

25 July 2018

Agreement to dispose of Australian retail brokerage business

- Share sale agreement signed to dispose of 100% of the issued capital in Savill Hicks Corp Pty Ltd for consideration of \$4.1 million
- The agreement will result in the divestment of the Company's entire retail broking business, including all assets and related management
- Funds received will be used to build out ENA's specialised insurance offering, hire additional underwriting resources and invest in sales and marketing to support strong growth as a globally focussed Managing General Agent

The Board of Ensurance Limited (ASX: ENA) (**Ensurance or the Company**) is pleased to announce it has entered into a share sale agreement with former directors Stefan Hicks and Brett Graves (and their controlled entities) to dispose of the Company's Australian retail brokerage business (**Agreement**).

Under the Agreement, the Company will sell all its shares in Savill Hicks Corp Pty Ltd (**SHC**) to SHC Insurance Holding Pty Ltd (**Purchaser**) for consideration totaling \$4.1 million, comprising \$2.2 million in cash, the buyback of 30,140,905 fully paid ordinary shares in ENA, assumption of SHC employee entitlements by the Purchaser and the cancellation of convertible notes held by related parties of Stefan Hicks. If required, vendor financing of ~\$1 million will be extended under ordinary commercial terms, for a period of 3-months from the day of settlement, with an option to extend.

The Agreement significantly advances the Company's restructuring plans previously announced on 8 May 2018. The sale will result in the full divestment of the Company's retail brokerage arm, which includes the entire brokerage business, assets and management team. This is a significant milestone for the Company, with the sale freeing up management's time to solely focus on activities in support of the Company's repositioning and are expected to drive strong global growth from its business as a Managing General Agent in the UK and Australia.

Cash funds received from the disposal of the retail brokerage business will be used to build out the Company's UK and Australian based operations, hire additional underwriting personnel to meet customer demand for its specialised construction-related insurance and to drive sales and marketing activity.

The sale is subject to a number of conditions precedent including shareholder approval. A summary of the key conditions of the Agreement is set out in the Annexure to this announcement. The transaction covered by the Agreement is expected to complete within 2 months.

Tony Leibowitz, Chairman of Ensurance comments: "This Agreement is a significant milestone for Ensurance, and a pleasing result for the team after months of negotiation. The disposal of our retail brokerage business delivers a wonderful result for the Company and our shareholders, returning capital that we can now invest in pursuing our recently announced strategy."

ENDS

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ANNEXURE – KEY CONDITIONS OF SHARE SALE AGREEMENT

Other than referred to in the body of the announcement, the key conditions of the Share Sale Agreement that are required to be met prior to settlement are: -

- **(Shareholder Approvals)** The parties obtaining all necessary shareholder approvals required by the Corporations Act and Ensurance also obtaining all necessary approvals required by the ASX Listing Rules in relation to the Disposal including, without limitation:
 - approval for the disposal of SHC under ASX Listing Rule 10.1;
 - approval for the share buy-back; and
 - any other shareholder approvals required to complete the matters set out in this Agreement.

To this end, the Company is in the process of preparing a notice of general meeting and commissioning an independent expert's report for shareholder approval required to implement the Disposal.

- **(Regulatory Approvals)** The parties obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act and any other law, as are required to allow the parties to lawfully complete the matters set out in the Share Sale Agreement.
- **(Re-branding of “Ensurance NOW”):** Completion of re-branding of the business name “Ensurance NOW”.

Settlement

Settlement of the Disposal will occur on that date which is five (5) business days after satisfaction (or waiver) of the conditions precedent set out above, or such other date as is agreed between Purchaser and Vendor (**Settlement Date**).