

## Half-year Report 2024

### Strong year-on-year growth at target margins

### Full-year guidance reiterated

Sabre Insurance Group plc (the "Group" or "Sabre"), one of the UK's leading motor insurance underwriters, reports its half-year results for the six months ended 30 June 2024.

#### KEY HIGHLIGHTS

- Strong year-on-year profit growth
- Healthy gross written premium levels being written at target margins
- Loss ratio significantly better than H1 2023
- Continued organic capital generation and strong solvency position
- Good progress across our key strategic initiatives, which will support planned growth in profit and volume in future periods

**Geoff Carter, Chief Executive Officer of Sabre, commented:**

*"We are in a strong position at the halfway point of the year, having written good levels of premium at our target margins across all product lines. This is clearly demonstrated by the positive numbers we are reporting today. We have been able to deploy price increases which reflect our view of claims inflation, and we look forward to a strong performance in the second-half of the year as the premium we have written to date earns-through."*

#### SUMMARY OF RESULTS

	Unaudited as at		Audited as at
	30 June 2024	30 June 2023	31 December 2023
	£'k	£'k	£'k
Gross written premium	£125.7m	£99.5m	£225.1m
Net loss ratio	57.3%	62.0%	56.3%
Expense ratio	26.3%	31.8%	30.0%
Combined operating ratio	83.6%	93.8%	86.3%
Net profit margin	18.0%	8.3%	15.8%
Profit before tax	£20.2m	£4.8m	£23.6m
Profit after tax	£15.1m	£3.8m	£18.1m
Interim dividend per share	1.7p	0.9p	0.9p
Final ordinary and special dividend per share	n/a	n/a	8.1p
Solvency coverage ratio (pre-interim/final dividend)	191.9%	173.0%	205.3%
Solvency coverage ratio (post-interim/final dividend)	185.2%	169.0%	170.9%

#### Current trading

- On core Motor Vehicle, we have established a position where we are able to balance the delivery of volume and profitability
- We are continuing to follow our long-established strategy of profitability being a target, and volume the output
- Motorcycle and Taxi portfolios are developing well and we consider these products provide a valuable complement to our core Motor Vehicle portfolio with good underlying profitability
- Continued strong solvency position, reflecting our robust underwriting performance, which continues to generate capital

#### Market trends

- Following the necessary market pricing correction which drove price increases in 2023, there is evidence of an anticipated slowing-down of market-wide price increases in the first half of this year
- Claims inflation has continued at relatively high levels in 2024, and this is expected to continue into 2025
- Further market-wide rate increases are required this year to meet the inflating cost of claims
- We have maintained our usual prudent approach to pricing and reserving, fully covering claims inflation through price changes

## Legal and regulatory environment

- We note the new government's comments around the need to ensure competitive and transparent pricing in motor insurance
- Our consistent target margin approach across all customer segments and lack of dependency on income from ancillary products positions Sabre well in this environment
- We believe that the UK motor insurance market delivers value for consumers through price transparency, a highly competitive market and a wide choice of products, whilst reflecting the underlying cost of claims

## Strategic initiatives

- We have continued to make solid progress with key strategic initiatives:
  - Putting in place “insurer hosted pricing”, which will provide the infrastructure for further evolving our pricing capabilities
  - On track to expand our Motorcycle distribution in early 2025
  - Enhancing the efficiency of our direct operations

## Outlook

- Guidance reiterated for the full-year:
  - Anticipate further growth in the core Motor Vehicle account with overall growth in GWP above claims inflation across 2024
  - Overall COR of 75% to 80% on an IFRS 17 (discounted) basis, dependent on the level of discounting credit recorded for the year
- Forward-looking claims inflation continues at circa 10%

There will be a call for analysts and investors at 0930hrs on Tuesday, 30 July 2024. For details, please contact [sabre@teneo.com](mailto:sabre@teneo.com) or find the registration link here: [Results Presentation](#)

## ENQUIRIES

### Sabre Insurance Group

Geoff Carter, Chief Executive Officer  
Adam Westwood, Chief Financial Officer

0330 024 4696

### Teneo

James Macey White/Ffion Dash

020 7260 2700

[sabre@teneo.com](mailto:sabre@teneo.com)

## DIVIDEND CALENDAR

### 2024 Interim Dividend Payment Dates

Ex-dividend date:	22 August 2024
Record date:	23 August 2024
Payment date:	25 September 2024

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014.

## FORWARD-LOOKING STATEMENTS DISCLAIMER

### Cautionary statement

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and involve predictions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Sabre’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Sabre’s business, results of operations, financial position, prospects, growth or strategies and the industry in which it operates.

Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. Save as required by law or regulation, Sabre disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect events or circumstances after the date of this announcement.

The Sabre Insurance Group plc LEI number is 2138006RXRQ8P8VKG98.

## FINANCIAL AND BUSINESS REVIEW

### Highlights

	Unaudited 6 months ended		Audited 12 months ended
	30 June 2024	30 June 2023	31 December 2023
Gross written premium*	£125.7m	£99.5m	£225.1m
Insurance revenue	£121.9m	£86.1m	£188.2m
Net loss ratio*	57.3%	62.0%	56.3%
Expense ratio	26.3%	31.8%	30.0%
Combined operating ratio*	83.6%	93.8%	86.3%
Net profit margin*	18.0%	8.3%	15.8%
Profit before tax	£20.2m	£4.8m	£23.6m
Profit after tax	£15.1m	£3.8m	£18.1m
Solvency coverage ratio (pre-dividend)*	191.9%	173.0%	205.3%
Solvency coverage ratio (post-dividend)*	185.2%	169.0%	170.9%

\*Alternative Performance Metrics are reconciled to IFRS in the Financial Reconciliation section

The significant improvement in top-line and profitability in the first half of 2024 is a clear demonstration of Sabre's strategy, which has allowed the Group to leverage favourable market conditions to generate profitable growth in the latter half of 2023 and into 2024, which has earned through in 2024. Whilst gross written premium is up by 26.3%, showing continued momentum in the Group's growth, a key factor in the c.4x increase in profit before tax is the 41.6% increase in insurance revenue, which is equivalent to gross earned premium plus income from instalment interest.

The increase in insurance revenue has generated an improvement in operating expense leverage, with a significant 5.5ppt reduction in expense ratio.

Net loss ratio has also improved since H1 2023, as more profitable business earns through – H1 2023 was still being impacted by the inflation shock in 2022. Overall, all products have performed in-line with expectation, and a discounted combined operating ratio of 83.6% keeps the Group on track to meet its guidance of a full-year discounted combined operating ratio within the target 75% to 80% range, dependent on the level of discounting credit achieved.

The Group's solvency coverage ratio, both pre- and post-dividend remains very strong, with capital having been generated during the period due to profitable underwriting set against the Group's capital efficient operating model. The Group's policy is to address the capital position annually once the full-year underwriting result is certain and distribute excess capital primarily by way of a special dividend following the year-end results.

### Revenue

	Unaudited 6 months ended		Audited 12 months ended
	30 June 2024	30 June 2023	31 December 2023
<b>Profit or loss</b>			
Gross written premium	£125.7m	£99.5m	£225.1m
Insurance revenue	£121.9m	£86.1m	£188.2m
Net earned premium	£101.1m	£71.8m	£156.0m
Other technical income	£0.4m	£0.7m	£1.2m
Customer instalment income	£2.0m	£1.6m	£3.7m
Interest revenue calculated using the effective interest method	£3.5m	£0.7m	£3.8m
<b>Other comprehensive income</b>			
Fair value gains/(losses) on debt securities through OCI	£0.8m	(£1.6m)	£9.3m
<b>Gross written premium by product</b>			
Motor vehicle	£112.0m	£83.0m	£199.0m
Motorcycle	£5.6m	£9.1m	£11.8m
Taxi	£8.1m	£7.4m	£14.3m
<b>Policy counts by product at period end</b>			
Motor vehicle ('000)	237	212	234
Motorcycle ('000)	41	48	44
Taxi ('000)	11	14	12

The increase in gross written premium vs H1 2023 has been primarily driven by the core Motor Vehicle product, which has grown by 34.9% year-on-year. This is slightly offset by an expected decrease in Motorcycle business following the loss of a distribution partner in Q3 2023 – although we note that the run-rate for Motorcycle policies is in-line with our expectation as compared to Q4 2023. The taxi product has grown a little as we remain cautious on this product, having taken appropriate underwriting action to protect the underwriting profitability.

Policy count for core Motor Vehicles grew 1.3% vs 31 December 2023, although the increase in policy count has slowed in recent months, as year-on-year premium growth has been achieved primarily through average premium increases. We expect policy count to grow and shrink throughout the market pricing

cycle, even in sustained periods of hard pricing, as individual insurers temporarily alter market pricing. Motorcycle and Taxi policy counts are stable and we expect these products to remain a relatively small part of the book overall.

The below table shows how the familiar measures used to calculate our KPIs build up into the income entries in the IFRS 17 Profit or Loss Account.

	Unaudited 6 months ended		Audited 12 months ended
	30 June 2024	30 June 2023	31 December 2023
Gross written premium	£125.7m	£99.5m	£225.1m
Less: Unearned element of liability for remaining coverage	(£5.8m)	(£15.0m)	(£40.6m)
<b>Gross earned premium</b>	<b>£119.9m</b>	<b>£84.5m</b>	<b>£184.5m</b>
Reinsurance expense	(£18.8m)	(£12.7m)	(£28.5m)
<b>Net earned premium</b>	<b>£101.1m</b>	<b>£71.8m</b>	<b>£156.0m</b>
Customer instalment income	£2.0m	£1.6m	£3.7m
Insurance service expense	(£97.6m)	(£66.6m)	(£139.5m)
Amounts recoverable from reinsurers	£27.1m	£12.5m	£31.5m
<b>Insurance service result</b>	<b>£32.6m</b>	<b>£19.3m</b>	<b>£51.8m</b>
<i>Represented by:</i>			
Insurance service result before reinsurance contracts held	£24.2m	£19.5m	£48.7m
Net income/(expense) from reinsurance contracts held	£8.4m	(£0.2m)	£3.0m
	<b>£32.6m</b>	<b>£19.3m</b>	<b>£51.8m</b>

This reconciliation highlights the significant improvement in underwriting performance in H1 2024, with the insurance service result being 68.9% above the same period in 2023 and 0.42% ahead of H2 2023.

## Operating expenditure

	Unaudited 6 months ended		Audited 12 months ended
	30 June 2024	30 June 2023	31 December 2023
<b>Profit or loss</b>			
Insurance service expense	£97.6m	£66.6m	£139.5m
Reinsurance expense	£18.8m	£12.7m	£28.5m
Current-year net loss ratio	57.1%	61.5%	58.8%
Prior-year net loss ratio	0.2%	0.5%	(2.5%)
Net loss ratio	57.3%	62.0%	56.3%
Other operating expenses	£14.1m	£13.2m	£26.6m
Expense ratio	26.3%	31.8%	30.0%
Combined operating ratio	83.6%	93.8%	86.3%
<b>Net loss ratio by product</b>			
Motor vehicle	55.4%	55.8%	50.4%
Motorcycle	101.2%	60.5%	65.2%
Taxi	55.3%	120.8%	108.8%

Overall net loss ratio has improved by 4.4ppts since H1 2023, as current-year experience in core Motor Vehicle has benefitted from pricing increases during and subsequent to the period of very high inflation, bringing our expected performance for the year into line with our long-term goals. This has been offset slightly by a reduction in the release of prior-year claims reserves. Overall net loss ratio has also benefitted from the greater proportion of business earned on the core Motor Vehicle book vs the less mature products. We note that Motorcycle and Taxi business is on-track to deliver a profit in 2024 and, notwithstanding the volatility inherent within smaller lines of business and demonstrated in the H1 loss ratio for Motorcycle, appear to be performing close to our target margins.

The expense ratio improved by 5.5ppts vs H1 2023, showing the benefit of enhanced operating leverage and continued tight control of costs.

	Unaudited 6 months ended	Audited 12 months ended
	30 June 2024	30 June 2023 31 December 2023
Undiscounted gross claims incurred	£88.7m	£63.1m £139.6m
Discounting	(£3.6m)	(£6.1m) (£20.3m)
Directly attributable expenses	£3.8m	£3.0m £6.1m
Amortisation of insurance acquisition costs	£8.8m	£6.6m £14.1m
<b>Insurance service expense</b>	<b>£97.7m</b>	<b>£66.6m £139.5m</b>
Undiscounted reinsurance recoveries	(£28.7m)	(£15.6m) (£41.4m)
Discounting	£1.6m	£3.1m £9.8m
<b>Amounts recoverable from reinsurers for incurred claims</b>	<b>(£27.1m)</b>	<b>(£12.5m) (£31.6m)</b>
Undiscounted net claims incurred *	£60.3m	£47.5m £96.0m
Net earned premium	£101.1m	£71.8m £156.0m
Current-year undiscounted net loss ratio	59.3%	69.7% 64.3%
Prior-year undiscounted net loss ratio	0.4%	(3.5%) (2.7%)
<b>Financial-year undiscounted net loss ratio</b>	<b>59.7%</b>	<b>66.2% 61.6%</b>
Undiscounted combined operating ratio	86.0%	98.0% 91.6%
<b>Undiscounted net loss ratio by product</b>		
Motor vehicle	56.7%	58.9% 55.0%
Motorcycle	110.6%	67.3% 73.3%
Taxi	68.3%	132.8% 117.1%

\* Not adjusted for discounting on PPOs, consistent with prior reporting periods

On an undiscounted basis, the current-year loss ratio has improved at a portfolio-level since 2023, a result of price increases earning-through and a greater proportion of business being earned on the core Motor Vehicle book as opposed to Motorcycle and Taxi. Overall, the core Motor Vehicle book continues to perform in-line with our expectations, with current-year carrying some expected growth strain reflecting the normal uncertainty inherent within new claims. The prior-year run-off has been lower than in previous periods, however at the 6-month stage this is often more volatile than on an annual basis.

Whilst the Taxi loss ratio has improved considerably, the Motorcycle loss ratio has moved out. This shows the inherent variability in loss ratio across these very small lines of business, where a movement in one large claim can significantly impact the loss ratio. It is our view that both portfolios are operating profitably in the long-run and we expect both products to deliver a profit for the full-year.

## Net insurance financial result

	Unaudited 6 months ended	Audited 12 months ended
	30 June 2024	30 June 2023 31 December 2023
Insurance finance income expense for insurance contracts issued	(£4.1m)	(£4.7m) (£10.2m)
Reinsurance finance income for reinsurance contracts held	£1.9m	£2.1m £3.6m
<b>Net insurance financial result</b>	<b>(£2.2m)</b>	<b>(£2.6m) (£6.6m)</b>

Net insurance finance result primarily reflects the run-off of discounting recorded during the period.

## Other comprehensive income ('OCI')

	Unaudited 6 months ended	Audited 12 months ended
	30 June 2024	30 June 2023 31 December 2023
<b>Key elements of other comprehensive income</b>		
Fair value gains/(losses) on debt securities through OCI	£0.8m	(£1.6m) £9.3m
Net insurance financial result	£1.2m	£3.8m (£7.0m)

The net insurance financial result through OCI reflects the run-off specifically related to prior charges/credits to OCI, which are generated primarily through changes in discount rates.

## Earnings per share

	Unaudited 6 months ended	Audited 12 months ended
	30 June 2024	30 June 2023 31 December 2023
Basic earnings per share	6.08p	1.54p 7.27p
Diluted earnings per share	6.04p	1.52p 7.20p

Earnings per share reflects the Group's profit after tax divided by the number of shares, adjusted for dilution through equity-settled incentive schemes.

## Cash and investments

	Unaudited 6 months ended	Audited 12 months ended
	30 June 2024	30 June 2023 31 December 2023
Government bonds	£109.5m	£85.6m £107.0m
Government-backed securities	£98.7m	£80.5m £81.9m
Corporate bonds	£81.4m	£61.5m £75.7m
Cash and cash equivalents	£37.5m	£29.3m £35.1m
	£327.1m	£256.9m £299.7m

The increase in the size of the investment portfolio reflects growth in the business and organic generation of capital. The Group's investment objectives remain to operate a low capital-intensity, low-risk portfolio which generates income ahead of the risk-free interest rate.

## Insurance liabilities and reinsurance contracts

	Unaudited 6 months ended	Audited 12 months ended
	30 June 2024	30 June 2023 31 December 2023
Gross insurance liabilities	£421.2m	£322.0m £374.8m
Reinsurance assets	(£179.8m)	(£138.3m) (£166.7m)
Net insurance liabilities	£241.4m	£183.7m £208.1m

The increase in net insurance liabilities reflects the growth in the size of the business over the period.

## Leverage

The Group continues to hold no external debt. All of the Group's capital is considered 'Tier 1' under Solvency II. The Directors continue to hold the view that this currently allows the greatest operational flexibility for the Group.

## Dividend

	Unaudited 6 months ended	Audited 12 months ended
	30 June 2024	30 June 2023 31 December 2023
Interim ordinary dividend	1.7p	0.9p 0.9p
Final ordinary dividend	-	- 4.2p
Total ordinary dividend	1.7p	0.9p 5.1p
Special dividend	-	- 3.9p
Total dividend	1.7p	0.9p 9.0p

The Board has declared an ordinary interim dividend of 1.7p per share (30 June 2023: 0.9p) in line with the Group's policy to pay an interim dividend equal to one-third of prior-year's ordinary dividend. The Directors will consider distribution of further excess capital following the release of the Group's full-year results.

## Condensed Consolidated Profit or Loss Account

For the six months ended 30 June 2024

	Notes	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Insurance revenue	3.4	121,852	86,119	188,246
Insurance service expense	3.4	(97,646)	(66,628)	(139,497)
<b>Insurance service result before reinsurance contracts held</b>		<b>24,206</b>	<b>19,491</b>	<b>48,749</b>
Reinsurance expense	3.4	(18,755)	(12,655)	(28,506)
Change in amounts recoverable from reinsurers for incurred claims	3.4	27,127	12,498	31,532
<b>Net income/(expense) from reinsurance contracts held</b>		<b>8,372</b>	<b>(157)</b>	<b>3,026</b>
<b>Insurance service result</b>		<b>32,578</b>	<b>19,334</b>	<b>51,775</b>
Interest income on financial assets using effective interest rate method	4.4	3,495	720	3,775
<b>Total investment income</b>		<b>3,495</b>	<b>720</b>	<b>3,775</b>
Insurance finance expenses from insurance contracts issued		(4,111)	(4,736)	(10,170)
Reinsurance finance income from reinsurance contracts held		1,892	2,085	3,588
<b>Net insurance financial result</b>		<b>(2,219)</b>	<b>(2,651)</b>	<b>(6,582)</b>
<b>Net insurance and investment result</b>		<b>33,854</b>	<b>17,403</b>	<b>48,968</b>
Other income	6	427	682	1,232
Other operating expenses	7	(14,069)	(13,243)	(26,587)
<b>Profit before tax</b>		<b>20,212</b>	<b>4,842</b>	<b>23,613</b>
Income tax expense	8	(5,106)	(1,020)	(5,548)
<b>Profit for the period attributable to ordinary shareholders</b>		<b>15,106</b>	<b>3,822</b>	<b>18,065</b>
Basic earnings per share (pence per share)		6.08	1.54	7.27
Diluted earnings per share (pence per share)		6.04	1.52	7.20

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

		30 June 2024	30 June 2023	31 December 2023
	Notes	£'k	£'k	£'k
Profit for the period attributable to ordinary shareholders		15,106	3,822	18,065
<i>Items that are or may be reclassified subsequently to Profit or Loss</i>				
Unrealised fair value gains/(losses) on debt securities	4.5	819	(1,636)	9,284
Tax (charge)/credit		(205)	409	(2,149)
<b>Debt securities at fair value through other comprehensive income</b>		<b>614</b>	<b>(1,227)</b>	<b>7,135</b>
Insurance finance income/(expense) from insurance contracts issued		3,298	5,745	(12,436)
Reinsurance finance (expense)/income from reinsurance contracts held		(2,127)	(1,946)	5,432
Tax (charge)/credit		(293)	(925)	1,550
<b>Net insurance financial income/(expense)</b>		<b>878</b>	<b>2,874</b>	<b>(5,454)</b>
<i>Items which will not be reclassified to Profit or Loss</i>				
Revaluation losses on owner-occupied properties		-	-	(800)
Income tax relating to items that will not be reclassified		-	-	(31)
		-	-	(831)
<b>Total other comprehensive income for the period, net of tax</b>		<b>1,492</b>	<b>1,647</b>	<b>850</b>
<b>Total comprehensive income for the period attributable to ordinary shareholders</b>		<b>16,598</b>	<b>5,469</b>	<b>18,915</b>



# Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 £'k	30 June 2023 <sup>(1)</sup> £'k	31 December 2023 <sup>(1)</sup> £'k
<b>Assets</b>				
Cash and cash equivalents	4.1	37,469	29,327	35,079
Financial investments	4.2	289,553	227,667	264,679
Receivables	4.3	58	6	87
Current tax assets		2,281	3,363	1,438
Reinsurance contract assets	3.1	179,838	138,332	166,726
Property, plant and equipment		4,283	5,133	4,388
Deferred tax assets		167	1,215	688
Other assets		2,186	2,097	774
Goodwill		156,279	156,279	156,279
<b>Total assets</b>		<b>672,114</b>	<b>563,419</b>	<b>630,138</b>
<b>Liabilities</b>				
Payables	5	8,561	8,345	9,700
Insurance contract liabilities	3.1	421,184	321,965	374,839
Other liabilities		3,303	2,260	3,187
<b>Total liabilities</b>		<b>433,048</b>	<b>332,570</b>	<b>387,726</b>
<b>Equity</b>				
Issued share capital		250	250	250
Own shares		(2,722)	(2,552)	(3,121)
Merger reserve		48,525	48,525	48,525
FVOCI reserve		(5,280)	(14,256)	(5,894)
Revaluation reserve		-	831	-
Insurance/Reinsurance finance reserve <sup>(1)</sup>		3,117	10,567	2,239
Share-based payments reserve		1,834	1,883	2,686
Retained earnings <sup>(1)</sup>		193,342	185,601	197,727
<b>Total equity</b>		<b>239,066</b>	<b>230,849</b>	<b>242,412</b>
<b>Total liabilities and equity</b>		<b>672,114</b>	<b>563,419</b>	<b>630,138</b>

(1) Opening balance restatement - Refer to Note 3 "Insurance liabilities and reinsurance assets"

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital £'k	Own shares £'k	Merger reserve £'k	FVOCI reserve £'k	Revaluation reserve £'k	Insurance/ Reinsurance finance reserve <sup>(1)</sup> £'k	Share-based payments reserve £'k	Retained earnings <sup>(1)</sup> £'k	Total equity £'k
Balance as at 1 January 2023	250	(2,810)	48,525	(13,029)	831	10,244	2,407	182,570	228,988
Discounting model refinements <sup>(1)</sup>	-	-	-	-	-	(2,551)	-	2,551	-
Restated balance as at 1 January 2023 <sup>(1)</sup>	250	(2,810)	48,525	(13,029)	831	7,693	2,407	185,121	228,988
Profit for the period attributable to ordinary shareholders	-	-	-	-	-	-	-	3,822	3,822
Total other comprehensive income for the period, net of tax: <i>Items that are or may be reclassified subsequently to Profit or Loss</i>	-	-	-	(1,227)	-	2,874	-	-	1,647
Share-based payment expense	-	-	-	-	-	-	(524)	886	362
Net movement in own shares	-	258	-	-	-	-	-	-	258
Dividends paid	-	-	-	-	-	-	-	(4,228)	(4,228)
Restated balance as at 30 June 2023 <sup>(1)</sup>	250	(2,552)	48,525	(14,256)	831	10,567	1,883	185,601	230,849
Profit for the period attributable to ordinary shareholders	-	-	-	-	-	-	-	14,243	14,243
Total other comprehensive income for the period, net of tax: <i>Items that are or may be reclassified subsequently to Profit or Loss</i>	-	-	-	8,362	-	(8,328)	-	-	34
Total other comprehensive income for the period, net of tax: <i>Items which will not be reclassified to Profit or Loss</i>	-	-	-	-	(831)	-	-	-	(831)
Share-based payment expense	-	-	-	-	-	-	803	121	924
Net movement in own shares	-	(569)	-	-	-	-	-	-	(569)
Dividends paid	-	-	-	-	-	-	-	(2,238)	(2,238)
Restated balance as at 31 December 2023 <sup>(1)</sup>	250	(3,121)	48,525	(5,894)	-	2,239	2,686	197,727	242,412
Profit for the period attributable to ordinary shareholders	-	-	-	-	-	-	-	15,106	15,106
Total other comprehensive income for the period, net of tax: <i>Items that are or may be reclassified subsequently to Profit or Loss</i>	-	-	-	614	-	878	-	-	1,492
Share-based payment expense	-	-	-	-	-	-	(852)	631	(221)
Net movement in own shares	-	399	-	-	-	-	-	-	399
Dividends paid	-	-	-	-	-	-	-	(20,122)	(20,122)
<b>Balance as at 30 June 2024</b>	<b>250</b>	<b>(2,722)</b>	<b>48,525</b>	<b>(5,280)</b>	<b>-</b>	<b>3,117</b>	<b>1,834</b>	<b>193,342</b>	<b>239,066</b>

<sup>(1)</sup> Opening balance restatement - Refer to Note 3 "Insurance liabilities and reinsurance assets"

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax for the period	20,212	4,842	23,613
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	105	45	140
Share-based payment – equity-settled schemes	822	803	1,606
Investment return	(2,632)	(523)	(3,131)
Expected credit loss	-	-	6
Impairment loss on owner-occupied buildings	-	-	333
<b>Operating cash flows before movements in working capital</b>	<b>18,507</b>	<b>5,167</b>	<b>22,567</b>
<i>Movements in working capital:</i>			
Change in receivables	29	1	(80)
Change in reinsurance contract assets	(15,239)	(3,325)	(24,340)
Change in other assets	(1,412)	(819)	504
Change in payables	(1,139)	3,236	4,592
Change in insurance contract liabilities	49,643	13,370	48,062
Change in other liabilities	116	878	1,804
<b>Cash generated from operating activities before investment of insurance assets</b>	<b>50,505</b>	<b>18,508</b>	<b>53,109</b>
Taxes paid	(5,926)	(2,468)	(4,658)
<b>Net cash generated from operating activities before investment of insurance assets</b>	<b>44,579</b>	<b>16,040</b>	<b>48,451</b>
Interest and investment income received	2,121	1,431	3,818
Proceeds from the sale and maturity of invested assets	17,908	4,400	24,089
Purchases of invested assets	(41,452)	(5,452)	(51,018)
<b>Net cash generated from operating activities</b>	<b>23,156</b>	<b>16,419</b>	<b>25,340</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	-	(1,182)	(1,665)
<b>Net cash used by investing activities</b>	<b>-</b>	<b>(1,182)</b>	<b>(1,665)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in acquiring and disposing of own shares	(644)	(184)	(632)
Dividends paid	(20,122)	(4,228)	(6,466)
<b>Net cash used by financing activities</b>	<b>(20,766)</b>	<b>(4,412)</b>	<b>(7,098)</b>
Net increase in cash and cash equivalents	2,390	10,825	16,577
Cash and cash equivalents at the beginning of the year	35,079	18,502	18,502
<b>Cash and cash equivalents at the end of the year</b>	<b>37,469</b>	<b>29,327</b>	<b>35,079</b>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 1. GENERAL INFORMATION

The Condensed Consolidated Interim Financial Statements comprise the results and balances of the Group for the six-month period ended 30 June 2024, the comparative period for the six months ended 30 June 2023 and the year ended 31 December 2023. The information in the Condensed Consolidated Interim Financial Statements is unaudited and does not constitute statutory accounts as defined in s.434 of the Companies Act 2006. The independent auditor's report on the Group accounts for the year ended 31 December 2023 is unqualified, does not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and does not include a statement under s.498(2) or (3) of the Companies Act 2006.

## 2. ACCOUNTING POLICIES

### 2.1. Basis of preparation

The Condensed Consolidated Interim Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standard 34 ('Interim Financial Reporting'). As required by the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority, these Condensed Consolidated Interim Financial Statements have been prepared applying the accounting policies and presentation that will be applied in the preparation of the Annual Financial Statements of the Group and will be prepared in accordance and fully comply with UK-adopted international accounting standards, comprising International Accounting Standards ('IAS') and International Financial Reporting Standards ('IFRSs'). The Annual Financial Statements were prepared in accordance with the going concern principle using the historical cost basis, except for those financial assets that have been measured at fair value.

The accounting policies applied in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those accounting policies applied in the preparation of the 31 December 2023 Annual Report and Accounts, except for those referred to in 2.3 below.

Other than the Equity opening balance restatement, the prior year accounts have been reported on by the Group's auditors and filed with the Registrar of Companies. This report should be read in conjunction with the Group's Annual Report and Accounts as at and for the year ended 31 December 2023.

The Condensed Consolidated Interim Financial Statements values are presented in Pounds Sterling (£) rounded to the nearest thousand (£'k), unless otherwise indicated. The Group does not consider it is exposed to material seasonal volatility in its financial results.

### 2.2. Going concern

The Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis. Having assessed the Group's forecasts, projections and principal risks of the Group over the full duration of the planning cycle, the Directors have a reasonable expectation that the Group will continue in operation for at least 12 months from the date the Directors approved these Condensed Consolidated Financial Statements and that therefore it is appropriate to adopt a going concern basis for the preparation of these Condensed Consolidated Financial Statements.

The Group's Principal Risks and Uncertainties are outlined in the Strategic Report of the 31 December 2023 Annual Report and Accounts and have not changed since the last reporting date. The principal risks are:

- Insurance
- Operations
- Finance and Capital
- IT and Systems
- Regulatory, Governance and Compliance
- People
- Macro risks
  - Climate
  - Inflation and interest rate increases
  - Geo-political

### 2.3. New and amended standards and interpretations adopted by the Group

#### Amendments to IFRS

The following amended standards became effective for the year ended 31 December 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Amendments to IAS 1 Presentation of Financial Statements
  - Classification of Liabilities as Current or Non-Current
  - Non-current Liabilities with Covenants
  - Removed the requirement that the right to defer settlement be unconditional
  - Deferral of Effective Date Amendment
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

None of the amendments have had a material impact on the Group.

### 2.4. New and amended standards and interpretations not yet effective in 2024

A number of new standards and interpretations adopted by the UK which are not mandatorily effective, as well as standards' interpretations issued by the IASB but not yet adopted by the UK, have not been applied in preparing these financial statements. The Group does not plan to adopt these standards early; instead it expects to apply them from their effective dates as determined by their dates of UK endorsement. The Group is reviewing the upcoming standards to determine their impact:

- Lack of Exchangeability (Amendments to IAS 21) – Effective 1 January 2025
- IFRS 18 Presentation and Disclosure in Financial Statements – Effective 1 January 2027

### 3. INSURANCE LIABILITIES AND REINSURANCE ASSETS

#### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no significant changes to the principles, estimates and judgements used in applying the Group's accounting policies during the period. Full details of these critical accounting estimates and judgements are disclosed on pages 126 to 128 of the Group's Annual Report and Accounts 2023.

#### Discount rates

Discount rates applied for discounting future cash flows are listed below:

	30 June 2024				30 June 2023				31 December 2023			
	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years
Motor insurance	5.12%	4.48%	4.19%	4.09%	6.35%	5.92%	5.32%	4.54%	5.05%	3.98%	3.67%	3.59%

#### Risk adjustment for non-financial risk

The Company has estimated the risk adjustment using a methodology which targets a confidence level (probability of sufficiency) approach between the 80th and 90th percentile. At 30 June 2023, the risk margin applied equates to an approximate confidence interval of 82.1% (30 June 2023: 82.0% / 31 December 2023: 81.3%)

#### 3.1. Composition of the Statement of Financial Position

An analysis of the amounts presented on the Statement of Financial Position for insurance contracts is included in the table below.

	Notes	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
<b>Insurance contract liabilities</b>				
<i>Insurance contract liabilities</i>				
Motor Vehicle insurance		366,778	273,168	321,720
Motorcycle insurance		35,653	31,462	32,370
Taxi insurance		28,241	24,469	29,482
<i>Asset for insurance acquisition cash flows</i>				
Motor Vehicle insurance	3.3	(7,435)	(5,204)	(6,933)
Motorcycle insurance	3.3	(1,011)	(926)	(867)
Taxi insurance	3.3	(1,042)	(1,004)	(933)
<b>Total insurance contract liabilities</b>		<b>421,184</b>	<b>321,965</b>	<b>374,839</b>
<b>Reinsurance contracts assets</b>				
Motor Vehicle insurance		158,694	120,160	143,364
Motorcycle insurance		13,819	11,147	13,502
Taxi insurance		7,325	7,025	9,860
<b>Total reinsurance contract assets</b>		<b>179,838</b>	<b>138,332</b>	<b>166,726</b>

### 3.2. Movements in insurance and reinsurance contract balances

#### 3.2.1. Insurance contracts issued

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
<b>Opening insurance contract liabilities</b>	<b>374,839</b>	<b>314,341</b>	<b>314,341</b>
<b>Changes in the Profit or Loss Account</b>			
<b>Insurance revenue</b>	<b>(121,852)</b>	<b>(86,119)</b>	<b>(188,246)</b>
<b>Insurance service expenses</b>			
Incurred claims and other directly attributable expenses	73,326	60,945	123,662
Changes that relate to past service – <i>changes in the FCF relating to the LIC</i>	15,538	(953)	1,778
Amortisation of insurance acquisition cash flows	8,782	6,636	14,057
	<b>97,646</b>	<b>66,628</b>	<b>139,497</b>
<b>Insurance service result</b>	<b>(24,206)</b>	<b>(19,491)</b>	<b>(48,749)</b>
Net finance income from insurance contracts issued	4,111	4,736	10,170
<b>Total changes in the Profit or Loss Account</b>	<b>(20,095)</b>	<b>(14,755)</b>	<b>(38,579)</b>
<b>Changes in the Statement of Comprehensive Income</b>			
Net finance (expense)/ income from insurance contracts issued	(3,298)	(5,745)	12,436
<b>Total changes in Statement of Comprehensive Income</b>	<b>(3,298)</b>	<b>(5,745)</b>	<b>12,436</b>
<b>Cash flows</b>			
Premiums received	130,713	87,493	206,189
Claims and other insurance services expenses paid	(51,438)	(51,561)	(102,720)
Insurance acquisition cash flows	(9,537)	(7,808)	(16,828)
<b>Total cash flows</b>	<b>69,738</b>	<b>28,124</b>	<b>86,641</b>
<b>Closing insurance contract liabilities</b>	<b>421,184</b>	<b>321,965</b>	<b>374,839</b>

### 3.2. Movements in insurance and reinsurance contract balances

#### 3.2.2. Reinsurance contracts held

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
<b>Opening reinsurance contract assets</b>	<b>166,726</b>	136,954	136,954
<b>Changes in the Profit or Loss Account</b>			
<b>Net income/(expense) from reinsurance contracts held</b>			
Reinsurance expense	(18,755)	(12,655)	(28,506)
Incurred claims recovery	11,752	13,825	25,841
Changes that relate to past service – <i>changes in the FCF relating to incurred claims recovery</i>	15,375	(1,327)	5,691
	8,372	(157)	3,026
Net finance income for reinsurance contracts held	1,892	2,085	3,588
<b>Total changes in the Profit or Loss Account</b>	<b>10,264</b>	1,928	6,614
<b>Changes in the Statement of Comprehensive Income</b>			
Net finance (expense)/ income for reinsurance contracts held	(2,127)	(1,946)	5,432
<b>Total changes in Statement of Comprehensive Income</b>	<b>(2,127)</b>	(1,946)	5,432
<b>Cash flows</b>			
Premiums paid	6,043	6,408	24,906
Recoveries received	(1,068)	(5,012)	(7,180)
<b>Total cash flows</b>	<b>4,975</b>	1,396	17,726
<b>Closing reinsurance contract assets</b>	<b>179,838</b>	138,332	166,726

### 3.3. Assets for insurance acquisition cash flows

	£'k
<b>Balance as at 1 January 2023</b>	5,962
Amounts incurred during the year	7,808
Amounts derecognised and included in measurement of insurance contracts	(6,636)
<b>Balance as at 30 June 2023</b>	7,134
Amounts incurred during the year	9,019
Amounts derecognised and included in measurement of insurance contracts	(7,420)
<b>Balance as at 31 December 2023</b>	8,733
Amounts incurred during the year	9,537
Amounts derecognised and included in measurement of insurance contracts	(8,782)
<b>Balance as at 30 June 2024</b>	<b>9,488</b>

### 3.4. Insurance revenue and expenses – Segmental disclosure

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held is included in the tables below. Additional information on amounts recognised in Profit or Loss and OCI is included in the movements in insurance and reinsurance contract balances in Note 3.2.

The Group provides short-term motor insurance to clients, which comprises three lines of business, Motor Vehicle insurance, Motorcycle insurance and Taxi insurance, which are written solely in the UK. The Group has no other lines of business, nor does it operate outside of the UK. Other income relates to auxiliary products and services, including brokerage and administration fees, all relating to the motor insurance business. The Group does not have a single client which accounts for more than 10% of revenue.

	6 months ended 30 June 2024				6 months ended 30 June 2023			
	Motor Vehicle £'k	Motorcycle £'k	Taxi £'k	Total £'k	Motor Vehicle £'k	Motorcycle £'k	Taxi £'k	Total £'k
<b>Insurance revenue</b>								
Insurance revenue from contracts measured under the PAA	109,549	5,059	7,244	121,852	69,616	9,132	7,371	86,119
<b>Total insurance revenue</b>	<b>109,549</b>	<b>5,059</b>	<b>7,244</b>	<b>121,852</b>	<b>69,616</b>	<b>9,132</b>	<b>7,371</b>	<b>86,119</b>
<b>Insurance service expense</b>								
Incurred claims and other directly attributable expenses	(62,053)	(4,131)	(7,142)	(73,326)	(39,911)	(11,242)	(9,792)	(60,945)
Changes that relate to past service – changes in the FCF relating to the LIC	(19,987)	(1,114)	5,563	(15,538)	(888)	2,659	(818)	953
Amortisation of insurance acquisition cash flows	(6,813)	(1,046)	(923)	(8,782)	(4,580)	(1,111)	(945)	(6,636)
<b>Total insurance service expense</b>	<b>(88,853)</b>	<b>(6,291)</b>	<b>(2,502)</b>	<b>(97,646)</b>	<b>(45,379)</b>	<b>(9,694)</b>	<b>(11,555)</b>	<b>(66,628)</b>
<b>Net income/(expenses) from reinsurance contracts held</b>								
Reinsurance expenses – contracts measured under the PAA	(16,829)	(801)	(1,125)	(18,755)	(10,183)	(1,368)	(1,104)	(12,655)
Incurred claims recovery	9,977	237	1,539	11,753	5,475	5,545	2,805	13,825
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	18,702	159	(3,487)	15,374	854	(2,266)	85	(1,327)
<b>Total net income/(expense) from reinsurance contracts held</b>	<b>11,850</b>	<b>(405)</b>	<b>(3,073)</b>	<b>8,372</b>	<b>(3,854)</b>	<b>1,911</b>	<b>1,786</b>	<b>(157)</b>
<b>Total insurance service result</b>	<b>32,546</b>	<b>(1,637)</b>	<b>1,669</b>	<b>32,578</b>	<b>20,383</b>	<b>1,349</b>	<b>(2,398)</b>	<b>19,334</b>

Other than reinsurance assets and insurance liabilities (see Note 3.1), the Group does not allocate, monitor or report assets and liabilities per business line and does not consider the information useful in the day-to-day running of the Group's operations. The Group also does not allocate, monitor, or report other income and expenses per business line.



	12 months ended 31 December 2023			
	Motor Vehicle £'k	Motorcycle £'k	Taxi £'k	Total £'k
<b>Insurance revenue</b>				
Insurance revenue from contracts measured under the PAA	158,054	15,363	14,829	188,246
<b>Total insurance revenue</b>	<b>158,054</b>	<b>15,363</b>	<b>14,829</b>	<b>188,246</b>
<b>Insurance service expense</b>				
Incurred claims and other directly attributable expenses	(91,688)	(16,087)	(15,887)	(123,662)
Changes that relate to past service – changes in the FCF relating to the LIC	(861)	1,796	(2,713)	(1,778)
Amortisation of insurance acquisition cash flows	(10,206)	(1,953)	(1,898)	(14,057)
<b>Total insurance service expense</b>	<b>(102,755)</b>	<b>(16,244)</b>	<b>(20,498)</b>	<b>(139,497)</b>
<b>Net income/(expense) from reinsurance contracts held</b>				
Reinsurance expense – contracts measured under the PAA	(23,800)	(2,444)	(2,262)	(28,506)
Incurred claims recovery	17,367	5,947	2,527	25,841
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	4,758	(1,184)	2,117	5,691
<b>Total net income/(expense) from reinsurance contracts held</b>	<b>(1,675)</b>	<b>2,319</b>	<b>2,382</b>	<b>3,026</b>
<b>Total insurance service result</b>	<b>53,624</b>	<b>1,438</b>	<b>(3,287)</b>	<b>51,775</b>

### 3.5. Opening balance restatement - Insurance Finance Reserve

As a result of refinements made to the IFRS 17 discounting model, an amount of £2.6m has been reclassified between 2023's opening Retained Earnings and opening Insurance/Reinsurance Finance Reserve. This restatement has no impact on the total equity or regulatory capital of the Group, and has no impact on the Consolidated Profit and Loss Account or Consolidated Statement of Comprehensive Income for any of the previously reported periods.

## 4. FINANCIAL ASSETS

The Group's financial assets are summarised below:

	Notes	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Cash and cash equivalents	4.1	37,469	29,327	35,079
Debt securities held at fair value through other comprehensive income	4.2	289,553	227,667	264,679
Receivables	4.3	58	6	87
<b>Total</b>		<b>327,080</b>	<b>257,000</b>	<b>299,845</b>

### 4.1. Cash and cash equivalents

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Cash at bank and on hand	15,995	23,462	12,890
Money market funds	21,474	5,865	22,189
<b>Total</b>	<b>37,469</b>	<b>29,327</b>	<b>35,079</b>

Cash held in money market funds has no notice period for withdrawal.

The carrying value of cash and cash equivalents approximates fair value. The full value is expected to be realised within 12 months.

### 4.2. Debt securities held at fair value through other comprehensive income

The Group's debt securities held at fair value through other comprehensive income are summarised below:

	30 June 2024		30 June 2023		31 December 2023	
	£'k	% holdings	£'k	% holdings	£'k	% holdings
Government bonds	109,396	37.8%	85,605	37.6%	107,040	40.4%
Government-backed securities	98,709	34.1%	80,548	35.4%	81,942	31.0%
Corporate bonds	81,448	28.1%	61,514	27.0%	75,697	28.6%
<b>Total</b>	<b>289,553</b>	<b>100.0%</b>	<b>227,667</b>	<b>100.0%</b>	<b>264,679</b>	<b>100.0%</b>

Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's view of market assumptions in the absence of observable market information.

IFRS 13 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement.

Disclosure of fair value measurements by level is according to the following fair value measurement hierarchy:

- **Level 1:** fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on reporting date
- **Level 2:** fair value is determined through inputs, other than quoted prices included in Level 1 that are observable for the assets and liabilities, either directly (prices) or indirectly (derived from prices)
- **Level 3:** fair value is determined through valuation techniques which use significant unobservable inputs

#### Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date. A market is regarded as active if quoted prices are readily and regularly available from the stock exchange or pricing service, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing bid price. These instruments are included in Level 1 and comprise only debt securities classified as fair value through other comprehensive income.

#### Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant input required to fair value an instrument is observable, the instrument is included in Level 2. The Group has no Level 2 financial instruments.

#### Level 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. The Group has no Level 3 financial instruments.

#### Transfers between levels

There have been no transfers between levels during the period (30 June 2023: no transfers / 31 December 2023: no transfers).

### 4.3. Receivables

The Group's receivables comprise of:

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Other debtors	58	6	87
<b>Total</b>	<b>58</b>	<b>6</b>	<b>87</b>

The estimated fair values of receivables are the discounted amounts of the estimated future cash flows expected to be received.

The carrying value of receivables approximates fair value. The provision for expected credit losses ('ECL') is based on the recoverability of the individual receivables.

The Group has calculated the ECL on receivables and has concluded that it is wholly immaterial and such further disclosure has not been included.

### 4.4. Investment income

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
<b>Interest income on financial assets using effective interest rate method</b>			
Interest income from debt securities	2,632	523	3,131
Interest income from cash and cash equivalents	863	197	644
<b>Total</b>	<b>3,495</b>	<b>720</b>	<b>3,775</b>

### 4.5. Net gains/(losses) from fair value adjustments on financial assets

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
<b>Other comprehensive income</b>			
Unrealised fair value gains/(losses) on debt securities	819	(1,636)	9,278
Expected credit loss	-	-	6
<b>Unrealised fair value gains/(losses) on debt securities through Other Comprehensive Income</b>	<b>819</b>	<b>(1,636)</b>	<b>9,284</b>
<b>Net gains/(losses) from fair value adjustments on financial assets</b>	<b>819</b>	<b>(1,636)</b>	<b>9,284</b>

## 5. PAYABLES

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Trade and other creditors	1,020	1,643	2,149
Indirect taxes	7,541	6,702	7,551
<b>Total</b>	<b>8,561</b>	<b>8,345</b>	<b>9,700</b>

## 6. OTHER INCOME

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Administration fees	33	379	495
Brokerage and other fee income	394	303	737
<b>Total</b>	<b>427</b>	<b>682</b>	<b>1,232</b>

Other income relates to auxiliary products and services, including brokerage and administration fees, all relating to the Motor Vehicle product.

## 7. OTHER OPERATING EXPENSES

	Notes	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Employee expenses	7.1	8,046	7,237	13,869
Property expenses		161	469	689
IT expenses including IT depreciation		3,314	3,077	5,961
Other depreciation		57	4	59
Industry levies		2,927	2,973	5,936
Policy servicing costs		1,510	1,010	2,491
Other operating expenses		1,817	1,464	3,328
Movement in expected credit loss on debt securities		-	-	6
Impairment loss on owner occupied properties		-	-	333
<b>Before adjustment for directly attributable claims expenses</b>		<b>17,832</b>	<b>16,234</b>	<b>32,672</b>
<i>Adjusted for:</i>				
Reclassification of directly attributable claims expenses		(3,763)	(2,991)	(6,085)
<b>Total operating expenses</b>		<b>14,069</b>	<b>13,243</b>	<b>26,587</b>

### 7.1. Employee expenses

The aggregate remuneration of those employed by the Group's operations comprised:

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Wages and salaries	5,939	5,216	10,079
Social security expenses	691	745	1,276
Contributions to defined contribution plans	307	292	557
Equity-settled share-based payment	851	803	1,606
Other employee expenses	258	181	351
<b>Before adjustment for directly attributable claims expenses</b>	<b>8,046</b>	<b>7,237</b>	<b>13,869</b>
<i>Adjusted for:</i>			
Reclassification of directly attributable claims expenses	(2,531)	(2,081)	(4,146)
<b>Employee expenses</b>	<b>5,515</b>	<b>5,156</b>	<b>9,723</b>

## 8. INCOME TAX EXPENSE

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
<b>Current taxation</b>			
Charge for the year	5,082	360	4,444
	5,082	360	4,444
<b>Deferred taxation</b>			
Origination and reversal of temporary differences	24	660	1,104
	24	660	1,104
Current taxation	5,082	360	4,444
Deferred taxation	24	660	1,104
<b>Income tax expense for the year</b>	<b>5,106</b>	<b>1,020</b>	<b>5,548</b>

Tax recorded in Other Comprehensive Income is as follows:

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Current taxation	-	-	31
Deferred taxation	498	516	599
	498	516	630

Management estimates the Group's effective tax rate to be approximately 25.3% of profit before tax for the year ending 31 December 2024, in line with the corporation tax rate in the UK of 25.0%. This estimate is slightly higher than the prevailing rate of corporation tax in the UK, reflecting the impact of the Group's employee share schemes. The income tax expense for the period is recognised based on this estimate.

## 9. DIVIDENDS

	30 June 2024		30 June 2023		31 December 2023	
	pence per share	£'k	pence per share	£'k	pence per share	£'k
<b>Amounts recognised as distributions to equity holders in the period</b>						
Interim dividend for the current year	-	-	-	-	0.9	2,238
Final dividend for the prior year	8.1	20,122	1.7	4,228	1.7	4,228
	8.1	20,122	1.7	4,228	2.6	6,466
<b>Proposed dividends</b>						
Interim dividend in respect of the current year <sup>(1)</sup>	1.7	4,250	0.9	2,250		

<sup>(1)</sup> Subsequent to 30 June 2024, the Directors declared an interim dividend for 2024 of 1.7p per ordinary share. This dividend will be accounted for as an appropriation of retained earnings in the year ended 31 December 2024 and is not included as a liability in the Statement of Financial Position as at 30 June 2024.

The trustees of the employee share trusts waived their entitlement to dividends on shares held in the trusts to meet obligations arising on share incentive schemes, which reduced the dividends paid for the period ended 30 June 2024 by £128k (30 June 2023: £22k and 31 December 2023: £34k).

## 10. RELATED PARTY TRANSACTIONS

There has been no change to the relationships disclosed in Note 18 of the 31 December 2023 Annual Report and Accounts.

No related party transactions have taken place in the period ended 30 June 2024 that have materially affected the financial position or the financial performance of the Group.

## 11. EVENTS AFTER THE BALANCE SHEET DATE

Other than the declaration of a final dividend as disclosed in Note 9, there have been no material changes in the affairs or financial position of the Group and its subsidiaries since the Statement of Financial Position date.

## Directors' Responsibility Statement

We confirm that to the best of our knowledge:

The Condensed Consolidated Financial Statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standards 34 ("IAS 34") as adopted by the UK.

The interim management report includes a fair review of the information as required by:

- DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of the important events that have occurred during the first six months of the current financial year and their impact on the condensed set of Consolidated Financial Statements and a description of the principle risks and uncertainties for the remaining six months of the financial year; and
- DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transaction that have taken place in the first six months of the current financial year and that have materially impacted the financial position or performance of the Group during the period; and any changes in the related party transactions from the Group's Consolidated Financial Statements for the year ended 31 December 2023 that could do so.

Signed on behalf of the Board of Directors



**Geoff Carter**  
Chief Executive Officer  
29 July 2024



**Adam Westwood**  
Chief Financial Officer  
29 July 2024

# **Independent review report to Sabre Insurance Group plc**

## **Report on the condensed consolidated interim financial statements**

### **Our conclusion**

We have reviewed Sabre Insurance Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half-Year Report 2024 of Sabre Insurance Group plc for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2024;
- the Condensed Consolidated Profit or Loss Account and the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half-Year Report 2024 of Sabre Insurance Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

### **Basis for conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half-Year Report 2024 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

### **Conclusions relating to going concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

## **Responsibilities for the interim financial statements and the review**

### **Our responsibilities and those of the directors**

The Half-Year Report 2024, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half-Year Report 2024 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half-Year Report 2024, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half-Year Report 2024 based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants  
London  
29 July 2024

## Financial Reconciliations

### GROSS WRITTEN PREMIUM

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Insurance revenue	121,852	86,119	188,246
Less: Instalment income	(1,969)	(1,630)	(3,738)
Less: Movement in unearned premium	5,839	14,976	40,590
<b>Gross written premium</b>	<b>125,722</b>	<b>99,465</b>	<b>225,098</b>

### NET LOSS RATIO

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Insurance service expense	97,646	66,628	139,497
Less: Amortisation of insurance acquisition cash flows	(8,782)	(6,636)	(14,057)
Less: Amounts recoverable from reinsurers for incurred claims	(27,127)	(12,498)	(31,532)
Less: Directly attributable claims expenses	(3,763)	(2,991)	(6,085)
<b>Net claims incurred</b>	<b>57,974</b>	<b>44,503</b>	<b>87,823</b>
Insurance revenue	121,852	86,119	188,246
Less: Instalment income	(1,969)	(1,630)	(3,738)
Less: Reinsurance expense	(18,755)	(12,655)	(28,506)
<b>Net earned premium</b>	<b>101,128</b>	<b>71,834</b>	<b>156,002</b>
Net claims incurred	57,974	44,503	87,823
Net earned premium	101,128	71,834	156,002
<b>Net loss ratio</b>	<b>57.3%</b>	<b>62.0%</b>	<b>56.3%</b>

### EXPENSE RATIO

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Other operating expenses	14,069	13,243	26,587
Add: Amortisation of insurance acquisition cash flows	8,782	6,636	14,057
Add: Directly attributable claims expenses	3,763	2,991	6,085
<b>Total operating expenses</b>	<b>26,614</b>	<b>22,870</b>	<b>46,729</b>
Insurance revenue	121,852	86,119	188,246
Less: Instalment income	(1,969)	(1,630)	(3,738)
Less: Reinsurance expense	(18,755)	(12,655)	(28,506)
<b>Net earned premium</b>	<b>101,128</b>	<b>71,834</b>	<b>156,002</b>
Total operating expenses	26,614	22,870	46,729
Net earned premium	101,128	71,834	156,002
<b>Expense ratio</b>	<b>26.3%</b>	<b>31.8%</b>	<b>30.0%</b>



## COMBINED OPERATING RATIO

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Net loss ratio	57.3%	62.0%	56.3%
Expense ratio	26.3%	31.8%	30.0%
<b>Combined operating ratio</b>	<b>83.6%</b>	<b>93.8%</b>	<b>86.3%</b>

## UNDISCOUNTED NET LOSS RATIO

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Net claims incurred	57,974	44,503	87,823
Add: Net impact of discounting	2,350	3,045	8,201
<b>Undiscounted net claims incurred</b>	<b>60,324</b>	<b>47,548</b>	<b>96,024</b>
<b>Net earned premium</b>	<b>101,128</b>	<b>71,834</b>	<b>156,002</b>
<b>Undiscounted net loss ratio</b>	<b>59.7%</b>	<b>66.2%</b>	<b>61.6%</b>

## UNDISCOUNTED COMBINED OPERATING RATIO

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Undiscounted net loss ratio	59.7%	66.2%	61.6%
Expense ratio	26.3%	31.8%	30.0%
<b>Undiscounted combined operating ratio</b>	<b>86.0%</b>	<b>98.0%</b>	<b>91.6%</b>

## NET PROFIT MARGIN

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Net claims incurred	57,974	44,503	87,823
Total operating expenses	26,614	22,870	46,729
<b>Total insurance expense</b>	<b>84,588</b>	<b>67,373</b>	<b>134,552</b>
Insurance revenue	121,852	86,119	188,246
Less: Reinsurance expense	(18,755)	(12,655)	(28,506)
<b>Net insurance revenue</b>	<b>103,097</b>	<b>73,464</b>	<b>159,740</b>
<b>Net profit margin</b>	<b>18.0%</b>	<b>8.3%</b>	<b>15.8%</b>

**SOLVENCY COVERAGE RATIO – PRE-DIVIDEND**

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Solvency II net assets	121,737	97,091	121,099
Solvency capital requirement	63,445	56,113	58,998
<b>Solvency coverage ratio – pre-dividend</b>	<b>191.9%</b>	<b>173.0%</b>	<b>205.3%</b>

**SOLVENCY COVERAGE RATIO – POST-DIVIDEND**

	30 June 2024 £'k	30 June 2023 £'k	31 December 2023 £'k
Solvency II net assets	121,737	97,091	121,099
Less: Interim/Final dividend	(4,250)	(2,250)	(20,250)
Solvency II net assets – post-dividend	117,487	94,841	100,849
Solvency capital requirement	63,445	56,113	58,998
<b>Solvency coverage ratio – post-dividend</b>	<b>185.2%</b>	<b>169.0%</b>	<b>170.9%</b>

## GLOSSARY OF TERMS

Acquisition cash flows	Cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.
Adjusted IFRS net assets	Equals the Group's IFRS net assets, less Goodwill.
Asset for incurred claims ("AIC")	The reinsurers' share of the liability for incurred claims ("LIC").
Asset for remaining coverage ("ARC")	The reinsurers' share of the liability for remaining coverage ("LRC").
Combined operating ratio ("COR")	The combined operating ratio is the ratio of total expenses (which comprises commission expenses and operating expenses), and net insurance claims relative to net earned premium ("NEP"), expressed as a percentage.
Contractual service margin ("CSM")	This represents the unearned profit the entity will recognise as it provides insurance contract service under the insurance contracts in the group. It is a component of the carrying amount of the asset or liability for a group of insurance contracts.
Coverage period	The period during which the entity provides insurance contract services. The period includes the insurance contract services that relate to all premiums within the boundary of the insurance contract.
Effective tax rate	Effective tax rate is defined as the approximate tax rate calculated by dividing the Group's profit before tax by the tax charge going through the Profit or Loss Account.
Expense ratio	Expense ratio is a measure of total expenses (which comprises commission expenses and operating expenses), and claims handling expenses, relative to net earned premium ("NEP"), expressed as a percentage.
Fair value through OCI ("FVOCI")	Unrealised gains and losses from the remeasurement of the fair value financial assets are recognised in the Statement of Other Comprehensive Income ("OCI").
Financial Reporting Council ("FRC")	The UK's regulator for the accounting, audit and actuarial professions, promoting transparency and integrity in business.
Fulfilment cash flows ("FCF")	An explicit, unbiased and probability-weighted estimate (i.e. expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.
Gross earned premium ("GEP")	The proportions of premium attributable to the periods of risk that relate to the current accounting period. It represents gross written premium ("GWP") adjusted by the unearned premium provision at the beginning and end of the accounting period, before deduction of reinsurance expense.
Gross written premium ("GWP")	Gross written premium comprises all premiums in respect of policies underwritten in a particular financial period, regardless of whether such policies relate in whole or in part to a future financial period, before deduction of reinsurance expense.
IFRS 17 "Insurance Contracts"	An accounting standard that addresses the establishment of principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard (Effective 1 January 2023).
IFRS net assets	The difference between the Group's total assets and total liabilities.
Insurance revenue	Gross earned premium ("GEP") plus instalment income.
International Financial Reporting Standards ("IFRS")	Accounting standards issued by the IFRS Foundation and the International Accounting Standards Board ("IASB").
Liability for incurred claims ("LIC")	<p>An entity's obligation to:</p> <ul style="list-style-type: none"><li>a) Investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses; and</li><li>b) Pay amounts that are not included in (a) and that relate to:<ul style="list-style-type: none"><li>i. insurance contract services that have already been provided; or</li><li>ii. any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the liability for remaining coverage</li></ul></li></ul>

<b>Liability for remaining coverage (“LRC”)</b>	<p>An entity’s obligation to:</p> <ul style="list-style-type: none"> <li>a) investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the insurance coverage); and</li> <li>b) pay amounts under existing insurance contracts that are not included in (a) and that relate to: <ul style="list-style-type: none"> <li>i. insurance contract services not yet provided (i.e. the obligations that relate to future provision of insurance contract services); or</li> <li>ii. any investment components or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims</li> </ul> </li> </ul>
<b>Net claims incurred</b>	Net claims incurred is equal to gross claims incurred less amounts recovered from reinsurers.
<b>Net earned premium (“NEP”)</b>	Gross earned premium (“GEP”) less reinsurance expense.
<b>Net insurance revenue</b>	Insurance revenue less reinsurance expense
<b>Net loss ratio (“NLR”)</b>	Net loss ratio measures net insurance claims, less claims handling expenses, relative to net earned premium expressed as a percentage.
<b>Net profit margin (“NPM”)</b>	Net profit margin measures how much net profit is generated as a percentage of net insurance revenue.
<b>Own Risk and Solvency Assessment (“ORSA”)</b>	An prospective assessment of the Group’s risks and solvency capital requirements.
<b>Periodic Payment Order (“PPO”)</b>	A compensation award as part of a claims settlement that involves making a series of annual payments to a claimant over their remaining life to cover the costs of the care they will require.
<b>Premium allocation approach (“PAA”)</b>	Method for measuring insurance contracts under IFRS 17 “Insurance Contracts”
<b>Return on tangible equity</b>	Return on tangible equity is measured as the ratio of the Group’s profit after tax to its average tangible equity over the financial year, expressed as a percentage.
<b>Risk adjustment for non-financial risk</b>	The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.
<b>Solvency capital ratio</b>	The ratio of Own Funds (Solvency II capital) to Solvency Capital Requirement “SCR”.
<b>Solvency Capital Requirement (“SCR”)</b>	<p>The total amount of capital that the Group must hold to cover the risks under the Solvency II regulatory framework. The Group is required to maintain eligible own funds of at least 100% of the SCR.</p> <p>The Group uses the Standard Formula to determine the SCR.</p>

