

8 August 2023

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

SCHEME OF ARRANGEMENT – PSC INSURANCE GROUP TO ACQUIRE ENSURANCE LTD

PSC Insurance Group Limited (ASX: PSI) (**PSC**) is pleased to announce that it has entered into a binding scheme implementation deed (**Implementation Deed**) under which, subject to the satisfaction of various conditions, PSC will acquire all of the shares in the capital of Ensurance Ltd (ASX:ENA) (**ENA**) by way of a scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (**Corporations Act**) (**Scheme**).

Implementation of the Scheme is targeted for late November 2023 and is subject to a number of customary conditions including ENA shareholder approval and court approval.

ENA operates an Australian based underwriting agency business specialising in professional and financial lines, which will add a high growth operation and new product suite to our Australian Specialty businesses, led by Adam Burgess.

PSC will be delighted to welcome ENA CEO Tom Kent and the continuing ENA team to the Group.

PSC are confident that the merging of the ENA operation will create significant growth opportunities for the Group. In particular, this includes the ability of the ENA business to benefit from the extensive distribution network of our Specialty business, together with the inclusion of the product onto PSC's new APEX platform.

Key transaction particulars

- PSC to acquire all of the shares in the capital of ENA by way of scheme of arrangement.
- Purchase price to be the greater of \$25.2 million and 5,000,000 fully paid ordinary shares in PSC (**Shares**). This will be satisfied by way of issue of 5,000,000 PSC Shares to ENA shareholders, with any difference between the value of those shares and the purchase price of \$25.2 million to be paid in cash.
- The purchase price of \$25.2 million represents an implied valuation of the ENA agency business of approximately \$18.0 million, plus approximately \$7.0 million of net assets, largely represented by cash.
- We expect an annualised EBITDA in excess of \$1.5 million in the first year following completion of the acquisition, with strong profit growth expectations in future years.

ENA Board support

The ENA Board has unanimously recommended that ENA shareholders approve the Scheme, in the absence of a superior proposal and subject to the independent expert's report concluding that the Scheme is in the best interests of the ENA shareholders.

Subject to the same qualifications, each ENA director who holds ENA shares has stated their intention to vote in favour of the Scheme.

Scheme of Arrangement

The Implementation Deed includes customary terms including conditions, exclusivity provisions which include 'no shop' and 'no talk' restrictions and matching rights in favour of PSC in respect of any competing proposals.

A copy of the Implementation Deed has been released to the ASX by ENA.

The ENA shareholder meeting to consider and approve the Scheme is expected to be held in November 2023. Following completion of the Scheme, ENA will be delisted and be wholly owned by PSC.

Authorised for release to the ASX by Tony Robinson, Managing Director, PSC Insurance Group Limited.

Please direct any queries to Tony Robinson, Managing Director, on 0407 355 616 or Joshua Reid, Chief Financial Officer, on (03) 8593 8303.



Stephen Abbott
Company Secretary