

NobleOak 2022 AGM – Chair and CEO Addresses

24 November 2022

NobleOak Life Limited (ASX:NOL) (**NobleOak**) provides the following in relation to the Company's 2022 Annual General Meeting:

- Chair's Address – Stephen Harrison
- CEO's Address – Anthony Brown

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 145-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.

For more information, please visit: nobleoak.com.au

Chair's Address

FY22 Highlights

I am pleased to report that NobleOak's first full year as a listed company was a successful one. The Company continued to outperform the market, delivering strong growth in premiums and profits and exceeding our Prospectus profit forecasts, while continuing to make good strategic progress.

As well as preparing for our successful IPO, our team, led by Chief Executive Officer Anthony Brown, did an excellent job to remain operationally resilient, managing the ongoing impacts of COVID-19 and regulatory change in the Australian life insurance industry. This included developing and rolling out new Individual Disability Income Insurance (IDII) products in time for the 1 October 2021 APRA deadline.

The team did this while maintaining excellent customer service that has seen NobleOak become Australia's most awarded direct life insurer for the last two years.

Since the rollout of the new IDII products, the market has been going through a period of adjustment, with new business volumes down materially. Green shoots are appearing, however sales across the market remain down by 20% from normal levels. The higher priced new products are beginning to improve industry profitability, which benefits all insurers, including NobleOak.

The team continues to execute our growth strategy in a disciplined way, and as Australia's fastest-growing life insurer, our strategy is working. We continue to take market share from the incumbents while investing in our platform, people and building our brand.

We are confident in the long-term prospects of our Direct business, where our ambition is to be a leading challenger brand in the \$11 billion Australian individual life risk market. With our market share at around 2%, there is still a lot of room to grow, and we are well capitalised and strongly positioned for growth as the market continues to improve.

Introducing our ESG framework

This year we have made good progress on our environmental and social governance (ESG) efforts. We have worked with a range of stakeholders to develop an ESG framework suitable for a business of our size, including targets, and developed a framework aligned to the UN Sustainable Development Goals (UNSDGs).

We have focused on areas that make sense for NobleOak, including recycling, workplace diversity, human rights, ethics and governance, and importantly have committed to reducing our CO₂ output and achieving net zero carbon emissions by 2030.

We will report back on this framework annually, and look forward to discussing it with shareholders.

Following the retirement of Emery Feyzeny at our AGM last November after 10 years as a director, Sarah Brennan joined the Board in December 2021. Sarah brings 25 years' experience in financial services, including life insurance, and is a highly regarded executive and public company director. She has proven to be an excellent addition to the Board, bringing fresh insights and perspective.

Board renewal has been a priority for us as a listed company and we will continue to ensure that we have the right depth of skills and experience to deliver on our strategic objectives and ensure we maintain strong governance.

On behalf of my fellow directors, I would like to thank the NobleOak team for their hard work and results this year. Thanks also to you, our shareholders, for your continued support.

As a nimble life insurer with a clear customer-focus, a service-led value proposition and a prudent approach to risk management, we believe NobleOak is well positioned for future growth and success and look forward to another successful year ahead.

I will now hand over to Anthony to address the meeting and provide more detail on the Company's performance this year, as well as some colour on recent trading and the outlook for FY23.

Thank you.

Stephen Harrison

Chairman

NobleOak Life Limited

CEO's Address

Thanks Stephen and good afternoon, all.

Strong growth in premiums and profits

I am pleased to report that NobleOak delivered a strong performance in FY22.

Total active life insurance policies grew by 33% to over 103,000, supported by continued low lapse rates across both our Direct and Strategic Partner channels. This delivered strong growth in in-force premium of 40% to over \$254 million, 9% ahead of Prospectus forecast. In-force premium is the real value driver for our business, providing an annuity revenue stream.

While new business sales across the industry were impacted by reduced market activity following the launch of new IDII products in October, we continued to outperform and gain share in both direct and intermediated businesses.

In the Direct channel, sustained investment in brand and technology is improving the customer experience and driving growth. In the Strategic Partner channel, we worked closely with NEOS and PPS to launch and refine new product portfolios during the year. In our Genus administration business, we successfully integrated the Auto & General run-off portfolio in June, which partially offset the impact of the Freedom portfolio conduct remediation which pleasingly concluded in April.

Underlying net profit after tax grew by 35% to \$9.5 million, 5% ahead of our Prospectus forecast, with strong premium growth and our disciplined approach to underwriting and expense management maintaining our stable margins.

Delivering our growth strategy

We continue to deliver excellent products and service for our customers which resulted in us maintaining our high customer satisfaction ratings and being the most awarded Direct Life insurer for the second year in a row. This included winning the Plan for Life Overall Direct Life Insurance Excellence Award in FY22 for an unprecedented fourth year running, the Feefo Platinum trusted service award, and in July 2022, the Direct sales team being named the #1 Sales Contact Centre in Australia by independent consultancy GRIST.

Our team did a great job to develop and roll out the new Individual Disability Income Insurance (IDII) products, and we continue to refine these products to ensure they are market competitive while remaining within our risk appetite.

We also launched a new white labelling capability and products with two of our new alliance partners: RAC WA, which launched in October 2021 and Budget Direct which launched in February this year. Both continue to drive good volumes of sales and enquiries and we are happy with their progress.

With over 30 alliance partners, we continue to build a strong brand and reputation in the industry, which opens opportunities and enables us to build a solid pipeline of inbound demand.

Importantly, we maintained our strong employee engagement at 86%, with our teams transitioning well to a hybrid working model. This is a great validation of the strong culture we have built and which will continue to drive our success moving forward.

Outperforming in a changing market

In a changing market, being relatively small and nimble helps us to punch above our weight.

As the market adjusts following the introduction of the new IDII policies, the good news is that profitability is improving across the life insurance market. With our continued discipline, this gives us confidence in being able to maintain our strong and stable margins moving forward.

Industry consolidation, changing consumer preferences and a strong regulatory focus on conduct and product development as a key ESG consideration are also tailwinds for NobleOak.

One key outcome of these trends is that we continue to outperform the market, which shows that our model is working, and customers are responding to our differentiated offer.

FY23 Outlook

FY23 has started well for NobleOak, with the Australian life insurance market continuing to show signs of improvement. While overall industry new business sales remain approximately 20% below last year, green shoots are appearing, and NobleOak continues to achieve above market growth in in-force premiums, the key value driver for our business.

Lapse rates are slowly increasing across the industry as a result of more challenging economic conditions and higher inflation. However, NobleOak's lapse rates remain below the market and well within our expectations as disclosed in our Prospectus. Looking ahead, we expect lapse rates to gradually trend upwards, while remaining below the market.

Rising interest rates are providing a tailwind for our investment returns, offsetting inflationary impacts on our cost base. We expect an increased contribution from our investment portfolio as we move further into short duration fixed interest, but we will remain conservative in our approach.

NobleOak has protected Australians for over 145 years, and our experience has shown us the resilience of life insurance in times of economic stress, when customers tend to become more risk adverse. We are well capitalised and well positioned to withstand the economic uncertainty and inflationary environment we are facing, and we expect to continue to outperform the market.

Over the first four months of FY23 to end October, our in-force premium grew by approximately 7%. Looking ahead, we expect to deliver material in-force premium growth of approximately 20% in FY23, in a market that is expected to grow by around 5%, with our disciplined approach keeping our margins stable while investing for growth and capability.

Our team is highly engaged and excited to move to our new Sydney office, where we will all be together on one floor, encouraging our teams back into the office. As CEO, I am proud to lead such a passionate team who genuinely put our customers first.

I would like to thank the team for their passion and commitment this year. They have continued to work exceptionally hard to deliver our strategy while providing excellent service to our customers when they need it most.

Thanks also to you, our fellow shareholders, for your support. I'll now hand back to Stephen for the formal business of the meeting.

Thank you.

Anthony R. Brown

Chief Executive Officer

NobleOak Life Limited