Update Summary

Entity name

PSC INSURANCE GROUP LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

Thursday April 1, 2021

Reason for update to a previous announcement

Following receipt of UK Financial Conduct Authority (FCA) approval, PSC Insurance Group Limited (PSC) provides updated information on the number of securities to be issued by PSC as part consideration and deferred consideration for the acquisitions of:
- Trust Insurance Services Limited
- Abaco Insurance Brokers Limited

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

PSC INSURANCE GROUP LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ACN

Registration Number

147812164

1.3 ASX issuer code

PSI

1.4 The announcement is

⚒ Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

Following receipt of UK Financial Conduct Authority (FCA) approval, PSC Insurance Group Limited (PSC) provides updated information on the number of securities to be issued by PSC as part consideration and deferred consideration for the acquisitions of:
- Trust Insurance Services Limited
- Abaco Insurance Brokers Limited

1.4b Date of previous announcement(s) to this update

Friday March 5, 2021

1.5 Date of this announcement

Thursday April 1, 2021

1.6 The Proposed issue is:

⚒ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?
- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

 Yes

7A.1a Conditions

Approval/Condition	**Date for determination**	**Is the date estimated or actual?**	**** Approval received/condition met?**
Other (please specify in comment section)	Friday March 26, 2021	Actual	Yes

Comments

UK Financial Conduct Authority approval of each of the two acquisitions related to the proposed issue of shares was received on 26 March 2021.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
 Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
 No

Details of +securities proposed to be issued

ASX +security code and description

PSI : ORDINARY FULLY PAID

Number of +securities proposed to be issued

4,217,200

Reason for the update of 'Maximum Number of +securities proposed to be issued'

The consideration for the underlying transactions resulting in this share issue are stated in GBP. The initial quantity of shares to be issued (3,994,300 FPO) was based on the PSI share price at announcement date (3 March 2021) and the AUD/GBP exchange rate at that date. Shares to be issued at completion are subject to the PSI share price calculated in accordance with the respective SPAs and the AUD/GBP exchange rate at that time. For this purpose the date is 30 March 2021.

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
☑ Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 3.18780

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
☑ Yes

Part 7C - Timetable

7C.1 Proposed +issue date

Thursday April 1, 2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
☑ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
☑ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

4,217,200 FPO

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
☑ No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
☑ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
 No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
 Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

4,217,200 FPO (full proposed issue) will be subject to various periods of voluntary escrow from 12 to 24 months from 1 April 2021 under the terms of the SPAs for the acquisitions of Trust Insurance Services Limited and Abaco Insurance Brokers Limited. A breakdown of the excrow shares is:
Trust Insurance Services - 24 Months - 1,754,637 FPO - escrow to and including 1/04/2023
Abaco Insurance Brokers - 12 months - 623,434 FPO escrow to and including 01/04/2022, 24 months - 1,839,129 FPO escrow to and including 01/04/2023.

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
 No

7E.2 Is the proposed issue to be underwritten?
 No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

The shares are being issued as part consideration for the acquisition and deferred consideration of UK broking businesses Abaco Insurance Brokers Limited and Trust Insurance Services Limited. Refer to the announcement to the market 3 March 2021

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?
 No

7F.2 Any other information the entity wishes to provide about the proposed issue

The total number of shares to be issued disclosed in our earlier Appendix 3B was calculated on exchange rate and PSI share price at 3 March 2021. The total number of PSC shares to be issued under the acquisitions is calculated as at 30 March 2021 using the below actuals:

- AUD / GBP exchange rate of 0.5548 (0.5606 on 3 March 2021), and

- PSI VWAP up to and including 30 March 2021 - $3.1878 (closing price of $3.35 on 3 March 2021).

Consideration for these acquisitions is stated in GBP.

Shares issued may be approved at a future meeting of shareholders under Listing Rule 7.4.

The SPA for Abaco Insurance Brokers Limited provides for a portion of 1st and 2nd anniversary rise and fall payments (deferred consideration) to be met by the issue of shares, but only if Listing Rule requirements for the issuing of deferred consideration shares can be met. The first anniversary rise and fall payment will not occur before 31 March 2022.

Based on the issue price of the completion shares and AUD/GBP FX rate at that time and the breakdown of the potential rise and fall payments (actual rise and fall payments will be based on actual EBITDA for each of the periods subject to rise and fall) in the 3 March 2021 annoucement of these acquistions the following shares could be issued:

- 1st anniversary payment share consideration - 339,281 FPO

- 2nd anniverary payment share consideration - 678,562 FPO

A portion of shares issued as consideration under the 1st anniversary payment will be subject to voluntary escrow of 12 months from that anniversary date. Any shares issued under the 2nd anniversary payment are not subject to escrow.