

NobleOak 2021 AGM – Chairman's and CEO's address

NobleOak Life Limited (ASX: NOL) (**NobleOak** or **the Company**), provides the following in relation to the Company's 2021 Annual General Meeting.

- Chairman's address – Stephen Harrison
- CEO's address – Anthony Brown

Ends

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

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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.

Chairman 's address

NobleOak is an Australian independent, award-winning challenger brand, life insurer with a 144-year history, tracing its roots back to one of the first benevolent societies in Australia. These societies originated with a noble purpose – to help families when life threw its worst at them.

Since then, NobleOak has evolved to become Australia's fastest-growing life insurer, distributing direct-to-consumer life insurance products through our modern and intuitive digital platform and manufacturing white-labelled tailored products for our strategic partners which are mostly distributed through advisers.

Our diversified strategy is underpinned by a commitment to offer our customers high value, easy to understand and competitive life risk insurance products. Our success has been achieved by participating across the life insurance value chain in manufacturing, underwriting and distributing our own products.

FY21 was a milestone year for the Company, as we delivered strong growth in revenues and profits and a robust operational performance against the backdrop of ongoing transformation in the Australian life insurance industry and the COVID-19 pandemic.

Now and over the long-term, NobleOak is well positioned to benefit from structural changes resulting from the Financial Services Royal Commission and other regulatory inquiries. We expect these changes, including the introduction of new individual disability income insurance (IDII) products which took effect on 1 October, will eventually deliver improved outcomes for customers and set a foundation for long-term, sustainable growth for the industry.

As a nimble life insurer with a clear customer-focus, a culturally and service-led value proposition and a prudent approach to risk management, we can respond to opportunities created by industry disruption, unencumbered by the legacy issues affecting many others in the sector.

While many of our competitors remain distracted by the wave of corporate activity that has swept through the sector in recent years, NobleOak remains intently focused with the appetite to grow.

Our ambition is to be a leading challenger in the \$10 billion Australian individual life risk market, by delivering protection Australians can rely on. We have grown to have over 77,000 active policies, representing over \$180 million of in-force premiums, which have grown at over 60% compound annual growth rate (CAGR) since 2017. Our market share of the Direct-to-consumer life insurance market is only 0.5%, with significant growth potential.

NobleOak's values of nobility, simplicity, adaptability and delivery are core to everything we do. We will retain our strong culture and customer focus as we grow, and I am confident we have the right strategy, team and capital structure to capture the significant opportunity ahead of us.

On behalf of my fellow directors, I would like to thank Anthony and the NobleOak team for their hard work in delivering our strategy and continuing to provide excellent service to our customers this year. I would also like to thank you, our fellow shareholders, for your continued support.

Before I conclude, it is with much gratitude and a touch of sadness that today I announce that our Deputy Chairman, Emery Feyzeny, will retire from the Board of NobleOak at this meeting after 10 years as a director.

Emery was appointed as a director of the Company in February 2011 and as Deputy Chairman of the Company in November 2018. He has over 48 years' experience in the superannuation

industry, including 15 years as a Partner at KPMG where he advised the Superannuation Senate Select Committee on the taxation of superannuation funds in Australia. He has been a director of REI Superannuation Fund Pty Ltd and formerly held senior roles at Watson-Wyatt, Mercantile Mutual Life and MLC.

On behalf of the Board I would like to thank Emery for his dedication and valued counsel over the last decade. He is an extremely knowledgeable colleague and has been invaluable to NobleOak's development since its demutualisation. We will greatly miss Emery's presence on our Board and wish him the best for his retirement.

The Board expects to appoint a new director in the coming weeks.

I will now hand over to Anthony to address the meeting and provide more detail on the Company's financial and operational performance this year, and also to provide some colour on recent trading and the outlook for FY22.

Thank you.

Stephen Harrison
Chairman
NobleOak Life Limited

CEO's address

Thanks Stephen and good afternoon all.

I would also like to thank Emery for his wonderful service to NobleOak over the last 10 years. His high intellect and unwavering integrity have been huge assets to NobleOak as we have grown in a challenging time for the industry. To put Emery's tenure into perspective, our in-force premium was \$4.5 million when Emery started at NobleOak. It is now over \$200 million. Thank you Emery and best wishes for the future.

FY21 financial highlights

I am pleased to report that NobleOak delivered a strong FY21 result, our first as a listed company, exceeding our Prospectus forecasts across key measures.

We reported good growth in active policies, which increased by 66% to 77,000, driven by strong new business growth and lapse rates that remain below the market average. This drove in-force premium growth of 66% to \$182 million and insurance premium revenue growth of 61% to \$170 million, with underlying profits across our three channels up by about 20% to \$7.0 million.

I am very proud of our team's efforts to deliver this result through the impact of COVID-19 in Australia – as well as the ongoing changes in the regulatory environment.

FY21 operational highlights

I am also proud that we were able to achieve key operational milestones and make good progress in delivering our growth strategy.

We minimised the operational impact for our team, which grew by 12% during the year, and for our customers, which saw us maintain our strong sales and customer satisfaction ratings. In our Direct Channel we have consistently achieved market-leading net promoter scores, and I was pleased to see us maintain our high ratings on Google and Feefo this year.

We remain focused on creating new and innovative products that deliver value for our customers, and during the year we launched FlexiCover, a market-first in Australia with the unique feature of reducing premiums as a customer's loan balance – typically a mortgage – reduces over their lifetime.

Since the end of the financial year, we have also entered into strategic partnerships with two major distribution partners in Budget Direct and Royal Automobile Club (RAC) Western Australia, which provides us access to around two million potential customers. The RAC partnership kicked off two months ahead of schedule and is already generating revenue for the business.

And of course, successfully listing on the ASX in July was a milestone for our business. The \$31 million in primary capital raised further strengthens our balance sheet and leaves us strongly positioned to deliver our growth plans over the near-term. We have been very pleased with the reception from the market since listing and are thankful for the support of our shareholders, including those who supported the IPO.

Strong, disciplined growth

As you can see on this slide, NobleOak has a demonstrated track record of strong, disciplined growth in premiums and profits.

Over the last five years, we have grown in-force premiums at a 69% CAGR, driven by a new business CAGR of 63%, with underlying NPAT growing at a 52% CAGR over the same period.

This shows the impact of our growth strategy, which is simple and will drive our growth moving forward.

Further growth opportunities

NobleOak is still a small player in a very large addressable market with many structural long-term drivers. To capture the significant opportunity ahead of us, our growth strategy has three complementary pillars – increased risk retention, organic and inorganic growth.

Importantly, across all three growth pillars, we believe we can grow without taking on excessive risk or adjusting our strategy, and in FY21, we delivered both organic and inorganic growth while prudently increasing our risk retention in some lines of business.

Organic growth of in-force premiums will be the core long-term value driver of this business. It will come from growing our brand awareness and omni-channel capabilities in the Direct Channel, adding new and innovative products, and further developing our network of over 50 Alliance Partners.

We will also continue to evaluate inorganic opportunities such as the recent acquisition of a Budget Direct run-off portfolio from Auto & General, however the bar remains high.

Looking ahead, we will continue to pursue disciplined and profitable growth in line with our strategy, while gradually increasing our risk retention as our portfolios mature.

Culture is paramount at NobleOak

Our unique culture is something that we feel differentiates NobleOak from our peers and is very hard to replicate.

It is underpinned by a belief that Australians deserve good value, transparency and honesty from their life insurer. Essentially, that we should treat others the way we want to be treated.

Our values of nobility, simplicity, adaptability and delivery are rooted in our 144-year heritage and underpin our business model. Our focus on entrenching them helps us to deliver high levels of staff engagement and industry-leading customer satisfaction, which ultimately drives our strong performance. We will retain our strong culture and customer focus as we continue to grow.

As a business that prioritises doing the right thing, we are also committed to demonstrating our progress on environmental and social governance (ESG) initiatives. We have a diverse team and a robust governance and risk management framework, and we have already begun to engage with key stakeholders on developing a framework to report against. We look forward to reporting further on our progress at our half year results.

Most awarded direct life insurer

For NobleOak, awards are an outcome, not an ambition. However, to be recognised as Australia's most awarded direct life insurer for 2020-2021, with a total of 19 awards, is an honour we are all proud of.

This year we won the prestigious Canstar Outstanding Value Awards for both our Premium Life Direct Life Insurance and Income Protection Insurance for the sixth consecutive year. This is in

addition to receiving Best Life Insurer from Finder, Life Insurer of the Year from Mozo and our second Platinum Trusted Service award from Feefo.

More recently, earlier this month we won the Plan for Life Overall Direct Life Insurance Excellence Award for 2021. This is the highest award from Plan for Life and the fourth year in a row it has been awarded to NobleOak. We also won the Plan for Life Customer Service Award for the second year running. To win these awards on multiple occasions is a great achievement and reflects the work our team has put in to offering our clients the best value life insurance products and high quality customer service.

As an independent, specialist challenger brand in the Australian life insurance sector, our reputation for our customer-focused and service-led value proposition is very important, and these awards are a great acknowledgment that we are living up to our values.

Key operational initiatives

As a business, we remain operationally resilient and focused on delivering our strategy, and the team has done very well to progress key operational initiatives in a challenging environment this year.

The development and launch of new individual disability income insurance (IDII) products has been a significant focus for the business, and we were pleased to launch the new products in both the Direct and Strategic Partner channels ahead of APRA's 1 October deadline.

We did observe an uptick in applications before the deadline and have since seen a material reduction in new business enquiries as the market adjusts to the new products and pricing.

We expect it to take up to six months for market activity to normalise, as insurers benchmark their products and pricing to ensure they fit with their respective strategies and risk appetites, however this will be closely monitored and managed.

We have continued to make good progress on the partnerships front, with our partnership with the RAC going live ahead of schedule and already generating good volumes of applications and sales.

In October we launched a new partnership with Qudos Bank that brings access to 100,000 potential customers. We will more actively market to the Qudos customer base in 2022.

Our partnership with Budget Direct is on track to launch by March 2022 as planned, and we continue to build a strong pipeline of partnership opportunities with leading financial institutions.

Trading update and outlook

While new business growth has been strong to end September, as mentioned we have seen a material reduction in new business flow in October as the market adjusts to the new IDII products.

However, it is important to remember that in-force policies are the key value driver for our business and the impact on in-force premiums has been more than offset by a continued low lapse experience, which continues to benefit from the impact of COVID-19.

It is worth noting that that no new Avant products were launched on 1 October, which is consistent with the Prospectus forecast where no new business was forecast in FY22. We continue to review our options.

Our Genus business continues to provide high-quality service to the market and the Auto & General portfolio acquisition is now complete, with revenue flowing as anticipated.

Across the business our underwriting performance remains strong with no material claims deterioration, and while expenses are elevated in the first half due to our investment in new IDII product development and onboarding new partnerships, this is a short-term phenomenon.

As a result of the strong underwriting performance, we are pleased to reaffirm our Prospectus profit forecasts, and thanks to the continued favourable lapse experience we expect in-force premiums to exceed the Prospectus forecast at year end.

Incorporating the proceeds of the IPO, we remain well capitalised and committed to investing for growth.

I would like to thank the NobleOak team for their hard work and perseverance during this financial year, as well as our partners for continuing to work alongside us, and our customers for their loyalty. Thanks also to you, our fellow shareholders, for your support.

I look forward to updating you further as FY22 progresses.

Thank you.

Anthony R. Brown
Chief Executive Officer
NobleOak Life Limited