



4 February 2019

**ASX Announcement
PS&C LIMITED**

Acquisition of Artisan Consulting Pty Ltd & Unsecured Redeemable Convertible Notes

PS&C Limited (ASX:PSZ) (PSC) is pleased to announce it has successfully acquired a 100% interest in Artisan Consulting Pty Ltd (Artisan) via a Share Sale and Purchase Agreement.

Artisan is exclusively focussed on Salesforce solutions and is currently a Salesforce Silver Tier System Implementation/Consulting Partner servicing mid-large enterprises. This is a strategic acquisition that strengthens PSC's current Salesforce capabilities by adding key technical resources that will enable PSC to compete for larger projects moving forward.

The acquisition of Artisan will be settled by a mixture of cash and shares in PSC with the acquisition forecast to provide a small contribution to PSC's FY19 results.

Unsecured Redeemable Convertible Notes

PSC is also pleased to announce that it anticipates issuing up to 2,500,000 Unsecured Redeemable Convertible Notes (Notes) at an issue price of AU\$1.00 per individual Note, to raise up to \$2,500,000 in tranches to 28 February 2019.

PSC advises the first tranche totalling 1,000,000 Notes raising \$1,000,000 has been committed with funds expected to be cleared in its bank account within the next seven days. The first tranche includes money raised from existing shareholders, including commitments from the Directors of PSC.


The terms of the Notes are outlined below in this announcement.


The funds raised will be used in part to fund the acquisition of Artisan and working capital to fund organic growth initiatives and increase PSC's flexibility to take advantage of additional opportunities that may arise.

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 03 9682 2699

 info@pscgroup.com.au

 Level 10, 410 Collins Street
Melbourne, Victoria
Australia, 3000

 www.pscgroup.com.au

PSC confirms that it is continuing discussions with a number of existing shareholders and other sophisticated investors in line with Section 708A of the Corporations Act and anticipates making further announcements in relation to the issuance of further Notes as those discussions materialise.

The Board consider the terms of the Notes are commercially reasonable and at arm's length to the participating Directors and as such shareholder approval is not required under Chapter 2E of the Corporations Act (Related Party Transactions).

The conversion price of the Notes i.e. AU\$0.15, is 23% higher than the closing price of PSC shares trading on the ASX as at 1 February 2019.

An Appendix 3B will be released to the market once funds are cleared in PSC's bank account.



KEY TERMS OF THE CONVERTIBLE NOTES

Issuer	PS&C Limited ACN 164 718 361 (“PSC”, the “Company” or the “Group”)
Issue	Up to a maximum of 2,500,000 Unsecured Redeemable Convertible Notes
Price	\$1.00 (AUD)
Purpose	Working capital to fund organic and acquisitive growth opportunities
Issue Date	On or before 28 th February 2019
Term	3 years
Interest	10% Accrues daily and paid within 5 business days upon each 6-month anniversary of the issue date
Conversion	The number of Fully Paid Ordinary Shares to be issued to each Noteholder on conversion of the Notes will be calculated by dividing the number of Notes to be converted by \$0.15 <i>(For example: 100,000 notes if converted would receive 666,667 Fully Paid Ordinary Shares)</i>
Compulsory Conversion	The Company may convert all outstanding Notes if the Volume Weighted Average Price of Ordinary shares traded on the ASX is greater than \$0.30 for the 30 trading days immediately prior to the date at which the Compulsory Conversion is issued
Redemption	Following the first 6 months and until end of Term the Company may provide notice to redeem up to 100% of all outstanding Notes at face value inclusive of accrued interest. Note holders upon receipt of this notice may immediately convert their Notes into Fully Paid Ordinary Shares
Repayment	At the end of Term the Company will repay all outstanding Principal and all accrued interest

END.

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