

22 January 2021

## DECEMBER 2020 QUARTERLY ACTIVITIES REPORT

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- **Significant milestone achieved with first half-year profit in the UK business since incorporation.**
  - **Strong growth of the portfolio - up 18% in GWP for Q2 FY2021 v Q2 FY2020.**
  - **New capacity agreement with AXA Insurance UK Plc (“AXA”).**
  - **New record monthly revenue written in November 2020.**
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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 December 2020.

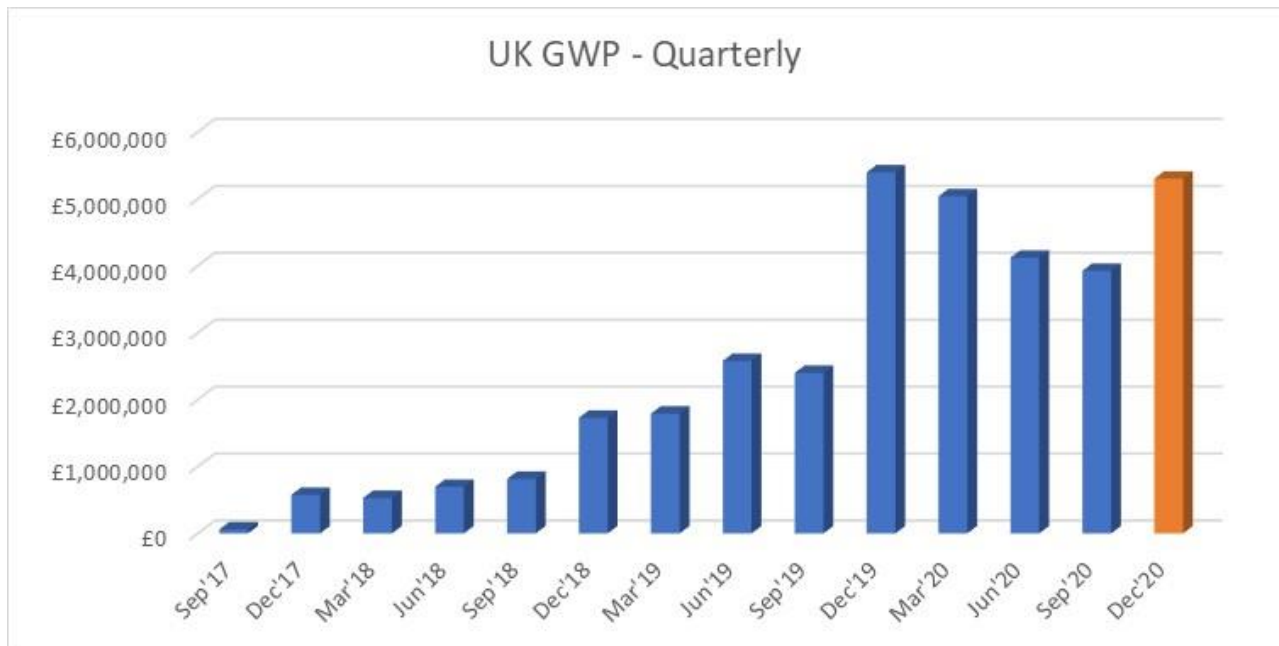
### **Financial Update**

#### **A record breaking six months**

Ensurance UK Limited has had an extremely strong start to the 2021 financial year, with the business generating its first half-year profit since incorporation of \$480k (2020: \$381k loss). This performance has largely been driven by the continued growth of the portfolio, which is 18% larger in GWP terms than at 31 December 2019. The business also received the first two profit commission payments relating to the 2017 underwriting year. The payments demonstrate the high quality of Ensurance UK Limited’s underwriting ability.

Growth is expected to continue with forecasts predicting the UK’s first profit making year. New product lines are due to be added to the portfolio in 2021.

November 2020 saw a record-breaking month for the business, with a total of \$647K (£358k) of revenue written. It is also the first time since incorporation that the business has surpassed \$542K (£300k) of revenue in a single month.



## **Operational Update**

### **The digitalization journey continues**

The end of the December 2020 quarter saw the UK business complete a major part of development on a new IT system being launched internally. From January 2021 the team in the UK will all move across to a new fully integrated IT platform, complete with workflows and CRM capabilities. The platform is expected to bring substantial efficiencies to the business, significantly reducing quotation time for underwriters, allowing instant quote and bind access for brokers through a portal and automating current manual processes. These efficiencies will further increase the profitability of the business as well as ensuring that as Ensurance UK Limited grows, the service levels provided by the Company remain at the highest standard.

### **A new partnership**

During Q4 2020 Ensurance UK Limited secured a new capacity agreement with AXA Insurance UK Plc ("AXA"). The new deal becomes effective from 1 February 2021 and allows the business to continue to provide excellent solutions for Construction and Engineering risks, that have been provided to the market in the UK since 2017.

### **Related Party Transactions**

Payments to related parties of the Company and their associates amounted to \$188K for the December 2020 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.

### **ENDS**

This release has been authorized by the Board

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