

NobleOak FY21 Full Year Results

Strong performance as NobleOak exceeds key Prospectus forecasts

NobleOak Life Limited (ASX: NOL) (**NobleOak** or **the Company**), an independent, award-winning specialist Australian life insurer, today announces its full year results for the 12 months ended 30 June 2021.

Highlights¹:

- **Exceeded key FY21 Prospectus forecast measures**
- **Active policies up 66% to over 77,000**
- **In-force premium growth of 66% to \$182.1 million**
- **New business premium growth of 42% to \$69.0 million**
- **Insurance premium revenue up 61% to \$169.9 million**
- **Underlying NPAT up 20% to \$7.0 million**
- **Most awarded Australian direct life insurer 2020-2021**
- **Auto & General portfolio acquisition completed**
- **Distribution agreements signed with Auto & General (Budget Direct brand) and Royal Automobile Club of WA (RAC)**
- **Well capitalised with flexibility to invest for growth following successful IPO**
- **Reaffirming FY22 Prospectus profit forecasts**

Commenting on the result, NobleOak Chief Executive Officer Anthony Brown, said: "We are pleased to announce our maiden result as a listed company, reporting strong growth in in-force premiums, active policies and underlying profits across our Direct and Strategic Partner channels, as we exceeded our Prospectus forecasts across key measures."

"NobleOak has been protecting Australians for over 144 years, aspiring to hold true to our core belief of treating others the way you would want to be treated. Our values of nobility, simplicity, adaptability and delivery are embedded deeply in our culture and are core to everything we do."

"As an independent, specialist challenger brand in the Australian life insurance sector, we have built a strong reputation for our customer-focussed and service-led value proposition. As evidenced by our strong growth in revenues and profits, we are well positioned to benefit from the structural change and disruption currently underway in the sector. We will retain our strong customer focus as we execute our growth strategy, underpinned by good capital flexibility and strong expertise within our team."

Business performance

NobleOak exceeded all key FY21 Prospectus forecast measures, with strong new business growth and below-market lapse rates driving growth in all channels.

In-force premiums grew by 66% to \$182.1 million, exceeding Prospectus forecasts by 6%, driven by new business sales of \$69.0 million. The underlying gross insurance margin of 17.6% resulted

¹ All comparisons relate to the prior corresponding period (pcp) unless otherwise stated.

from the strong growth of the Strategic Partner Channel, which is lower margin than the Direct Channel. NobleOak's underlying net profit after tax (NPAT) grew by 20% to \$7.0 million, outperforming the Prospectus forecast by 3%.

In the Direct Channel, where the Company's strong brand and omni-channel capability remain a key differentiator, in-force premiums grew by 26% to \$57.4 million. The lapse rate of 7.3% was an improvement on the prior year and materially below the industry average. This reflects NobleOak's high levels of customer satisfaction and the impact of COVID-19, which has heightened awareness of the value of life insurance. Underlying NPAT increased by 11% to \$3.6 million.

In the Strategic Partner Channel, strong in-force premium growth of 95% to \$124.7 million was driven by 50% growth in new business to \$57.9 million and the lapse rate improving by 180bps to 4.0%. The strong lapse rate has benefited from the relatively young nature of the insurance portfolios, and as in the Direct Channel, COVID-19 has had a positive impact on customer demand. Underlying NPAT increased by 31% to \$2.1 million.

In-force premiums under management by Genus, NobleOak's administration business, declined by 7.1% to \$32.2 million, outperforming management expectations. A decline was expected given this segment does not write new business. The Auto & General acquisition is expected to add \$4.1 million of in-force premiums over FY22 and further run-off portfolio acquisitions are expected to contribute to Genus' in-force premium base over time. Genus' underlying NPAT rose by 34% to \$1.3 million.

Notwithstanding the most recent COVID-19 outbreak, business conditions remain strong and NobleOak has not observed any material adverse claims experience or development within its reserves.

Following its successful IPO which raised net proceeds of \$31.0 million NobleOak is well capitalised for future growth.

Operational update

NobleOak remains resilient amid the latest COVID-19 restrictions impacting Australia. Having quickly mobilised to enable all staff to work remotely from the onset of the most recent outbreak, the Company's IT and systems performance remains robust.

The operational impact upon NobleOak's employees and customers has been minimal, with sales remaining strong and customer service levels high over the period, as evidenced by NobleOak's high customer satisfaction ratings.

NobleOak will continue to focus on the wellbeing of its staff and customers while managing any additional risks appropriately.

Auto & General portfolio acquisition

In line with its growth strategy to acquire suitable in-force and run-off life risk portfolios, on 22 July 2021, NobleOak entered into a binding agreement to acquire the administration rights from Auto & General for a run-off portfolio of life insurance policies.

Auto & General provides insurance products in Australia directly via its Budget Direct and Ozicare brands and through partnerships with ING, Virgin Money and Qantas.

The transaction completed on 25 August 2021, with integration expected to complete by January 2022.

The transaction enables NobleOak to align with Auto & General's Budget Direct brand, which is one of Australia's best-known insurance brands. It is expected to deliver initial annualised net revenue of \$1.0 million and earnings of \$0.4 million once integrated. This is expected to reduce as the portfolio runs off over time.

The total consideration payable for the Auto & General Portfolio was \$3.2 million, satisfied through the issue of ordinary shares in NobleOak priced at \$1.95 per share (in line with NobleOak's IPO price).

Distribution agreements

In addition to the portfolio acquisition, NobleOak has separately entered into distribution agreements with Auto & General and The Royal Automobile Club of Western Australia (RAC).

Under the terms of the Auto & General distribution agreement, NobleOak will provide white-labelled and fully underwritten life insurance products through the Budget Direct brand. The partnership provides NobleOak with access to Budget Direct's one million customers in Australia, with distribution expected to commence in Q1 CY22 for an initial three-year term.

NobleOak has also signed a new alliance partnership with RAC Western Australia, the leading advocate on mobility challenges in Western Australia. The partnership will provide more than one million RAC members with access to NobleOak's life insurance products.

Trading update and outlook

Following its successful IPO in July, NobleOak has recorded a strong start to FY22, with continued high levels of new business growth and low lapse rates.

The Company is well capitalised and remains committed to continuing to invest for growth in line with its strategy. As per the IPO Prospectus, no dividend is forecast.

NobleOak is focused on converting its strong pipeline of partnership opportunities with a number of leading Australian financial institutions and looks forward to providing an update on its progress to the market later in the year.

Given the strong start to the year and the abundance of opportunities for profitable growth across all of its channels, NobleOak reaffirms its FY22 Prospectus profit forecasts.

This announcement has been authorised by the Board of NobleOak Life Limited.

Ends

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About NobleOak (ASX: NOL)

NobleOak is an independent, multi award-winning APRA-regulated Australian life insurance provider which has a 144-year history, dating back to one of the first benevolent societies in Australia, the United Ancient Order of Druids Friendly Society of NSW. NobleOak's core values: nobility, simplicity, adaptability and delivery, are grounded in the values of the Druids and are embedded deeply in its culture. Following its demutualisation in 2011, NobleOak repositioned its business model, launching direct-to-consumer life insurance products through its modern and intuitive digital platform. Since then, NobleOak has diversified its business by manufacturing white-labelled tailored products for strategic partners which are mostly offered to customers through advisers. NobleOak's strategy is underpinned by a commitment to offer customers high value, easy to understand and competitive life risk insurance products. NobleOak has achieved success by participating across the life insurance value chain, by manufacturing, underwriting and distributing its own life insurance products.