

27 April 2021

MARCH 2021 QUARTERLY ACTIVITIES REPORT

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- **Significant milestone approaching with UK business on track for its first full year profit since incorporation.**
 - **New IT system went live in the UK delivering immediate results with increased flows from brokers and substantial business efficiencies via the scalable platform.**
 - **New capacity agreement with AXA Insurance UK Plc (“AXA”) launched in February, positively received and driving new business opportunities.**
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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 31 March 2021.

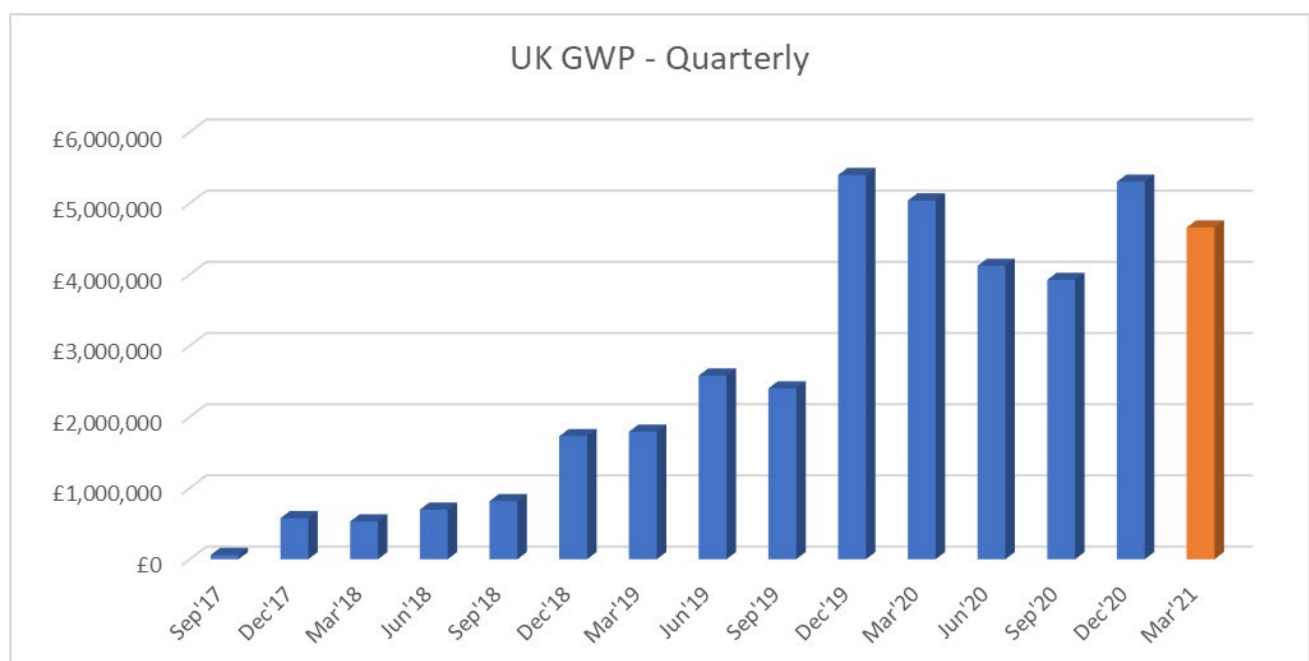
Financial Update

Ensurance UK Limited on track for maiden full year profit

Ensurance UK Limited remains on course for the milestone achievement of generating its first annual profit since incorporation, for the end of the financial year (30 June 2021). As at 31 March 2021, the UK business reported a year-to-date (YTD) profit of £167k (2020: £236k loss) and is forecast to surpass £300k for the full financial year. The strong financial performance is mainly related to the continued growth experienced by the underlying business combined with other new revenue initiatives launched during the year. The Company has also expanded its broker network by ~25% since last financial year-end, which has led to improved penetration in the UK market and higher levels of deal flow.

The March quarter 2021 result was particularly pleasing for the Company as the UK was in COVID-19 pandemic lockdown for most of this quarter. Restrictions have recently been eased and are scheduled to ease further in coming months, providing the Company with confidence that improved results will be achieved as business conditions begin to normalise. A contributing factor to the slight fall in GWP this quarter is the change in Capacity from Swiss Re to AXA UK discussed below. There was a drop in GWP over January and February as the Company transitioned to AXA UK.

The quarter has also seen the business remove one of its largest overhead costs, its London office, in response to moves in the UK to provide more flexible working conditions for employees as a result of the global pandemic. The Company now operates from more cost effective, flexible offices in central London.



Operational Update

Ensurance goes digital

Ensurance UK Limited launched its new IT system internally at the start of January 2021. The platform allows underwriters to improve operational efficiencies by reducing costs with the removal of a number of manual processes and reconciliations, enabling the underwriters to better focus on new business development and customer service opportunities.

The impact of the new IT system has been immediate for the Company with improved efficiencies allowing the business to provide a higher level of service, which in turn increases enquiry flow from our network of broking partners. The increased flow of enquiries has led to more business being written and improved profitability as the benefits of scale from the new IT platform are realised.

During the quarter, the Company has continued with the development initiative to allow external brokers access to Ensurance's Homebuild product and UK Terrorism & Sabotage product, which is nearly complete. These are considered to be significant growth opportunities for the Company and are expected to be launched by May 2021.

New AXA UK capacity relationship goes live

Ensurance UK Limited's new deal with AXA Insurance UK Plc (AXA) successfully launched on 1 February 2021. The new arrangement allows the business to continue to provide excellent solutions for Construction risks, that has been provided to the market in the UK by Ensurance since 2017. The change of Capacity has been received positively by Ensurance's brokers, who all continue to work with and support Ensurance, as they did when the business previously partnered with Swiss Re.

The Company has worked hard to ensure a smooth transition to AXA and is looking forward to driving new business opportunities and continuing with the strong growth trajectory of Ensurance's Construction book under the new relationship.

Related Party Transactions

Payments to related parties of the Company and their associates amounted to \$198K for the March 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. This loan has a maturity date of 19 June 2021. It also includes the Executive Chairman's salary and the Non-Executive Director fees.

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