



Update Summary

Entity name

PSC INSURANCE GROUP LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

Friday May 29, 2020

Reason for update to a previous announcement

Revised quantity of shares to be issued for the share component on the first earn-out payment on the acquisition of Paragon International Holdings Limited (Paragon). Refer our announcements of 17 January 2020 and 29 May 2020 and earlier Appendix 3B dated 22 January 2020.

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**

Revised quantity of shares to be issued for the share component on the first earn-out payment on the acquisition of Paragon International Holdings Limited (Paragon). Refer our announcements of 17 January 2020 and 29 May 2020 and earlier Appendix 3B dated 22 January 2020.

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

Wednesday January 22, 2020

1.5 Date of this announcement

Friday May 29, 2020

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

☒ No

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

Maximum Number of +securities proposed to be issued

15,359,452

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

Results from the finalisation and agreement of the adjusted EBITDA for the year ended 31/12/2019 and the decrease in the issue price of the shares to be issued from \$3.00 per share to \$2.50 per share. There is a minor AUD/GBP impact on our initial estimate.

Purpose of the issue

Share component of consideration on the first earn-out payment on the acquisition of Paragon International Holdings Limited (Paragon). This payment is calculated on the year ended 31/12/2019 adjusted EBITDA of Paragon and the AUD/GBP exchange rate at date of agreement.

Offer price details for retail security holders



In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 2.50000

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

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

Part 7C - Timetable

7C.1 Proposed +issue date

Monday June 15, 2020

Part 7D - Listing Rule requirements

7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

☒ Yes

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?

☒ No

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.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

Our earlier Appendix 3B, dated 22 January 2020, indicated PSI may seek shareholder approval for the issue of those shares (8,800,000 FPO). Shareholder approval was obtained for those shares at the General Meeting of Shareholders held 31 March 2020. The balance of the shares to be issued (6,559,452 FPO) will be issued under our 15% placement capacity. PSI may seek Shareholder approval for the issue of these additional shares at a future General Meeting of Shareholders.

The announcement to the market on 17/01/2020 was to inform the market the deferred consideration for the first earn-out payment for Paragon is to be materially different from that announced 25/07/2019. Our announcement of today's date is the result of the agreement of the adjusted EBITDA of Paragon for the year ended 31/12/2019 and the PSI share price and AUD/GBP exchange at that time of agreement. The agreed payment and share issue was ratified by the PSI Board at a Board Meeting on 27 May 2020.

The company will be relying on Exception 12 in LR 10.12 in relation to the proposed issue of shares to the person referred to in part 7D.3.

The shares to be issued under this announcement (15,359,452 FPO) varies from our market announcement of today's date (15,410,541 FPO) by 51,089 FPO. This difference is represented by forfeited loan funded shares already on issue and quoted.