

Quarter Summary:

- ✓ **Ensurance UK achieves first full year profit.**
- ✓ **Ensurance UK achieves 25% growth in insurance premiums on prior year quarter.**
- ✓ **Acquisition of TK Specialty Risks Pty Ltd provides new platform for growth in Australia and sets the framework for potential expansion into Asia Pacific Region.**
- ✓ **New products launched in UK Liability market.**
- ✓ **Repayment of Convertible Notes.**
- ✓ **Renewal of debt facility at reduced rate, plus new \$750k working capital facility.**
- ✓ **New IT system enabling significant growth opportunities and further staff efficiency.**

Ensurance Limited (ASX: ENA) ('Ensurance' or 'the Company') is pleased to provide the following update on its operational and corporate activity for the quarter ended 30 June 2021.

Financial Update

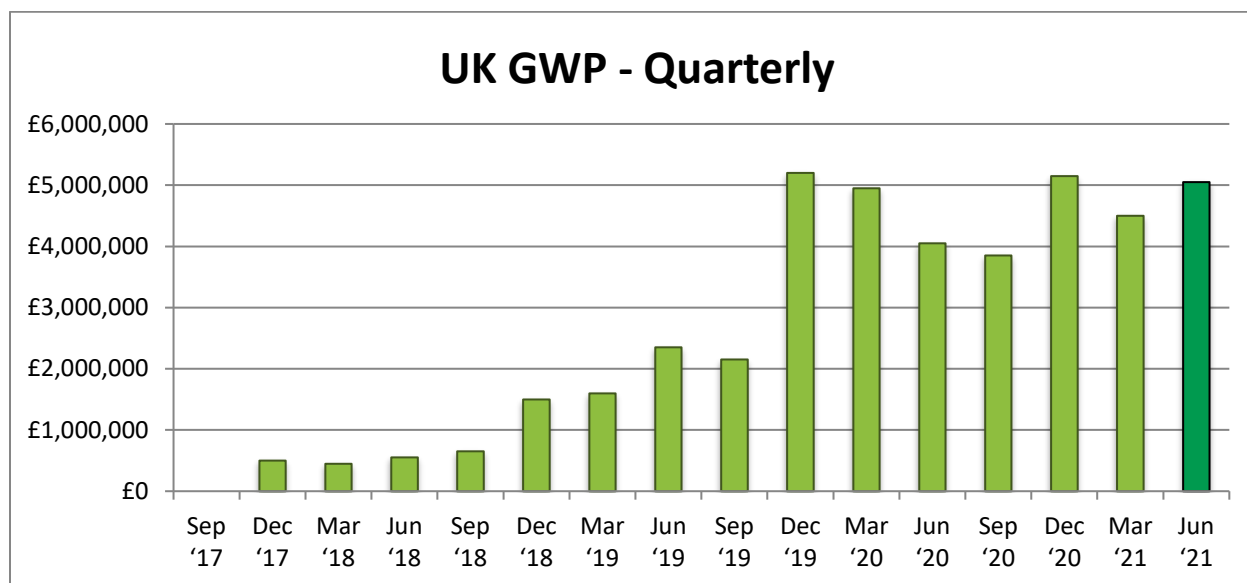
Ensurance UK Limited maiden full year profit

The June quarter has seen Ensurance UK Limited achieve the significant milestone of generating its first annual profit in its fourth financial year since incorporation, with over \$185,000 AUD [>£100,000 GBP] of profit being reported.

The strong financial performance was mainly attributed to the continued growth experienced by the underlying business combined with other new revenue initiatives launched during the year. The Company continued to expand its broker network, which has led to improved penetration in the UK market and higher levels of deal flow.



The business has seen Gross Written Premium [GWP] increase 25% in Q4 FY2021 when compared with Q4 FY2020, this increase demonstrates Ensurance UK Limited has successfully passed through the transition phase associated with changing capacity from Swiss Re to AXA UK and the Company is now well placed to continue on its upwards growth trajectory. Pleasingly, the increase in GWP shows the underlying strength of these results in the face of tight COVID restrictions in the UK which remained in place for much of the quarter. With full restrictions in the UK being lifted post quarter end in July, the Company is well placed to benefit as the operating environment improves.



Operational Update

Asia Pacific

Transformational acquisition provides new platform for growth in Australia

During the quarter, the Company executed an agreement to acquire 100% of the issued share capital of Australian boutique underwriting agency, TK Specialty Risks Pty Ltd (TKSR), from its sole shareholder, Mr. Tom Kent (refer ASX release 17 May 2021).



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The strategic acquisition of TKSR 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.

TKSR was established in November 2015 as an underwriting agency and 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. Additionally, TKSR offers first-rate claims handling expertise, principally in partnership with global insurer, AXA.

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 tailored product offerings, which is where TKSR has been building its presence through specialty underwriting.

Ensurance has been seeking to grow and scale its existing business as well as consider earnings accretive acquisition opportunities when they present. Through TKSR and further acquisitions, the Company intends to grow its Australian operations by expanding into New Zealand and the wider Asia Pacific markets over time.

Post-acquisition, commencing in Q1 FY 2022, Mr. Tom Kent will remain with Ensurance Limited and lead the freshly re-branded Australian operation as it begins to further expand its footprint through:

- (1) organic growth via its existing Australia-wide network of Australian brokers,
- (2) accretive acquisitions,
- (3) distribution of products on behalf of the UK division of Ensurance, and
- (4) release of new insurance products backed by key insurance partners.



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United Kingdom

Ensurance launches Liability product

Ensurance UK Limited launched its new Liability product offering at the end of Q4 FY2021. The business is backed by three capacity providers, one of which has provided Ensurance UK Limited with a full delegated authority. Writing Employers Liability, Public and Product Liability, as well as writing Excess of Loss, for a range of business trades and sizes, Ensurance UK Limited is well positioned to cement itself within this market space.

Additionally, the introduction of the Liability product range is expected to bring about further increases to the Contractors All Risk business written, as the business now has the ability to provide a combined insurance offering.

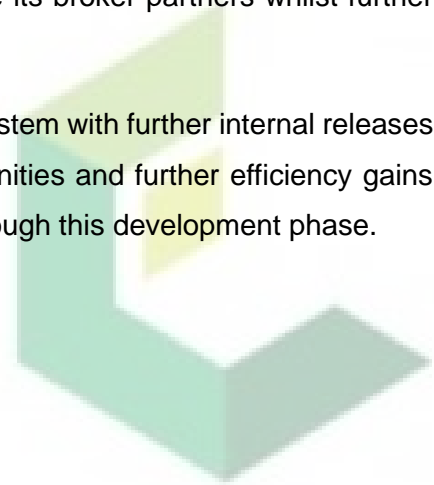
The business continues to explore opportunities to add new product ranges to help drive increased profitability and diversification and is expected to launch additional product lines in coming months.

Homebuild portal now live

During the quarter, the business continued with the development of its new IT system, turning its attention to portal access for select external brokers. Ensurance UK Limited launched a portal for its Homebuild product during Q4 FY2021, providing instant access to quotes for brokers. The introduction of this portal allows the business to better service its broker partners whilst further increasing internal efficiencies.

The Company continues with the development of the new IT system with further internal releases expected over the coming months. Significant growth opportunities and further efficiency gains are expected to be produced by the system as it continues through this development phase.

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Related Party Transactions

Payments to related parties of the Company and their associates amounted to \$190K for the June 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.

Subsequent to quarter end, the Company announced that the loan agreement with Tony Leibowitz has been extended on improved terms (refer ASX release 2 July 2021) and now has a maturity date of 1 January 2023. As part of the new loan agreement, Tony Leibowitz has also agreed to establish a \$750,000 working capital facility (over and above the loan from Kalonda Pty Ltd) to support the business as it continues to execute on identified growth initiatives.

ENDS

This release has been authorised by the Board.

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