

29 May 2020

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

**ACQUISITION UPDATE - PARAGON INTERNATIONAL HOLDINGS LTD (PARAGON)**

Further to the Acquisition Update we provided on 17 January 2020, PSC Insurance Group Limited (ASX: PSI) advises that the calculation for the second tranche of the Paragon consideration has been finalised and the resulting cash and share consideration will be settled in June 2020.

We are pleased to confirm that Paragon achieved revenue growth of 27% for the period. As previously advised, this growth is a product of new client acquisition, improving rates in Paragon's key professional and financial lines specialties and the strength of the underlying client base, which has a large portion of significant players in the technology sector.

We expect growth to moderate for this calendar year. We are confident that the business will continue to achieve strong growth over the medium term, reflecting the skills in the business, its credibility in the London underwriting markets and US broker market, the classes of insurance they specialise in and the quality of the business leadership.

The integration is complete and has been a success from both a cultural, commercial and procedural point of view.

The payments for the next instalment will be:

- £24.17 million in cash.
- £20.67 million in PSI shares (15,410,541 shares). The shares will be issued at \$2.50.

Funding of the cash component will be via existing cash holdings (~ 50%) and capacity in our UK based debt facility (~ 50%).

Please direct any queries to Tony Robinson, Managing Director on 0407 355 616.

Yours faithfully,



Stephen Abbott  
Company Secretary