

25 November 2020

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

PSC INSURANCE GROUP LTD (PSI) – CAPITAL RAISING & CHANGES IN DIRECTOR SHAREHOLDINGS

PSI advises that it has received binding commitments for a capital raising via a placement of 20 million fully paid ordinary shares (**Shares**) to selected institutional and sophisticated investors to raise \$60 million at \$3.00 per Share (representing a 2.6% discount to the closing price on 20 November 2020) (**Placement**). The lead manager was Bell Potter Securities, supported by Taylor Collison and Evans & Partners.

PSI appreciates the show of support and confidence in the Group and its strategy.

The funds will be used over time to assist with the funding of acquisitions in accordance with our growth strategy.

The Shares will be issued under the Placement on 1 December 2020 and will rank equally with all Shares on issue. The Placement will be made under PSI's existing capacity under Listing Rule 7.1 and accordingly will not require shareholder approval.

PSI provides a market update as follows:

- EBITDA for the 4 months to October 2020 is approximately 40% up on the prior corresponding period. This reflects a sound Q1 (3 month) performance from Paragon (not in prior period) and strong growth in organic revenue and EBITDA, particularly from the Australian Distribution businesses.
- FY21 trading conditions have been good, with no obvious impacts from COVID-19 on our client base and insurance prices remaining hard.
- EBITDA for FY21 is expected to be at the top of the previous guidance of \$65-70m, post the contribution from the acquisition of Absolute Insurance in the UK.
- The Group is merging its APG and Carrolls businesses in the UK. This will result in an approximate one-off, non-cash, pre-tax charge of \$3-4m to EBITDA in the first half of FY21. This does not impact our FY21 guidance. This relates to a write off of revenue accruals, with that revenue to be recognised as it is invoiced in future periods. This will align the accounting treatment of the APG renewal business with Carrolls and the wider Group.
- The Group has a good pipeline of acquisition opportunities. In particular, we are considering acquisitions of UK and Australian commercial broking businesses, with a number materially progressed.

In conjunction with the capital raising, two of the Directors have taken the opportunity to sell down a percentage of their shareholding at \$3.00 per share, the details of which are:

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	Number Sold	Holding After	%
Paul Dwyer Related Interests	10,000,000	57,174,852	18.3%
Brian Austin Related Interests	3,333,334	32,277,966	10.3%
Total Shares on Issue		312,496,442	

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 by the PSC Insurance Group Board.



Stephen Abbott
Company Secretary

Forward looking statements

This announcement contains forward-looking statements, which address a variety of subjects including statements regarding expected growth rates and financial results. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections.

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