

NobleOak to acquire administration rights to a Budget Direct and Ozicare branded life insurance portfolio and enter into a distribution agreement with Auto & General

22 July 2021

Transaction highlights

- NobleOak Life Limited ACN 087 648 708 (ASX:NOL) (**NobleOak**) (through its wholly-owned subsidiary, Genus Life Insurance Services Pty Ltd ACN 631 536 537 (**Genus**)) has today entered into a binding agreement to acquire the administration rights from Auto & General Services Pty Ltd (**Auto & General**) with respect to a portfolio of Budget Direct and Ozicare branded life insurance policies which are underwritten by Hannover Life Re of Australasia Ltd (**Hannover**) and are in run-off (**A&G Portfolio**);
- As at 30 June 2021, the A&G Portfolio comprised over 4,000 policies across life insurance, income protection and accidental death products. At this date, the A&G Portfolio had a gross written premium of approximately \$4.1 million;
- The total consideration payable by Genus for the A&G Portfolio is A\$3.2 million, with the consideration to be satisfied by way of issue of ordinary shares in NobleOak (**Shares**) priced at \$1.95 per Share (in line with the price payable per Share in NobleOak's recent initial public offering) if the transaction is completed by an agreed date. Should the transaction not complete by that date, the price per Share may be adjusted (subject to an agreed floor and cap). The Shares to be issued as consideration for the acquisition of the A&G Portfolio will be issued from NobleOak's available placement capacity under ASX Listing Rule 7.1 and, accordingly, shareholder approval will not be required for the issue of the Shares;
- Estimated financial impact of the acquisition of the A&G Portfolio on NobleOak's FY22F NPAT to be an increase of between \$0.4 million and \$0.5 million on an annualised basis (noting this earnings base is anticipated to reduce as the A&G Portfolio runs down over time). Based on forecasts, the acquisition is expected to be earnings accretive;
- The Shares issued as consideration for the acquisition of the A&G Portfolio will be subjected to escrow for 12 months following completion of the transaction;
- The acquisition of the A&G Portfolio is subject to conditions precedents customary for this type of transaction, including entry into a new administration agreement with the insurer (Hannover), as well as the entry into a Transitional Services Agreement and a Distribution Agreement with Auto & General;
- The transaction is expected to complete in August 2021 and integration of the A&G Portfolio into the NobleOak business is anticipated to be complete by November 2021; and
- As noted above, if the acquisition of the A&G Portfolio completes, NobleOak will separately enter into a Distribution Agreement with Auto & General, under which Auto & General will exclusively market Budget Direct branded white labelled NobleOak life insurance products. The distribution of products under this agreement is anticipated to commence in the first calendar quarter of 2022 for a 3 year term.

Since 2000, Auto & General has specialised in the sale, management and underwriting of insurance products in Australia via various brands (namely Budget Direct and Ozicare) and partnerships such as ING, Virgin Money and Qantas.

NobleOak CEO, Anthony Brown stated:

"We continually assess opportunities to acquire value accretive investments that align with our capabilities and strategy. We have strong experience in providing high quality administration services. Through our wholly-owned subsidiary, Genus Life Insurance Services, NobleOak provides management and ongoing services to customers with run-off life risk insurance policies.

We are excited to be partnering with what we believe is one of Australia's fastest growing and most trusted challenger brands and providing award winning protection to Budget Direct customers and their families."

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

For further information, please contact:

Charisse Nortje, Company Secretary

Email: companysecretary@nobleoak.com.au

Phone: +61 2 8123 2622

Forward looking statements

This announcement contains forward-looking statements, which address a variety of subjects including, for example product development, marketing position and technical advances. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events, and developments to differ materially from our historical experience and our present expectations.

About NobleOak (ASX: NOL)

NobleOak is an independent, multi award-winning Australian APRA-regulated friendly society which provides life insurance and is based in Sydney. NobleOak 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 today (nobility, simplicity, adaptability and delivery) are grounded in the values of the Druids and are embedded deeply in the culture of NobleOak. Following its demutualisation in 2011, NobleOak repositioned its business model, launching a direct-to-consumer life insurance product set. This strategy was underpinned by NobleOak's commitment to look after customers and offer high value, easy to understand and competitive life risk insurance products through a modern and intuitive digital platform. Since then, NobleOak has diversified its business by manufacturing white labelled tailored products for Strategic Partners. These products are mostly distributed to customers through advisers. NobleOak has achieved success by participating across the life insurance value chain. NobleOak manufactures, underwrites and distributes its own life insurance products.