

4 May 2017

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

PSC INSURANCE GROUP LTD (PSI) – ACQUISITION AND FUNDING UPDATE

PSI are pleased to announce the signing of transaction documents on a number of acquisitions and the completion of a new syndicated debt facility.

Online Insurance Brokers Pty Ltd (OLIB)

OLIB are a direct to market, online travel insurance agency business which has been operating for over 12 years. OLIB is a profitable business and the addition of OLIB to the Group will enhance our ability to efficiently deliver value added services to our clients.

Key terms of the transaction are:

- Purchase Price : \$4.0 million, payable 65% upfront and the remaining 35% over 2 years. \$0.7 million is adjustable, dependent on the revenue after 2 years.
- Share Consideration : \$0.5 million of the upfront instalment is payable in PSI shares at the market price on completion.
- Consultancy Agreement : The vendor is remaining with the Group for a minimum of 2 years.

BCS Broking Pty Ltd (BCS)

BCS are a construction focussed insurance broking business, based in Brisbane, with a national focus. We will initially purchase a 25% shareholding, contracted to increase to 50% over 3 years. The investment will complement and expand on the Group's existing focus and specialisation in the value chain of construction insurance across Australia.

The purchase price for the initial 25% shareholding is up to \$1.2 million, with the price of future tranches being a function of future revenue and profit.

RP Hoxton Park Pty Ltd (RPHP)

RPHP is a franchisee in the Group's Reliance Partners franchise group business. We are purchasing the remaining 50% of the business and integrating the portfolio into our existing Newcastle broking business. The operator of RPHP has been appointed the ongoing Managing Principal of the Newcastle business.

The purchase price for the 50% is a little over \$0.5 million, payable \$0.3m upfront and the balance on an adjustable basis after 12 months.

Completion and Impact

Completion of the acquisitions are expected to occur prior to the end of May. We anticipate a combined EBITDA contribution in excess of \$1.0 million on an annualised basis.

Syndicated Facility Agreement (SFA)

PSI has entered into a new 5 year SFA, arranged and led by Commonwealth Bank of Australia. Macquarie Bank remain involved with the Group as a funding partner under the SFA.

The SFA limit is \$55 million, providing funding capacity of approximately \$29 million for the aforementioned and future growth opportunities.

Outlook

The pipeline continues to look strong, with more announcements expected in coming months.

Please direct any queries to Joshua Reid, Chief Financial Officer, on (03) 9044 4796.