For personal use only

1 November 2021

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

**PSC INSURANCE GROUP LTD (PSI) – REFINANCE & INCREASE IN DEBT FACILITIES**

PSI are pleased to announce the signing of debt funding transaction documents to refinance and increase the Group's existing debt funding capacity.

The existing Syndicated Facility Agreement (SFA) has been increased and a new bilateral Note Purchase Agreement (NPA) has been entered. The Group is now better using its scale and diversity, with the SFA and NPA ranking equally against the Group's wider asset pool, including Australian and UK assets, enabling a material reduction in the Group's cost of funds.

The refinance process was led by Commonwealth Bank as lead arranger. The SFA will be supported by the Group's long term funding partners Commonwealth Bank and Macquarie, with the addition of HSBC and Citibank. The NPA will be supported by Pricoa. Pricoa are a global fund manager, specialising in fixed interest investments and a subsidiary of the large US based life insurer Prudential.

These funding partners provide an excellent base for the Group to continue its growth strategy via selective M&A in our core markets in Australia and the UK, with all providing long term funding commitments to the Group.

Key terms:

*Syndicated Facility Agreement*

- Limit: A$190m
- Initial Balance: ~ A$100m
- Capacity: ~ A$90m
- Term: 5 years, maturity ~ November 2026
- Interest: 90 day bank rate + margin
- Currencies: A$ and £
- Collateral: Charges over Group assets across Australia, UK and NZ via a security trustee
- The SFA contains a number of representations, warranties and undertakings that are usual for a debt facility of this type, including lending covenants, the main of which is the maintenance of a leverage ratio at or below agreed levels

For personal use only

*Note Purchase Agreement*

- Initial Limit: A$75m
- Initial Balance: A$75m (£ equivalent)
- Capacity: the NPA provides an agreed framework for additional future note issuance by the Group (up to US$125m), subject to Pricoa approval at the time and majority consent from the SFA lenders
- Term: 7 years, maturity ~ November 2028
- Interest: 7 year fixed swap rate + margin
- Currencies: A$ and £
- Collateral: Charges over Group assets across Australia, UK and NZ via a security trustee
- The NPA largely mirrors the key terms of the SFA with regard key representations, warranties, undertakings and financial covenants

Group debt balances will be unchanged upon completion, with ~ $90m in available limits for future growth. The initial settlement will repay the Loan Note Syndication Agreement with Barings, which is expected to occur in the coming weeks, subject to customary closing conditions.

The refinance will reduce the Group's blended cost of funds, inclusive of undrawn limit fees, from ~ 4.7% to ~ 3.1%, resulting in a material pre-tax saving of ~ $2.9m per annum.

We thank all our current and future funding partners for their support of the Group and confidence in our long term strategy.

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

Authorised for release by Tony Robinson, Managing Director:



Stephen Abbott
Company Secretary