

2 October 2020

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

PSC INSURANCE GROUP LIMITED (PSI) –UPDATE

PSI are pleased to provide the market with an update on the following three matters:

1. PSC Perth Branch – Buyout of Minority Shareholder

In 2016 PSI purchased 70% of Perth based broking business AR (WA) Pty Ltd as part of the acquisition of the Australian Reliance group. This business is one of two PSC offices in Perth.

PSI have now completed the purchase of a further 30% of the shares in AR (WA) Pty Ltd, making it a wholly owned subsidiary of PSI.

The additional shares were purchased for a sum of \$3,895,325 with \$250,000 of this amount being subject to a 12 month revenue based rise and fall adjustment. The cash consideration paid adjusted for the \$1,350,000 loan that was owed to the Group from the initial share buy-in.

Principal Peter Burtenshaw will retire from the business. We thank Peter for his significant contribution to the Group and we look forward to him remaining a part of our alumni going forward.

The acquisition was funded from the Australian syndicated banking facility.

2. Turner Financial Services – Buyout of Minority Shareholders

Turner Financial Services Ltd (“Turner”) is an established brokerage situated in Leicester, United Kingdom.

PSI purchased 70% of the shares in Turner in 2018, with the residual 30% equity subject to a 24 month put option. The sellers have elected to exercise this option, in turn giving the Group 100% of the share capital in Turner.

The additional shares were purchased for a sum of £1,889,387 (AUD \$3.4m approx.) with the full amount paid upon completion.

Turner is considered an important business within the Group given it is presently the only business in the UK which operates as a retail or prime broker. This type of broking business is at the centre of PSI’s Australian distribution business and is considered an important part of the PSI UK growth strategy.

The acquisition has been funded from PSI’s UK banking facility.

3. *Paragon International - Insurance Insider Awards in Cyber Insurance*

PSI is delighted to announce that Paragon were again significant winners at the Insurance Insider Cyber Ranking Awards for the second consecutive year.

Paragon's Cyber team won "Cyber Brokerage Of The Year", whilst Paragon's Head Of Cyber, Rob Layzell, was named as "Cyber Broker Of The Year" for the second time.

These Cyber awards, along with other D & O awards previously won by Paragon, not only highlight the calibre of staff within the business but also reflect the outcomes Paragon continues to achieve for its customer base.

The 2019 acquisition of Paragon has been one of significant importance for PSI as not only does it give PSI exposure to the US market, where Paragon generate ~60%-70% of their revenue, but it also brings tremendous expertise into the Group with these awards considered a testament to this.

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

Authorised for release to the ASX by the PSC Insurance Group Limited Board.



Stephen Abbott
Company Secretary