

28 July 2020

ASX/MEDIA ANNOUNCEMENT

JUNE 2020 QUARTERLY ACTIVITIES REPORT

- **UK operational performance exceeds forecast expectations for FY20.**
- **Australian restructuring complete, with continued focus on building UK and international business.**
- **Despite ongoing uncertainty of COVID-19, UK operations deliver solid quarter.**

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 2020.

Operational Update

Ensurance formally completed its restructuring of operations during the quarter, signified by the closure of its Milsons Point Sydney office, signalling the end of Australian-based revenue generation. This follows the sale of the Australian underwriting business which was formalised in the March 2020 quarter.

The handover of operational processes and procedures relating to the sale of the Australian business, and transition of IT requirements were completed during the period, with some one-off costs associated with the office closure incurred.

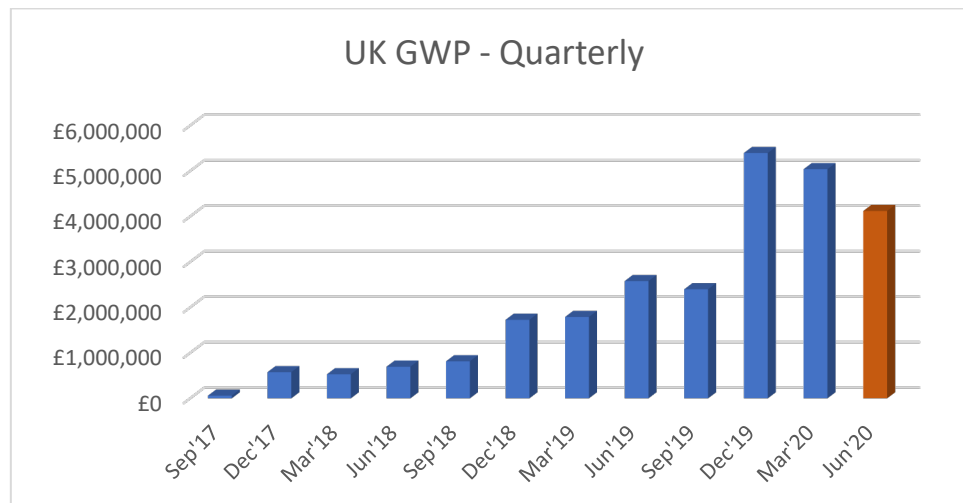
Australian-based personnel are now reduced to the Company's Executive Chairman, part-time Financial Controller, part-time Company Secretary, part-time Administrative Assistant; and two Non-Executive Directors.

The Company's UK operations continued to trade normally, performing strongly during the period, despite the uncertainty of COVID-19 globally, with the financial performance of the business delivered in FY20 exceeding initial forecast expectations.

Financial Update

A strong conclusion to another Financial Year

The Company's UK operations concluded its third year of trading, with the continuation of its strong upward trajectory of business growth. The financial year delivered revenue growth of 174% on FY19 and a decrease in operating loss ratios, from negative 160% in FY19 to negative 13% in FY20.



As at 30 June 2020, Gross Written Premium (GWP) was nearly GBP 17m, more than double that of the prior year. The business has a renewal book of GBP 7.6m available to it over the next 12 months. Overall performance of the UK operation exceeded the levels originally forecast for FY20.

Solid quarter, despite impact of COVID-19 uncertainty

As was expected, the impact of COVID-19 was felt across the 30 June 2020 quarter, resulting in a reduction in GWP – driven specifically by a fall in project business written as building sites across the UK closed. Sites began to reopen throughout the month of June 2020 and therefore, it continues to be expected that the September 2020 quarter will see demand for this product line return to its pre-COVID-19 levels. All other products continued to perform during the June 2020 quarter in line with expectations, with COVID-19 having an immaterial impact on these areas.

COVID-19 Update

In March 2020, the UK Government announced a complete lockdown of the UK, ordering non-essential business to halt trading and all office-based workers to work from home until further notice.

The UK Government has gradually been easing the lockdown since 1 May 2020, with construction workers being one of the first workforces allowed to return to work. The majority of restrictions on business in the UK have now been lifted, with almost all business sectors reopened. Social distancing remains in place and Government advice in July 2020 remains unchanged; all office workers should continue to work from home if possible.

Due to the current position of the UK Government and to ensure the safety of all staff, the UK operation's workforce is continuing to work remotely and follow the effective Business Continuity plans implemented by the UK Leadership team. Operational and support systems have operated effectively during the period, ensuring constant access for workers and allowing the business to continue to provide the excellent level of service that is expected by its customers. The UK Leadership team regularly monitors the advice published by the UK Government so that it may act quickly and efficiently, in the event of any changes.

The UK business has implemented a number of cost saving initiatives as a result of the global pandemic. One initiative was to place four full-time employees on temporary leave arrangements (furlough); all four employees have now returned to full-time work amid increases in deal flow and workloads towards the end of the June 2020 quarter. Further savings have been made across; office related costs, travel expenses and events.

The board and management elected to receive a reduction in remuneration in light of COVID-19 uncertainty.

Related Party Transactions

During the period, the Company paid monthly interest on a \$2.5 million loan from Kalonda Pty Ltd, a related entity of Tony Leibowitz, Executive Chairman. The unsecured \$2.5 million loan has a maturity date of 19 June 2021.

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