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23 October 2020

ASX/MEDIA ANNOUNCEMENT

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

- **Strong start to FY2021 with total revenue up 128% for the Q1 v FYQ1 2020.**
- **Operating milestone as UK business achieves profitability in FYQ1 2021.**
- **UK operating expenses down 1% for FYQ1 2021 v FYQ1 2020.**
- **Ensurance UK launches online trading portal.**

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 September 2020.

Financial Update

A strong start to the 2021 Financial Year

The Company's UK operations have entered their fourth year of trading and as the quarter closed, evidence shows the business has had a strong start to the financial year and continues its expected upward trajectory, despite the uncertainties brought about by Covid-19 across the UK and international markets.

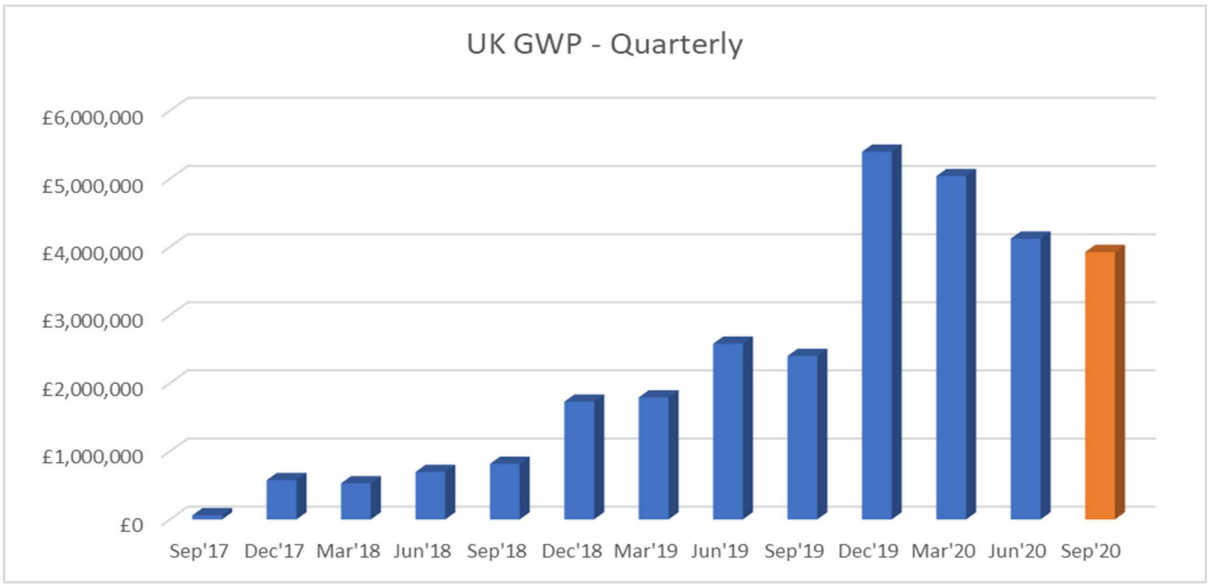
Total revenue for the quarter ended September 2020 has increased by 128% compared with the same period in 2019 - largely due to an increased renewal book, along with further growth in new business. The Company also received its first profit share from capacity during the quarter as a result of robust underwriting results. As at the end of September 2020, the UK operation is in a profit-making position

The Company has continued to focus on reducing operating expenses during the September quarter and is pleased to report that despite the strong growth in revenues, operating expenses have remained in-line with the comparative period in 2019.

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GWP continues to grow, with the portfolio at the end of the September 2020 quarter, being 64% larger than at the end of September 2019. This highlights the continuous expansion of the business's footprint within the market, and how it is building a renewable book of business to be used as the foundations on which further growth can be achieved.

Operational Update

Having completed the formal restructuring and fully divesting the Australian operation in the previous June quarter, the September quarter represents the first full quarter where the Company has been solely focused on the UK operation.

The UK operation is now entering its fourth year of trading and the business has started to see a stabilisation in its cost base. Pleasingly, operating expenses for the quarter ended September 2020 were 1% less than the comparable period in 2019. Having undergone a number of cost saving initiatives over the past 6 months, not only as a result of the effects of COVID-19, but also as a result of the operation maturing and becoming more efficient, the UK business is now very well placed to benefit from any growth in new business activities.

Ensurance Goes digital

During the September 2020 quarter, the UK operation launched its first online trading portal. Access to the portal has been granted to select partners of the business and currently allows instant quote and bind access to our Australian Terrorism product. The Company is expecting to release its UK Terrorism product via an online portal over the coming months, with its internal, Construction & Engineering platform expected to launch during Q4 FY2021.

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COVID-19 Update

With the fall in transmission of Coronavirus in the UK during the summer period, the UK began to see signs of a return to normality, with the re-opening of all non-essential businesses and reductions in the intensity of restrictions throughout the nation. However, as is being seen throughout the majority of Europe and a large part of the globe, Coronavirus cases have been rising in the UK, triggering a tightening of restrictions..

At present, the UK is operating a localised tiering system based on the rate of transmission in a specific area. The higher the tier, the more severe the restrictions. Under the strictest of rules, at present, the only forced business closures have been in the hospitality and leisure sectors, both of which are sectors the UK business does not operate in.

Related Party Transactions

Payments to related parties of the Company and their associates amounted to $225K for the September 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, payment for the Letter of Guarantee and the Non-Executive Director fees.

ENDS

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