<b>Acquisition</b>	100% of the issued share capital of TK Specialty Risks Pty Ltd (ACN 608 877 783) trading as TKSR, free from encumbrances.
<b>Consideration</b>	<p>83,333,334 ENA Shares at a deemed issue price of \$0.03 each equating to a value of \$2,500,000 (<b>Consideration Shares</b>).</p> <p>The Consideration Shares will be subject to a voluntary 24-month escrow period on and from settlement of the acquisition and the Vendor will execute, upon settlement, a voluntary escrow deed confirming this arrangement.</p>
<b>Conditions Precedent</b>	<p>Settlement of the acquisition is conditional upon the satisfaction or (if applicable) waiver of the following conditions precedent:</p> <ul style="list-style-type: none"> <li>• completion of operational, financial and legal due diligence by Ensurance on TKSR and its assets and operations;</li> <li>• Ensurance shareholders approving the issue of the Consideration Shares in accordance with the ASX Listing Rules and <i>Corporations Act 2001</i> (Cth); and</li> <li>• the parties obtaining all third-party approvals and consents necessary to lawfully complete the matters set out in this Agreement, (together, the <b>Conditions</b>)</li> </ul> <p>The Conditions are for the benefit of Ensurance and may only be waived by Ensurance.</p>
<b>End Date</b>	If the Conditions are not satisfied (or waived by Ensurance) on or before 10 June 2021, or any other date agreed in writing between the parties ( <b>End Date</b> ), any party may terminate the Acquisition Agreement by notice in writing to the other parties.
<b>Settlement</b>	Settlement of the acquisition will occur on the date which is 5 business days (as defined pursuant to the ASX Listing Rules,) after the satisfaction (or waiver by the Purchaser) of the Conditions.