

Ensurance signs non-binding agreement to sell its UK operations for A\$8.2m

Sale aimed at enabling Ensurance to capitalise on its significant growth opportunities in the Australian market

Ensurance Ltd (ASX: ENA) (**Ensurance** or the **Company**) is pleased to advise that it has entered into a non-binding agreement to sell its UK operations to ASX-listed PSC Insurance Group Ltd (ASX: PSI) (**PSC**) for A\$8.2 million.

Under the agreement, which remains subject to execution of a binding sale and purchase agreement, due diligence and other conditions precedent, PSC will pay A\$6.15m in cash and the balance of A\$2.05m 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. A summary of the key terms and conditions of the agreement is set out in the Appendix to this announcement.

Ensurance and PSC aim to execute transaction documentation by July 31, 2022. Completion will be subject to usual closing conditions, the most material of which will be approval by the Financial Conduct Authority (UK). The Company will keep shareholders informed on the progression of the transaction.

Ensurance CEO, Tom Kent, said the decision to sell Ensurance UK was made in light of the immense growth opportunities in the Australian market.

“Our Australian business is expanding rapidly and we believe there is much more growth to come,” Mr Kent said. “We now have a national network of offices and the demand for our specialised insurance offerings, which are backed by leading underwriters, continues to increase.

“We have taken the strategic decision to redeploy the capital from the sale of the UK operations into our Australian business to ensure we can take full advantage of these growth opportunities. We are excited to be carrying out this transaction with the PSC Group, who we value as a key distribution partner of ours in Australia.”

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.

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

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Appendix – Key Terms and Conditions of Sale Agreement

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

Acquisition	PSC, Ensurance UK and the Company have executed a term sheet setting out the proposed terms and conditions upon which PSC (or a related party of PSC) will acquire 100% of the issued share capital of Ensurance UK from the Company (Proposed Sale).
Consideration	The consideration which the Company will receive for the Proposed Sale is AUD\$8,200,000, to be satisfied as follows: <ul style="list-style-type: none"> • 75%, being AUD\$6,150,000, 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.
Conditions Precedent	The Proposed Sale will become legally binding upon execution of a binding sale and purchase agreement by the parties. The conditions precedent to completion of the Proposed Sale include: <ul style="list-style-type: none"> • completion of financial, commercial and legal due diligence by PSC on Ensurance UK to the satisfaction of PSC; • change of control approval from the Financial Conduct Authority (UK); • the Company obtaining all necessary shareholder, statutory and regulatory approvals and/or waivers required to undertake the Proposed Sale, as required by the Corporations Act 2001 (Cth), the ASX Listing Rules or any other law. To this end, ASX has confirmed that Chapter 11 of the ASX Listing Rules does not apply to the Proposed Sale; and • PSC Board approval.
Target Completion Date	31 July 2022 (or as otherwise agreed).