Sabre
INSURANCE GROUP

Delivering growth
AR2023

Annual Report and Accounts 2023

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SABRE ONLINE:
sabreplc.co.uk

We are a motor insurer based in the UK, with a track record of market-leading underwriting performance across the cycle and a diverse, multi-channel distribution strategy.

Introduction

Profitability and growth.

Sabre Insurance Group is a UK-based motor insurer, providing fairly priced policies to a wide range of customers. We benefit from our pricing expertise, experience and vast historical data in the more 'specialist' areas of the market.

2023 saw strong premium growth of 31% and the Group improved performance across most key measures.

Key highlights

Early and decisive pricing action positioned the Group well for improved insurance market conditions, resulting in premium and profitability growth in 2023.

Key financial highlights

£225.1m
Gross written premium
2022: £171.3m

205.3%
Pre-dividend solvency coverage ratio
2022: 161.4%

£23.6m
Profit before tax
2022: £14.0m

170.9%
Post-dividend solvency coverage ratio
2022: 153.8%

86.3%
Combined operating ratio
2022: 93.4%

9.0p
Total dividend in repsect of 2023
2022: 4.5p

Operational highlights

- Strict adherence to "profitability is a target, volume is an output" philosophy maintained and proving its effectiveness.
- Enhanced loss ratio resulting from careful and well-timed pricing action.
- Sabre's highest ever annual gross written premium.
- Claims inflation remains high, with costs being met by increasing prices across the market.
- Direct system re-platforming delivered on-time and on-budget.
- Insurer-hosted pricing being rolled-out to ensure ongoing pricing excellence.

Alternative Performance Metrics are reconciled to IFRS reported figures on pages 176 to 178 of the Annual Report and Accounts.

At a glance

Our purpose

To provide motor insurance, available to the widest possible range of drivers, based upon a fair, risk-based pricing model that is consistent across all customers. To generate excess capital and return this to shareholders, or reinvest in the business in order to increase future returns.

Our values

Sabre's values underpin our strategy and our key business principles of generating strong cash returns, market-leading underwriting performance and controlled, attractive growth across the cycle.

OUR VALUES

READ MORE
Our Values on page 09

Our business

We are a motor insurer based in the UK, with a track record of market-leading underwriting performance across the cycle and a diverse, multi-channel distribution strategy.

OUR LOCATION

OUR CHANNELS

Direct distribution

GO GIRL insure2drive

Indirect distribution
The Group has established a broad network of almost **1,000** insurance brokers across the UK over the course of more than **20** years.

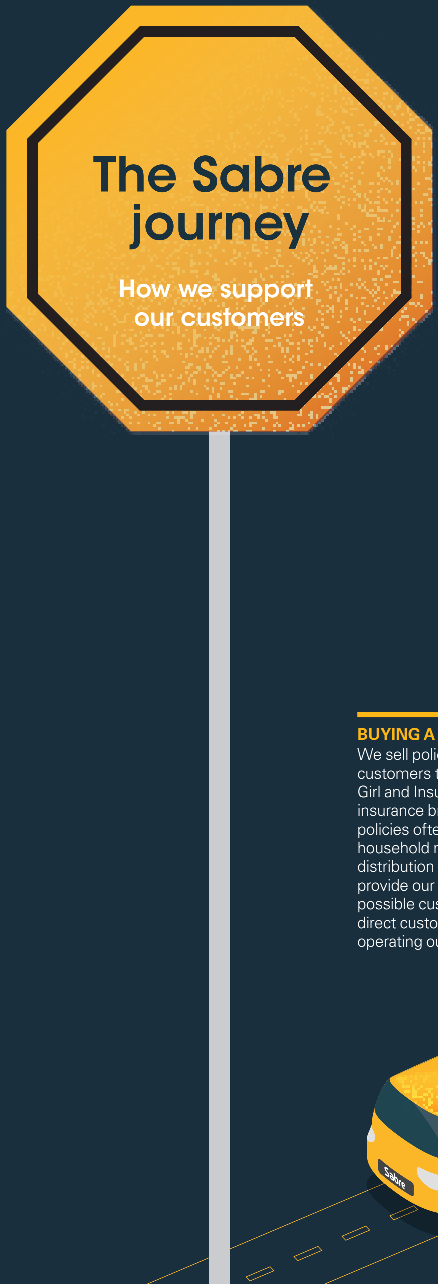
Price Comparison Websites
PCWs are websites that enable customers to **obtain and compare quotes** from a wide variety of insurers and brokers. We work with all of the major PCWs.

>700
Years' combined experience in the claims team

c.290k
In-force policies

161
Employees

c.1000
Insurance brokers



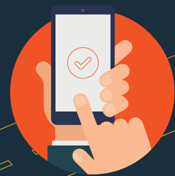
BUYING A SABRE POLICY
We sell policies directly to customers through our brands Go Girl and Insure2Drive, and through insurance brokers, meaning that our policies often sit behind well-known household names. This diverse distribution network allows us to provide our policies to the largest possible customer base, and gain direct customer insights through operating our own brands.

CHOOSING THE RIGHT POLICY
Most customers will find the right policy for them by entering their details into a price comparison website and choosing their policy based on a comprehensive list of quotes from a number of insurers.

BEING A SABRE CUSTOMER
Whether you buy a policy through Sabre's direct brands or through a broker, you can be assured of excellent, expert customer service. Our direct brands are managed through a specialist, UK-based call centre while our network of brokers operate to the quality expected by some of the UK's largest customer brands.

YOU'RE IN SAFE HANDS
Sabre is a successful and profitable Group, with a very robust balance sheet. The Group holds considerably more capital than is required to meet its expected liabilities, and operates a low-risk model, meaning that you can be assured that we will be there when you need to make a claim.

IF THE WORST HAPPENS
Sabre's dedicated claims handling team are experts in their field, targeting fast, fair claims payments. We thoroughly investigate claims we believe to be fraudulent, to ensure that honest customers continue to get the best deal possible. We operate a 'zero backlog', transparent culture, as we understand that no customer should be left in the dark when making a claim.



RENEWING YOUR POLICY
Sabre has a bespoke, full-automated pricing model. We never charge more for a renewing customer than we would for the same new customer.

Our Investment Case

Our strategy

Disciplined Underwriting

- Actuarially-driven pricing strategy utilising an agile proprietary module.
- Risks individually modelled and priced using Sabre's advanced pricing algorithm, built upon years of data collection and expert analysis.
- Unique and extensive catalogue of claims data, compiled from more than 19 years of successful, consistent underwriting.
- Robust and extensive claims management operation, combined with counter-fraud expertise.

Controlled growth

- Sabre grows where market conditions allow, without compromising profitability.

Operations

- Non-core operations are outsourced, while expertise is retained in-house.
- Our team consists of talented people making good decisions every day.

Risk Management

- Focus on allowing acceptable underwriting risk while minimising exposure to other risks within the business.
- Maintain sufficient capital to allow operational resilience and meet regulatory requirements under all reasonably foreseeable outcomes.
- Exposure to large individual claims is managed through prudent use of reinsurance.

Distribution

- Brokers account for approximately 64% of the gross written premium in 2023, with the remainder being sold through our direct brands, Insure2Drive and GoGirl.
- Broker relationships allow us to leverage their well-established brands, customer relationships and retail pricing capabilities.
- Direct brands ensure we can offer products to customers not served by traditional brokers, while allowing a direct line of sight to customer and price comparison site data.

Long and medium-term opportunity

A Resilient Business

- Target margin above industry norms, meaning even in years where costs are significantly greater than expected, the Group has been able to deliver an underwriting profit.
- Underwriting discipline allows early pricing action where market conditions change, meaning future claims costs are fully covered and underwriting performance can recover quickly from one-off shocks such as the 2022 rapid inflation.
- Motor insurance is a compulsory purchase for motorists. As a specialist provider, primarily in non-standard markets, Sabre has a defensive position.
- The Group is required to hold excess capital, which is known as its Solvency Capital Requirement ("SCR"). In addition, the Group prefers to hold net assets, on a regulatory basis, at between 140%-160% of this requirement. The Group holds a significant excess of assets over liabilities, providing a strong balance sheet able to withstand the most extreme foreseeable shocks.

£23.6m
Profit before tax

Reliable Dividend Flow

- Sabre's core business is fundamentally capital-generative. The majority of capital generated by the Group has historically been returned to shareholders by way of an ordinary and special dividends.
- Since IPO the Group's dividend payout ratio has remained above 98.4% of earnings.

9.0p
Total dividend in repsect of 2023

Low-Risk and Capital-Light

- The Group looks to balance maximum earnings generation with effective risk management, limiting the amount of regulatory capital required to be held.
- The Group invests in government-backed assets and highly rated corporate bonds. These assets power the Group's exceptional target underwriting returns.
- Reinsurance is used to limit exposure to individual large claims. Sabre purchases cover from reinsurers such that for any claim over £1m, the amount above £1m is met by the reinsurer. This reduces year-on-year volatility and the capital that the Group is required to hold.

170.9%
Post-dividend solvency capital ratio

Optimised for Growth

- Sabre's market share of c. 303k policies represents a very small share of the total motor insurance market (c. 28m motor policies), leaving considerable scope for market share growth when market conditions are favourable.
- A technologically-focused approach to underwriting excellence, constantly optimising pricing opportunities while deploying best-in-class underwriting and claims teams.
- We consider entering new partnerships or executing acquisitions in complementary areas (such as the Motorcycle and Taxi products).

31.4%
Premium growth

Market Context

Underlying market conditions

Cyclicality in the UK motor insurance market

The UK private motor insurance market has historically exhibited pricing cyclicality driven by competitive dynamics, as well as social, economic and regulatory factors.

In times of lower competitive intensity, price levels tend to rise. However, pricing increases typically enhance industry profitability, resulting in industry participants reducing prices to increase volumes and new entrants joining the market.

This increased competition can cause prices to fall, which can reduce underwriting profitability across the industry and may, in turn, lead market participants to reduce volumes or seek to exit the market, reducing competitive intensity and leading to prices rising again.

The pricing cycle can also be impacted by regulatory changes, such as pricing interventions or restrictions on claimant activity.

Current market conditions

Motor insurance pricing in the UK entered a downturn in 2018, with average premiums dropping by 14% between Q1 2018 and Q1 2022. Over the same period, CPI increased by over 10% and, in Sabre's view, motor insurance claims costs increased even further. Pricing appeared to recover somewhat between Q2 2022 and Q1 2023, and by March 2023 average premiums in the market had recovered to 2018 levels. Clearly, with claims costs having inflated during this period, industry price increases to that point were insufficient to cover costs. Since Q1 2023, prices have further corrected, with rapid price increases throughout the remainder of 2023. By the end of 2023, average premiums were 30% higher than they were in December 2022. It is Sabre's view that these price increases have gone some way to cover the increasing costs of claims, but that they are in no way excessive as compared to the costs of providing cover in the UK.

In 2022, we introduced significant price increases in order to meet the sudden, unexpected increase in the level of overall cost inflation. Having taken this action, Sabre continues to make more modest increases reflecting current inflation. As such, Sabre's price competitiveness has increased as market prices correct to reflect inflation.

Drivers of cost inflation

In previous years, we have described why claims cost inflation was significantly ahead of wider economic inflation. We still see evidence that claims costs across the motor insurance industry are rising, but against a continued backdrop of wider economic inflation. Key elements driving inflation include:

- The costs of car parts
- The costs of hire vehicles and extended hire periods
- Care costs for seriously injured people
- The increased frequency of thefts, and the value of vehicles stolen
- Industry levies, such as that paid to the Motor Insurance Bureau and into the Financial Services Compensation Scheme
- Wage inflation

The outlook for inflation

It is not possible to predict exactly how cost inflation will develop; however, we have identified several factors which will impact costs going forward:

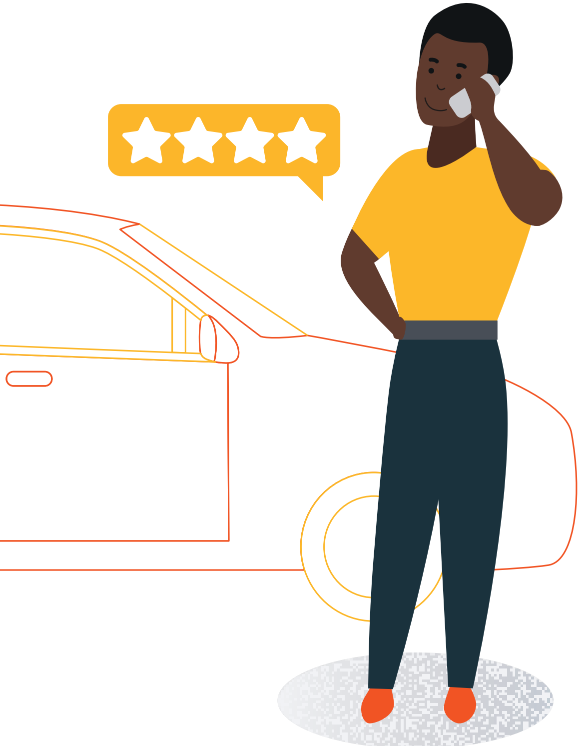
- There is some indication the costs of car parts will continue to rise
- Used car prices are showing some evidence of stabilisation
- The cost of hire vehicles is impacted by the time taken to carry out repairs. If part availability increases, rental costs could reduce
- Care cost inflation, which is largely driven by wage inflation for care workers, could rise significantly as the potential pool of care staff from the EU remains suppressed
- The total impact of whiplash reforms enacted in 2021 remains uncertain
- We expect industry levies to continue to rise in line with increases in the expected costs of compensating the victims of uninsured drivers

What does cost inflation mean for Sabre?

Cost inflation is factored into Sabre's policy pricing – we charge an amount based on what we expect to pay out for claims incurred over the period of that policy, factoring in our prudent view of inflation. As all the inflationary factors are market-wide, we expect that market price increases will reflect this inflation, but as discussed earlier, this has come in 'jumps' as the market transitions from 'soft' to 'hard'. As we saw in 2022, sudden unexpected increases in inflation can negatively impact profitability. Similarly, lower than expected inflation can be beneficial to earnings.

Current market issues

Sabre's business model is designed to withstand, adapt to, and thrive over the long term within a changing environment.



Political and regulatory

Previously, we commented that 2022 saw a period of 'bedding-in' of new rules, such as whiplash reforms and the General Insurance Pricing Practice rules, as insurers have adapted to operating in the new environment. We commented that insurers had adjusted pricing because of the FCA's pricing practices review, which effectively stopped insurers charging more for renewed business than for an equivalent new customer (known as 'price walking' – a practice Sabre did not employ). We still consider the impact of whiplash reforms to be uncertain, as highlighted by the outstanding Supreme Court decision on mixed injury valuations. Whilst we have seen some reduction in the frequency of certain types of claims, the overall impact on costs of personal injury claims has not yet settled, with a firm precedent yet to be set. We continue to be cautious on this.

Wider uncertainty has continued to be a feature of 2023's political landscape and whilst 2023 was certainly less tumultuous than 2022, the general election expected in 2024 has cast some uncertainty over the legislative agenda this year. We have seen relatively little impact of this on those issues directly related to motor insurance, notwithstanding the overall impact on the economic environment discussed later.

We are aware that there appears to be an increased regulatory focus on the value presented by non-core products, such as premium financing and add-ons. Whilst these do not form a significant part of Sabre's income or strategy, we watch with keen interest developments in this area. We have complied fully with all current requirements, including the Consumer Duty. None of the regulatory changes in 2023 required any material change to the business. We present a statement of compliance on page 49 of this report.

Economic

Since 2022, economic issues have become an everyday talking point, impacting everyone's lives in a meaningful way. For Sabre, and much of the insurance market, the two significant economic factors remain inflation and interest rates. Inflation has been discussed at some length throughout this report, with costs rising across the claims spend and operational costs, such as salaries and maintenance of the Group's IT network. The increase in interest rates in 2022 contributed to the yields on low-risk assets increasing considerably.

This means that the market value of these assets reduces – meaning purchasers of those assets can generate better returns. A consequence of this is that the market value of Sabre's investments reduced in 2022, although they recovered somewhat in 2023. This has little real-world impact for Sabre, as these assets are all bonds which the Group holds to maturity, meaning the cash flows from these bonds are known at purchase and are not affected by temporary reductions in their value. The impact on the Group's balance sheet strength is also small, as the Group's liabilities have been discounted to reflect the time value of money – and the impact of this discounting is inherently linked to risk-free yields.

Social

In last year's Annual Report we commented that as individuals' spending power declined, all companies must consider the impact that their actions will have on society, as well as the impact that this societal change will have on them. Sabre has always aimed to price its policies fairly, not exploiting any group of customers while fairly reflecting increased costs. This is underlined in the Group's adherence to the robust Consumer Duty rules with which we will continue to comply fully. Selling a product that is effectively compulsory, rather than being reliant on discretionary spend, means that Sabre has historically shown great resilience during periods where customer spending power has reduced. In addition, the Group's exceptionally strong controls over claims spend has mitigated increases in fraudulent behaviour, which is sometimes a feature of a challenging economic environment.

We continue to do our best to support customers in financial difficulty, whilst providing easy access to fairly priced insurance for everyone.

Technological

Technological change continues apace, not only in the means of propulsion in vehicles switching from internal combustion to electric, but in the way that insurance is developed, marketed, and sold to consumers. We have continued to insure electric vehicles at a fair price while others in the market appeared to withdraw due to cost challenges associated with the repair of these important evolving technologies. We continue to invest in cutting-edge pricing techniques, such as machine learning, as well as partnering with some of the most technologically advanced distributors within the insurance market, ensuring that our policyholders get the fairest price and enjoy the best possible customer experience.

Our Values

Core to Sabre's approach to business

Fair to customers

At the core of our business sit our customers. Fair treatment of our customers is ingrained in the DNA of our business, be it through provision of high-quality insurance at a fair price, fast and efficient handling of claims or high-quality customer administration through our UK-based call centre. Further information on how we work with our customers can be found on page 36.

Fair to employees

Sabre's greatest asset is the talented group of individuals who keep the business running every day, from the pricing and product teams generating our cutting-edge policies, through to the expert claims team achieving fair customer outcomes while robustly managing fraudulent claims. We strive to place the right people in the right roles at the right time, while maintaining a happy and safe working environment. Further information on how we work with our employees can be found on pages 37 to 40.

Fair to the planet

We recognise that all organisations, big and small, have a responsibility to act in the best interests of our environment and society as a whole. We have set out a road map to net zero, which includes making changes now to minimise the impact of our business on climate change. We believe that companies can be a force for good, and through our Charity Committee we support local organisations who we believe make a real difference to people's lives. Further information on our climate commitments can be found on pages 42 to 48 and a summary of our charitable programme can be found on page 41.

Fair to partners

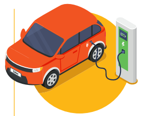
We enjoy excellent working relationships with all of our partners, including our brokers, key suppliers and outsourced operations. Through the challenging period of the last two years, we have worked closely with our partners to assist in their continued success. Further information on how we work with our partners can be found on page 42.

Focused on our strategy

Our strategy is simple, clear and well understood by our stakeholders. This is discussed in detail on page 06, but can be distilled further into one thing: focus. Focus on profitability through obsessive management of our pricing and rigorous discipline. Focus on long-term growth by engaging in the right development projects at the right time, drawing on our core strengths. Focus on attracting and retaining top talent to achieve all of this. And, more recently, focus on the wider needs of stakeholders, through our sustainability and responsibility programme, which is discussed in detail on pages 35 to 48.

Chief Executive Officer's Review

GEOFF CARTER
Chief Executive Officer



READ MORE: Principal risks and uncertainties on page **16**

Record premium levels, enhanced margins and strong profit

In our 2022 Report and Accounts we outlined several expectations for 2023:

- Early, decisive decision to react to emerging claims inflation would protect the financial position of Sabre for the longer term;
- We would rebound quickly to historical levels of performance;
- We would take advantage of growth opportunities as many competitors reacted belatedly with high rate increases.

I am pleased that not only did these predictions come through, but that the positive impact on our business exceeded our expectations at the start of 2023.

We saw sustained, strong premium growth through the second half of 2023 with year-on-year premium levels over 100% by the end of the year. This was delivered while continuing to execute our disciplined growth strategy, applying significant rate increases which resulted in a return to forward-looking expected loss ratios in line with our historical norms faster than anticipated. We have benefitted from good new customer growth as well as maintaining our normal levels of customer retention.

At the same time, we made excellent progress on getting our emerging Motorcycle account to a sustainable position and further developed our taxi portfolio. Looking forward, we will now build out our Motorcycle portfolio through partnerships with additional expert brokers. Whilst the Taxi portfolio remains at an earlier stage of development, and the Taxi market continues to be highly competitive, we will maintain a low footprint until we are confident that this product can grow profitably.

£225.1m

Gross written premium

£23.6m

Profit before tax

Reflections on 2023

Despite the significantly improved financial results, 2023 was not a straightforward year, with several unexpected challenges. This performance was delivered through both dedication to our disciplined growth strategy and the exceptional commitment from my colleagues, for which I and my fellow Board members are greatly appreciative.

The decisive early action we took in response to the well-publicised inflationary pressures at the start of the year, increasing our pricing accordingly, wasn't reflected at the time in the pricing actions from many of our competitors. Whilst this did negatively impact our premium levels in the first quarter of the year, we continued to focus on margin over volume – believing that the broader market correction would be more dramatic the more time passed. This proved to be the case with very high levels of rate increases in the second half of the year. This led to exceptionally high year-on-year premium levels and a return to our long-term target margins.

In mid-2023 our original motorcycle distributor, MCE Insurance, was placed into administration. We worked extensively with the FCA to ensure the best possible customer outcomes from this – including working with potential acquirers, providing limited cash flow funding to the business and ultimately taking the servicing of the policies in-house until renewal.

56.3%
Net loss ratio

We have continued to have focus on ensuring all polices are priced correctly for the current environment.

At the end of the year, we experienced a cyber-attack linked to the worldwide Citrix bleed vulnerability. We had established contingency processes in place and I was pleased with the effectiveness of our response. Critically, I could not be more impressed by the way our people reacted to minimise customer impact. Our distribution and outsourced strategy meant we were able to continue to sell policies throughout the disruption as well as dealing effectively and efficiently with customer claims. Whilst our IT security protocols worked well and prevented the loss of sensitive customer data, there are always lessons that can be learnt and we will continue to invest further in this area.

There were many other positive developments during the year. Our new direct-to-customer policy administration system was launched by our E-Commerce Team on time and to budget. We are now looking forward to enhancing customer service at the same time as reducing costs through the additional functionality the new system possesses. We have also rolled out the initial stages of Insurer Hosted Pricing on schedule. This will allow us to deploy more sophisticated pricing at speed as we move forward.

Board changes

Towards the end of 2023 we were distressed by the sudden death of our Chair, Andy Pomfret. Andy was an excellent Chair of the Group and a great support to me and other members of the Executive Team as we worked through some difficult years. Despite the sad loss I am pleased that our Board succession plan worked effectively and would like to congratulate Rebecca Shelley who has stepped into the role of Company Chair.

Other changes to the Board during the year were the joining of Bryan Joseph as Non-executive Director and Chair of the Risk Committee, the enrolling of Karen Geary as Chair of the Remuneration Committee and the departure of Michael Koller from the Board in December 2023. I welcome Bryan to the Board and would like to thank Michael for his contribution and support. In addition to these changes, we inform the market that Ian Clark is leaving the Board with effect from 22 May 2024, and therefore will not be standing for re-election at the Company's 2024 Annual General Meeting. Ian has served on the Board of Sabre Insurance Company Limited since 2014 and the Board of Sabre Insurance Group plc since its listing in 2017. Ian's market knowledge has been invaluable to the Group, and he leaves with my huge thanks for his contribution to the success of the Group.

Market

The UK motor insurance market remains a sophisticated, efficient, and well-served marketplace. In the latter half of 2023, we saw systemic under-pricing in the market reduce considerably, with insurers switching focus towards improving underwriting profits. There are, as ever, many uncertainties in the market. The key ones are:

- Uncertainty on small personal injury costs pending the outcome of the related Supreme Court decision
- Potential change in the critical Ogden discount rate
- Impact of changes in reinsurance costs
- Continuing elevated levels of claims inflation
- Potential change of government and an increased focus from regulators on the affordability of car insurance and instalment rates charged for monthly policies

We will continue to maintain a prudent position balancing the possible positive and negative impacts.

In 2023 we also witnessed withdrawals from the motor insurance market, few new entrants and expect very poor industry-level profitability. This gives some degree of greater certainty that pricing discipline will be maintained for some time to come.

Capital and dividend

Our strong capital generation has allowed us to declare an ordinary dividend in line with our policy and distribute excess capital by way of a meaningful special dividend. We anticipate being able to benefit from potential further profitable growth whilst also being able to pay an attractive dividend.

People

I am delighted by the ongoing commitment of our people across the organisation, evidenced in 2023 and in the performance of the Company and the low levels of employee turnover. We reflected this commitment during the year by paying inflation linked pay rises, paying annual performance and Christmas bonuses, providing a cost-of-living bonus, running two employee share plans, while rolling out further employee benefits such as free breakfasts. We continue to support our employees with training and development, and it was great to see many promotions and career moves in the year.

In line with good governance, during 2023 the Company consulted its major shareholders regarding the changes to the Company's Remuneration Policy for Executive Directors (the 'Policy'). The updated Policy will be put to vote at the Company's Annual General Meeting on 23 May 2024.

Customers

We kept customers at the forefront of our decision making this year, especially as we dealt with some of the implications of the MCE administration and the cyber incident. Going forward we are fully aligned to the emerging consumer duty requirements, as well as enhancing service to our direct customers through new system capability.

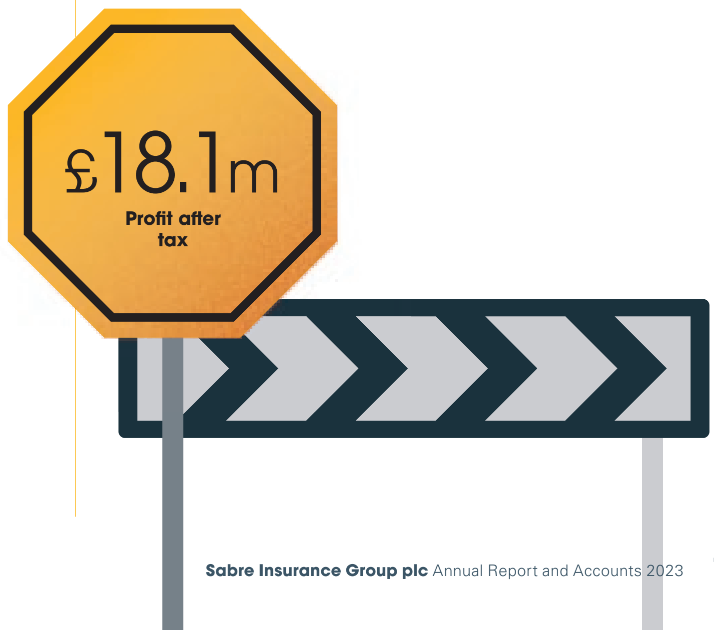
Environmental, Social and Governance ("ESG")

We continue to view consideration of ESG issues as an important aspect of our corporate decision making and remain committed to our key environmental targets and values, which encompass fairness to our employees, customers, partners and the planet. We have made steady progress against our net-zero ambitions, which have included a full office refurbishment and re-launch of our employee Sustainability Forum.

Outlook for 2024

We anticipate that the business we wrote in 2023 will earn through at attractive margins delivering an increase in profitability in 2024. I also expect that market pricing discipline will hold allowing us to grow further. Our Insurer-Hosted Pricing will continue to be rolled out, allowing more sophisticated pricing to be delivered to the market and we expect to add new Motorcycle distribution partners. Beyond this, much of our focus in 2024 will be on 'below the radar' developments as we continue to invest in our pricing and claims capabilities to maintain our position as a leading motor insurer.

GEOFF CARTER
Chief Executive Officer
18 March 2024



Our Business Model

OUR PURPOSE

To provide motor insurance to the widest possible range of drivers using fair, risk-based pricing.
Generate excess capital and return this to shareholders or reinvest in the business.

Our inputs

1. Experienced management and operational teams

2. Proprietary data

3. Strong broker relationships

4. Analysis and pricing expertise

How we manage risk

Underwriting discipline

Sabre's team of actuaries and underwriting experts calculate the right price for each policy which will, on average, generate the Group's target margin.

This requires access to high-quality data, cutting-edge pricing tools, personal expertise and a sharp focus on achieving target margins.

Distribution

Sabre employs a diversified, multi-channel distribution strategy through broker partnerships and selling direct to customers through the Group's direct brands, Insure 2 Drive and Go Girl. The vast majority of new business in the UK market is sold through price comparison websites, and so setting the right price in this highly competitive market is critical.

Claims handling

Sabre's emphasis on the technical aspects of claims handling draws on over 800 years of experience, encompassing cutting-edge fraud mitigation, excellent cost control and a high-quality experience for claimants.

DATA (UNIQUE & COMPLETE)

DATA (UNIQUE & COMPLETE)

DATA (UNIQUE & COMPLETE)

Value creation

Strong cash generation

Our underwriting discipline and streamlined operating model give us confidence that we can deliver our target dividend payout ratio of a minimum of 70% of profit after tax.

£18.1m
Profit after tax

Premium growth

We anticipate high single-digit growth in gross written premium across the insurance cycle, while maintaining our target combined operating ratio.

£225.1m
Gross written premium

Maintaining expertise

We continue to refine our underwriting model to drive increasingly accurate, customer-focused pricing. We aim to retain and develop superior levels of expertise in underwriting and claims management at all levels within our business.

RISK MANAGEMENT

Reinsurance: Sabre operates an excess-of-loss reinsurance policy across its entire portfolio, limiting the cost of any single accident to £1m in the policy year.

Balance sheet: All financial investments are investment-grade bonds, with over two-thirds in very low-risk government bonds and government-backed assets.

CORE OPERATIONS

Sabre's focus on its key strengths and experienced leadership team has built highly efficient underwriting and claims management processes, with routine, volume dependent tasks being outsourced to expert partners. This allows for a low expense base, which can flex in line with business volumes.

Key Performance Indicators

How our KPIs link to Sabre's strategy

Sabre's strategic priorities are outlined on page 06 of this report.

The most fundamental of these is underwriting profitability, and as such our KPIs focus on measures of profitability – specifically loss ratio, expense ratio, and combined operating ratio and profit after tax. As the Group is focused on managing risk, maintaining an appropriate solvency coverage is also important, so solvency coverage ratio is considered a KPI.

The Group monitors its growth, and intends to grow when market conditions allow, as such the level of gross written premium forms a KPI. Effective deployment of capital is an overarching element of Sabre's strategy, and is measured through return on tangible equity.

Strategy
1. Disciplined Underwriting
2. Risk Management
3. Controlled Growth
4. Operations
5. Distribution

Principal risks
1. Insurance
2. Operations
3. Finance and Capital
4. IT and systems
5. Governance and Compliance
6. People
7. Macro Risks

PERFORMANCE
For performance on all our KPIs please see CFO's review pages **31** to **34**

STRATEGY
To see how our KPIs link to Sabre's strategy see page **06**

PRINCIPAL RISKS
To see how our KPIs link to Sabre's principal risks see page **16**

Gross written premium £'m

£225.1m

2022: £171.3m

Definition
The Group's gross written premium ("GWP") 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. The ability to underwrite policies and generate premium is a key measure of the Group's implementation of its strategy, and the Directors believe this measure is an appropriate quantification of how successful the Group is at achieving its strategy.

Aim
To maintain growth in GWP when this can be done without compromising the underwriting profitability or broader efficiency of the Group.

Links to Strategy
1 2 3 4 5

Principal Risks
1 2 4 5 6 7

Net loss ratio %

56.3%

2022: 66.0%

Definition
Net loss ratio measures net insurance claims, less claims handling expenses, relative to net earned premium expressed as a percentage.

Net claims incurred is equal to gross claims incurred less claims recovered from reinsurers. Net earned premium ("NEP") is equal to Gross Earned Premium ("GEP") less reinsurance premium ceded during the same period in respect of which NEP is measured. GEP is equal to the sum of GWP and the movement in the unearned premium reserve for a particular period.

Aim
To maintain our underwriting discipline such that our loss ratio remains broadly consistent, contributing to a COR of 70% to 80%.

Links to Strategy
1 4 5

Principal Risks
1 2 5 6 7

Expense ratio %

30.0%

2022: 27.4%

Definition
The Group's expense ratio is a measure of total expenses (which comprises commission expenses and operating expenses), and claims handling expenses, relative to NEP, expressed as a percentage.

Aim
To minimise operating expenditure within the business and optimise the efficiency with which we do business in order to allow for achievement of a COR of 70% to 80%.

Links to Strategy
3 4 5

Principal Risks
1 2 4 5 6 7

Combined operating ratio %

86.3%

2022: 93.4%

Definition
The Group's COR is the ratio of total expenses (which comprises commission expenses and operating expenses), and net insurance claims relative to NEP, expressed as a percentage.

Aim
Sabre seeks to achieve a COR of 70% to 80% on all business underwritten. Accordingly, the loss and expense ratios need to be managed to ensure they contribute to the preferred level of profitability.

Links to Strategy
1 3 4 5

Principal Risks
1 2 4 5 6 7

Net profit margin
%

15.8%

2022: 8.6%

Definition
The Group's net underwriting profit margin measures how much net profit is generated as a percentage of the Group's net insurance revenue.

Aim
To control net insurance revenue and total insurance expense such that our net profit margin remains over 20%.

Links to Strategy
1 2 3 4 5

Principal Risks
1 2 5 6 7

Solvency coverage ratio
%

205.3%

2022: 161.4%

Definition
The Group is required to maintain regulatory capital at least equal to its SCR. The SCR is calculated based upon the risks presented by the Group's operations and the various elements of its balance sheet. The Group's solvency coverage ratio is the ratio of the Group's regulatory capital in a particular point in time to its SCR for the same period, expressed as a percentage. Solvency coverage ratio is stated before the final dividend declared in respect of 2023.

Aim
To maintain a post-dividend solvency ratio in the range of 140% to 160%, taking into account specific foreseeable requirements for capital.

Links to Strategy
1 4 5

Principal Risks
1 2 5 6 7

Return on tangible equity
%

22.7%

2022: 13.3%

Definition
The ability to generate profits while maintaining capital at an appropriate level is an important part of the Group's strategy, and the Directors believe that return on tangible equity is an appropriate quantification of how successful the Group is in achieving this strategy. 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.

Aim
To make efficient use of the capital available to the business and achieve broadly consistent returns year-on-year.

Links to Strategy
3 4 5

Principal Risks
1 2 3 5 6 7

Profit before tax
£'m

£23.6m

2022: £14.0m

Definition
Profit before tax as presented in accordance with UK-adopted international accounting standards, comprising International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2006.

Aim
Through careful management of expenses and skilled underwriting, we intend to deliver sustainable profit growth over the medium term.

Links to Strategy
1 3 4 5

Principal Risks
1 3 5 7

PERFORMANCE
For performance on all our KPIs please see CFO's Review pages **31** to **34**

RECONCILIATION TO IFRS MEASURES
A reconciliation between IFRS and non-IFRS measures is given on pages **176** to **178**.

How our KPIs link to Directors' remuneration
Executive Directors' and senior management's remuneration is based on both financial and non-financial measures, with a primary focus on the financial performance of the Group. This is achieved through a 'profit pool' whereby participants are entitled to a maximum bonus equal to a percentage of the Group's profit before tax, which is then modified according to performance against individual performance goals. The Group's Long Term Incentive Plan is underpinned by measures which include return on tangible equity and solvency coverage ratio. Each of the KPIs either contribute towards the Group's profit or report the Group's resultant capital position and are therefore aligned with this remuneration approach.

Principal Risks and Uncertainties

Risk management

Managing risk effectively is core to Sabre's strategy and is integral to delivering sustainable long-term growth for its investors. The Board is responsible for prudent oversight of the Group's business and financial operations, ensuring that they are conducted in accordance with sound business principles and with applicable laws and regulations, and to ensure fair customer outcomes. This includes a responsibility to articulate and monitor adherence to the Board's appetite for exposure to all risk types. The Board also ensures that measures are in place to provide independent and objective assurance on the effective identification and management of risk, and on the effectiveness of the internal controls in place to mitigate those risks.

The Board delegates the oversight of risk to the Group's Risk Committee, who are responsible for understanding the major risk areas and ensuring that appropriate controls are in place to manage the Group's risk exposure, and for providing oversight and advice to the Board in relation to the Group's risk exposure. Further information on the Group's Risk Committee can be found on pages 65 to 66. The Group Risk Committee works closely with the Remuneration Committee to ensure that the management of risk is accurately reflected when making remuneration decisions.

Sabre has set a robust and proportionate risk management strategy and framework as an integral element in its pursuit of business objectives and in the fulfilment of its obligations to shareholders, regulators, customers, employees and suppliers.

Sabre's objectives regarding risk management are that:

- All significant risks are identified, measured, assessed, prioritised, managed, monitored and tested in a consistent and effective manner across the Group
- Appropriate and reliable risk management tools (such as likelihood and impact indicators) are deployed to support the rating and the management of risks, and particularly Management's reporting of risks and making decisions around them
- All Directors, Management and employees are accountable for managing risks in line with their roles
- The Group complies with all relevant legislation, regulatory requirements, guidance and code of practice
- The Board receives timely, dependable assurance that Management is managing the significant risks of the Group

Risk assessment, identification and evaluation

Sabre's assessment of risk is not static. The Board and Management continually assess the risk environment in which the Group operates and ensure that Sabre maintains appropriate mitigation in order to remain within risk appetite. Management recognises that risks must be identified, monitored and mitigated appropriately, to ensure their negative impacts on the Group are minimised. Whilst accepting that some elements of risk are core to the operation of the Group, it is important to identify and accept only the risks which the Group consider to be within its risk appetite. To do this, risk is managed in the first line of defence by Management, is reviewed and challenged by the second line of defence – the Risk and Compliance functions and the third line of defence – Internal Audit.

Three lines of defence model

First line
- Day-to-day responsibility for identifying, assessing, managing and controlling risks

Second line
- Facilitating the risk management processes
- Oversight and challenge of risk management and controls
- Testing of all controls

Third line
- Provision of independent assurance through Internal Audit

In addition, the Group operates a Management Risk and Compliance Forum to allow the Leadership Team to come together and specifically discuss risk and compliance for Sabre. Management are required to identify and assess the risks and controls for their respective areas. Management liaise with the Chief Risk Officer and her team, who maintain a Risk Register and a Controls register. Risks are rated on an inherent basis (before any controls are in place) and on a residual basis (post any controls in place), using Sabre's Risk Impact and Likelihood Matrix, which uses a multi-point scale of 1–5 for both impact and likelihood ratings. The impact areas for risk are defined as:

Business process interruption

Customers

Earnings/Financial/Solvency

People and Environment

Reputation and Regulatory

Management consult with their direct reports to ensure that all risks and controls are correctly identified and assessed. Individual risk registers and control registers are submitted for regular review by the Chief Risk Officer and are collated to create the Group's Risk and Controls Registers. The Risk and Controls Registers and other risk information are regularly reviewed by the Group's Management Risk and Compliance Forum and Risk Committee.

Risk reporting

PLC Board
Reviews and discusses the top risks the Company faces. Provides feedback to the Chief Risk Officer and Management on risks

▲

Remuneration Committee
Receives Annual Report and update from Chief Risk Officer, and Risk Committee regarding Management's risk management throughout the year to consider when making remuneration decisions

▲

Risk Committee
Reviews, discusses and challenges the risk register, logs, controls and risk management and informs the Board of any concerns they have and updates the Board on the Company's top risks. Provides feedback to the Chief Risk Officer and Management Team on risks

▲

Management Risk and Compliance Forum ("MRCF")
Review, discuss and approve the risk logs, risk and control changes

▲

Chief Risk Officer
Collates and reviews the logs, risk register and controls and provides challenge

▲

Leadership Team
Produce risk logs, risk registers and risk controls

Risk Universe

The Group uses a Risk Universe to aid in the identification of risks and to ensure that no risks are overlooked. Sabre has identified its Risk Universe as:

Group

Insurance	risks associated with the business of the Company including claims, reserving, pricing and underwriting
Operations	risks associated with inadequate or failed internal processes and systems, or from an external event including product development, suppliers, distribution, and customers
Finance and Capital	risks associated with the Company not being able to meet its financial and solvency obligations including capital management, investments, solvency, taxation
IT and Systems	risks that arise from the development, implementation, maintenance and utilisation of the technology ecosystem which includes infrastructure, software and cyber protections
Regulatory, Governance and Compliance	risks associated with not complying with laws and regulations
People	risks associated with our employees
Macro	risks that arise from outside the Group

Risk appetite

The Board recognises that it is both necessary and desirable for the Group to assume and accept a level of risk in pursuing its strategy, but notes that this must be maintained within acceptable limits. The Group generally is risk-averse and operates the business to take advantage of its good utilisation of its operational resources and its strong ability to price risks at a consistently profitable level. The Group does not tolerate risks which impact the Group's key objectives of the preservation of capital and the reliable and consistent performance of the Group. Whilst developing its risk appetite, Management considers its stakeholders, including customers, employees, regulators, shareholders and suppliers. Any residual risk with an impact of four and higher and a likelihood rating of four and higher is deemed to be outside the Group's risk appetite, and Management will work to improve the controls to reduce the residual ratings of the risk. The risk appetite is reviewed by the Group's Management Risk and Compliance Forum and Risk Committee annually to confirm that the four and above ratings for impact and likelihood remain an appropriate guide to the Group's risk appetite.

Emerging risks

The management of emerging risks is a key element of Sabre's strategic risk management. Sabre identifies and monitors emerging risks, which are issues which may be of potential significance, but have not fully materialised yet. Emerging risks are identified by horizon scanning and recorded in the Group's Emerging Risk Log, and the Management Risk and Compliance Forum and Risk Committee review the Emerging Risk Log at each meeting, allowing the impact of the emerging risk to be mitigated where possible.

Risk culture

The Group has adopted the following principles to guide decision making throughout the Group and its attitudes to risk and its management:

- The Group conducts its business with integrity, due skill, care and diligence and observes high standards of market conduct
- The Group organises and controls its affairs responsibly and effectively with sound risk management systems and procedures
- The Group treats its customers fairly and communicates with them in a way which is clear, fair and not misleading
- The Group manages conflicts of interest fairly, both between itself and its clients and between itself and reinsurers, brokers, shareholders and other stakeholders
- The Group manages risk in a cost-effective manner, subject to compliance with applicable legislation and regulatory requirements and effective management of risk exposures
- The Group's employees all play an active role in the management of risk
- The Group deals with its regulators and other supervisory bodies in an open and co-operative way, making full and open disclosure of risk events where appropriate
- The Group ensures that adequate processes and controls are in place to ensure that it meets the requirements of a listed company, including rules relating to disclosure, transparency and management of conflicts of interest
- The Group considers the needs of all relevant stakeholders in making material decisions

Assessment of principal risks and uncertainties

The Directors confirm that they have undertaken a robust assessment of the principal risks and uncertainties, and emerging risks that the Group faces – this includes those that threaten the business model, future performance, solvency or liquidity of the Group.

Set out in the following table is an overview of the principal risks the Board believe could threaten the Group's strategy, performance and reputation, and the actions Management take to respond to and mitigate those risks.

Having given both new and evolving risks due consideration, the Directors continue to consider insurance activity to present the most material risk to the Group, in particular the estimation risk of reserving and the ability to price premiums correctly.

Although Sabre is a UK-based business, global issues, such as those in the Middle East, Ukraine and the Red Sea, can have a significant impact on the Group. The Group has reviewed the impact on its risk profile from continued global instability and has updated the individual risks accordingly, notably increases in inflation and energy costs, and supply chain issues.

The following table shows the main risks the Group faces, their impacts and how they are mitigated.

Key

LINK TO STRATEGY*	
Disciplined Underwriting	1
Risk Management	2
Controlled Growth	3
Operations	4
Distribution	5

CHANGE IN RISK RATING FROM PRIOR YEAR	
Increase	↑
Decrease	↓
No Change	↔
New Risk	★

* Further information on the Group's strategy can be found on page 06.

Insurance

Risk	Description	Mitigation
Pricing Change from prior year ↔ Link to strategy 1 2 3	Failure to price risks effectively can result in worse-than-expected loss ratios or significant unexpected changes in volumes of business written. Pricing considerations include appropriate estimation of the increasing cost of claims, through both historic trends, such as repair costs, and emerging considerations such as climate change and the impact of legal reforms.	The Group operates a highly sophisticated pricing model which is built upon fully tested scientific principles. The model is updated only when sufficient data has been collected and analysed to support a change. Management continually monitors the market for pricing developments, but prioritises maintenance of appropriate margins over the volume of business written. Expected behavioural changes, such as a reduction in miles travelled following the pandemic, are projected and built into the Group's pricing models. We consider the impact in the changing profile of physical risks related to climate change in pricing our policies. Changes in the costs of claims settlements which could relate to climate change are captured in our normal-course reviews of policy pricing. The pricing of all new products is carefully assessed and closely monitored by the Chief Actuary and his team.
Reserving Change from prior year ↔ Link to strategy 1 2 3	Inappropriate estimation of the ultimate cost of claims incurred can lead to corrections in future periods which could have a detrimental impact on the Group's capital position and profitability. Further, incorrect reserving can lead to errors in the pricing of new policies due to a poor view of the profitability of business already written. Estimates made in relation to inflationary, or potentially inflationary, factors such as legal reform, and climate change are equally relevant to reserving.	There is a consistent and cautious approach to reserving with a risk adjustment held above the actuarial best estimate. The Group's actuarial function analyses and projects historic claims development data and uses a number of actuarial techniques to both test and forecast claims provisions. In addition, external actuaries assess the adequacy of the Group's reserves. The Group also commissions an additional independent actuarial review on a triennial basis.

Insurance

Risk	Description	Mitigation
Claims Change from prior year ↔ Link to strategy 1 2 3 4	The inappropriate handling of claims could cause customer detriment and financial loss for Sabre.	The Group has in place strong controls, authority levels, rigorous review processes and a robust internal claims training programme. Sabre uses outsourced specialists to deal with the first notification of loss and as such this ensures that the projected volume of claims which will be handled by the business is not in excess of the capacity of skilled claims handlers available to the Claims Team.
Large losses Change from prior year ↔ Link to strategy 1 2	A small number of random very large claims could have a significant impact on the short-term profitability and capital position of the Group.	Reinsurance is purchased on an excess-of-loss basis to limit the impact of large individual losses and catastrophic events.
Reinsurance Change from prior year ↔ Link to strategy 1 2	Should reinsurance become unavailable at an acceptable cost, the Group's profit would become considerably more volatile and its capital position would suffer.	The Group ensures that pricing decisions are taken on the basis that the gross loss ratio should be preserved in the long term, such that reinsurers achieve satisfactory returns through their relationship with Sabre. This ensures the greatest possible appetite for reinsurers to renew with Sabre. Sabre maintains an open and transparent relationship with all reinsurers on its panel.

Operations

Risk	Description	Mitigation
Customers Change from prior year ↔ Link to strategy 1 2 3 4 5	Failure of the Company to meet customer requirements or expectations.	Sabre's business is built around the customer, with the goal to provide access to fairly priced motor insurance. We want our customers to experience high-quality customer service and peace of mind. The Group has an established claims handling function and Actuarial Team ensuring that claims are appropriately handled and pricing is fair. During 2023, the Group implemented the requirements under the Consumer Duty legislation.
Suppliers and outsourced operations Change from prior year ↔ Link to strategy 2 4	The use of outsourced functions in routine operations, such as customer services, exposes the Group to the practices and procedures prevalent at the outsourced operation.	The Group monitors its outsourced operations closely, through regular audits and monitoring of key performance metrics to minimise customer detriment, financial damage and failure to meet regulatory requirements.
Product development Change from prior year ↑ Link to strategy 4 5	Sabre could fail in the implementation of new products and services. This could manifest in inappropriate pricing, poor provision of services to customers or failure to sell new products at expected volumes.	All material product developments have a project risk assessment completed ensuring that related risks are identified and where possible mitigated.

Operations continued

Risk	Description	Mitigation
Distribution Change from prior year ↑ Link to strategy 5	Whilst the Group accesses the market through almost all brokers within the UK, much of its business is written through a relatively small number of large brokers. It is therefore particularly exposed to the failure of those brokers.	The Group monitors its exposure to its broker partners on a continual basis and regularly reviews the financial stability and solvency of its larger brokers.
Business processes Change from prior year ↔ Link to strategy 1 2 4	Sabre's business processes could fail causing business disruption or customer detriment.	Sabre has experienced employees and a supportive training environment to ensure processes are carried out as required. Any failures in the processes are reported and reviewed by Management and any lessons learned are implemented.
Financial crime Change from prior year ↔ Link to strategy 2 4	Financial crime, whether internal or external, could result in material loss of assets and significant reputational risk. Financial crime can include misappropriation of assets or fraudulent activity designed to misrepresent the financial performance or position of the Group.	Ownership and management of operational risks sit with the first line business functions. While substantial internal controls are in place to mitigate the risk of financial crime, the Group considers its culture and 'tone from the top' to be key in raising awareness of external crime and limiting the risk of occurrence of internal financial crime.

Finance and Capital

Risk	Description	Mitigation
Capital management Change from prior year ↑ Link to strategy 1 2 3	If the Group fails to maintain adequate solvency capital, this could result in regulatory intervention which may limit profitability or the ability of the Group to distribute capital. Some issues impact primarily on the solvency position but do not affect the trading result of the Group. Rapid growth in the business, such as that seen in 2023, can cause additional strain on the Group's capital.	The Group has strong governance in place to monitor its solvency position on a continual basis, including forecast solvency and scenario testing, primarily as part of the Group's Own Risk and Solvency Assessment ("ORSA") process. The Group ensures that key elements of judgement, such as reserving, are reviewed by the Audit and Risk Committees and undergo appropriate independent scrutiny.
Investments Change from prior year ↔ Link to strategy 2 3	The Group invests primarily in government-backed securities and other fixed-interest securities and is therefore exposed to the impact of interest rate movements on the value of these investments. The valuation and creditworthiness of such assets can be impacted by macro-economic factors, such as political uncertainty and economic factors.	The investment portfolio is relatively short-term, limiting the impact of interest rate movements on the valuation of invested assets. The maturity profile of these investments is designed to match the pattern of outgoing claims payments, such that the impact of any movement in interest rates is mitigated by a converse movement in the value of claims liabilities, which are discounted. Sabre has an Investment Policy and the appointment of an outsourced investment manager ensures that investment decisions are made on the basis of the most up-to-date and relevant information.
Accounting Change from prior year ↑ Link to strategy 2 4	Failure to comply with Accounting Standards. The introduction of IFRS 17 in 2023 has increased inherent risk for the 2023 year-end accounts.	Finance processes are designed to minimise the risk of error in the Group's financial reporting. Sabre maintains straightforward and transparent accounting systems and invests in sufficient resources within the Finance Team to ensure the accuracy and consistency of financial reporting.
Taxation Change from prior year ↔ Link to strategy 2 4	Failure to comply with tax legislation.	Sabre engages with appropriate tax specialists and maintains a Corporate Tax Strategy (available at https://www.sabreplc.co.uk/about-us/corporate-tax-strategy/) Finance processes are designed to minimise the risk of error in the Group's reporting and payment of taxes.

Finance and Capital continued

Risk	Description	Mitigation
Default Change from prior year ↔ Link to strategy 2 4 5	The Group is exposed to counterparty default risk in four main areas: investment assets, amounts due from customers, amounts due from brokers and amounts due from reinsurers. Failure to recover funds due from counterparties could result in write-offs which would reduce profit and damage the Group's capital position. Similarly, excess exposure to poorly rated counterparties can increase Sabre's capital requirement. The creditworthiness of the Group's counterparties has been considered in the context of continued economic uncertainty. We have not identified any material deterioration in the quality of our financial assets and receivables.	The Group invests primarily in government-backed securities and a diverse selection of highly-rated corporate bonds, which carry a very low risk of default. The Group operates a robust programme of credit control and performs due diligence on broker partners as relationships are entered into and continually through the life of those relationships. The financial security of reinsurers is considered when selecting panel members and reviewed on a regular basis.
Liquidity Change from prior year ↔ Link to strategy 2 4	Inadequate monitoring of liquidity could result in the inability to meet liabilities as they fall due.	The Group maintains sufficient cash reserves at all times to meet its best estimate of short-term liabilities and monitors this position continually. While the Group considers its investment portfolio to consist of actively traded assets and therefore liquid, it ensures that the maturity of its investment portfolio is matched to its ongoing cash requirement. The Group maintains a Liquidity Policy.
Investors Change from prior year ↔ Link to strategy 2 4	The Group fails to meet investor expectations.	The Group maintains dialogue with its investors throughout the year through its financial reporting, Annual General Meeting and investor roadshows. The Group has in place an experienced Management Team and Board to ensure the success of the Group.

IT and Systems

Risk	Description	Mitigation
Software and infrastructure Change from prior year ↑ Link to strategy 4	The Group operates bespoke IT systems and is reliant on the accurate recording, storage and recall of data. Failure of these systems could result in the business being unable to price or process new business or manage claims effectively. IT systems are supported by a third party and hosted in external data centres. This creates a dependency on these suppliers.	The Group operates a small number of key systems which are overseen by a highly experienced team of bespoke systems specialists. A robust backup and recovery plan is in place to ensure continuity of systems in the event of local system failure. The Group has sought to avoid any identifiable single points of failure and maintains continuity solutions for all key services.
Data security and cyber Change from prior year ↑ Link to strategy 4	Loss of data, including personal data, could lead to significant financial or reputational detriment and there is the risk of not complying with the appropriate regulation. Theft of the Group's intellectual property could impact the ability of the Group to compete in the market.	The Group maintains several layers of security to ensure that perimeter and internal systems remain secure and resilient to attack. This approach includes a least privilege approach to data by our employees and the implementation of sophisticated monitoring systems. The Group utilises expert third-party companies and software to ensure data is always protected.

Regulatory, Governance and Compliance

Risk	Description	Mitigation
Regulatory, governance and compliance Change from prior year ↔ Link to strategy 2 4	The Group is subject to a number of regulatory regimes, including prudential regulation by the Prudential Regulation Authority ("PRA") and conduct regulation by the Financial Conduct Authority ("FCA") and governance regimes including The UK Corporate Governance Code, the Senior Managers' and Certificate Regime ("SMCR"), GDPR, Solvency II Rules and Consumer Duty. Failure to comply fully with prevailing regulation can lead to reputational damage and monetary or other sanctions which may impair the Group's ability to function.	The Group has an extremely low appetite for accepting any risk other than that which relates to the underwriting of its insurance policies, and therefore its decision making reflects this in relation to conduct risk and other regulatory and governance matters. The Group operates a risk management framework which is approved by the Board to control the Group's risks. The Group monitors governance and regulatory developments in the UK and closely monitors its exposure to regulatory and governance risks. The Group culture ensures the interests of our customers and the delivery of good outcomes are paramount. The Group's Head of Compliance reviews and monitors operational activity to ensure regulatory requirements are adhered to. The Group engages with both regulators on all relevant consultations.
Legal Change from prior year ↑ Link to strategy 2 4	The Group operates within the UK and is therefore primarily subject to the requirements of UK law. Further to those regulatory and data protection laws (discussed separately), the Group is exposed to employment law, Companies Act legislation and tax law. Non-compliance with laws can result in financial sanctions or impair the Group or the Group's Directors' ability to operate effectively.	The Group has established a robust risk management framework (including controls) and sets the clear objective to minimise the risk of non-compliance with all laws and regulations. A review of all new material contracts is undertaken.
ESG Change from prior year ↔ Link to strategy 2 4	Sabre could fail to meet its key stakeholder expectations or legislative or regulatory requirements related to ESG. Also, Sabre sees risks attached to societal factors relating to ESG such as a lack of diversity.	The Group has a strategy regarding its customers, people, community, partners and environment. ESG remains on the Board's agenda and the Chief Financial Officer is the Board Director responsible for ESG. Further information on this can be found in the Responsibility and Sustainability section of this report on pages 35 to 48.

People

Risk	Description	Mitigation
People and culture Change from prior year ↓ Link to strategy 4	The quality of our employees is central to the success of Sabre, and the potential loss of employees or the inability to recruit quality employees may have an adverse impact on the performance of the Group.	Sabre seeks to create a positive and collaborative working environment and seeks to attract, retain and develop its employees by: – Creating a hardworking and enjoyable work environment – Induction process – On the job training – Appraisals – Annual pay reviews – Benefits and discounts – Community involvement/initiatives – Employee roundtables with the CEO – Appointment of a Non-executive Director who is responsible for engagement with employees Further information on this can be found in the 'Our People' section of this report on pages 37 to 40.

Macro

Risk	Description	Mitigation
Climate Change from prior year ↔ Link to strategy 2 4	The risk of climate change could have a negative impact on the earnings or financial position of the Group. For example, there could be an impact on the cost of claims in the long term. Further information on this can be found in the Responsibility and Sustainability section of this report on pages 35 to 48.	The Board has appointed the Chief Financial Officer to oversee the management of this risk and its impact on the Company is reviewed at least annually at the Group's Risk Committee. We have sought to integrate the consideration of climate risks within the Group's decision-making processes and continue to improve the clarity and usefulness of our disclosures around climate change. Further information on the Group's considerations relating to the environment and climate change can be found on pages 42 to 48 of this report.
Inflation and interest rate increases Change from prior year ↔ Link to strategy 1 2 3	Cost inflation is currently high across the UK and global economy. In general, the costs related to insurance claims have experienced inflation of 7% to 8% for several years. This increased to over 12% in 2022 and remained relatively high in 2023. We expect this wider inflation not only to increase pressure on claims costs further but also to impact the Group's wider expense base.	In setting insurance premiums and in calculating the expected cost of claims used for setting the Group's insurance liabilities, Sabre uses an up-to-date assessment of the current claims and wider inflationary environment. We expect market pricing to adapt to this increasing cost base and therefore any price rises applied should have a low impact on our competitiveness in the medium term. We will continue to monitor and model the changes in costs and adjust our prices accordingly.
Geo-political Change from prior year ↑ Link to strategy 2 3 4	At the time of writing the report, there was heightened global tension, including the war in Ukraine, conflict in the Middle East and the Red Sea. Although Sabre is a UK based business, global issues such as these can have a significant impact on the Group.	The Group reviewed the impact of these events and have updated their ratings where impacted, notably its supply chain on both claims and general expenses, impact of inflation and energy costs. The Group continues to monitor the exposure and impact of these events.

Viability Statement

The Board considers the Group's financial status and viability on a regular basis as part of its programme to monitor and manage risk. In accordance with provision C.2.2 of the UK Corporate Governance Code 2018, the Directors have assessed the Group's prospects and viability for the three-year period to 31 December 2026, taking into account the Group's current position and the potential impact of the principal risks. The assessment period of three years has been chosen as it is in line with our business planning horizon. This is consistent with the time horizon projected for most scenarios assessed through the Group's ORSA process. The cyclical nature of the motor insurance market means that projecting for periods longer than three years creates material uncertainty; however, we do review longer-term strategic developments and emerging risks over longer time periods.

Assessing viability

In making their assessment, the Board took into account the potential impact of the principal risks that could prevent the Group from achieving its strategic objectives. The assessment was based on the Group's ORSA process, which brings together management's view of current and emerging risks, with scenario-based analysis and reverse stress testing to form a conclusion as to the financial stability of the Group. Consideration was also given to a number of other individual risks and events. In the Board's estimation these events would not plausibly occur to a level of materiality that would endanger the Group's viability. The assessment also included consideration of any scenarios which might cause the business to breach its solvency requirements which are not otherwise covered in the risk-based scenario testing.

Conclusion

Based on the consolidated financial impact of the sensitivity analysis and associated mitigating internal controls and risk management actions, as described in detail for each principal risk, the Directors concluded that the Group will be able to operate within its solvency capital appetite and maintain sufficient liquid investments and cash reserves to meet its funding needs over the viability period.

Consideration of long-term viability

The assessment of principal risks facing the Group and robust downside sensitivity analysis leads the Board to a reasonable expectation that the Group will remain viable, continue in operation and meet its liabilities as they become due over the viability period through to 31 December 2026.

The impact of inflation

The current economic environment is recovering from a period of unexpectedly high inflation. Persistency remains uncertain and investment markets are vulnerable to increased levels of volatility. Interest rates remain materially higher than the few years preceding 2022.

The short-term impact of an unexpected increase in the cost of claims during 2022 has continued to impact loss ratios in the first half of 2023 as premium written in the lower-inflationary environment earned through. The correction made to reserves in 2022 appears appropriate and further strengthening has not been required. The price increases implemented to reflect inflation have resulted in an improvement in combined operating ratios in the second-half of 2023. While we have seen inflation pressures decrease during 2023, we do consider there to be considerable uncertainty in the level and persistency of inflation over the medium-term. We will continue to price our policies cautiously to allow for elevated levels of inflation and will maintain a low-risk, diversified balance sheet to mitigate volatility in the investment markets.

Viability due to inflation

The Group and its operating entity have considered various stress scenarios related to inflation. These risk scenarios indicate that the current economic environment will not change the viability status of the Group and its operating subsidiary. The Group trades from a robust capital position and is expected to remain well capitalised under all reasonable financial and operational stress scenarios.

The impact of climate change

We discuss the impact of climate change in detail on pages 42 to 48 of this report. We have assessed the short, medium and long-term risks associated with climate change. Given the geographical diversity of the Group's policyholders within the UK and the Group's reinsurance programme, it is highly unlikely that a climate event will materially impact Sabre's ability to continue trading. More likely is that the costs associated with the transition to a low-carbon economy will impact the Group's indemnity spend, as electric vehicles are currently relatively expensive to fix. We expect that this is somewhat, or perhaps completely, offset by advances in technology reducing the frequency of claims, in particular bodily injury claims which are generally far more expensive than damage to vehicles. These changes in the costs of claims are gradual and as such reflected in our claims experience and fed into the pricing of our policies. However, if the propensity to travel by car decreases overall this could impact the Group's income in the long term, but this is not expected to be material within the viability period of three years. We do not consider it plausible that such a decrease would be as severe as the scenarios that we have modelled as part of our viability testing exercise.

Scenarios modelled and link to principal risks

This table shows some of the key scenarios modelled as part of our viability testing exercise, and the risks to which they most closely relate. Some detail on the types of stresses modelled in each scenario is given below:

- Inflation: Increase in gross and net reserves, increase in loss ratio for 12 months, increase in operational expenses
- Pricing and reserving errors: Increase in gross and net reserves, short-term significant increase in loss ratio
- Cost of living increase: Increase in operating expenditure
- Changing interest rate environment: Decline in bond values
- Reinsurance pricing, availability and exposure: Significant reinsurance rate increase and failure of a large reinsurer
- Temporary cessation in ability to write business: Significant reduction in premium for one month
- One-off major loss event: A significant immediate expense of unspecified nature

We have also modelled worst-case scenarios which combine these events.

	Scenario						
Risk category	Inflation	Pricing and reserving errors	Cost of living increase	Changing interest rate environment	Reinsurance pricing, availability and exposure	Temporary cessation in ability to write business	One-off major loss event
Pricing	✓	✓					
Reserving	✓	✓		✓			
Claims	✓	✓					✓
Large losses		✓					✓
Reinsurance					✓		
Customers			✓				
Suppliers and outsourced operations			✓				
Product development		✓					
Distribution						✓	
Business processes						✓	✓
Financial crime							✓
Capital management	✓	✓		✓			
Investments				✓			
Accounting		✓					
Taxation							
Default			✓				
Liquidity	✓	✓			✓		✓
Investors							
Software and infrastructure						✓	✓
Data security and cyber						✓	✓

Section 172

Fair, risk-based pricing and reliable returns

Our purpose

To provide motor insurance, available to the widest possible range of drivers, based upon a fair, risk-based pricing model that is consistent across all customers. To generate excess capital and return this to shareholders, or reinvest in the business in order to increase future returns.

Section 172 (1) Statement

This section of the Strategic Report describes how the Directors have had regard to the matters set out in section 172 (1) (a) to (f), and forms the Directors' statement required under section 414CZA of the Companies Act 2006.

Stakeholders and our Board

Sabre aims to provide high-quality motor insurance at a fair price, while making attractive returns for its shareholders under any market conditions. This can only be achieved through engagement with, and consideration of, all stakeholders including our employees, customers, suppliers and regulators.

Stakeholder engagement

The Board recognises that the needs and relevance of different groups of stakeholders can vary over time, and as such the Board seeks to understand the needs and priorities of each stakeholder as part of its decision making. This is integral to the way the Board operates.

Page 35 of the Strategic Report sets out who our stakeholders are and how our strategy impacts them. We further discuss how we engage with our key stakeholders, and our employees, on pages 35 to 48 of the Strategic Report.

Listening to the needs of stakeholders

The Board interacts with stakeholders through direct engagement as well as through information provided by Management.

Key engagement activities include:

- Appointing a Non-executive Director to be responsible for direct employee engagement, which involves meeting with employees throughout the year in order to discuss their concerns and views on the business
- Review and assessment of the results of annual employee surveys
- Engaging with shareholders: at the regular Management roadshows, attendance at investor conferences and through meetings with the Chair
- The Board and Management allow time for informal discussions with shareholders before and after the Group's Annual General Meeting. This is an opportunity to interact with smaller, non-institutional shareholders
- Regular supervisory meetings between individual Board members and the Group's regulatory supervisory team, which facilitates wider discussion of the issues facing the insurance industry, as well as Company-specific matters
- Reports from Management to the Board on customer service, including complaints root-cause analysis and whether customer service metrics have been met

Embedding stakeholder interests within our culture

Through informed discussion at Board level, Sabre's Executive Team carry forward stakeholder consideration into and throughout the business. Sabre operates a culture of openness and transparency, with management at all levels working amongst their teams, ensuring that the tone from the top is well embedded in the day-to-day operations of the Company.

Ensuring stakeholder interests are taken into account

The Board take their responsibilities under Section 172 of the Companies Act very seriously. The Board is aware that the Directors of the Company must act in good faith, and in ways that promote the success of the Company for the benefit of its members, and in doing so have regard to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company

This table demonstrates where further information on how the Board has met these responsibilities is disclosed:

Long-term results	Our strategy p06 Market Context p07 CEO's Review p10 Business Model p13 KPIs p14 Principal Risks and Uncertainties p16 CFO's Report p31 Viability Statement p25 Audit Committee Report p62 Risk Committee Report p65
Employees	Business Model p13 CEO's Review p10 'Employees' section of the CSR Report p37 to 40 Board Principal Decisions p30 Chair's Governance Letter p51 Remuneration Committee Report p70 to 73 Directors' Remuneration Report p81 to 91 Employee Designated NED p60
Stakeholders	Strategy Operations p06 Strategy Distribution p06 Strategic Priorities p06 CEO's Review p10 Business Model p13 CSR Report p35 to 48
Community and environment	CEO's Review p10 CSR Report p35 to 48 Directors' Report p92 to 94
Reputation	Strategy Report p06 CEO's Review p10 Governance Report p56 - 61
Fairness for shareholders	Strategy Report p06 Governance Report p56 - 61 Remuneration Committee Report p70 to 73 Directors' Remuneration Report p74 to 80

How s.172 is applied across our stakeholders

Shareholders

Underwriting performance
Delivering consistent and attractive returns on capital.

Risk management
Minimise volatility in result and maximise available capital.

Growth
Increasing value and absolute returns over time.

Operations
Enhancing operational efficiency and minimising cost.

Distribution
A flexible distribution model allows protection of bottom line throughout the market cycle and responds to emerging customer demand.

Employees

Underwriting performance
Stable business model allows for long-term, rewarding careers.

Risk management
Job security in a supportive, culturally sensitive environment.

Growth
Over time, internal opportunities to develop and grow with the business.

Operations
Skills-based operations allow for fulfilling employment. Conformity with best practice.

Distribution
Broker-led distribution retains technical skills in-house.

Customers

Underwriting performance
Providing a quote for almost all potential customers, based upon the expected cost to us in providing that policy, irrespective of the individual's shopping or behavioural habits.

Risk management
Certainty that cover will be honoured and that the Group will retain the means to settle any claims which fall due. Comfort that we operate in line with all applicable laws and regulations.

Growth
Over time, scale benefits allow lower prices without sacrificing margin.

Operations
Efficient, consistent service from our claims and front-end administrative units, along with effective operational controls to allow for fast, accurate transactions.

Distribution
Obtaining a Sabre quote is easy, whether through a broker's branch, price comparison website or direct through our brands, meaning almost everyone has access to a Sabre policy.

Partners

Underwriting performance
Cash-positive business makes Sabre a reliable counterparty.

Risk management
Certainty of liquidity to meet debts as they fall due.

Growth
Become an increasingly valuable trading partner over time.

Operations
Make timely, accurate payments to all suppliers.

Distribution
Fair, consistent terms with our distribution partners.

Regulators

Underwriting performance
Only underwriting business that will meet our target margins and generate appropriate regulatory capital.

Risk management
Maintaining capital headroom. Minimising conduct risk and ensure full compliance with legal and regulatory landscape.

Growth
Growing when the market allows, without sacrificing profitability or capital security.

Operations
Ensuring accurate, timely reporting and close monitoring of regulatory risk areas.

Distribution
Broker audits and on-boarding processes ensure a fully compliant customer journey.

Society

Underwriting performance
Providing access to insurance to as wide a group as possible, reducing the risk of uninsured drivers.

Risk management
Financial stability and strong balance sheet present lowest possible systemic risk.

Growth
Increasing employment in the local community, while monitoring our impact on the environment.

Operations
Ensuring efficient use of resources and managing the Group's impact on our local environment.

Distribution
Making our product available as widely as possible, at a fair price to all.

Key Board decisions during the financial year ended 31 December 2023

The Board recognises the importance of making decisions in a manner which ensures that all of the Group's stakeholders are treated consistently and fairly. This can be demonstrated through the key decisions made by the Board during the financial year ended 31 December 2023.

Inflation and economic uncertainty

The war in Ukraine, along with other local and global factors, contributed to an environment of significant economic uncertainty and high inflation which began in 2022 and persisted throughout 2023. The high-inflation environment presented a number of challenges:

- The Board was satisfied that the Group's low-risk approach to investments and asset-liability matching sufficiently mitigated the risk of asset volatility on the balance sheet.
- In 2022, costs incurred in servicing insurance contracts (claims costs) increased significantly and unexpectedly. Costs continued to rise into 2023, albeit more predictably. The Board acted to ensure the financial stability of the firm by continuing to challenge Management's assessment of future claims costs within the Group's claims reserves
- The Board supported Management's actions to increase policy pricing in line with inflation. While this would inevitably lead to increased costs to consumers, the Board considered the potential downsides of under-pricing policies to be far more significant
- The Group's reinsurance programme was renewed on expiring terms, significantly limiting the impact of volatility in the costs of long-term care

Dividend

The Group's dividend policy states that an ordinary dividend will be paid based on 70% of the year's profit after tax, with the potential for additional capital to be distributed by way of a special dividend as appropriate. The Board assesses whether to pay a special dividend on an annual basis once the result for the year is known. This decision is made primarily based upon the financial position of the Group, as demonstrated through its SCR coverage ratio, as well as projected capital needs and the wider economic and market backdrop. The Board considers this to meet the overriding need of all shareholders, customers, staff and our regulators, for the Company to remain a solvent, viable trading entity under all reasonably foreseeable circumstances. The Board also makes a secondary consideration of the expectation of shareholders, understanding that many of the Group's investors hold stock in order to benefit from the strong dividend flow.

During 2023, the Board made the decision to declare a full ordinary and interim dividend in line with the Group's policy. Having reviewed the strength of the balance sheet and detailed capital modelling prepared by Management, the Board was satisfied that such a distribution was appropriate and in line with the expectations of the Group's stakeholders.

Strategy

The Group's strategy is well documented within this report, and has changed little in the past two decades. This Board does continually review the Group's strategy against its best understanding of the needs of key stakeholders. The Board held two 'strategy days' during the year, at which the existing strategy was assessed primarily against the needs of shareholders, customers, staff and our regulators. The Board concluded that the needs of our key stakeholders were well met through the current strategy. The Board considered whether the Group's strategic objective to prioritise writing profitable business over growth remained appropriate and concluded that the current, focused approach was likely to give the best long-term result for shareholders as well as the best prices for customers and the best level of customer service.

Chief Financial Officer's Review

Strong gross written premium growth and capital generation

ADAM WESTWOOD
Chief Financial Officer

READ MORE: Principal risks and uncertainties on page **16**

Highlights

	2023	2022[1]
Gross written premium*	**£225.1m**	£171.3m
Net loss ratio*	**56.3%**	66.0%
Combined operating ratio*	**86.3%**	93.4%
Net profit margin*	**15.8%**	8.6%
Profit before tax	**£23.6m**	£14.0m
Profit after tax	**£18.1m**	£11.1m
Solvency coverage ratio (pre-dividend)*	**205.3%**	161.4%
Solvency coverage ratio (post-dividend)*	**170.9%**	153.8%
Return on tangible equity*	**22.7%**	13.3%

(1) All relevant 2022 numbers are restated under IFRS 17

*Alternative Performance Metrics are reconciled to IFRS reported figures on pages 176 to 178 of the Annual Report and Accounts

2023 has been an exciting year in the motor insurance market, in which a long-awaited correction to pricing across the market was delivered rapidly as insurers dealt with the twin impacts of high inflation and sustained under-pricing. Sabre was well-placed to benefit from these market conditions, having taken timely and necessary pricing action throughout 2022 and 2023.

In some respects, the numbers speak for themselves in 2023, with the performance of the Group improving significantly since 2022. In the first half of the year, Sabre continued to increase prices in order to meet elevated levels of inflation and return margins towards historical norms. Market pricing, however, remained low until mid-March, at which point it appears other insurers started to increase their own prices having suffered underwriting losses in 2022. As had been anticipated since the start of the downturn in market pricing, once this happened Sabre's competitiveness on its core Motor Vehicle policies increased significantly, allowing the Group to grow its gross written premium. This rapid growth had a minimal impact on the first half of 2023, as all premium written by the Group is recognised in profit through insurance revenue evenly over a period of one year. This growth started to impact on profits in H2, as did the improved loss ratio resulting from decisive pricing action in 2022 and 2023.

This rapid growth and the on-target profitability of business written during the year allowed the Group to generate significant organic capital. The Directors have chosen to distribute this capital by way of a special and ordinary dividend, bringing the total dividend in respect of 2023, including the interim already paid, to 9.0 pence per share.

Revenue

	2023	2022 (1)
Profit or loss		
Gross written premium	**£225.1m**	£171.3m
Insurance revenue	**£188.2m**	£181.5m
Net earned premium	**£156.0m**	£153.2m
Other technical income	**£1.2m**	£1.8m
Customer instalment income	**£3.7m**	£3.3m
Interest revenue calculated using the effective interest method	**£3.8m**	£1.7m
Fair value gains on debt securities through OCI	**NIL**	£22k
Other comprehensive income		
Fair value gains/(losses) on debt securities through OCI	**£9.3m**	(£14.2m)
Gross written premium by product		
Motor vehicle	**£199.0m**	£134.9m
Motorcycle	**£11.8m**	£23.1m
Taxi	**£14.3m**	£13.3m
Policy counts by product		
Motor vehicle ('000)	**234**	217
Motorcycle ('000)	**44**	74
Taxi ('000)	**12**	12

(1) Al relevant 2022 numbers are restated under IFRS 17

The move to reporting under IFRS 17 has brought some changes to the presentation of the Profit or Loss Account and Statement of Financial Position, although I continue to stress that the economic reality of the business and capital position of the Group remain unaffected by the change. We will continue to report numbers in sufficient detail such that we believe readers of this Report and Accounts will be able to understand the Group's performance in historic terms. For example, whilst 'Insurance Revenue' is the top-line in the Profit or Loss Account (it represents 'earned premium' plus 'customer instalment income'), we continue to report gross written premium on the same basis as under the previous accounting regime.

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.

	2023	2022 (1)
Gross written premium	**£225.1m**	£171.3m
Less: Unearned element of liability for remaining coverage	**(£40.6m)**	£6.9m
Gross earned premium	**£184.5m**	**£178.2m**
Reinsurance expense	**(£28.5m)**	(£25.0m)
Net earned premium	**£156.0m**	**£153.2m**
Customer instalment income	**£3.7m**	£3.3m
Insurance service expense	**(£139.5m)**	(£126.6m)
Amounts recoverable from reinsurers	**£31.5m**	£6.3m
Insurance service result	**£51.8m**	**£36.2m**
Represented by:		
Insurance service result before reinsurance contracts held	**£48.7m**	£54.9m
Net expense from reinsurance contracts held	**£3.0m**	(£18.7m)
	£51.8m	**£36.2m**

(1) All relevant 2022 numbers are restated under IFRS 17

Our gross written premium has increased by 31.4% vs 2022, with the increase being almost entirely driven by the Group's core (and most profitable) line of business – Motor Vehicle. The increase in gross written premium is even more sizeable when compared to the second half of 2022, being 58.1% up for H2 2023 vs H2 2022. This has been slightly offset by a reduction in Motorcycle business, which was expected as the relationship with one of the Group's distributors was terminated during the year. Premium from the Taxi business has grown marginally, although that market remains challenging and therefore the Group remains cautious as pricing in the Taxi market remains relatively low.

Customer instalment income, which is 'earned' in the same way as premium, has increased in line with premium earned on the direct business. As has always been the case, the Group only earns instalment income on its Direct book from the provision of premium financing to those customers who choose to pay monthly, and as such this remains a very small element of the Group's insurance revenue.

Investment return has started to reflect the reinvestment of maturing assets, as well as increase in total assets invested in the Group's portfolio. The Group's investment strategy remains unchanged, being invested in a low-risk mix of UK government bonds, other government-backed securities and diversified investment-grade corporate bonds. Fair value gains and losses on the investment portfolio are taken through other comprehensive income and largely reflect market movements in yields of risk-free and low-risk assets. We do not expect to realise any of these market value movements within profit as we continue to hold invested assets to maturity.

Operating expenditure

	2023	2022 [1]
Profit or loss		
Insurance service expense	**£139.5m**	£126.6m
Reinsurance expense	**£28.5m**	£25.0m
Current-year net loss ratio	**58.8%**	61.9%
Prior-year net loss ratio	**(2.5%)**	4.1%
Financial-year net loss ratio	**56.3%**	66.0%
Other operating expenses	**£26.6m**	£22.8m
Expense ratio	**30.0%**	27.4%
Combined operating ratio	**86.3%**	93.4%
Net loss ratio by product		
Motor vehicle	**50.4%**	59.0%
Motorcycle	**65.2%**	113.4%
Taxi	**108.8%**	107.0%

(1) All relevant 2022 numbers are restated under IFRS 17

The year-on-year improvement in profitability is evident from the loss and combined ratios reported above. The inflation shock in 2022 clearly had a very significant impact on 2022's result, and this had a knock-on impact into 2023, particularly in the first half of the year, as the rating action taken during 2022 took some time to earn through. The numbers reported above are on an IFRS 17 basis, therefore are 'discounted' loss ratios. Undiscounted figures are shown below, along with other elements which make up the 'insurance service expense', which effectively equals discounted claims expense, plus an allocation of operating expenses directly attributable to handling claims and the amortisation of insurance acquisition costs, which in Sabre's case is analogous to commission expense under the previous standard.

£225.1m

Gross written premium

£23.6m

Profit before tax

	2023	2022 [1]
Undiscounted gross claims incurred	**£139.6m**	£126.7m
Discounting [2]	**(£20.3m)**	(£19.3m)
Directly attributable expenses	**£6.1m**	£6.2m
Amortisation of insurance acquisition costs	**£14.1m**	£12.9m
Insurance service expense	**£139.5m**	**£126.6m**
Undiscounted reinsurance recoveries	**(£41.4m)**	(£17.3m)
Discounting [2]	**£9.8m**	£11.0m
Amounts recoverable from reinsurers for incurred claims	**(£31.5m)**	**(£6.3m)**
Undiscounted net claims incurred [3]	**£96.0m**	£108.7m
Net earned premium	**£156.0m**	£153.2m
Current-year undiscounted net loss ratio	**64.3%**	67.7%
Prior-year undiscounted net loss ratio	**(2.7%)**	3.3%
Financial-year undiscounted net loss ratio	**61.6%**	**71.0%**
Undiscounted combined operating ratio	**91.6%**	98.4%
Undiscounted net loss ratio by product		
Motor vehicle	**55.0%**	63.4%
Motorcycle	**73.3%**	121.9%
Taxi	**117.1%**	116.6%

(1) All 2022 numbers are restated under IFRS 17 where applicable

(2) Includes discounting on Period Payment Orders ("PPOs")

(3) Calculation of undiscounted net loss ratio allows for the impact of discounting on long-term non-life annuities, Periodic Payment Orders ("PPOs"), consistent with presentation under IFRS 4

Whether on a discounted or undiscounted basis, the improvement in loss ratio across the business as a whole is clear, with a significant improvement in Motor Vehicle and Motorcycle, whilst the small Taxi business remains challenging. Whilst the full-year net loss ratio is not sufficiently low across the whole business to return the Group to historical levels of profitability in 2023, the loss ratio for H2 is far closer, being 51.5% on an IFRS 17 basis and 57.5% on an undiscounted basis. It is also very pleasing to note that profitability on the core Motor Vehicle product has returned towards our historical norms and has improved throughout 2023. Given the significant growth in this product relative to Motorcycle and Taxi, this should have a much greater impact in 2024.

The Group's expense ratio has increased slightly from 2022, a result primarily of earned premium remaining at similar levels, with the rapid growth later in the year not reflected fully in the earned position, set against normal inflation in the cost base and some one-off expenditure, including the building refurbishment (£0.4m) and a write-down in the valuation of the Group's headquarters office estate (£0.3m) which was impacted by the higher inflation environment and a general slow down in demand for office buildings. We have seen this increase reverse in H2 however, with the expense ratio falling from 31.8% in H1 to 28.3% in H2.

Net insurance financial result

The net insurance financial result is a new concept under IFRS 17 and represents the 'run-off' of discounting applied to claims reserves. When a claim is recorded, the claim cost is discounted to reflect the time value of money at the prevailing rate. This reduces the overall claims cost and is why the claims expense is lower on a discounted basis. The 'other side' of this is the run-off of discounting, which reflects the increase in the real-world value of the claim as payment becomes closer. The reduction in claims liabilities and reinsurance assets resulting from applying discounting to those balances is recorded within insurance contract liabilities and reinsurance assets respectively in the Statement of Financial Position.

	2023	2022 [1]
Insurance finance expense for insurance contracts issued	**(£10.2m)**	(£6.0m)
Reinsurance finance income for reinsurance contracts held	**£3.6m**	£3.2m
Net insurance financial result	**(£6.6m)**	**(£2.8m)**

(1) All relevant 2022 numbers are restated under IFRS 17

The cost associated with the discounting run-off has increased in 2023 due to claims which were recorded at high discount rates having run-off during the year. During 2022, much of the claims reserve would have been discounted at lower rates, and hence a lower discounting run-off.

Other comprehensive income

The introduction of IFRS 17 has added a 'net insurance financial result' to other comprehensive income. This reflects the impact of changes in discount rate on the value of claims liabilities. This is therefore recorded alongside the change in market value of debt securities at fair value. Where there is a true movement in risk-free rates, these amounts should be similar but opposite. The inclusion of the impact of discount rate movements within other comprehensive income, as opposed to the Profit or Loss Account, is a policy decision designed to match the impact of movements in discount rate to fair-value movements in investments already recorded within other comprehensive income under IFRS 9.

	2023	2022 (1)
Key elements of other comprehensive income		
Net insurance financial result (discounting 'run-off')	**(£7.0m)**	£10.7m
Fair value gains/(losses) on debt securities through OCI	**£9.3m**	(£14.2m)

(1) All relevant 2022 numbers are restated under IFRS 17

Given that asset-liability matching is imperfect with regard to levels of risk and duration, these two figures do not perfectly offset, however these have been particularly large in 2022 and 2023 due to the volatile economic environment.

Taxation

In 2023 the Group recorded a corporation tax expense of £5.5m (2022: £2.9m), an effective tax rate of 23.5%, as compared to an effective tax rate of 21.0% in 2022. The effective tax rate is similar to the prevailing UK corporation tax rate. The Group has not entered into any complex or unusual tax arrangements during the year.

Earnings per share

	2023	2022 (1)
Basic earnings per share	**7.27p**	4.45p
Diluted earnings per share	**7.20p**	4.42p

(1) All relevant 2022 numbers are restated under IFRS 17

Basic earnings per share for 2022 of 7.27p per share is proportionate to profit after tax. Diluted earnings per share is similarly proportionate to profit after tax, taking into account the potentially dilutive effect of the Group's share schemes.

Cash and investments

	2023	2022
Government bonds	**£107.0m**	£87.2m
Government-backed securities	**£81.9m**	£80.8m
Corporate bonds	**£75.7m**	£61.3m
Cash and cash equivalents	**£35.1m**	£18.5m

The Group continues to hold a low-risk investment portfolio and cash reserves sufficient to meet its future claims liabilities. This has resulted in a stable yield across the portfolio. As most assets are held to maturity, the yield achieved by the portfolio lags changes in market yield, with funds generally being reinvested on maturity.

Insurance liabilities

	2023	2022 (1)
Gross insurance liabilities	**£374.8m**	£314.3m
Reinsurance assets	**(£166.7m)**	(£137.0m)
Net insurance liabilities	**£208.1m**	£177.4m

(1) All 2022 numbers are restated under IFRS 17 where applicable

The Group's net insurance liabilities continue to reflect the underlying profitability and volume of business written. Generally, the gross insurance liabilities are more volatile and impacted by the recording and settlement of individually large claims. The level of net insurance liabilities held remains broadly proportionate to the volume of business written, and reflects inflationary increases in the cost of claims.

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.

Dividends and solvency

	2023	2022 (1)
Interim ordinary dividend (paid)	**0.9p**	2.8p
Final ordinary dividend (proposed)	**4.2p**	0.0p
Total ordinary dividend (paid and proposed)	**5.1p**	2.8p
Special dividend (proposed)	**3.9p**	1.7p
Total dividend for the year (paid and proposed)	**9.0p**	4.5p

The dividend proposed is in line with the Group's policy to pay an ordinary dividend of 70% of profit after tax, and to consider passing excess capital to shareholders by way of a special dividend.

Excluding the capital required to pay this dividend, the Group's SCR coverage ratio at 31 December 2023 would be 170.9%.

ADAM WESTWOOD
Chief Financial Officer
18 March 2024

Responsibility and Sustainability

A responsible and sustainable business

Operating Sabre as a responsible and sustainable business is a key element of our long-term strategy. We have developed a framework for our actions which forms an important reference point when directing the Group's activities. We are committed to our part in building a sustainable future.

Our responsibility and sustainability framework:

Our Customers

Sabre's business is built around the customer, with a goal to provide access to fairly priced motor insurance for almost everyone. We want our customers to experience high-quality customer service and peace of mind.

Pricing

We price all of our policies based upon our estimate of the ultimate cost to us of providing that policy including paying claims, administrative expenses and taking a consistent margin regardless of the premium level. Each uniquely priced policy is based upon our view of the risks presented by it, considering both the person and the vehicle insured. This assessment is based on our bespoke fully-automated pricing model, using our experience represented by many years of claims data. We have generated a deep pool of data, which allows us to provide the best possible, risk-adjusted prices.

Customer experience

We strive to ensure an easy, efficient service to all of our customers however they reach us. This could be through our extensive broker network, or directly to us through our own brands, Go Girl and Insure2Drive. This includes providing a straightforward sales process and a knowledgeable, well-staffed UK-based call centre.

Claims

Most of our business is sold online or through our network of brokers, which means our first contact with customers is often when they make a claim. We understand this can be a stressful process and seek to make it as easy as we can, to provide a 'no hassle' service for honest customers and third parties. Where we believe individuals are making false or exaggerated clams we will defend our position robustly to allow us to continue offering competitive premiums to all of our customers. We engage with excellent partners, with whom we agree a strong suite of service-level parameters, which are monitored regularly, to ensure customers receive great service at all touch points – whether by our own team or our outsourced partners.

Our People

Our people are core to the success of the Group and we seek to create a positive and collaborative working environment for all of our employees. Sabre's culture provides employees with an open, honest and professional working environment which recognises the importance of a healthy work/life balance. The Group operates from a single site in Dorking, Surrey and as at 31 December 2023 employed 161 people. We are pleased to say that over 45% of our employees have been with the Group for ten or more years.

Communication with Employees

Sabre encourages internal communication through a two-way dialogue between the Leadership Team and employees. Throughout the year we have done this through:

- Regular 'CEO lunches', where Geoff Carter hosts a lunch with teams across the Group
- 'Listen & Learn' sessions, where Karen Geary, the Non-executive Director responsible for Employee Engagement, hosted Q&A sessions with employees
- Continued use of 'Ask Sabre', an email facility, which allows employees to raise questions regarding the business
- An employee Happiness Survey which is a facility to post comments anonymously
- An Employee Satisfaction Survey, which is sent annually to employees to allow them a safe space to provide feedback anonymously to the Leadership Team
- Presentations at Full Year and Half Year to update employees on the Group's financial results and answer any questions they may have in relation to the announcements
- Appraisals twice a year for all employees
- Regular social and charity events

In addition to this, the Group has an employee portal and a dedicated Whistleblowing Hotline through which employees can report any concerns anonymously. Sabre also has an internal whistleblowing champion, Alison Morris. Annual training and regular reminders are provided to all employees regarding whistleblowing.

Employee Policies and Code of Conduct

Policies are in place to support and develop the Group's employees, all of which are subject to regular review. Examples of these include policies addressing equal opportunities, acceptable behaviour, flexible working, and health and safety. The policies and practices are consistent with the Group's values and support the long-term success of the business through supporting its employees. During 2023 all employee policies were reviewed to ensure that they are fair and inclusive by outlining the responsibilities of both the Group and our employees. All employee policies are available through the Employee Portal which allows for easier access to the employee as well as transparency.

The Company has a Code of Conduct, which outlines expected behaviours of employees. It further requires all employees to understand the definition of, and the harms related to, harassment. Training related to expected employee conduct is required to be completed annually, and by all new joiners.

Changes During the Year

During the year, the Company reviewed and increased the starting salaries for trainees, and the Company confirms that the Real Living Wage is paid as the minimum to all full-time employees. As in prior years, the Company gave employees pay rises during the year. For our people who were rewarded pay rises through our annual pay review process, before any individual performance adjustments, the average pay rise was 6.7%, with individual pay rises between 5.2% and 8.9%, including a Christmas bonus of £1,050. In order to allow for greater employee flexibility and to ease the burden during pregnancy and those initial few months with a new born baby, we reviewed our family leave policies. As a result, we enhanced our maternity and paternity pay and brought in paid leave for those whose babies require neo natal care.

Employee Share Plans

In 2023, the Group launched its sixth Save As You Earn ("SAYE") grant, allowing employees to purchase shares in the Group at a reduced rate. The Group allows employees to contribute a maximum monthly contribution of £500, in line with the maximum allowed under the Plan, and provides the maximum discount of 20% when the option price is set. The 2023 SAYE grant saw 38% of employees participate. As at 31 December 2023, 48% of employees were participating in one of the Company's SAYE grants.

Benefits

The Company operates a generous benefits package including enhanced holiday leave, matched pension contributions and one to one pension training, private health care, salary extras employee portal (discounts on many high street shops), eye tests, yearly flu jabs, performance bonus, mini health MOTs, a life assurance policy, enhanced policy allowance, daily employee breakfasts, weekly fruit deliveries, share save schemes and support towards professional qualifications.

Sabre has a formal hybrid working model whereby all employees are able to work from home for a maximum of two days per week. This allows employees to retain the benefits of working from home, whilst maintaining a collaborative, primarily office-based culture.

As part of Sabre's commitment to contributing towards a greener environment, the Group offers an Electric Car Scheme for employees. Electric cars do not release direct emissions into the environment, resulting in a greener and economic way to commute to the workplace. There is more of a benefit of purchasing an electric vehicle through a salary sacrifice scheme as it generates tax savings for the employee. To date 4% of employees have ordered an electric vehicle through the scheme. The Group also offers a cycle to work scheme to all employees, which has a tax saving benefit to the employee and can save on the cost of a bike and accessories.

Training

The Group operates a compulsory e-training programme for all employees, which focuses on the Company's needs and includes topics such as anti-bribery and corruption, whistleblowing and modern slavery. The Group offers ongoing training to all employees and external courses for newly promoted employees where appropriate. During 2023 the Group provided development training for its future leaders and key individuals, 29 employees were provided with bespoke training focusing on soft skills and self-development. During the year the Group has provided a workshop for 'Women in Leadership'. 13 of our female employees attended the workshop which focused on embracing different communication and leadership styles as well as creating a community within the workplace, which has continued. 92% of managers attended Menopause Awareness training which concentrated on how to help employees who may be suffering due to menopause symptoms as well as a general understanding on how this can have an effect on the overall wellbeing of our female employees. The Group provided a workshop on 'Sleep and the Menopause' by a registered nutritionist, which led to the creation of a menopause support group that has continued throughout the year. In November the Group provided a 'Men's Health' workshop which covered nutrition, exercise, prostate cancer awareness and mental health, with 36 attendees.

During 2023, the Company supported employees with the following qualifications:

- Foundation Insurance Test, Chartered Insurance Institute
- Foundation Certificate in People Management, Chartered Institute of Personnel and Development
- Chartered Management Accountant Qualification, Chartered Institute of Management Accountants
- Advanced Diploma, Chartered Insurance Institute
- CIPD Level 5 Associate Diploma in Organisational Learning & Development
- Mental Health Champions, St John Ambulance
- First Aid Qualification, St John Ambulance
- IOSH training (Institution of Occupational Safety and Health)

All of these qualifications are paid for by the Group. Employees also receive study leave and the costs of professional memberships.

Employee wellbeing

The Group has a number of trained mental health champions and mental health first aiders. Their roles are to promote positive mental health and to signpost to relevant support and help, where appropriate. The Group also has an employee assistance programme with a 24-7-365 telephone service with advisers who can aid discussions on work, marital, financial or family problems, health information as well as providing up to six sessions of employee counselling per year.

Number of Mental Health First Aiders:

2

Number of Mental Health Champions:

9

Inclusivity, diversity and equality

The Group is fully committed to the elimination of unlawful and unfair discrimination and values the differences that a diverse workforce brings to our organisation. We encourage inclusivity, diversity and equality among our workforce, whilst eliminating unlawful discrimination, and operate an Equality, Diversity and Inclusivity Policy.

Sabre's Equality, Diversity and Inclusivity Policy aims:

– To promote equality, fairness and respect for all our employees;
– To ensure that the Group does not discriminate against an individual, specifically due to their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation; and
– To avoid all forms of unlawful discrimination.

Sabre provides compulsory diversity and inclusiveness training annually to all employees. There is an assessment at the end of each training module, which must be passed before completion, thus ensuring a level of understanding is reached. These modules are designed to help employees and enable them to understand how their attitudes and behaviour towards each other can have a negative or positive impact on the workforce as a whole.

The Group operates a Religious Holidays Policy, for employees who wish to observe special religious holidays or festivals. All employees, whatever their religion or belief, will be treated equally in all respects.

During the recruitment and interview process we ensure fair, non-discriminatory and consistent processes are followed, and Sabre has a policy of advertising all roles internally (where practical) to allow employees to progress and develop. Sabre also supports working parents through shared parental leave, enhanced maternity and paternity leave and where possible embraces flexible working for our employees. During 2023 we have had 15 internal secondments which allows for further training and development within specialist areas. We also had 7 internal promotions supporting Sabre's ethos of internal development within the Group. Of these promotions 42% were female employees.

Diversity and inclusion: New Listing Rule LR9.8.6R (9 -11)

The requirements of the New Listing Rule are:

– At least 40% of the Board are women
– At least one senior Board position (Chair, CEO, CFO, SID) is held by a woman
– At least one member of the Board is a non-white ethnic minority (bases on ONS categories)
– Publish gender and ethnicity data of their Executive Management (the FCA has defined Executive Management as *the Executive Committee or most Senior Executive or managerial body below the board (or where there is no such formal committee or body, the most senior level of managers reporting to the Chief Executive), including the Company Secretary but excluding administrative and support staff.*)

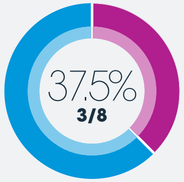
As of 31 December 2023 37.5% of the Board are women, therefore we do not meet this target. All other targets have been met. Data is collected on a self-reporting basis using the categories in the FCA tables for gender and diversity reporting. The Group operates a Diversity & Inclusion Policy for the Board which operates within the FCA listing rules.

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)*	Number in executive management	% of executive management
Men	5	62.5%	2	4	80%
Women	3	37.5%	1	1	20%
Other categories	N/A	N/A	N/A	N/A	N/A
Not specified/prefer not to say	N/A	N/A	N/A	N/A	N/A

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)*	Number in executive management	% of executive management
White British or other white (incl. minority white groups)	7	87.5%	3	5	100%
Mixed/multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	1	12.5%	–	–	–
Other ethnic group including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

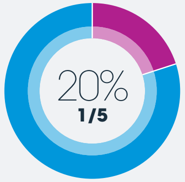
*As of 31 December 2023 our SID was acting as interim Chair.

Number and % of women on the Board



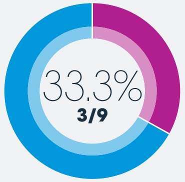
	As at 31 December 2023		As at 31 December 2022	
Female	3	37.5%	3	37.5%
Male	5	62.5%	5	62.5%
Total	**8**	**100%**	**8**	**100%**

Number and % of women on the Executive Team**



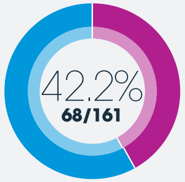
	As at 31 December 2023		As at 31 December 2022	
Female	1	20%	1	20%
Male	4	80%	4	80%
Total	**5**	**100%**	**5**	**100%**

Number and % of women on the Leadership Team**



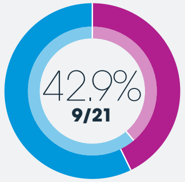
	As at 31 December 2023		As at 31 December 2022	
Female	3	33.3%	3	33.3%
Male	6	66.7%	6	66.7%
Total	**9**	**100%**	**9**	**100%**

Number and % of women working for Sabre



	As at 31 December 2023		As at 31 December 2022	
Female	68	42.2%	64	42.4%
Male	93	57.8%	87	57.6%
Total	**161**	**100%**	**151**	**100%**

Number and % of women in senior roles (reporting to members of the Leadership Team)**



	As at 31 December 2023		As at 31 December 2022	
Female	9	42.9%	9	39.1%
Male	12	57.1%	14	60.9%
Total	**21**	**100%**	**23**	**100%**

**Includes directors of subsidiaries

Gender pay gap

Whilst Sabre has fewer than 250 employees, and therefore it is not required to submit a formal statement on its gender pay gap, Sabre has committed to publish its Gender Pay Gap Report on an annual basis. By publishing this information, the Group is ensuring accountability with regard to gender pay. The Gender Pay Gap Report is available on the Group's website: https://www.sabreplc.co.uk/about-us/corporate-governance/gender-pay-gap-report/

Sabre has reviewed employee salaries and can confirm that those employees with the same job titles and similar length of service are paid similar amounts, as illustrated in the Company's Gender Pay Gap Report.

Sabre's approach to data protection

Sabre has a General Data Protection Regulation ("GDPR") Oversight Committee (the "Committee") which is chaired by our Data Protection Officer ("DPO"). The Committee meets regularly to review GDPR compliance. The Committee is attended by representatives from across the business, including Compliance and Risk, and the Executive Team. A standing agenda for the meeting ensures that all breaches are reviewed, emerging risks considered, and any further actions or training is identified. The DPO reports to the Chair of the Risk Committee and provides the Risk Committee with a regular update regarding GDPR and any breaches or issues relating to GDPR.

Employees are trained, at least annually, on Data Protection legislation and the Company's requirements when handling data. This includes online training courses, which include a marked assessment on completion to ensure understanding. Additional ad-hoc training is provided to update on any specific changes or points of interest.

Our Community

Since 2019, Sabre has operated a Charity and Social Committee (the "Committee") to prioritise and plan fundraising and social events. The Committee is run by employees and during the year had a change of Chair, Secretary and Treasurer. It consists of ten employees from across Sabre with varying lengths of tenure.

Charities supported

At the beginning of 2023, the Committee asked employees to nominate new charities that they wished for the Group to partner with, that were local to Sabre and that we could make a difference to by fundraising and volunteering employees' time.

The new Charity Partners chosen were:

St Catherine's Hospice

St Catherine's Hospice offers both physical and emotional support to those living with a terminal illness whose families live in Sussex and East Surrey. Further information on St Catherine's Hospice can be found here: https://www.stch.org.uk/

The Children's Trust

The Children's Trust deliver rehabilitation, education and community services through skilled teams who work with children and young people who have brain injuries and their families. Further information on The Children's Trust can be found here: https://www.thechildrenstrust.org.uk/

£21,585

Total donation to charity

Other charities supported during the year were:

- **Children in Need**
- **Dorking Foodbank**
- **Macmillan**
- **Movember**
- **Rainbow Trust**
- **Royal British Legion Poppy Appeal**
- **Stockport Children's Charity**
- **Walk the Walk**

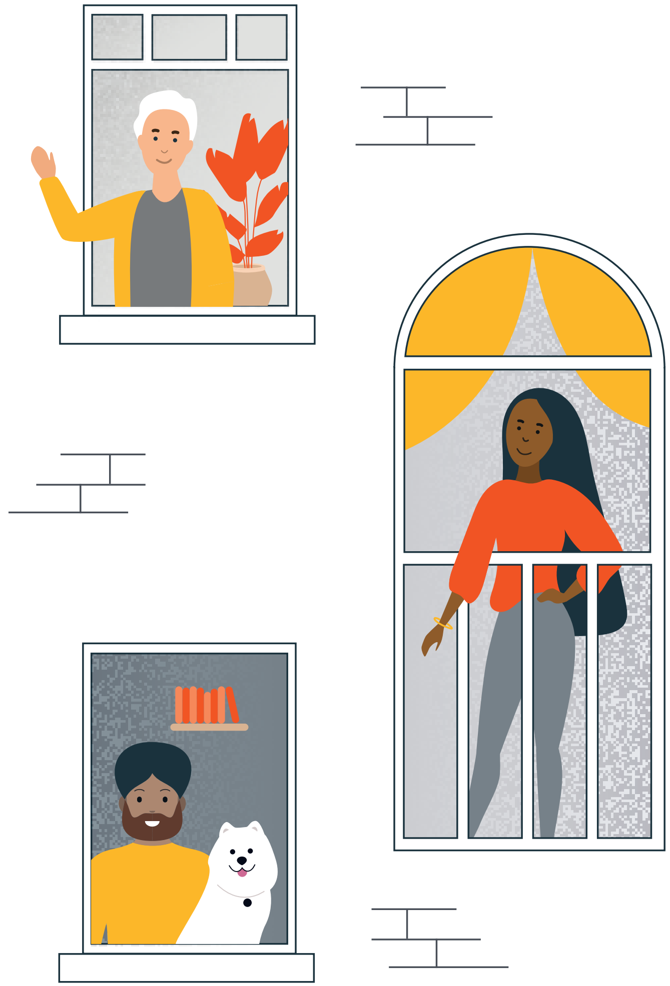
Charity events during the year

The Committee arranged a Charity Partnership Launch Day and arranged involvement in a number of charity events including; the St Catherine's Hospice Dragon Boat Race, the Sabre Annual Car Park-ty, Sabre Charity football match and bingo as well as sponsoring The Children's Trust's annual Elf Run.

Give a Day Away

In addition, Sabre relaunched its Give a Day Away Scheme, where employees can take time out of their working day to volunteer for charities. During the year employees took part in leaflet dropping for St Catherine's Hospice ahead of their annual midnight walk and The Children's Trust Shop Challenge which saw employees helping at two different locations in their Charity Shops to compete against each other for the best window display and the best sales figures. A total of 26 employees from the Claims, Policy Operations and e-Commerce departments volunteered and gave up a total of 74 hours of their time. The employees really enjoyed participating in these events and we look forward to supporting them to take part in these events next year.

By the end of the financial year, Sabre and its employees had raised £9,864.98 for St Catherine's Hospice and £10,280.98 for The Children's Trust. The total donations by the Group and its employees amounted to £32,475.96, of which £10,890.66 was raised by employees (2022: £2,316) and £21,585.30 donated by Sabre (2022: £21,397).



Our Partners

Our relationships with partners are designed to be mutually beneficial, fair, and in the best interests of all stakeholders.

Suppliers

We select our suppliers based upon the value that they can bring to the business and consideration of their core business principles. We consider material suppliers not only in economic terms, but also against their governance and environmental credentials.

Commercial terms with our suppliers are negotiated in order to deliver the best value to our shareholders, while also ensuring partners can earn a reasonable profit and sustain a mutually beneficial ongoing relationship. We seek to ensure that all of our suppliers are paid the correct amount, on time.

Brokers

Approximately 64% of our premium income was sourced through brokers in 2023. Our philosophy when entering into business with brokers is simple: we will provide a fair and sustainable price, available to as many of their customers as possible. In return, they commit to treat their customers fairly, to collect the correct premium from the customer and pass it to us, and to make best efforts to ensure that the policy details provided to us are correct.

We aim to offer fair terms to all brokers, reflecting their long-term profitability to us. We therefore do not offer scheme discounts or other incentives, which might demonstrate preferential treatment in favour of a particular broker.

Our broker on-boarding and audit processes give us the comfort that our brokers are providing customers with a good quality of service while adhering to our high standards.

Outsourced operations

We engage in several key outsourcing arrangements. In each case, we have developed a fair set of measurable service levels and fee structures designed to deliver best value for both parties. We conduct regular reviews of our key outsourced operations to ensure that they reach the expected levels of employee and customer welfare as well as meeting any regulatory requirements.

Our Environment

Our consideration of the environment falls into two, equally important, categories. Firstly, we must assess, and where possible, mitigate the risks of the changing environment on our business. Secondly, we must consider the impact of our business, both directly and indirectly, on the environment, in particular the impact of greenhouse gas emissions and their contribution to climate change.

We recognise that stakeholders are increasingly interested in both of these issues and as such we look to ensure that we continually review and enhance our efforts and disclosures in these areas, with particular reference to guidance and rules issued by our stakeholders, including the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") and various statements made by our regulators, and the Streamlined Energy and Carbon Reporting ("SECR") requirements.

During 2023, we continued to work with Mazars to assist with our carbon footprint analysis and climate-related risk assessment.

Governance over climate change

The Board takes the ultimate responsibility for identifying and mitigating risks in relation to climate change, and in minimising the Group's negative impact on the environment. The Board will consider the impact on the Group's carbon footprint and any other climate-related factors when assessing material strategic or tactical decisions, such as whether or not to shift the insured footprint towards "green vehicles" and approving the office refurbishment . A member of the Board, Adam Westwood (CFO), has been tasked with taking responsibility for the climate-related strategy and subsequent implementation and reporting. Adam has received training from a specialist team at Mazars, to assist him in this role. Climate-related risks and opportunities are a standing agenda item for both the Board and Risk Committee and, where appropriate, will include updates as to goals and targets set within our net-zero roadmap and any other relevant metrics as they are developed. Further detail on the activities of the Board and Risk Committee can be found in the Governance section of this report on pages 50 to 95.

The Management team takes a collegiate approach to the implementation of the Group's climate goals, with the CFO taking responsibility for leading the overall project. Climate-related targets, including progress towards the Group's net-zero target, are included within Management's (including Executive Directors') performance objectives, which feed directly into remuneration. The CFO is assisted by the Group's Head of Facilities in monitoring and improving the Group's operational carbon footprint. Information about climate change is disseminated throughout the Group through the Sustainability Forum, an employee-run Group responsible for assisting the CFO in developing and implementing climate initiatives. The Group's Environmental Policy forms part of the core induction pack and additional training is delivered as and when necessary.

Strategy for climate change

Climate-related risks and opportunities have been identified and, where appropriate, incorporated into the Group's risk register. The short, medium, and long-term aspects of each risk have been considered. These risks are summarised in the table below.

Each of these risks has a varying impact over the long, medium, and short term. We define long-term risks as those impacting beyond a five-year time horizon, medium-term one to five years and short-term anything impacting within one year. Although most risks apply from now, with increasing likelihood and severity across subsequent time horizons, we have noted where we believe there may be a more significant step-up in the risk.

When considering climate-related risks and opportunities, the associated materiality is considered by Management and the Risk Committee. All risks are assigned a 'likelihood' and 'impact' assessment, which is aligned to the wider risk management framework. The resultant 'inherent' risk is note below. This is considered alongside a subjective assessment as described in the later section 'How We Decide What to Measure'

Risk/opportunity	Description
Physical operational Primary time horizon: medium-term Risk rating: low	The physical risks generated by climate change relate to a changing weather system prevailing over the environment in which we operate. This could include an increase in temperature but is more likely to manifest in an increase in the number and severity of extreme weather events, such as flooding, windstorms, snow and hail. **Operational Impact** Such a change in the weather could impact the ability of employees to attend the office or for the office or other equipment to be able to be used in the 'normal' way. There is the related risk of failure of key IT infrastructure due to extreme weather events in the vicinity of the related hardware. We have assessed this risk under a number of scenarios and concluded there is a low probability of such events occurring until at least 2090. We do not consider any of our key locations to be exposed to high-impact weather-related events and therefore no preventative action is required.
Physical liability Primary time horizon: medium-term Risk rating: low	It appears clear that an increased number of unpredictable extreme weather events will increase the overall cost of claims. While this is expected to have a lower potential to have a material impact than in, for example, home insurance, nonetheless this could have a bearing on the cost of claims over time. **Financial Impact** An increase in the frequency of adverse weather events is likely to increase the total cost of claims, although we consider this would be immaterial in the short-term, with pricing action taken to address increased costs in the medium-term. The impact of one-off individually material events is mitigated by our reinsurance programmes. Our base case scenario is that such events will increase in frequency, but this increase will be slow and over a long period of time, and hence will be reflected in policy pricing across the market in the same way as any other inflationary factor. The likelihood of a material increase in claims being sufficiently rapid not to be compensated by re-pricing is considered to be very low. The more significant risk is that of a more immediate, unexpected and un-priced weather event (such as extreme hail), which could cause significant damage very quickly. We primarily manage this risk through our insurance pricing mechanisms, including short feedback loops between our claims and pricing teams.
Transitional market reduction Primary time horizon: long-term Risk rating: low	The transitional risks (i.e. the impact of moving to a low-carbon economy) are complex. We see the transition as impacting the Group in the following ways: – An increase in the number of vehicles powered by electricity (or other alternative fuels) as opposed to traditional internal combustion engines – The move away from cars towards mass-transit – A move to car-sharing or using cars for a smaller number of journeys – The introduction of 'low/ultra-low/no emission zones' – Increased social stigma attached to using a petrol/diesel car – Increased costs of traditional fuel – Introduction of additional carbon taxes – Change to the costs in repairing electric vehicles as compared to petrol cars. We expect that the number of private cars which require insurance (and hence Sabre's core market) will reduce over time. **Financial and Operational Impact** This could inhibit the Group's ability to grow and hence requires strategic consideration. Sabre's competitiveness and policy count are monitored by management and shifts in types of insured vehicle are closely monitored by the pricing team.

Risk/opportunity	Description
Transitional market change Primary time horizon: medium-term Risk rating: medium	The transition from internal combustion engine personal transport to other methods and technologies will change the types of vehicles insured and potentially the nature and volume of insurance purchased. We note that the developments of potential new markets presents both a risk and an opportunity. **Financial Impact** We expect that the cost profile of repairs will change, and hence there is a potential liability cost related to transitional market change **Operational Impact** We expect that that there will be a greater demand for policies which appeal specifically to owners of electric vehicles (the transitional market change risk).
Litigation Primary time horizon: long-term Risk rating: medium	There is a chance that the transition to a low-carbon economy or the occurrence of physical risks could lead to litigation risk. For a Group such as Sabre, which could be seen as 'contributing' to the climate problem, we could find ourselves directly litigated against for those impacted negatively by, for example, rising sea levels. Perhaps more likely (but still unlikely) is that litigation is taken in order to stop us being able to undertake our normal course of business. There is also a potential litigation risk attached to investments which could generate valuation downgrades. While there is little direct mitigation available, the Management Team ensure that they remain up to date with regard to legal and regulatory developments in this area. **Financial Impact** Litigation can be costly, regardless of the outcome. Whilst we consider direct litigation against Sabre to be highly unlikely, industry-wide litigation could impact the Group indirectly. **Operational Impact** Industry-wide disruption due to the consequences of undetermined future legislation has the potential to impact on the Group's ability to sell policies to customers. Direct litigation against the Group would cause significant distraction for Management.
Investments Primary time horizon: long-term Risk rating: low	Sabre has an investment portfolio spread across corporate bonds, gilts and government-backed assets. Each individual investment is exposed in some way to the physical and transitional risks related to climate change. Each investment is also an indirect exposure to the carbon footprint of the counterparty. **Financial Impact** Given the short-tail nature of our investments (average duration c. two years) the risks attached are far lower than they may be within other large investors, nonetheless we must consider the risk attached to each investment as we enter into it in order to remain alert to our true exposure to climate-related risks. We have designed our investment guidelines to limit exposure to particularly damaging industries.

Whilst the disclosure above has focussed on the risks presented by climate change, Sabre remains alert to the opportunities presented, some of which are noted below. Note that Sabre does not necessarily intend to exploit all of these opportunities in the near-term.

- Provision of insurance products and services tailored towards alternative modes of transport
- Collecting sufficient data to provide competitively priced traditional insurance for electric vehicles and vehicles powered by other new technologies
- Reducing overall costs to the business by making use of cheap, sustainable energy sources

The impact of climate-related risks and opportunities on Sabre's business, strategy and financial planning has been assessed and understood, as outlined above. Strategic decision making takes potential future climate-related risks and opportunities into account, along with the wider stakeholder considerations outlined elsewhere in this report.

The Board takes climate-related risks and opportunities into consideration when considering the allocation of capital. ESG credentials are considered within the Group's investment portfolio, although given the short-term nature of investments held this is relatively light-touch in respect of investments currently held, with greater consideration given to the evolution of the portfolio towards the Group's net-zero target.

The resilience of the Group's strategy with respect to climate-related risks has been assessed, with the assistance of a specialist team from Mazars.

Sabre's exposure to risks associated with climate change has been quantified and stressed under several different scenarios, covering the exposure from investments and insurance liabilities. We have considered each of the above risks in developing our scenario analysis. We have previously assessed the risks related to physical liability on a quantitative basis, as explained in our findings noted below. This year, we have enhanced our analysis through a detailed review of our physical operational risk, also discussed below.

Our key findings, which are consistent with those identified in our previous analysis, were that:

1. Sabre's investments are in cash or short-term (less than five years) fixed interest bonds. Cash carries very little risk from climate change as it is liquid and is not tied up with carbon-intensive activities. Assuming these bonds are held to maturity, then the key investment risk that Sabre carries is if one of the issuers of the bonds default. Sabre's portfolio is well diversified, and all securities are with carriers with credit rating BBB or above. Furthermore, Sabre's portfolio is not materially exposed to the key sectors exposed to the largest degree of direct climate change risk. In summary we do not believe that Sabre's investment portfolio is materially exposed to the risk of climate change.

2. Sabre's insurance portfolio is a core part of our profit before tax. Sabre provides cover for numerous perils and the key perils exposed to the risk of climate change risk are flood and windstorm. Over the past 12 years windstorm and flood claims have been less than 0.6% of Sabre's GEP. Insurance policies are annual contracts that can be repriced as the understanding of risks develops. If a policy generates high claims in one year, Sabre can intervene by declining a renewal or increasing the premium for the next year. Sabre's portfolio carries some climate-related risk; however, historically claims from climate-related perils have been low and the risk can be managed by monitoring loss ratios. Therefore, Sabre's risk from climate-related perils on our insurance portfolio is low.

3. Sabre's flood capital requirement makes up less than 1.7% of our total base SCR. If Sabre's flood SCR was uplifted by 100%, this would cause less than a 2.5% increase in Sabre's total SCR. Therefore, Sabre's SCR could tolerate some increase in climate capital requirements.

With regard to physical operational risk, we have considered the exposure of the Group's head office, outsourced customer service location and two key data centres to heatwaves, heavy precipitation and a rise in sea level. Along with this, we have considered our insured risks by postcode, and so have enhanced our physical liability risk analysis through this exercise. This exercise is expected to be carried out once every three years and was last carried out in 2022. This will be revisited on an ad-hoc basis if Management consider the relevant circumstances to have changed materially. We considered this in the context of three Shared Socioeconomic Pathways ("SSP's"), being:

- SSP1 'sustainability pathway', generally the best-case scenario where warming is below 1.5°C by the end of the century after a brief overshoot. This is consistent with the Paris Agreement target
- SSP2 'middle of the road pathway' approximately in-line with Nationally Determined Contribution emissions levels, thereby representing our current path
- SSP5 'fossil fuelled development pathway', generally the worst-case scenario from a physical risk perspective with emission levels and warming projected to be very high

Across the UK, there is a clear upward trend for all extreme heat indicators. Compared to baseline results, for both heatwave frequency and duration, the initial increase is slow before rapidly increasing towards 2090. Heatwave frequency increases consistently across all postcodes covered. Extreme precipitation indicators show less consistent trends across the UK, with fluctuations under SSP2 and SSP5 particularly evident. 62 of our insured postcodes are included in the 'severe' sea level rise category, however the percentage risk category varies greatly. For Sabre's four operational sites, only one is at risk from sea-level rise, albeit at 'moderate' risk by the year 2100.

This analysis has confirmed that there is no raised level of short or medium-term operational risk in respect to climate change, and has highlighted that exposure to climate-related events should be considered when making long-term decisions about the Group's operational structure. It has also confirmed that there is no immediate concern regarding concentration risk of insured vehicles within high-risk zones.

Managing climate-related risks

A formal risk management process, including a risk register, is in place which fully considers climate-related risks and opportunities. The risk register is updated regularly with climate-related risks being included as a standing agenda item during 2023 for the monthly Management Risk and Compliance Forum. Where relevant, the Group's policies are adapted to reflect climate-related risks. Identified climate-related risks are integrated into the Group's overall risk register and risk management process. Further information on the Group's risk management processes is provided in the Principal Risks and Uncertainties section of this report on pages 16 to 24 of this report. Recent climate-related issues considered by those charged with governance include progression of the office refurbishment project and assessment as to the continued suitability of climate-risk analysis as disclosure in this report.

Our investments

When Sabre diversified from gilts into corporate bonds, we introduced a 'climate-friendly' term to our investment agreement whereby 'green' assets should be purchased in favour of less 'green' assets where the assets provide similar returns and profiles. In 2022, we introduced a further restriction on investment into certain organisations whose activities were not consistent with our ESG outlook. The Company's Investment Committee monitors the 'green' credentials of the investment portfolio through regular reporting by our investment manager, Goldman Sachs Asset Management.

Our influence over entities in which we hold corporate bonds is limited, and we do not hold any equity investments in any entities not directly controlled by the Group. As such, we can exert influence only through our investment choices as described above.

Our product

The provision of motor insurance, our core operation, is generally environmentally light on a direct basis i.e. excluding any consideration of the environmental impact of the vehicles we insure. Clearly, motor vehicles are a material source of carbon emissions and we are aware that Sabre's products enable the use of such vehicles. Most of our policies are sold online, and administered remotely. However, there are elements of our product offering which can generate a positive impact on the environment. Importantly, we underwrite a significant number of policies for electric and hybrid vehicles. We are happy to take these policies on, and believe that in having done so historically we are able to better price these risks accurately.

Our metrics and targets

The Group uses its suite of pricing and policy performance information to monitor the impact of climate risks on the business, such as sales volumes, types of vehicles insured, claims frequency and severity and the incidence of severe weather events (which remain immaterial). The primary physical liability risks are therefore monitored and addressed through our normal pricing and reserving processes, while longer-term transitional risks are addressed through monitoring the volumes of our product sold and projecting these volumes into the future. These targets are therefore in line with our wider corporate objectives of maintaining our combined operating ratio within our target range through an appropriate response to liability risks while growing the business across the insurance cycle. We do not consider it to be possible, appropriate or strategically relevant to set more specific targets with respect to climate-related risks and opportunities, beyond those which are disclosed below.

The Group has significantly enhanced quantitative climate-related disclosures, with the addition of Scope 3 emissions, stated retrospectively from 2019 onwards. Emissions are contextualised with reference to the Group's employee numbers and gross written premium. We have also taken the opportunity to enhance the accuracy of previously reported figures where possible, and derive a consistent basis for year-on-year comparison.

The greenhouse gas ("GHG") emissions data for the Group is set out adjacent, alongside prior years. We are pleased to see the continued decline in our GHG emissions.

We believe our operational activities are consistent with a scenario well-below 2°C, however we have not fully aligned with science-based targets at this stage. We have not set out specific targets with regard to our activities as a holder of invested assets beyond the long-term goal of net-zero emissions across the portfolio by 2050. We expect to reduce emissions across the portfolio in a controlled manner over time, but must remain somewhat reactive to the net-zero aspirations of investee (and potential investee) entities.

The emissions data is measured in tonnes of carbon dioxide equivalent ("tCO_2e") and covers:

i. Scope 1 emissions, being direct emissions resulting from combustion of fuel and operation of facilities
ii. Scope 2 emissions, being indirect emissions from purchased grid electricity and other energy for own use
iii. Scope 3 emissions, being all other indirect emissions which occur in the Group's value chain

Tonnes of CO_2e/year	2023	2022	2021
Scope 1	130	–	42
Scope 2	32	43	43
Operational footprint	162	43	85
Scope 3, excluding insured emissions	20,937	19,902	23,673
Total footprint, excluding insured emissions	21,099	19,945	23,758
Number of FTE* employees	162	154	142
Operational footprint per employee	1.00	0.28	0.60
Insurance revenue	£188m	£181m	£170m
Operational footprint per £m of insurance revenue	0.86	0.25	0.50
Building energy usage (KWh)	143,147	200,237	201,683

* Full-time equivalent ("FTE")

The footprint is calculated in accordance with the GHG Protocol on calculating organisational footprints. Activity data has been converted into carbon emissions using published emissions factors or appropriate estimation techniques. Management have obtained external quality assurance for the GHG data presented here.

All relevant and measurable emissions have been included in these calculations. Specifically: Scope 1 – 'F gas'; Scope 2 – electricity; Scope 3: Category 1- Purchased goods and services, Category 2 – Capital goods, Category 3 – Fuel and energy-related activities, Category 4 – Upstream transportation and distribution, Category 5 – Waste generated in operations, Category 6 – Business travel, Category 7 – Employee commuting, Category 15 – Investments (including insured emissions).

Separately, for the first time in 2022, we reported an estimated footprint related to our insurance operations, in line with the Partnership for Climate Accounting Financials ("PCAF") guidelines. This is not currently included within our assessment of Scope 3 emissions. The total relevant carbon emissions across our insured vehicles is estimated to be 68,443 tCO_2e/yr as at 31 December 2023 (2022 (restated following updated formula): 61,202 tCO_2e/yr).

GHG emissions have been reported by the three WBCSD/WRI Scopes. Scope 1 includes direct GHG emissions from sources that are owned or controlled by the Company such as natural gas combustion and Company-owned vehicles. Scope 2 accounts for GHG emissions from the generation of purchased electricity, heat and steam generated off-site. Scope 3 includes all other indirect emissions such as waste disposal, business travel and staff commuting. The most significant element within Scope 3 emissions is the investment portfolio, which contributed 11,165 tCO_2e/yr to 2023 emissions (2022: 11,223 tCO_2e/yr). The weighted average carbon intensity across the portfolio was 34.0 tCO_2e/$MM as at 31 December 2023 (2022: 39.6 tCO_2e/$MM).

The medium-term reduction in emissions reported as at 31 December 2023 is consistent with the Group's Net-Zero objectives, despite an increase in 2023. The increase in Scope 1 emissions in 2023 is due to the installation of the new air conditioning system, which we expect will generate greater efficiencies in the long-term.

All emission sources have been reported on as required under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The reporting period is in line with the Company's financial year, which is the same as the calendar year. In order to provide the most accurate estimate of our GHG emissions, primary (actual) data has been used where it is available, up to date and geographically relevant. Secondary data in the form of estimates, extrapolations and industry averages has been used when primary data is not available. We expect that, as we and our counterparties improve the quality of record-keeping and reporting on GHG emissions, the use of primary data will increase. Given that secondary data is calculated with a considerable degree of conservatism, we expect that increased quality of reporting will reduce the reported levels of GHG emissions.

How we decide what to measure

Our disclosures are designed to provide information that we consider will be useful and relevant to stakeholders. We aim to identify the issues that are most important to them and consequently also matter to our own business. Our Management Team with appropriate Board Committee oversight, choose what we measure and publicly report in this section. 'Materiality' is considered to be the threshold at which issues become sufficiently important to our investors and other stakeholders that they should be publicly reported. We are also informed by stock exchange listing and disclosure rules. We know that what is important to our stakeholders evolves over time and we plan to continue to assess our approach to ensure we remain relevant in what we measure and publicly report.

Our route to net-zero

We have continued to adjust our ways of working and our working environment to minimise our negative impact on our environment.

The Group has assessed its carbon footprint and concluded that it is appropriate to set a target for net-zero emissions. The target has been set having considered the Group's current footprint along with an assessment of the level of influence held by the Group and expected societal trends. The Group has defined net-zero in-line with Science-Based Targets initiative's net-zero standard framework.

We have set our goal to achieve net-zero emissions by 31 December 2050. This reflects the need for significant change to occur within the Group's supply chain, societal moves towards low-carbon transport and a reduction in the carbon footprint of key investable assets, such as government-backed securities. We have set our targets, which are absolute as opposed to intensity-based, with reference to 2019 as a base year. Performance indicators relate primarily to the completion of activities driving our net-zero roadmap, rather than the resultant quantitively-measured reduction at this stage, although we will continue to monitor Scope 1, 2 and 3 emissions against our expected reductions over time.

We have set a more immediate goal of 31 December 2030 for the Group to report operational carbon neutrality. This, effectively, is the reduction of the Group's Scope 1 and 2 emissions to zero or, where this is not possible, temporary use of targeted carbon offsetting. We have set out our net-zero roadmap, which is published on the Group's website (www.sabreplc.co.uk/about-us/corporate-governance/sustainability). Management targets set for 2023 and beyond include the achievement of specific activities in relation to this plan. Our baseline position against which the roadmap has been set is 2019, the last full year not impacted by COVID-19 and related disruption to normal working practice. In our last Annual Report and Accounts, we detailed a number of actions which had been carried out since 2019. In 2023, we made further progress through:

- Completion of replacement of all windows within our Head Office, enhancing efficiency
- Replacement of the air conditioning system within our Head Office
- Transfer of half of our office estate to a fully renewable energy supplier
- Re-launch of the Group's sustainability forum

The costs associated with these initiatives are largely immaterial to the Group as a whole, however the Board remains open to the approval of appropriate additional expenditure in relation to climate-related initiatives as and when required.

Our roadmap is a 'live' document, which will constantly evolve as we continue to interrogate our activities and the available solutions.

Statement of consistency with TCFD recommendations

In preparing the Responsibility and Sustainability section of the Annual Report, we have made disclosures consistent, or partially consistent where noted, with those recommended by the TCFD and intend to achieve full consistency with the recommendations as a consensus view of sufficient and complete disclosure becomes clear. In particular, we note certain areas of potential inconsistency below. All of the relevant disclosures are made within this section of the Annual Report. The Company has considered the consistency of these disclosures against the TCFD's Guidance for All Sectors and Supplemental Guidance for Insurance Companies, and considers them to be consistent.

The Group remains at an early stage in its journey with respect to gaining a full understanding of the impact of climate change on the business. Steps have been taken to ensure that consideration of both the effects of climate change and the Group's impact on the environment is embedded within the Group's culture at all levels. As such, we expect our understanding and the related disclosure to evolve over the coming years. We note the following areas in which we intend to enhance disclosure in future periods:

- **Metrics and Targets 4a:** Organisations should disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- **Metrics and Targets 4c**: Organisations should describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

  Sabre has introduced additional climate-related metrics, such as weighted average carbon intensity, across the investment portfolio and insurance-related emissions. The Group currently has not set specific short-term targets for each of these metrics, beyond an overall objective to reach operational carbon neutrality and 'Net-zero' as set out in the Group's Net-zero Roadmap, which can be located at https://www.sabreplc.co.uk/about-us/corporate-governance/sustainability/. Note that this roadmap does not form part of our TCFD disclosure. As the Group's understanding of its carbon footprint, and the factors which can and cannot be controlled, grows, it will become more able to set accurate and detailed targets. This will be reviewed along with the Net-zero Roadmap in 2024 and updated disclosures will be made as appropriate in the 2024 Annual Report and Accounts.

- **Strategy 2b:** The organisation's disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time

  Our analysis goes some way to ensuring consistency with this objective, however we note that a holistic statement about the interdependencies of these factors along with their impact on value creation will be enhanced and disclosed in more detail in future reports. This will be considered along with a review of the Group's Net-zero roadmap in 2024 and consistency with this recommendation will be reviewed and reported on within the 2024 Annual Report and Accounts.

The table below lists the TCFD's 11 recommendations and where they are addressed within this report.

Recommendation	Where addressed and whether consistent with TCFD requirements
Governance	
a. Describe the board's oversight of climate-related risks and opportunities.	Risk Committee Report, page 65 *Consistent*
b. Describe management's role in assessing and managing climate-related risks and opportunities.	'Managing Climate-Related Risks', page 45 *Consistent*
Strategy	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	'Strategy for Climate Change', page 43 *Partially Consistent*
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	'Strategy for Climate Change', page 43 *Partially consistent*
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	'Strategy for Climate Change', page 43 *Consistent*
Risk management	
a. Describe the organisation's processes for identifying and assessing climate-related risks.	'Managing Climate-Related Risks', page 45 *Consistent*
b. Describe the organisation's processes for managing climate-related risks.	'Managing Climate-Related Risks', page 45 *Consistent*
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	'Managing Climate-Related Risks', page 5 *Consistent*
Metrics and targets	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	'Our Metrics and Targets', page 47 *Consistent*
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	'Our Metrics and Targets', page 46
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	'Our Metrics and Targets', page 47 *Partially consistent (see above)*

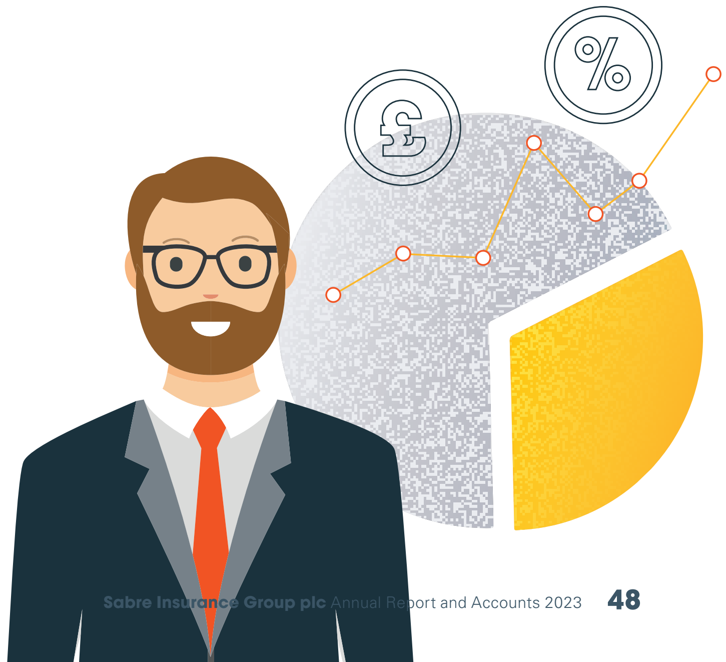
Note that we have also ensured that the Supplemental Guidance for Insurance Companies has been followed, specifically:

- **Strategy (b)** Describe the potential impacts of climate-related risks and opportunities on core products and services – 'Strategy for Climate Change', Page 43
- **Strategy (c)** Disclose certain information where climate-related scenario analysis is performed – detailed climate-related analysis is not performed across the portfolio given the nature of the risks insured, therefore additional disclosure is not required
- **Risk Management (a)** Describe processes for identifying and assessing climate-related risks on portfolios – 'Managing Climate-Related Risks', Page 45
- **Risk Management (b)** Describe key tools or instruments related to climate-related risks in relation to product development or pricing – 'Managing Climate-Related Risks', Page 45
- **Metrics and Targets (a)** Provided aggregated exposure to weather-related catastrophes – Exposure is negligible due to nature of insurance products sold
- **Metrics and Targets (v)** Disclose weighted-average carbon intensity emissions associated with commercial property and speciality lines – Not applicable

Our Shareholders

We aim to operate a responsible and sustainable business, while continuing to deliver our core strategy. We engage frequently with our shareholders, who support our efforts to operate a fair and inclusive workspace while minimising any negative impact on our environment.

Over recent years, shareholder expectations have increased significantly as to the level of disclosure required in this area, and a move from passively reporting our status to actively evolving the business in order to show continuous improvement across all areas. In order to achieve this, we appointed the Chief Financial Officer to establish our ESG framework, and to ensure that sufficient, accurate and timely information is provided to stakeholders.



FCA Consumer Duty

Sabre recognises the importance of a firm's culture and purpose in its ability to be able to deliver good outcomes for customers.

The FCA regulatory requirements for Consumer Duty came into force on 31 July 2023. This regulation sets the standard of care that firms should give to customers in retail financial markets. It is designed to ensure firms put consumers at the heart of their business and focus on delivering good outcomes for customers. The Consumer Duty consists of a new Principle, three cross-cutting rules and four outcomes.

Governance

Sabre has put in place a robust governance process:

- In September 2022 the Board approved the Company's implementation plan and appointed Karen Geary, Independent Non-executive Director, as Consumer Duty Champion;
- The Head of Compliance meets individually each month with the Company Chair, Consumer Duty Champion and the Chair of the Risk Committee; and
- Consumer Duty is reported on at the Company's Leadership, Executive and Risk Committees during the year.

Post-implementation

Regulatory requirements apply to new and existing products. A thorough ongoing programme is in place:

- A framework has been built that will provide the Board with assurance that customers will receive good outcomes;
- The Company's Head of Compliance is responsible for ensuring the regulatory requirements are fully adhered to;
- Our products are designed to meet the demands and needs of our target market and deliver fair value to the end consumer;
- An Employee Working Group has been formed with the purpose of continuing to develop our approach; and
- Senior management uses management information to closely monitor and understand customer outcomes.

Monitoring

Monitoring and training will be key to assuring customers are receiving good outcomes:

- All employees complete annual mandatory training on Consumer Duty and this, along with existing training in other key regulatory areas, will support the delivery of good customer outcomes; and
- Management information is used to determine the value, benefits and outcomes received by the customers of our products.

FCA Consumer Duty

Principle 12

A firm must act to deliver good outcomes for retail customers

3 Cross-Cutting Rules

A firm must act in good faith towards retail customers

A firm must enable and support retail customers to pursue their financial objectives

A firm must avoid causing foreseeable harm to retail customers

4 Outcomes

Product and Services

Price and Value

Consumer Understanding

Consumer Support

Products | Governance | Monitoring

Training | Management Information

Processes

Consumers

Corporate Governance

Chair's Governance Letter

REBECCA SHELLEY
Interim Chair

Dear Shareholders,

I was appointed as Interim Chair of the Board following the sad and untimely passing of Andy Pomfret. On behalf of the Board, I would like to honour his exceptional leadership and extend our heartfelt gratitude for his invaluable contribution to the business. It was a great privilege to work alongside him, and he will be missed.

On behalf of the Board, I present Sabre's Governance Report for the financial year ended 31 December 2023. This report explains Sabre's governance framework, how Sabre applies the provisions of the UK Corporate Governance Code (the ''Code'') and includes the reports from the Audit, Risk, Nomination & Governance and Remuneration Committees. The Board is responsible to shareholders for the strategic direction, management and control of the Group's activities and is committed to the highest standards of corporate governance in delivering in these areas. The Group's strategy, culture and purpose are aligned and are discussed at every Board meeting. With regards to compliance with the Code, the Board considers that appropriate corporate governance standards were in place throughout 2023, except for those set out on page 61.

The Board

As at the year ended 31 December 2023, the Board consisted of eight Directors who had the appropriate balance of skills, experience, independence and knowledge of the Group to oversee the strategy, review management performance and set the Group's values and standards to ensure that its obligations to its shareholders and other stakeholders are met. Further information about our Directors and the experience they bring to the Group is set out on pages 52 to 55 of this Annual Report.

During the year, we welcomed Bryan Joseph as a Non-executive Director, who was subsequently appointed Chair of the Risk Committee. Bryan also joined the Audit and Nomination & Governance Committees. Further information regarding the process for this appointment can be found in the Nomination & Governance Committee Report, on pages 67 to 69. Also during the year, when I became Chair, Karen Geary took over from me as Remuneration Committee Chair.

From May 2023, Ian Clark was no longer independent (as defined by the UK Corporate Governance Code). However, due to Ian's significant contribution to the Group over the last ten years and his knowledge of the insurance industry, the Group asked him to remain on the Board as a Non-executive Director. During the year Ian left the Risk, Audit and Nomination & Governance Committees and as announced on 19 March 2024, will be leaving the Board with effect from 22 May 2024 and therefore will not stand for re-election at the 2024 Annual General Meeting.

Finally, as announced in November, Michael Koller left the Board with effect from 31 December 2023. I would like to thank both Ian and Michael for their contributions to the Board and to wish them well in their future endeavors.

Diversity

Diversity remains a key consideration in the Board's succession planning. I am pleased to report that during the year Sabre became compliant with the FCA's Board Diversity and Parker Review's targets regarding one of the Board members being from an ethnic minority. As at 31 December 2023 the Board did not reach the requirement that 40% of the Board should be women, however remained compliant with the FTSE Women Leaders Review that at least one senior Board position is held by a female. Further information on the Group's Diversity Policy and its application can be found on page 39.

Remuneration

During the year, the Remuneration Committee reviewed the Directors' Remuneration Policy (the ''Policy''), and the changes are presented to shareholders for approval at the 2024 Annual General Meeting. The Policy remains broadly unchanged from the previously-approved version, and the proposed changes are to provide greater clarity around reward. I believe these changes are appropriate, and hope shareholders will support the changes. Further information on the Group's Remuneration Policy and its application can be found on pages 74 to 80.

Annual General Meeting

Sabre's Annual General Meeting provides shareholders with the opportunity to vote on the resolutions put to them and, for those shareholders who attend, to ask questions of the Directors, including the Chairs of the Committees. The Notice of Meeting will be sent to shareholders and the result of the Annual General Meeting votes on all resolutions will be published on the Group's website.

We look forward to engaging with you and to meeting shareholders at our forthcoming Annual General Meeting, which will be held at 9:30 am on Thursday 23 May 2024 at the Group's offices at Old House, 142 South Street, Dorking, RH4 2EU.

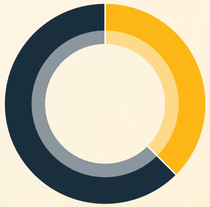
Rebecca Shelley

REBECCA SHELLEY
Interim Chair
18 March 2024

Board of Directors

As at 31 December 2023

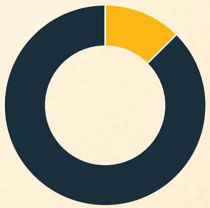
Board Gender Disclosure



2023
- Female 3/8 (37.5%)
- Male 5/8 (62.5%)

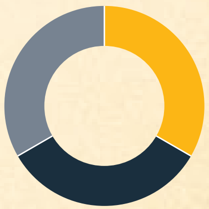
2022
- Female 3/8 (37.5%)
- Male 5/8 (62.5%)

Board Ethnicity Disclosure



- Black/African/Caribbean/Black British 1 (12.5%)
- White British or other White (including minority-white groups) 7 (87.5%)

Chair and Non-executive Directors' Tenure



- <3 years 2 (33.3%)
- 3-6 years 2 (33.3%)
- 6 years plus 2 (33.3%)

Directors' skills and experience matrix

Skill and Experience	Number of Directors	% of the Board
Boardroom (outside of Sabre) – Chair, CEO, NED, Audit, REM, NOM	7/8	87.5%
Communications	5/8	62.5%
Compliance, Regulatory and Legal	5/8	62.5%
Customer	2/8	25%
ESG incl. sustainability	3/8	37.5%
Financial	4/8	50%
HR incl. Remuneration	5/8	62.5%
Insurance (outside of Sabre)	5/8	62.5%
IT incl.Digital, Cyber and Data	1/8	12.5%
Legal	1/8	12.5%
Marketing	2/8	25%
Operations	3/8	37.5%
Risk Management	4/8	50%

KEY

- Chair of Committee
- A Audit Committee member
- N Nomination & Governance Committee member
- R Remuneration Committee member
- RI Risk Committee member
- S Senior Independent Director
- I Independent
- E Non-executive Director responsible for Employee Engagement

REBECCA SHELLEY

Interim Company Chair

N R I*

Appointment

Rebecca Shelley was appointed a Non-executive Director of Sabre Insurance Group plc in October 2017 and became Senior Independent Director in September 2020.

Skills and experience

Rebecca brings extensive commercial and financial services experience to the Board, as well as her background of market-facing roles at listed companies. Having been Investor Relations and Corporate Communications Director at Norwich Union plc from 1998-2000, Rebecca moved to Prudential plc in 2000, starting as Investor Relations Director, and then became Group Communications Director with a seat on their Group Executive Committee. From 2012 to 2016, Rebecca was the Group Communications Director of Tesco plc and a member of their Executive Committee. During this time she held positions on the board of the British Retail Consortium and was a trustee of the Institute of Grocery Distribution. Most recently Rebecca spent three years at TP ICAP plc as Group Corporate Affairs Director, and was a member of the Global Executive Committee.

She holds a BA (Hons) in Philosophy and Literature from the University of Warwick, and has an MBA in International Business and Marketing from Cass Business School. Rebecca is also a Non-executive Director at Conduit Holdings Limited, Hilton Food Group and Liontrust Asset Management.

* On appointment as Company Chair

GEOFF CARTER
Chief Executive Officer

Appointment
Geoff Carter was appointed Director and Chief Executive Officer of Sabre Insurance Group plc in September 2017 (when the Company was incorporated) and has been a Director of Sabre Insurance Company Limited since 2015, when he joined as Chief Operating Officer, and became Chief Executive Officer in May 2017.

Skills and experience
Prior to joining the Group, Geoff was Chief Executive Officer of Tesco Underwriting Limited and has over 20 years' experience in managing insurance operations. Prior to that, Geoff was employed by Ageas Insurance UK as Managing Director of Ageas Insurance Solutions Limited and spent seven years at Churchill Insurance/Direct Line Group. He is a Chartered Insurer and holds a Master of Business Administration from Sheffield Business School and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing. Geoff is also a Director of the Motor Insurance Bureau and active in ABI committees.

ADAM WESTWOOD
Chief Financial Officer

Appointment
Adam Westwood was appointed Director and Chief Financial Officer of Sabre Insurance Group plc in September 2017 (when the Company was incorporated), has been a Director and Chief Financial Officer of Sabre Insurance Company Limited since September 2016, and joined as Financial Controller in 2014.

Skills and experience
Adam is a qualified chartered accountant, having joined Ernst & Young LLP's insurance audit team in 2006 and qualified as a chartered accountant in 2009. Adam has over 15 years' experience of the insurance sector and holds a BSc (Hons) degree in Physics and Business Studies from the University of Warwick.

IAN CLARK
Non-executive Director

Appointment
Ian Clark was appointed a Non-executive Director in September 2017 (when the Company was incorporated) and has been a Non-executive Director of Sabre Insurance Company Limited since May 2014.

Skills and experience
A chartered accountant, Ian has a strong finance background and significant recent and relevant accounting experience as well as extensive knowledge of the UK insurance market. Ian was a partner in Deloitte and its predecessor firms between 1990 and 2014, where he led the Strategy and Corporate Finance practice for the insurance sector. Ian is a Non-executive Director of Aviva PLC and Chairman of Aviva Insurance Limited, its general insurance subsidiary and is Chair of Mighty Quin Consulting Limited, a company through which he provides strategic advice within the insurance industry. Ian is also the Honorary Treasurer of the Worshipful Company of Insurers and a Trustee of its charitable funds and a Trustee of the African Revival charity.

KAREN GEARY

Non-executive Director

R N RI E I

Appointment

Karen Geary was appointed as Non-executive Director of Sabre Insurance Group plc in December 2020 and is the Non-executive Director responsible for employee engagement and the Board's Consumer Duty Champion and Chair of the Remuneration Committee.

Skills and experience

Karen brings over 20 years of executive leadership experience across start-up and listed blue-chip organisations, as well as international HR and business transformation experience across a variety of industries, particularly in Europe and the US. Karen is a former FTSE 100 HR director with an extensive track record in the technology industry. Between 1998 and 2013, Karen was with The Sage Group plc, where she built and led the HR function as Group HR Director and from 2004 was a member of the Executive Committee. Subsequent to this Karen held senior positions with a US-based software business, followed by a FTSE 100 software company which she originally joined as Non-executive Director and Chair of the Remuneration Committee.

In addition to her role at Sabre, Karen also holds external appointments as Senior Independent and Non-executive Director and Chair of the Remuneration Committee of Mobico Group plc and as a Non-executive Director and Chair of the Remuneration Committee of PageGroup plc. Her previous non-executive roles include MicroFocus plc and ASOS plc.

BRYAN JOSEPH

Non-executive Director

RI A N I

Appointment

Bryan Joseph was appointed a Non-Executive Director of Sabre Insurance Group plc in June 2023, and is Chair of the Risk Committee.

Skills and experience

Bryan brings more than 40 years of industry experience to Sabre's Board and has worked in a number of senior actuarial roles throughout his career, spanning the insurance and reinsurance industry internationally. Bryan is currently a partner with Vario Partners LLP, where he is one of the founding partners of that business. Prior to this, Bryan led the PwC actuarial practice globally and was a member of the firm's insurance leadership team. Bryan was Chair of the Board of XL Insurance Company SE and was an Independent Non-executive Director of XL Re Europe SE and of AXA XL Insurance Company UK Limited and AXA Underwriting Agencies Limited, chairing the audit committees of the UK entities. Bryan has been appointed as an Independent Non-executive Director on the Boards of Lancashire Holdings Limited and Lancashire Syndicates Limited.

ALISON MORRIS

Non-executive Director

A RI N I

Appointment

Alison Morris was appointed as Non-executive Director of Sabre Insurance Group plc in May 2022, and is Chair of the Audit Committee.

Skills and experience

Alison is a chartered accountant and brings extensive recent and relevant experience of the financial services sector as well as detailed and specialist knowledge of accounting and auditing practice and the audit market. Alison was a partner in PwC's financial services audit practice from 1994 until the end of 2019. She has led external audits and internal audit projects across the financial services sector in the FTSE 100 and FTSE 250 and held a number of leadership roles within PwC, including sitting on the executive management team which led their audit practice. She is a Non-executive Director and Audit Committee Chair of Paragon Banking Group plc and of M&G Group Limited, part of the M&G plc group. Alison was previously a Non-executive Director and Audit Committee Chair of Vanquis Bank Limited, part of the Provident Financial Group plc. Alison holds an MA in Economics with International Studies from the University of St Andrews.

MICHAEL KOLLER

Non-executive Director

A R I

Appointment

Michael Koller was appointed a Non-executive Director of Sabre Insurance Group plc in September 2020. It is noted that Michael Koller left the Board with effect from 31 December 2023.

Skills and experience

Michael brings extensive experience of working in the financial services sector with both Swiss and UK listed companies, in particular insurance and reinsurance businesses. Michael was with Prudential plc, where he was Group Risk Director and a member of the subsidiary board Audit and Risk Committees. From 2008 to 2011, Michael was Chief Risk Officer at Aviva Europe, where he was also a member of the European Executive Board. Michael was Group Chief Actuary at Partner Re in 2007–2008 and spent 2005–2007 as Chief Regulatory Officer at Swiss Re. Prior to this, Michael spent 11 years in a number of different roles at Swiss Life including serving as a Chief Risk Officer on the Executive Board. Previously Michael was a Non-executive Director at Sanitas AG in Switzerland and Chief Risk Officer for Amlin AG Zurich. Alongside his executive roles, since 1995, Michael lectures at the Federal Institute of Technology, Zurich ("ETHZ") as a titular professor of mathematics. He holds a PhD in mathematics from ETHZ.

Changes during the year:

ANDY POMFRET

Up until his death in November 2023, Andy Pomfret was the Company's Chair. He was appointed Non-executive Director and Senior Independent Director of Sabre Insurance Group plc in February 2018 and Chair of the Company in September 2020. His biography can be found in the Annual Report and Accounts for the financial year which ended on 31 December 2022.

Governance Report

The Board is collectively responsible for setting Sabre Insurance Group and its subsidiaries' (the "Group") strategic aims and providing the leadership to put them into effect through the management of the Group's business within a governance framework. It does this by setting the Group's strategy and ensuring that appropriate standards, controls and resources are in place for the Group to meet its obligations, and by reviewing Management's performance. This includes ensuring that the Group has a Code of Conduct, which sets out the Group's policy of conducting all business affairs in a fair and transparent manner and maintaining high ethical standards in dealings with all relevant parties. The Code of Conduct is available at www.sabreplc.co.uk/about-us/code-of-conduct.

In order to ensure there is a clear division of responsibilities between the Board and the running of the business, the Board has a formal Schedule of Matters and Matters Reserved for the Board, which confirms what decisions are reserved for the Board. These documents are reviewed on an annual basis and include the Group's strategic aims; objectives and commercial strategy; governance and regulatory compliance; structure and capital; financial reporting and controls; internal controls and risk management; major capital commitments; major contracts and agreements; shareholder engagement; remuneration of senior executives; material corporate transactions; and any changes to the Schedule of Matters and Matters Reserved for the Board.

Governance Framework

Shareholders

Chair

The Chair is responsible for the leadership of the Sabre Insurance Group plc Board (the "Board") and for ensuring that it operates effectively through productive debate and challenge.

The Board

The Board is responsible for providing leadership to the Group. It does this by setting strategic priorities and overseeing their delivery in a way that is aligned with Sabre's culture and enables sustainable long-term growth, whilst maintaining a balanced approach to risk within a framework of effective controls and taking into account the interests of a diverse range of stakeholders. There are certain matters which are reserved for the Board's decision.

Board Committees

The terms of reference of each Committee are documented and agreed by the Board. The Committees' terms of reference are reviewed annually and are available in the Governance section of Sabre's corporate website at www.sabreplc.co.uk.

The key responsibilities of each Committee are set out below.

Audit Committee

To monitor the integrity of the Group's accounts, and the adequacy and effectiveness of the systems of internal control.

To monitor the effectiveness and independence of the internal and external auditors.

The Audit Committee Report can be found on page 62.

Risk Committee

To monitor and review the effectiveness of the risk management and compliance framework and internal controls.

The Risk Committee Report can be found on page 65.

Nomination & Governance Committee

To keep under review the composition, structure and size of, and succession to, the Board and its Committees.

To provide succession planning for the Executive Team and the Board, leading the process for all Board appointments.

To evaluate the balance of skills, knowledge, experience and diversity on the Board.

The Nomination and Governance Committee Report can be found on page 67.

Remuneration Committee

To set remuneration for all Executive Directors and the Chair, including pension rights and any compensation payments.

To oversee remuneration and workforce policies and practices and take these into account when setting the policy for Directors' remuneration.

Oversight of wider employee reward policies.

The Remuneration Committee Report can be found on page 70.

Chief Executive Officer

Responsible for the day-to-day running of the Group's business and performance, and the development and implementation of strategy.

Executive Team

Supporting the Chief Executive in developing the Group's strategy and its implementation.

The Board and Leadership

The Company Directors and details of their experience and the date of their appointment are set out on pages 52 to 54.

As at 31 December 2023, the Board consisted of eight Directors: The Interim Company Chair, two Executive Directors and five Non-executive Directors. The independence of the Non-executive Directors is reviewed annually in accordance with the criteria set out within Provision 10 of the Code, and it is confirmed that all of the Company's Non-executive Directors, apart from Ian Clark, remained independent as at 31 December 2023. It is noted that Rebecca Shelley, who was appointed Interim Chair upon the death of Andy Pomfret, was considered independent on appointment. As Ian Clark was no longer deemed independent, due to his tenure on the Board, he left the Nomination & Governance Committee in May 2023 and left the Audit and Risk Committees in September 2023, once Bryan Joseph was appointed as Risk Committee Chair. Although Ian was no longer deemed independent (as defined by the UK Corporate Governance Code) with effect May 2023 due to his tenure on the Board, his significant contribution to the Company and his knowledge of the insurance industry meant that the Board asked Ian to remain as a Non-executive Director for at least a further year. It is noted that Ian Clark will leave the Board with effect from 22 May 2024, and that Michael Koller left the Board with effect from 31 December 2023.

The Board of Directors recognise the need and importance of acting with integrity, and do so in their roles as Directors of the Company. All of the Directors bring strong judgement to the Board's deliberations. During the year the Board was of sufficient size and diversity that the balance of skills and experience was considered to be appropriate for the requirements of the business.

Board meetings

The Board meets at least six times a year with supplementary ad-hoc meetings as required. There is a planned cycle of activities, managed through the Schedule of Matters and Matters Reserved for the Board, and a formal agenda is prepared for each Board and Committee meeting. Minutes and a follow-up list of matters arising from each Board and Committee meeting are maintained, and reviewed at every meeting. In addition to this, verbal updates are provided by each Committee Chair at the following Board meeting.

Company Secretary

The Company Secretary acts as Secretary to the Board and to its Committees, apart from the Risk Committee which is minuted by the Head of Compliance. The appointment or removal of the Company Secretary is a matter for the Board as a whole. The Company Secretary assists the Chair in ensuring that the Board and the Group have the appropriate policies, processes, information, time and resources they need to fulfil their duties and in order to function effectively and efficiently. Anneka Kingan has been the Group 's Company Secretary since 2018.

Division of responsibilities

The Chair is primarily responsible for leading the Board, setting its agenda, promoting a culture of openness and debate and monitoring its effectiveness. The Chair is supported by the Senior Independent Director, who acts as a sounding board and serves as an intermediary for the other Directors. Neither the Chair, nor the Senior Independent Director, are involved in the day-to-day management of the Group. Save for the Schedule of Matters and Matters Reserved for the Board, the Chief Executive Officer (with the support of Management) is responsible for proposing the strategy to be adopted by the Group, running the business in accordance with the strategy agreed by the Board and implementing Board decisions. The Board has approved the clear division of responsibilities between the Chair, Chief Executive Officer and Senior Independent Director, as shown in the table below. The division of responsibilities is reviewed annually.

Chair	Senior Independent Director	Chief Executive Officer
– Sets the Board agenda primarily focusing on strategy, performance, value creation, culture and stakeholders – Ensures the Board has an effective decision-making process, demonstrating objective judgements and constructive challenge – Ensures the Board has an appropriate balance of skills, knowledge, experience and diversity – Leads the induction and development plans for new and existing Board members – Communicates with major shareholders and ensures the Board understands their views – Ensures the Board receives accurate, timely and clear information – Leads the annual Board evaluation	– Supports the Chair in the delivery of their objectives – Acts as a sounding board for the Chair and serves as an intermediary for the other Directors – Is available to shareholders if they have concerns that cannot be resolved through the normal channels – Works with the Chair and other Directors and shareholders to resolve significant issues where necessary – Leads the annual performance evaluation of the Chair	– Runs the Group's business and delivers its commercial objectives – Proposes and develops the Group's strategy, in close consultation with the Executive Team, the Chair and the Board – Implements the decisions of the Board and its Committees – Ensures operational policies and practices drive appropriate behaviour, in line with the Group's culture – Leads the communication programme with key stakeholders, including employees and customers – Ensures Management provides the Board with appropriate information and necessary resources

Non-executive Directors

Along with the Chair and Executive Directors, the Non-executive Directors are responsible for ensuring the Board and its Committees fulfil their responsibilities. It is the Non-executive Directors' role to provide constructive challenge, strategic guidance, offer their respective specialist advice and hold Management to account. The Non-executive Directors combine broad business and commercial experience, in particular in the financial services and insurance sectors, with independent and objective judgement and they provide independent challenge to the Executive Directors. The balance between Non-executive and Executive Directors enables the Board to provide clear and effective leadership across the Group's business.

Board Committees

In order to provide effective oversight and leadership, the Board has delegated certain aspects of its responsibilities to the following committees of the Board ("Committees"):

- The Audit Committee
- The Risk Committee
- The Nomination & Governance Committee
- The Remuneration Committee

The terms of reference of these Committees are approved by the Board, reviewed annually and are available on the Company's website at www.sabreplc.co.uk/about-us/corporate-governance.

The Committee Reports are set out on pages 62 to 73.

Board and Committee meetings

The attendance of Directors at Board and Committee meetings held in the financial year ended 31 December 2023 is illustrated in the table across the page. During the year, the Board reviewed and amended the membership of its Committees. As a consequence of this review, Bryan Joseph upon his appointment to the Board joined the Risk and Audit Committees, and the Nomination & Governance Committee later in the year. Following this, and subsequent to approval by the PRA and FCA, Bryan became Chair of the Risk Committee with effect from 12 September 2023. Ian Clark left the Nomination & Governance Committee in May 2023 when he was deemed no longer independent by the UK Corporate Governance Code, and remained as Risk Committee Chair and a member of the Audit Committee until Bryan was appointed as Chair of the Risk Committee, allowing there to be representation from the Risk Committee at the Audit Committee and vice versa. Upon her appointment as Interim Chair in November 2023, Rebecca Shelley left the Risk Committee, stepped down as Chair of the Remuneration Committee, but remained a member of the Remuneration Committee. Following this change, Karen Geary became Chair of the Remuneration Committee. Details of the membership of each Committee as at 31 December 2023 can be found in each relevant Committee Report.

The activities of the Board during the year are set out across the page and the reports from each of these Committees are set out on pages 62 to 73 of this Annual Report.

During the financial year ended 31 December 2023, the Board scheduled and formally met six times, during which it reviewed, discussed and approved:

- The financial performance of the Company
- The 2022 Annual Report and Accounts, including the Committee reports, Viability and Going Concern Statements and the RNS of the results for the financial year which ended on 31 December 2022
- The Notice of Meeting and Proxy Form for the 2023 Annual General Meeting
- The 2023 Half Year Results, Q1 and Q3 Trading Statements
- The Group's strategy, including the continued development of the motorcycle and taxi insurance products
- The payment of the dividends, including the final dividend for the financial year which ended on 31 December 2022, and an interim dividend for the financial year which ended on 31 December 2023
- The results of the Group's 2022 external Board Effectiveness Review, and the internal review of the Board for 2023
- The 2024 budget

In addition, the Board and the Committees regularly received updates, reports and presentations from other senior employees including the Chief Actuary, the Claims Director, the Chief Risk Officer, the Company Secretary, the Head of IT, the Head of Compliance and the Head of HR.

During the financial year ended 31 December 2023, the Board met an additional three times as a Committee to discuss the Half Year Trading Update and Half Year Results and to sign off the Q1 and Q3 2023 statements, and once more following the death of Andy Pomfret, to agree Board changes and recruitment plans.

Effectiveness

The Board is structured to provide the Company with an appropriate balance of skills, experience, knowledge and independence to enable it to discharge its duties and responsibilities effectively. Given the nature of the Group's business, insurance, actuarial and accounting experience as well as experience of the financial services sector is clearly of benefit and this is reflected in the composition of the Board and its Committees. Decisions at Board meetings are taken by a majority vote of the Directors and in the case of an equality of votes the Company's Articles of Association ("Articles") provide that the Chair has a second or casting vote. The Board considers that no single Director can dominate or unduly influence decision making. During the year, the Chair and the Non-executive Directors met without the Executive Directors, and the Non-executive Directors met without the Chair present.

Attendance by Directors at scheduled Board and Committee meetings

(number attended/number required to attend)

Director	Board (schedule meetings)	Board Committee Meetings & Unscheduled Meetings	Audit Committee	Risk Committee	Nomination & Governance Committee	Remuneration Committee
Geoff Carter	6/6	4/4	–	–	–	–
Ian Clark*	6/6	4/4	7/7	3/3	3/3	–
Karen Geary	6/6	4/4	–	4/4	5/5	5/5
Bryan Joseph**	3/3	1/3	3/4	1/1	1/1	–
Michael Koller	6/6	4/4	7/8	–	4/5	5/5
Alison Morris	6/6	3/4	8/8	4/4	5/5	–
Andy Pomfret	5/5	3/4	3/3	–	3/4	–
Rebecca Shelley	6/6	4/4	–	4/4	4/4	5/5
Adam Westwood	6/6	4/4	–	–	–	–

* Left the Nomination & Governance Committee with effect from 25 May 2023, and the Risk and Audit Committees with effect from 12 September 2023

** Joined the Risk and Audit Committees with effect from 1 June 2023 and joined the Nomination & Governance Committee with effect from 20 September 2023

Diversity

The Board recognises that it is vital it is diverse in its make-up to ensure creative and innovative thinking, improved decision making and that this leads to better outcomes for the Group. Diversity is a key factor in reviewing the Board's composition and recommending appointments. When recruiting, the Board requires that executive search agencies provide diverse shortlists, and ensures that all Board appointments are based on merit. As at 31 December 2023, the Board had three female Directors out of eight, which is the equivalent to 37.5% of the Board being female, and the Company recognises that the Board does not meet the 40% female representation target set by the FTSE Women Leader's Review. The Board does meet the requirement that at least one senior Board position is held by a female, as Rebecca Shelley is the Interim Chair and was formerly the Senior Independent Director. The Board also meets the Parker Review target that at least one member of the Board is from a minority ethnic background. Further information on Sabre's approach to diversity and inclusion can be found on page 39 of this report.

Induction and ongoing professional development

The Board has a thorough induction programme for Directors to participate in upon joining the Board. This programme is monitored by the Chair and is the responsibility of the Company Secretary. Depending upon their qualifications and experience, the programme includes presentations and briefings, meetings with Board Directors, senior management, external advisers, and visits to the Company's office in Dorking, Surrey.

The ongoing professional development of the Directors has been reviewed by the Board and its Committees. The Chair reviews and agrees the training and development needs with each of the Directors during each year. Directors have the opportunity to highlight specific areas where they feel their skills or knowledge would benefit from development as part of the Board evaluation process, and are encouraged to continue their own professional development through attendance at seminars and conferences. Directors confirm annually that they have received sufficient training to fulfil their duties.

Information and advice

Directors are provided with appropriate documentation usually a week in advance of each Board and Committee meeting. The Group uses an online platform to distribute its Board and Committee papers securely and efficiently, which maximises information security and has minimal environmental impact. All Directors have access to the advice and services of the Company Secretary for information and guidance, and she is responsible for ensuring that all Board procedures have been complied with. Directors may also obtain independent professional advice at the Company's expense if they believe it is required in the furtherance of their duties. No such advice was sought by any Director during the year.

Time commitment

As part of the appointment process and their annual review the Non-executive Directors each confirm that they are able to allocate sufficient time to the Company to discharge their responsibilities effectively and Directors are expected to attend all scheduled Board meetings, relevant Committee meetings, the Annual General Meeting and any general meeting of the Company.

The other public company commitments of the Chair and the other Directors are as indicated in their biographies on pages 52 to 55. Each Director is required to seek permission from the Chair and the Board before accepting additional commitments. This is to ensure that additional appointments are not a conflict of interest and that the Director will have sufficient time to continue in their role at Sabre. The Board is satisfied that the Chair and each Non-executive Director are able to allocate sufficient time to enable them to discharge their duties and responsibilities effectively.

Performance evaluation

The Board recognises the importance of evaluating annually the performance and effectiveness of the Board, its Committees, the Chair and individual Directors. During the year a formal annual review of the performance of the Board, its Committees, the Chair and individual Directors was completed. Having carried out an external Board effectiveness review in 2022, this year an exercise sponsored by the Chair and assisted by the Company Secretary was completed. The questionnaire used as part of the process consisted of questions covering the Board, the Committees and the Chair's performance and was completed by all of the Directors of the Company and Sabre Insurance Company Limited (the Company's operating subsidiary). The results of this review were discussed at the Board meeting in February 2024. The review concluded that the Board and its Committees remained effective and identified areas for improvement. These recommendations were discussed at the Board meeting in February and implemented post that meeting. They included Management ensuring papers were sent with sufficient time for Non-executive Directors to review and included executive summaries which highlighted key issues, and that a follow-up call to each Non-executive Director was introduced, to maintain the twice a year strategy sessions and that further time on the agendas was given to covering legislative and regulatory changes. The review noted that Management communicated well, and that the Board had a collaborative, constructive and effective relationship.

Appointment of Directors

The Articles provide that Directors may be appointed by the Board or by the Company by ordinary resolution. A Director appointed by the Board may only hold office until the next Annual General Meeting of the Company following their appointment and is then eligible for election by the shareholders. The Board, through the Nomination & Governance Committee, has reviewed and adopted the Code recommendation that all Directors should be subject to annual re-election (in compliance with Code Provision 18). During 2023, all of the Directors stood for election or re-election at the Annual General Meeting and were successful in their appointment or re-appointment.

Further details regarding the terms of appointment and remuneration for the Executive Directors and Non-executive Directors are set out in the Annual Report on Directors' Remuneration (on pages 81 to 91) and their service contracts and terms of appointment are available for inspection in accordance with the Code at the Company's office and at the Company's Annual General Meeting.

Conflicts of interest

All Directors have a duty to avoid conflicts of interest and must declare any conflict of interest that could interfere with their ability to act in the best interests of Sabre. The Board has established a procedure to deal with Directors' conflicts of interest which complies with the Company's Articles and the provisions in section 175 of the Companies Act 2006. Schedules of a Director's actual or potential conflicts are compiled based on disclosures made by the Director. These are updated and reviewed on an annual basis in addition to conflicts or potential conflicts being considered at the beginning of Board meetings.

Accountability

The Board, through the Audit Committee, reviews the Group's financial and business reporting and maintains the Group's relationship with its auditors, the details of which are set out in the Audit Committee Report on pages 62 to 64. Through the Risk Committee, the Board receives reports regarding the Company's risk management, compliance and internal control systems and the effectiveness of these. Further details are set out in the Risk Committee Report on pages 65 to 66.

Anti-bribery and corruption

As part of Sabre's commitment to preventing bribery and corruption, the Group has an Anti-Bribery and Corruption Policy, which is reviewed and approved annually by the Risk Committee. The policy covers: the main areas of liability under the Bribery Act 2010, the responsibilities of the Directors, employees and associated persons acting for, or on behalf of, the Company and the consequences of any breaches of the policy.

The Policy is designed to prevent and prohibit bribery, in line with the Bribery Act 2010. The Group will not tolerate any form of bribery by, or of, its Directors, employees, agents or consultants or any person or body acting on its behalf, and no such incidents occurred in the 2023 financial year.

Modern slavery

Sabre annually considers the 2015 Modern Slavery Act. Sabre has a zero-tolerance approach to any form of slavery and human trafficking and confirms to the best of its knowledge that there is no slavery or human trafficking within its supply chain. The Group's Modern Slavery Statement is reviewed and approved by the Board on an annual basis and can be found on the Company's website www.sabreplc.co.uk/about-us/corporate-governance/modern-slavery-statement

Whistleblowing arrangements

The Group has a Whistleblowing Policy, which enables and encourages employees to report in confidence any possible improprieties in either financial reporting or other matters to an external hotline. The Group's Whistleblowing Policy is reviewed and approved by the Audit Committee on an annual basis.

Remuneration

Details of the Directors' remuneration and the work of the Remuneration Committee as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) can be found in the Annual Report on Directors' Remuneration on pages 81 to 91. Although the Company does not formally engage with its employees on executive remuneration, the Board engages with employees via the designated Non-executive Director for workforce engagement, Karen Geary, who is appointed to represent employee opinions at the Board. Karen leads on ensuring effective engagement with employees and regularly feeds back to the Committee and the Board following her meetings with employees. This process does not currently include an active two-way dialogue with the employees on executive pay but this approach is being kept under review.

Relations with shareholders

Through this Annual Report and, as required, through other periodic announcements, the Board is committed to providing shareholders with a clear assessment of the Company's position and prospects. The Board recognises the importance of engaging constructively with shareholders and, during the year, the Chief Executive Officer and the Chief Financial Officer continued to engage with shareholders through investor presentations, conferences and roadshows, ensuring they are up to date with their views. These views are regularly shared with the Board, and the Chair and the Senior Independent Director remain available to meet shareholders separately to discuss any issues or concerns they may have. During the year, the Chair also met with the Company's shareholders and the Remuneration Committee Chair liaised with shareholders regarding the Group's proposed new Remuneration Policy. In addition to these meetings, the Company keeps shareholders informed primarily by way of the Annual Report, Half Year Results, Trading Statements and the Annual General Meeting. This information and other significant announcements of the Group will be released to the London Stock Exchange and will be available on the Company's website www.sabreplc.co.uk/investors/regulatory-news

Major shareholders

The holdings of our major shareholders can be found on page 93 of this Annual Report.

Share register

The share register is managed on the Company's behalf by Equiniti, who can be contacted at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephone on 0371 384 2030 or, if dialling internationally, on +44 121 415 7047.

Annual General Meeting ("AGM")

Notice of the Company's AGM for the 2024 financial year will be sent to shareholders at least 21 clear days before the meeting. The AGM will provide shareholders with the opportunity to vote on the resolutions put to shareholders and, for those shareholders who attend, to ask questions of the Board of Directors, including the Chairs of the Committees. The result of the voting on all resolutions proposed at the AGM will be published on the Company's website, post the conclusion of the meeting. Further information on the Company's AGM can be found on page 94.

Statement of Corporate Governance

Compliance with Code provisions

The Board is committed to high standards of corporate governance across the Group and supports the principles laid down in the UK Corporate Governance Code (the "Code"), as issued by the Financial Reporting Council. The Board considers that the Group was compliant with most of the principles and provisions of the Code during the financial year ended 31 December 2023. It notes that during the year, prior to the Regulator's approval of the appointment of Bryan Joseph as Chair of the Risk Committee, Ian Clark sat on the Audit Committee and chaired the Risk Committee, which is non-compliant with Provision 24 of the Code, as Ian was no longer seen as independent with effect from May 2023. Ian's attendance at Audit Committee and him remaining as the Risk Committee Chair allowed there to be sufficient skills and experience on both the Audit Committee and Risk Committee. Ian left the Audit Committee and Risk Committee in September 2023 when Bryan's appointment as Risk Committee Chair was approved, ensuring that the Committees were compliant with the Code for the remainder of the year. It is noted that Ian left the Nomination Committee with effect from May 2023 and was not a member of the Remuneration Committee, therefore the membership of these committees remained in compliance with the Code. The Board notes that it did not engage with employees regarding executive remuneration pay levels, and therefore is not compliant with Provision 41 of the Code but notes that the Board does regularly engage with employees through the appointment of a Non-executive Director responsible for employee engagement, who meets regularly with employees and provides feedback to the Board on employee views. It would be this mechanism that the Group would use to seek engagement with employees regarding executive remuneration pay levels. Upon the untimely death of the Chair, Andy Pomfret, Rebecca Shelley stepped up to be Interim Chair, and during this time the Company did not have a Senior Independent Director as required by Provision 12 of the Code.

To ensure the Group remains compliant with the principles of the Code, the Board reviews and addresses its training and development needs by attending various seminars and teach-ins from advisers at Board meetings, and in 2023 completed an internal Board Effectiveness Review, which evaluated the performance of the Board, its Committees and the Group Chair. Further information on the Board Effectiveness Report for the financial year ended 31 December 2023 can be found on page 58.

Principles of the Code

Board Leadership and Company Purpose	Section of the Annual Report
A. A successful Company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	Governance Report (Pages 56 to 61)
B. The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.	Strategic Report (Page 06)
C. The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Directors' Remuneration Policy (Pages 74 to 80) Principal Risks and Uncertainties (Pages 16 to 24)
D. In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	Governance Report (Pages 56 to 61)
E. The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	Responsibility and Sustainability (Pages 35 to 48)

Division of Responsibilities	Section
F. The chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive Board relations and the effective contribution of all Non-executive Directors, and ensures that Directors receive accurate, timely and clear information.	Governance Report (Pages 56 to 61)
G. The Board should include an appropriate combination of executive and Non-executive (and, in particular, independent Non-executive) Directors, such that no one individual or small group of individuals dominates the Board's decision making. There should be a clear division of responsibilities between the leadership of the Board and the executive leadership of the Company's business.	Governance Report (Pages 56 to 61)
H. Non-executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	Governance Report (Pages 56 to 61)
I. The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	Governance Report (Pages 56 to 61)

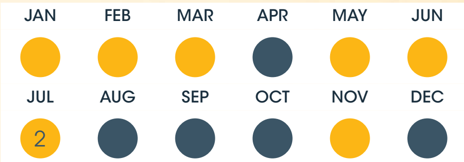
Composition, Succession and Evaluation	Section
J. Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	Governance Report (Pages 56 to 61) Nomination & Governance Committee Report (Pages 67 to 69)
K. The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	Governance Report (Pages 56 to 61)
L. Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.	Governance Report (Pages 56 to 61)

Audit, Risk and Internal Control	Section
M. The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.	Audit Committee Report (Pages 62 to 64)
N. The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	Audit Committee Report (Pages 62 to 64)
O. The Board should establish procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.	Principal Risks and Uncertainties (Pages 16 to 24) Risk Committee Report (Pages 65 to 66)

Remuneration	Section
P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to Company purpose and values, and be clearly linked to the successful delivery of the Company's long-term strategy.	Remuneration Committee Report (Pages 70 to 73)
Q. A formal and transparent procedure for developing policy on executive remuneration and determining Director and senior management remuneration should be established. No Director should be involved in deciding their own remuneration outcome.	Remuneration Committee Report (Pages 70 to 73)
R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.	Remuneration Committee Report (Pages 70 to 73)

Audit Committee Report

Committee meetings in 2023



● Meeting occurred
● No meeting took place

Committee Members

The membership as at the date of this report together with such members' appointment dates and attendance record for the year ended 31 December 2023 are set out below:

Committee Members	Date of Appointment	Attendance
Alison Morris (Chair)	May 2022	8/8
Ian Clark*	April 2020	7/7
Bryan Joseph**	June 2023	3/4
Michael Koller***	September 2020	7/8

* Left the Committee with effect from September 2023
** Joined the Committee with effect from June 2023
*** Left the Board and therefore Committee, with effect from 31 December 2023

ALISON MORRIS
Audit Committee Chair

The Audit Committee (the "Committee")

The Committee comprises at least two Non-executive Directors of the Company, who are to be considered to be free of any relationship that would affect their impartiality in carrying out their responsibilities and were independent as required under Provision 17 of the UK Corporate Governance Code (the "Code"). Members of the Committee are appointed by the Board, on the recommendation of the Nomination & Governance Committee and the Chair of the Committee. The Committee is to be chaired by an individual who has significant, recent and relevant financial experience.

The Chair, Chief Executive Officer, Chief Financial Officer and Chief Actuary are invited to attend meetings, unless they have a conflict of interest. In addition, the External Audit Partner, the Internal Audit Partner, the Company Secretary and Head of Internal Audit are invited to attend part or all of the Committee meetings, providing there is no conflict of interest. Other relevant people from the Group may also be invited to attend all or part of a meeting to provide deeper insight into the Group and its issues. The Board considers that membership of the Audit Committee is appropriate and has skills and competencies relevant to the role of the Committee and the insurance sector.

Either immediately prior to the meeting or immediately after the meeting, the Committee meets with either the External Audit Partner or the Internal Audit Partner. These private meetings alternate at each meeting and give the external parties access to the Committee members. The Committee Chair also meets regularly with both Internal and External Audit Partners outside of the Committee meetings and is available to shareholders at the Company's Annual General Meeting. The Chair of the Committee reports to subsequent meetings of the Board and the Company Secretary acts as Secretary to the Committee. Annually, the Committee reviews its effectiveness.

Roles and responsibilities

The Committee, in line with its terms of reference, meets at least three times a year, and as and when required. The terms of reference of the Committee can be found on the Company's website www.sabreplc.co.uk/about-us/corporate-governance and are reviewed by the Committee on an annual basis.

In accordance with its terms of reference the Board has delegated to the Committee responsibility for overseeing key areas of responsibility which include the following:

External audit – this includes considering and making recommendations to the Board on the appointment of the external auditor (including approving the remuneration and terms of appointment) as well as reviewing the external auditor's annual audit plan and the results therefrom, reviewing the quality and effectiveness of the audit, approving the policy on non-audit services carried out by the external auditors and reviewing auditor independence. The Committee is responsible for managing the relationship with the Group's external auditor, PwC, on behalf of the Board. The effectiveness of the external audit process is dependent upon communication between the Group and the auditor, which allows each party to raise potential accounting and financial reporting issues as and when they arise, rather than limiting this exchange to only during regularly scheduled meetings.

Financial and narrative reporting – this area of responsibility includes monitoring the integrity and compliance of the Group's financial statements and for providing effective governance over the Group's financial reporting, as well as reviewing significant financial reporting issues and judgements made in connection with them.

Internal Audit – the Group has a formal process of Internal Audit. During the year, the Committee outsourced the Internal Audit function to BDO. The Committee reviews and approves the Internal Audit plan and receives updates on the Internal Audit activity. Internal Audit reports are made available to the Committee, the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, the Company Secretary, and relevant members of Management.

The primary objective of the function is to systematically and objectively assess:

(i) The effectiveness of the business controls over the Group's operations, financial reporting, risk and compliance areas

(ii) The adequacy of these systems of control to manage business risk and safeguard the Group's assets and resources.

Internal controls – this includes reviewing the effectiveness of the Group's system of internal controls and ensuring timely action is taken by Management to address matters arising from the internal audit reports.

Reserves review – the establishment of insurance liabilities in respect of reported and unreported claims is the most significant area of judgement within the financial statements. The Committee maintains oversight of the reserving process and assumptions used in setting the level of insurance liabilities, which are assessed by the Group's actuaries on a quarterly basis. During 2023 the Group engaged Mazars to provide an external review of key risk elements within the reserves, in line with the Group's policy to commission such a review every three years.

Whistleblowing – reviewing arrangements by which employees may in confidence raise concerns about possible improprieties regarding financial reporting and other matters. The Committee receives an annual whistleblowing report and reports matters to the Board as appropriate.

2023 and the Committee

The Committee was in place throughout the financial year ended 31 December 2023, and met eight times through the period. The Audit Committee was chaired by Alison Morris and in June 2023 Bryan Joseph joined the Committee. It is noted that due to the tenure of his appointment on the Board, Ian Clark, a member of the Committee, was not independent from May 2023, however Ian left the Committee with effect from September 2023. The Board felt it was appropriate that Ian remain on the Committee until September 2023, as up until then, he was the Risk Committee Chair, and his attendance at the Committee ensured good communication and governance between the two Committees. It is noted that Michael Koller left the Board and therefore the Committee with effect from 31 December 2023. There were no further changes to the make-up of the Committee during the year and the Board is comfortable that the make-up of the Committee ensures that it is fully able to fulfil its duties.

The Committee is required to be chaired by an individual who has appropriate financial expertise, as required by the Code, and the Board considers that Alison has the appropriate financial expertise, as Alison is a qualified accountant with significant financial services and Director's experience. Michael Koller and Bryan Joseph each missed one of the meetings, Ian Clark attended all the meetings until he left the Committee in September 2023 and Alison Morris attended all eight meetings.

The Chief Executive Officer and the Chief Financial Officer both attended all the Committee meetings, as did the External Audit and Internal Audit Partners. All meetings were minuted by the Company Secretary. The Committee Chair also held regular individual meetings with members of Management, the Group's External and Internal Audit Partners, and the Company Secretary and Head of Internal Audit.

During the financial year ended 31 December 2023, the Committee reviewed:

- The accounting issues and significant judgements related to the financial statements including the adequacy of insurance liabilities
- The appropriateness of the Group's accounting policies
- The process and stress testing undertaken to support the Group's viability and going concern statements
- Recommended to the Board the Company's Annual Report and Accounts
- The external audit plan, which included key areas of scope, significant risks in the financial statements, confirmation of the external auditor's independence and the proposed audit fee
- The effectiveness of the external auditor
- The Group's system of controls and its effectiveness using information drawn from a number of different sources including Management, and independent assurance provided by Internal Audit and the external auditor
- Reports from the Group's outsourced Internal Audit function and reviewing and approving their fees and
- The Committee's annual effectiveness report responses and concluded that the Committee was effective.

Furthermore, the Committee approved:

- The external audit fees and the policy on non-audit services conducted by the Group's external auditor
- Recommended to the Board, which agreed to recommend to shareholders the re-appointment of PwC as the Group's external auditor. It is noted that the shareholders of the Group approved the re-appointment of PwC at the Annual General Meeting held in May 2023
- The Committee's terms of reference and confirmed that the Committee had sufficient resources to enable it to complete its responsibilities
- And confirmed to the Board that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the necessary information for the shareholders to assess the Group's position and performance and its business model and strategy.

In addition, the Committee completed a tender process for the Group's outsourced Internal Audit function. Following the tender process, the Committee appointed Deloitte to run the Group's Internal Audit programme with effect from January 2024.

Key Matters considered by the Committee during the year:

The Committee pays particular attention to matters it considers to be important by virtue of their impact on the Company's results, the internal control environment or the level of complexity, and matters of judgement or estimation involved in their application to the Consolidated Financial Statements. The main areas of focus in relation to the Group's financial statements for the year ended 31 December 2023 were:

1. Valuation of insurance liabilities

The Committee reviewed the Chief Actuary's annual and quarterly reserving reports and challenged the appropriateness of the process, key judgements and assumptions supporting the projection of the best estimate claims expense. The Committee reviewed Management's rationale for the level of risk adjustment recorded within the claims reserves. The Committee also discussed such matters with the Group's external auditor. The Committee Chair met with the Chief Actuary without other members of Management present.

The Committee noted the inherent uncertainty associated with the estimation of claims costs, in particular with reference to the changes in the legal environment and the impact of historically high levels of claims inflation. The Committee concluded that the insurance liabilities presented in the financial statements were fairly stated. This includes all key judgements in respect of IFRS 17, including disclosure within the financial statements, application of discounting to reserves and the calculation of the risk adjustment.

The Committee agreed with Management's assessment that the most significant area of estimation within the financial statements continues to be the estimation of insurance liabilities. This comprises an estimate of the ultimate cost of claims incurred at the date of the Statement of Financial Position, both reported and not yet reported, along with an estimate of the associated reinsurance recoveries. The Committee reviewed the Group's policy to hold sufficient reserves to meet insurance liabilities as they fall due, plus a risk adjustment reflective of the uncertainty within such calculation. The Committee specifically considered the impact of recent high levels of inflation on the level of insurance liabilities held.

2. Implementation of accounting standards
The Committee reviewed the implementation and key judgements associated with the implementation of IFRS 17, including consideration of the classification and measurement of insurance assets, liabilities and transactions. The Committee also considered the appropriate level of disclosure required in the 2023 Interim Report and Annual Report and Accounts related to the implementation of the new standard.

3. Internal controls
During the year, the Committee reviewed the adequacy and effectiveness of the controls that underpin the Group's financial reporting control framework, which is part of the wider internal controls system and addresses financial reporting risks. The key procedures which the Directors have established include: an annual budgeting process with periodic forecasting; reporting financial and solvency capital information to the Board on a monthly basis; reporting on specific matters including updated key risks, investments and taxation; and liquidity monitoring. The Committee considered the second line of defence review of controls and reports from Internal Audit. Any control weaknesses that these procedures identify are monitored and addressed in the normal course of business.

4. Going concern and viability
The Committee considered the going concern assumptions and viability statement in the 2023 Annual Report and Accounts. In assessing the viability of the Group, the Committee considered the liquidity and capital position of the Group over the period to 31 December 2026 under a range of scenarios which had been selected to reflect the key risks faced by the Group. Further information on this can be found in the Viability Statement on page 25. In assessing the going concern of the Group, the Committee considered the financial forecasts and liquidity for a period of one year from the date of the approval of this Annual Report.

5. Fair, balanced and understandable
The Committee reviewed and concluded that the Annual Report and Accounts taken as a whole, were fair, balanced and understandable and provided sufficient information to enable the reader to assess the Group's position, performance, business model and strategy.

6. Task Force for Climate-Related Financial Disclosures ("TCFD")
The Committee reviewed the disclosures made in accordance with the TCFD recommendations as part of its review of the Annual Report and accounts.

7. Valuation of owner-occupied properties
The Committee reviewed the revaluation of owner-occupied properties during the year following the external valuation exercise which is carried out every three years. The Committee agreed with Management's decision to revalue the estate downwards in accordance with the external valuation exercise, noting that the impact was not material to the financial position of the Group.

External auditor's appointment

PwC were appointed as external auditor, following a competitive tender process, with effect from the year ended 31 December 2022. The financial year ended 31 December 2023 is the second year reported on by PwC and there is therefore no requirement to undertake an audit tender process. Philip Watson is the PwC Audit Partner, and this is his second year as engagement partner. Resolutions regarding the re-appointment of PwC and their pay were contained in the Notice of Meeting for the 2023 Annual General Meeting and both resolutions were approved by 99.5% and 100% shareholders respectively. Resolutions to re-appoint PwC and to approve their remuneration will also be contained in the Notice of Meeting for the 2024 Annual General Meeting.

External audit effectiveness

The Committee has considered the effectiveness of the external auditor and conducted a formal review by use of a questionnaire sent to senior management and Audit Committee members. The results of this questionnaire were discussed at the Audit Committee without the external auditor present. The evaluation was also discussed with the external auditor as appropriate. As a result of this review, it was concluded that the external audit was independent and objective, and that the process was effective. The Audit Committee noted that the external auditors appeared to demonstrate appropriate professional skepticism with respect to key risk areas, for example by providing challenge on the estimates and judgements applied in calculating the Group's insurance liabilities.

Non-audit work conducted by external auditor

The Committee reviewed and approved a policy regarding non-audit work and fees which requires all non-audit work proposed to be carried out by the external auditor to be pre-authorised by the Committee or, if required urgently between Committee meetings, the Chair of the Committee, in order to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity. The non-audit fee cap for the year ended 31 December 2023 was £337k (2022: £308k, being 70% of the average audit fees billed to the Group by the external auditor in the past three years, or fewer if appointed within the past three years. During the financial year ended on 31 December 2023 PwC charged the Group £636,000 (2022: £440,000) for audit services and £105,000 (2022: £79,000) for audit related non-audit assurance services. A summary of fees paid to the external auditor is set out in Note 8 to the Consolidated Financial Statements.

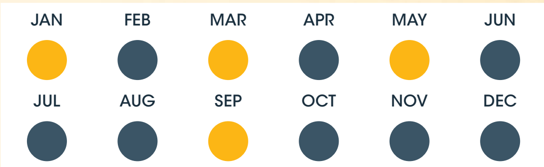
On behalf of the Audit Committee

Alison Morris

ALISON MORRIS
Chair of the Audit Committee
18 March 2024

Risk Committee Report

Committee meetings in 2023



● Meeting occurred
● No meeting took place

Committee Members
The membership as at the date of this report together with such members' appointment dates and attendance record for the year ended 31 December 2023 are set out below:

Committee Members	Date of Appointment	Attendance
Bryan Joseph (Chair)*	June 2023	1/1**
Ian Clark***	April 2020	3/3****
Alison Morris	May 2022	4/4
Karen Geary	January 2022	4/4
Rebecca Shelley*****	April 2020	4/4

* Joined the Committee with effect from 1 June 2023 and became Chair of the Committee with effect from 12 September 2023

** One as Committee Chair

*** Left the Committee with effect from 12 September 2023

**** Three as Committee Chair

***** Left the Committee with effect from 23 November 2023

BRYAN JOSEPH
Risk Committee Chair

The Risk Committee (the "Committee")

The Committee comprises at least two Non-executive Directors of the Company, who are considered to be free of any relationship that would affect their impartiality in carrying out their responsibilities and are considered independent as required under Provision 17 of the Corporate Governance Code (the "Code"), or in the case of the Company's Chair considered independent on appointment. Members of the Committee are appointed by the Board, on the recommendation of the Nomination & Governance Committee and the Chair of the Committee.

The Chief Executive Officer, Chief Risk Officer and Chief Financial Officer are invited to attend meetings, unless they have a conflict of interest. In addition, the Company Secretary, the Head of Compliance and the Data Protection Officer are invited to attend part or all the meeting, providing there is no conflict of interest. Other people from the Group may also be invited to attend all or part of a meeting to provide deeper insight into the Group and the issues within the Committee's scope.

Either immediately prior to the meeting or immediately after the meeting, the Committee meets with either the Chief Risk Officer or the Head of Compliance. These private meetings alternate at each meeting and give the Chief Risk Officer and the Head of Compliance access to Committee members. The Committee Chair also meets regularly with these individuals and the Data Protection Officer outside of the Committee meetings, and is available to shareholders at the Company's Annual General Meeting.

The Chair of the Committee provides an update of the Committee's activities at subsequent meetings of the Board. The Head of Compliance usually acts as Secretary to the Committee, as the Company Secretary is also the Chief Risk Officer. Annually, the Committee reviews its effectiveness, which is then reported to the Board.

Role and responsibilities

The Committee has a planned cycle of activities, managed through a schedule of matters, to ensure that it addresses its responsibilities in the current financial year. The terms of reference of the Committee can be found on the Company's website at www.sabreplc.co.uk/about-us/corporate-governance and are reviewed by the Committee on an annual basis. The Committee meets at least three times a year, in line with its terms of reference, and as and when required.

The Board has delegated to the Committee responsibility for ensuring that the Group has robust processes and procedures in place for the identification and management of risk. This includes monitoring and reviewing the Group's risk management and compliance framework, and ensuring that there are adequate processes for the identification, evaluation and mitigation of the risks faced by the Group.

The Committee reviews the effectiveness of the Group's risk management, compliance management and internal control systems, and reports to the Board on these areas. In conducting its reviews, the Committee focuses on material risks, including the determination of the nature and extent of the principal risks, and controls in the context of reports it receives regarding risk management. These include reports from the Chief Risk Officer, the Head of Compliance and the Data Protection Officer.

The Committee leads the process for:

Risk management – this includes reviewing and monitoring the effectiveness of the procedures for the identification, assessment and reporting of risk as well as setting, and monitoring adherence to, a risk appetite that defines the nature and extent of the risks that the Group is facing and should be willing to take in achieving its strategic objectives. It also includes oversight of the processes by which risk-based capital requirements, and the Group's solvency position, are determined and monitored. The Committee further advises the Board on the Group's overall risk appetite, tolerance and strategy, and oversees and advises the Board on its risk strategy and current risk exposures. In addition to this, the Committee is responsible for the appointment and removal of the Group's Chief Risk Officer and reviewing their reports and Management's responses to the findings and recommendations.

Risk controls – these are in place and are designed to mitigate the risks that the Group faces, rather than to eliminate the risk of failure to achieve business objectives. The Risk Committee ensures timely action is taken by Management to address matters arising from the risk and compliance assessments.

Principal risks and uncertainties – details of the Group's principal risks and uncertainties are set out on pages 16 to 24 together with information about the management and mitigation of such risks.

Compliance – reviewing the Group's compliance policies and procedures to ensure that the Group complies with relevant regulatory and legal requirements.

Data protection – the appointment and removal of the Group's Data Protection Officer, review how the Group meets its obligations under the Data Protection Act, review all reports from the Data Protection Officer and Management's responses to the findings and recommendations.

Risk and remuneration alignment – the Committee provides advice to the Remuneration Committee regarding the weightings to be applied to performance objectives relating to the Executive Team's management of risk throughout the year.

2023 and the Committee

The Committee was in place throughout the financial year ended 31 December 2023, and met four times through the period. Ian Clark chaired the Committee up to September 2023, and was replaced by Bryan Joseph. Ian was not independent from May 2023, due to his tenure on the Board, however it was deemed by the Board appropriate for Ian to continue to chair the Committee, until the regulators had approved the appointment of Bryan as Committee Chair. It is noted that Rebecca Shelley left the Committee in November 2023, following her appointment as Interim Chair of the Company.

The Chief Executive Officer and the Chief Risk Officer attended, partially or fully, all of the Committee's meetings. The Chief Financial Officer, the Head of Compliance and Data Protection Officer attended certain meetings during the year. All meetings were minuted by either the Head of Compliance or the Company Secretary. The Committee Chair also held regular individual meetings with the Chief Risk Officer, the Data Protection Officer and the Head of Compliance. The Board is comfortable that the make-up of the Committee ensures that it is fully able to fulfil its duties.

During the year, the Committee addressed its responsibilities by:

- Confirming that Management had fulfilled their obligations regarding the management of the Group's risks
- Reviewing reports from the Chief Risk Officer regarding risk management, including the procedures and plan relating to the management of risk across the Group
- Reviewing and approving the risk management framework and risk appetite, the corporate risk registers and the Group's principal risks and uncertainties
- Reviewing reports from the Head of Compliance regarding compliance across the Group, including progress against the Compliance Monitoring Plan
- Reviewing reports from the Group's Data Protection Officer
- confirming that the Chief Risk Officer, Head of Compliance and Data Protection Officer had fulfilled their obligations regarding their roles
- Reviewing regulatory correspondence
- Reviewing and recommending to the Board the Group's ORSA
- Reviewing the Committee's terms of reference
- Reviewing the annual Committee's evaluation responses and concluded that the Committee was effective Confirming that the Committee had sufficient resources to enable it to complete its responsibilities

Specific discussions were had by the Committee on:

- Monitoring and reviewing the Group's top risks across its risk universe, emerging risks, issues and breaches
- Cyber security
- Inflation and interest rates including the impact of cost of living on customers and employees
- Business projects implementation
- Operational resilience
- Business specific projects including the move to CDL and MCE becoming insolvent
- PRA and FCA Discussion papers, consultation papers and policy statements
- FCA Consumer Duty – for further information on this, please see page 49
- Complaints
- Climate change and its impact on Sabre's business and operations

Sabre's approach to data protection

Sabre has a GDPR Oversight Committee which is chaired by the Data Protection Officer and meets regularly to review GDPR compliance. The meeting is attended by representatives of all areas of the business, including Compliance and Risk. The standing agenda for the meeting ensures that all breaches are reviewed, emerging risks considered and any follow through training required is identified. All employees are trained, at least annually, on data protection legislation and the Group's requirements when handling data. This training includes online courses which include a marked assessment on completion to ensure understanding. Additional ad-hoc training is provided to update on any specific changes or points of interest. Reporting of data protection issues are initially reported to the Data Protection Officer who reports them to the Risk Committee.

On behalf of the Risk Committee

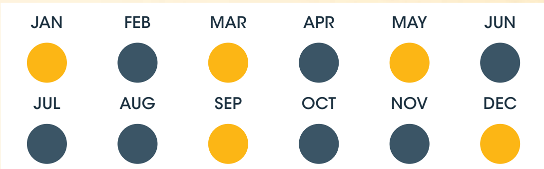
BRYAN JOSEPH

Chair of the Risk Committee

18 March 2024

Nomination & Governance Committee Report

Committee meetings in 2023



● Meeting occurred
● No meeting took place

Committee Members

The membership as at the date of this report together with such members' appointment dates and attendance record for the year ended 31 December 2023 are set out below:

Committee Members	Date of Appointment	Attendance
Andy Pomfret (Chair)*	February 2018	3/4
Rebecca Shelley (Chair)**	October 2017	4/4
Karen Geary (Chair)***	December 2020	5/5
Ian Clark****	September 2017	3/3
Bryan Joseph*****	September 2023	1/1
Alison Morris	October 2022	5/5
Michael Koller******	September 2020	4/5

* Committee Chair until November 2023

** Committee Chair with effect November 2023, and Chair of the meeting Andy Pomfret was not able to attend

*** Chaired the December Committee meeting

**** Left the Committee with effect from May 2023, when he ceased to be independent

***** Joined the Committee with effect from September 2023

****** Left the Board and therefore Committee, with effect from 31 December 2023

REBECCA SHELLEY
Chair of the Nomination and Governance Committee

The Nomination & Governance Committee (the "Committee")

The Committee comprises at least three Non-executive Directors of the Company, all of whom are to be considered to be free of any relationship that would affect their impartiality in carrying out their responsibilities and were independent as required under Provision 17 of the UK Corporate Governance Code (the "Code"). For the financial year ended 31 December 2023 all the Independent Non-executive Directors of the Company sat on the Committee. The Committee is chaired by the Company Chair, unless there is a conflict of interest.

The Chief Executive Officer and Company Secretary may also be invited to attend meetings, unless this presents a conflict of interest. The Committee Chair meets regularly with the Chief Executive Officer outside of the Committee meetings and is available to answer shareholder questions at the Company's Annual General Meeting.

The Chair of the Committee reports to subsequent meetings of the Board and the Company Secretary acts as the Secretary to the Committee. Annually the Committee reviews its effectiveness.

Roles and responsibilities

The Committee has a planned cycle of activities, managed through a schedule of matters, to ensure that it addresses its responsibilities in the current financial year. The terms of reference of the Committee can be found on the Company's website at www.sabreplc.co.uk/about-us/corporate-governance and are reviewed by the Committee on an annual basis. The Committee meets at least twice a year, in line with its terms of reference, and as and when required.

The Committee leads the process for:

- Reviewing the size, structure and composition of the Board
- Overseeing succession planning for the Directors and other senior executives, considering the challenges and opportunities facing the Group, and the skills and expertise needed on the Board in the future
- Reviewing the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace
- Reviewing the Group's policy on diversity, setting measurable objectives for Board diversity and preparing a policy on how to promote Board diversity
- Identifying, evaluating and recommending candidates to join the Board
- Making recommendations to the Board regarding the make-up of the Company's Committees and the appointment of the Senior Independent Director
- Making recommendations regarding the election and re-election of the Directors by shareholders

Diversity and Inclusion

The Committee recognises the benefits of, and values the importance of, an inclusive and diverse Board and maintains an Inclusivity and Diversity Policy to support this. This Policy is reviewed at least annually by the Committee, and further information on the Policy can be found on page 39. Sabre believes that this is not only fair, but that it ensures optimal decision making and successful execution of the Group's strategy. Therefore, inclusivity and diversity of its Board and its employees is a priority of the Group. In addition to this, the Group is fully committed to the elimination of unlawful and unfair discrimination.

Sabre believes that membership of its Boards and Committees should reflect diversity in its greatest sense, and seeks diversity relating to age, gender, ethnicity, sexual orientation, disability, education, professional and socio-economic backgrounds. Appointment of individuals to the Board is based on merit, and consideration is given to a combination of these diversity factors, but also the needs and requirements of the Board, to ensure a sufficient skillset and knowledge base. The Board believes that a range of views, experience, and background supports good decision making, which is of benefit to the Group's shareholders, customers and other stakeholders. In support of this, when the Board seeks to appoint a new position to the Board or the Leadership Team, it expects to be provided with a diverse range of candidates, notably long lists which are gender and ethnically diverse by at least 40%.

2023 and the Committee

The Committee was in place throughout the financial year ended 31 December 2023, and met five times. All Committee members attended all the meetings they were eligible to attend that were held during their period of appointment to the Committee, apart from Andy Pomfret and Michael Koller, who were unable to attend one meeting each. Rebecca Shelley chaired the meeting which Andy Pomfret was unable to attend, and Karen Geary chaired the meetings regarding the appointment of a new Chair. The Chief Executive Officer attended partially or fully, all the Committee's meetings, the Company Secretary attended and minuted each meeting, and the Head of HR presented at one of the meetings. After the death of Andy Pomfret, Rebecca Shelley was appointed Chair of the Committee.

In May 2023, Ian Clark left the Committee as he was no longer independent, due to his tenure on the Board, and in September Bryan Joseph joined the Committee. It is noted that Michael Koller left the Board and therefore the Committee, with effect from 31 December 2023. There were no further changes to the make-up of the Committee during the year and the Board is comfortable that the make-up of the Committee ensures that it is fully able to fulfil its duties.

During the financial year which ended on 31 December 2023 the Committee:

- Approved the Nomination & Governance Committee Report in the Annual Report for the year ended 31 December 2022
- Reviewed and recommended to the Board, the election and re-election of Directors at the Company's 2023 Annual General Meeting
- Discussed the balance of skills and experience on the Board and its committees, their structure, and considered if any changes were necessary, and made recommendations to the Board for their implementation
- Reviewed the talent development and succession plans for the Executive Team and senior managers
- Reviewed and approved the Committee's terms of reference and schedule of matters, and the Group's Diversity and Inclusion Policy
- Reviewed the annual Committee's evaluation responses and concluded that the Committee was effective
- Confirmed that the Committee had sufficient resources to enable it to complete its responsibilities
- Discussed environmental, social, governance and diversity issues faced by the Group
- Agreed that an additional Non-executive Director should be appointed to the Board (see box).

Note, due to the unexpected death of Andy Pomfret, the subsequent changes to the Board structure with the interim appoint of Rebecca Shelley as Company Chair and Karen Geary's appointment as Remuneration Committee Chair were agreed by the Board, and no individual was involved in the discussions relating to their own appointment.

Appointment of an additional Non-executive Director

During the year, the Committee agreed to appoint an additional Non-executive Director to the Board.

Following the process detailed below, the Committee recommended to the Board that Bryan Joseph be appointed as Non-executive Director with effect 1 June 2023. Bryan will stand for election to the Board at the Annual General Meeting in 2024.

Process of appointment

The search process for the new Non-executive Director was led by Andy Pomfret, with the Committee reviewing the potential candidates and several Board Directors interviewing the final shortlist of potential candidates.

Candidate requirements

The Committee reviewed the experience and skills of the existing Board Directors, and considered what additional skills would be beneficial for the Board to enable it to drive the business forward, provide good corporate governance and strengthen knowledge on the Board. From this a list of skills criteria for the role was completed.

Appointment of an external search agency

Several external search agencies were considered, and the Committee appointed Sainty Hird and Partners, an independent external search agency, with no other connection to the Group, to find the suitable candidates. It was felt Sainty Hird and Partners' experience of the industry was very strong and therefore they were the most appropriate agency to use for the appointment.

Search process

Sainty Hird and Partners produced a long list of candidates, which was reviewed by members of the Committee, and a short list of candidates were interviewed by several Board Directors, including the Chair, the Senior Independent Director and the Chief Executive Officer.

Appointment of Non-executive Director

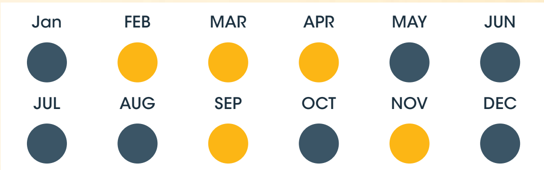
All interviewers provided feedback on the candidates to the Committee, which discussed the merits of each candidate against the skills criteria list. From this discussion, the Committee proposed to the Board that Bryan be appointed to the Board, noting his significant insurance and risk experience. Following Bryan's acceptance of the appointment, the Committee reviewed which committees it would be appropriate for him to join, and subsequently appointed Bryan to the Risk and Audit Committees with immediate effect from his appointment, and the Nomination & Governance Committee later on in September 2023. Following his appointment and subject to him receiving regulatory approval, the Committee agreed that Bryan Joseph would be appointed as Risk Committee Chair. Regulatory approval was received in September 2023, and upon which, Bryan was appointed as Risk Committee Chair.

On behalf of the Nomination & Governance Committee

REBECCA SHELLEY
Chair of the Nomination & Governance Committee
18 March 2024

Remuneration Committee Report

Committee meetings in 2023



● Meeting occurred

● No meeting took place

Committee Members

The membership as at the date of this report together with such members' appointment dates and attendance record for the year ended 31 December 2023 are set out below:

Committee Members	Date of Appointment	Attendance
Karen Geary (Chair)*	December 2020	5/5
Rebecca Shelley**	October 2017	5/5
Michael Koller***	September 2020	5/5

* Became Chair in November 2023, and chaired the November Committee meeting

** Resigned as Chair of the Committee in November 2023, upon appointment as Interim Chair of the Company

*** Left the Board and therefore the Committee, with effect from 31 December 2023

KAREN GEARY
Chair of the Remuneration Committee

On behalf of the Board, I am pleased to present to you the Remuneration Committee's Report for the year ended 31 December 2023. The results for 2023 show the effectiveness of the Sabre Executive Team's swift response to the challenging economic conditions in 2023 and thorough application of the long-term strategy. This resulted in very strong premium growth in 2023, a significant year-on-year growth in profit and foundation maintained for the further growth in both premium and profit in 2024.

This report has been prepared in accordance with the Directors' Remuneration Reporting Regulations for UK incorporated companies set out in Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the principles of the UK Corporate Governance Code.

The report is presented in the following sections:

- Remuneration Committee Report
- Company's Directors' Remuneration Policy (the "Policy")
- Annual Report on Remuneration

The Remuneration Committee (the "Committee")

The Committee comprises of at least two Non-executive Directors of the Company, all of whom are considered to be free of any relationship that would affect their impartiality in carrying out their responsibilities and are independent as required under Provision 17 of the UK Corporate Governance Code (the "Code"). Members of the Committee are appointed by the Board, on the recommendation of the Nomination & Governance Committee and the Chair of the Committee. Members of the Committee do not have any personal interests in the topics discussed at the Committee, except as shareholders in the Company. No Director is involved in the decisions setting their own remuneration.

The Company Chair and the Chief Executive Officer are invited to attend meetings, unless they have a conflict of interest, for example the discussion of their own remuneration. All meetings are minuted by the Company Secretary, unless there is a conflict of interest. Other relevant people from the Company may also be invited to attend all or part of a meeting to provide deeper insight into the Company and its issues.

The Committee Chair meets regularly with the Chief Executive Officer and the Company Secretary outside of the Committee meetings and is available to shareholders to answer their questions at the Company's Annual General Meeting. The Chair of the Committee reports to subsequent meetings of the Board, and the Company Secretary acts as Secretary to the Committee. Annually, the Committee reviews its effectiveness.

Roles and responsibilities

The Committee, in line with its terms of reference, meets at least twice a year, and as and when required. The terms of reference of the Committee can be found on the Company's website www.sabreplc.co.uk/about-us/corporate-governance and are reviewed by the Committee on an annual basis. The Committee has a planned cycle of activities, managed through a schedule of matters, to ensure that it addresses its responsibilities in each financial year.

The Board has delegated to the Committee responsibility for ensuring that the Executive Team is appropriately incentivised to deliver sustainable growth to shareholders over the long term. The Committee supports this objective by structuring and deploying remuneration in a cost-effective manner, embedding a clear link between pay and performance in the Group's remuneration framework. The Committee is responsible for setting the Remuneration Policy for the Executive Directors, the Executive Team and the Company's Chair, including pension rights and any compensation payments. It is also responsible for reviewing all share incentive plans and setting and approving the achievement of their performance conditions, as well as reviewing all employee pay arrangements periodically. The fees of the Non-executive Directors are approved by the Company Chair and the Executive Directors.

Committee advisers

For the financial year that ended on 31 December 2023, the Committee appointed Deloitte LLP ("Deloitte") to provide advice regarding remuneration. Advisers from Deloitte may attend the Committee meetings as appropriate, and provide advice on executive remuneration, best practice and market updates. Annually the Committee evaluates the support provided by its advisers. During the year the Committee reviewed the performance of Deloitte, who were subsequently re-appointed to advise the Committee for a further year. Deloitte is a founding member of the Remuneration Consultants Group and voluntarily operates under their Code of Conduct in relation to executive remuneration consulting in the UK. As such, the Committee is satisfied that the advice provided by Deloitte is independent and objective.

The total fees paid to Deloitte in relation to the remuneration advice provided to the Committee during the year were £37,650 excluding VAT (2022: £17,000). Fees were charged on a time and materials basis. During the year the wider Deloitte firm also provided corporate tax advisory services to the Group. The fees paid for this work are not included in these totals.

2023 and the Committee

The Committee was in place throughout the financial year ended 31 December 2023, and met five times through the period. The Committee was chaired by Rebecca Shelley, up until her appointment in November 2023 as Interim Chair, at which point Karen Geary was appointed Committee Chair. It is noted that as allowed under the UK Corporate Governance Code, Rebecca Shelley remains on the Committee, whilst in her position as Interim Chair. It is noted that Michael Koller left the Board and therefore the Committee with effect from 31 December 2023. There were no further changes to the make-up of the Committee during the year and the Board is comfortable that the make-up of the Committee ensures that it is fully able to fulfil its duties. All Committee members attended each of the meetings held during the year.

Each meeting was minuted by the Company Secretary. The Chief Executive Officer and the Company Secretary either partially or fully attended all of the Committee meetings. The Committee Chair also held regular individual meetings with the Chief Executive Officer and the Company Secretary.

During 2023, the Committee considered its effectiveness during the year and confirmed that the Committee continued to perform effectively and had access to sufficient resources to enable it to complete its responsibilities.

During the year, the Committee addressed its responsibilities by:

- Approving the 2022 Directors' Remuneration Report
- Reviewing and approving the application of the 2021 Remuneration Policy to the financial year ended 31 December 2023
- Reviewing and approving that the payment of bonuses under the 2022 Short Term Incentive Plan ("STIP") would not be made, due to not meeting financial performance targets
- Setting the award levels and the financial, non-financial and individual performance conditions for the awards made under the 2023 STIP
- Setting the grant levels and underpins for the awards under the 2023 LTIP
- Reviewing the Remuneration Policy ahead of its renewal at the 2024 AGM
- Reviewing and approving any changes to the salaries of the Executive Team
- Reviewing remuneration across the Company to ensure that arrangements continue to align with our strategy, our key principles around remuneration and culture
- Reviewing and approving the fees of the Chair
- Reviewing the Company's SAYE and SIP employee contribution levels
- Approving the Company's SAYE 2023 grant
- Reviewing and approving the Committee's terms of reference
- Reviewing and publishing the Company's Gender Pay Gap Report

Executive remuneration in 2023

The Group has a well-defined strategy, whereby the profitability of business written is prioritised under all market conditions. In 2023 the success of this strategy has been clearly demonstrated, following an extended period where market-wide premium increases continued to lag claims costs inflation, and when many competitors re-priced their portfolio or left the market completely. As a consequence of Sabre's consistent approach of pricing for profitability and not volume, during the recent market correction Sabre has enjoyed very strong premium growth, and as a result a strong bounce back in profits and laid the ground for further improvements in 2024.

The Remuneration Committee discussed and approved the remuneration outcomes in respect of 2023 shortly after the year end and made no amendments to the pre-determined performance conditions for the annual bonus award or the outstanding LTIP awards. The annual bonus for 2023 under the Company's STIP was based on a bonus pool funding approach, calculated as 1.5% of PBT, subject to the achievement of a minimum level of 10% ROTE being achieved. The PBT for the year ended 31 December 2023 was 23.6m and a ROTE of 22.7% was achieved, and therefore the aggregate profit pool potentially available for distribution to the Chief Executive Officer and Chief Financial Officer for the year was £0.35m. In addition to the financial performance conditions linked to the bonus, 30% of the awards were subject to additional Group-wide objectives and individual performance targets. Strong performance was delivered against these objectives and the Committee's full assessment is outlined on page 84. Following this assessment, resulting bonuses were £228,776 (47.3% of salary) for the Chief Executive Officer and £120,106 (40.7% of salary) for the Chief Financial Officer. Full details of the bonus outturn are on page 82.

Awards made under the 2021 Long Term Incentive Plan ("LTIP") in 2021 were made in the form of restricted shares. These LTIP awards were subject to the following underpins:

- Maintaining a Solvency ratio in excess of 140%
- Achieving a return on tangible equity in excess of 10%
- No material regulatory censure (relating to the Executive Director's time in office)
- Overall Committee discretion

As these underpins were met, the Committee approved the vesting of the 2021 LTIP awards at 100% and therefore the Chief Executive Officer and the Chief Financial Officer received the full number of shares granted to them in 2021, which was the equivalent of 75% and 60% of salary, respectively. These awards vest post the release of the 2023 Financial Results, when the Executive Directors will be able to sell shares to cover the tax liability, and the remaining shares are subject to a further two-year holding period. Further information on the 2021 LTIP can be found on page 85.

Overall, the Committee considered that the outcomes under the 2023 STIP and the 2021 LTIP are a fair reflection of the overall performance of the Company and the Executive Directors and are considered appropriate in the context of the broader stakeholder experience. As such the Committee is satisfied that the 2021 Policy operated as intended during the financial year and did not exercise discretion in respect of the Policy or its operation during the year.

Review of Directors' Remuneration Policy and proposed key changes for 2024

Ahead of the renewal of the Directors' Remuneration Policy at the Annual General Meeting in 2024, the Committee undertook a full review of the Policy, including the consideration of simplicity, cost effectiveness, risk and alignment to the Group's corporate strategy and culture. In determining the proposed changes to the Policy, the Committee assessed the overall performance of the Group and the positioning of the Executive Directors' total remuneration. The Committee concluded that they were satisfied that the Policy remained fit for purpose, and that in particular the simpler, more transparent incentive arrangement of annual bonus and restricted share awards introduced in 2021 remains fully aligned with our focus on delivering long-term sustainable returns to our shareholders. The changes proposed are only minor and are shown in the Remuneration Policy on pages 74 to 80.

Wider considerations regarding reward

When considering the remuneration arrangements for the Executive Directors, the Committee continues to consider remuneration throughout the Group and regularly examines the average employee salary, pension and share plan contributions. The Committee is aware of the importance of having an engaged, motivated and fairly paid workforce. To support this the Committee receives regular updates on remuneration of the Company's employees. The Committee and Company were cognisant of the increased cost of living during 2023. To help support our employees with the increase in the cost of living, the Group paid a Cost-of-Living Allowance of £800 to all employees (outside of the Executive Team) over the five months from October 2022 to February 2023.

During the year, the Company reviewed and increased the starting salaries for trainees, and the Company confirms that the Real Living Wage is paid to all full-time employees, as a minimum. As in prior years, during the year the Company gave employees pay rises during the year, within a range of 5.2% and 8.2% (excluding special pay rises) and at an average of 6.04% (excluding specials), paid an employee performance bonus to all employees, and a Christmas bonus of £1,050. In addition, the Group continues to provide free private health insurance to its employees, which also provides discounted gym memberships, dietary advice, and free workshops promoting a healthier lifestyle and good mental health, and paid employees outside of the Executive Team the Cost-of-Living Allowance, as discussed previously in this report.

The Company continues to operate a SAYE Plan where employees can make a monthly contribution of up to £500 and a SIP where for every three shares an employee purchases the Company matches with one free share. It is the Committee's intention that both the SAYE Plan and SIP will remain in place for the financial year ending 31 December 2024.

While the Group currently has fewer than 250 employees and so is not required to submit a formal statement on its gender pay gap, our intention is to be transparent. As such, in 2019 the Committee made a commitment to release the Company's Gender Pay Gap Report. The Committee ensures that the report is updated annually, and it is available on the Company's website https://www.sabreplc.co.uk/about-us/corporate-governance

Statement of shareholder voting

The following table shows the results of shareholder voting relating to the approval of the Remuneration Policy at the 2021 Annual General Meeting and the approval of the Remuneration Report at the 2023 Annual General Meeting.

2021 Annual General Meeting resolution to approve the Directors' Remuneration Policy

	Total number of votes	% of votes cast
For (including discretionary)	200,920,076	94.75
Against	11,140,790	5.25
Total votes cast (excluding withheld votes)	212,060,866	100
Votes withheld	7,930,125	n/a
Total votes cast (including withheld votes)	**219,990,991**	**n/a**

2023 Annual General Meeting resolution to approve the Directors' Remuneration Report

	Total number of votes	% of votes cast
For (including discretionary)	215,001,108	99.36
Against	1,391,249	0.64
Total votes cast (excluding withheld votes)	216,392,357	100
Votes withheld	4,538	n/a
Total votes cast (including withheld votes)	**216,396,895**	**n/a**

Shareholder engagement

Sabre and the Remuneration Committee are committed to maintaining an ongoing dialogue with shareholders on issues of remuneration to ensure an open and transparent dialogue. We continue to welcome any feedback you may have, via the Company Secretary, who can be contacted at anneka.kingan@sabre.co.uk

During 2023, Rebecca engaged with a number of the Company's top shareholders on the proposed changes to the Directors' Remuneration Policy. We were pleased with the level of engagement from shareholders and their consideration of the proposed amendments to the Policy, and thank them for their support.

I look forward to your support on the resolutions relating to remuneration at the Company's Annual General Meeting in May 2024.

On behalf of the Remuneration Committee

KAREN GEARY
Chair of the Remuneration Committee
18 March 2024

Directors' Remuneration Policy

The Directors' Remuneration Policy (the "Policy")

The current Policy was approved by shareholders at the 2021 Annual General Meeting ('AGM') with a vote of 94.75% in favour. In line with the requirement to seek approval of the Policy every three years, we will be seeking shareholder approval of a new Policy at the 2024 AGM. Ahead of this vote, the Committee has been carefully considering the current Policy with input from Management, while ensuring that conflicts of interest are suitably mitigated. We have also consulted with our major shareholders and taken advice from our independent advisers, Deloitte.

Following its review, the Committee concluded that the basic structure of the current Policy remains appropriate as it meets the Committee's requirements that it:

– Is simple and transparent
– Rewards performance against a balanced mix of financial and non-financial performance metrics, which reflect the interests of all stakeholders
– Reflects that, although the business is cyclical in nature, the focus of the Executive Team is to protect the profitability of business underwritten and to deliver attractive returns to shareholders. Accordingly, a Policy that offers, relative to the broader market, a narrower, but more predictable, range of performance and reward outcomes is better aligned to Sabre's positioning as an 'income stock'
– Closely aligns the remuneration of the Executive Team with the business's profit generation at different parts of the insurance cycle, rather than achievement against the annual budget
– Encourages long-term share ownership and aligns with the creation of shareholder value
– Mitigates risk by ensuring the Committee has the ability to apply discretion to ensure that award levels are appropriate, and that the Committee has the ability to apply malus and/or clawback if required
– Complies with remuneration regulations under Solvency II and corporate governance best practice

Accordingly, only minor changes are proposed in the new Policy, the most substantive of which are summarised below.

STIP	– A reduced rate of 25% Short Term Incentive Plan ("STIP") deferral into shares (rather than the current 50%) will apply if an individual is already compliant with their 200% of salary shareholding guideline. – The new Policy contains scope for the Committee to set and measure STIP targets other than on an annual basis. Use of this option will be reserved for unusual circumstances, for example where there is exceptional economic volatility (as in the recent COVID affected period) and consequent limited visibility to set robust 12-month targets. – In line with Investment Association guidance, the new Policy provides for appropriate discretion so that the Committee may ensure STIP outturns properly reflect the performance of the executives and overall corporate performance. – Flexibility has been added in the new Policy in relation to the form of an underlying performance hurdle that can be applied if a bonus pool funding approach is adopted.
Shareholding guidelines	– Discretion has been added in relation to the Committee's application and interpretation of shareholding guidelines. That discretion includes scope for the Committee to, exceptionally, adjust or waive the post-employment shareholding guideline in circumstances where the Committee believes its application would be inappropriate (e.g. in the event of death).
Remuneration Policy for new Executive Directors	– Consistent with market practice, the new Policy contains flexibility for the reimbursement of legal or other costs approved by the Committee incurred by an individual in relation to their appointment. – The Committee will have the flexibility to determine whether a new Executive Director should be subject to a different set of criteria for annual and/or long-term incentive performance measures (within the existing parameters for these plans in this new Policy) during the first 12 months following appointment. It is intended to use this only in exceptional circumstances, such as if the new Executive Director had been hired to complete a specific project. – The new Policy clarifies scope for buy-out awards to be granted in respect of any compensation forfeited by a newly appointed Executive Director at their previous employer.
Exit payment policy	– The Committee will have the flexibility to determine whether a departing Director's annual bonus should be assessed with respect to performance over the full financial year or the period to cessation of employment based on appropriate performance measures as determined by the Committee.

Any use of the discretions available to the Committee in this new Policy would be fully explained and justified in the relevant Remuneration Report and, where appropriate, discussed in advance with major shareholders. If approved by shareholders, the new Policy will take effect from the date of that approval.

The following table summarises how, in designing the Group's Remuneration Policy and its implementation, the Committee has addressed the principles set out in Provision 40 of the UK Corporate Governance Code.

Principle	How the Committee has addressed this
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The Committee is committed to providing clear and transparent disclosure of Sabre's executive remuneration arrangements. As part of the Remuneration Policy review, we consulted with shareholders in order to ensure their feedback was fully considered. Further information – Karen Geary was appointed as the designated Non-executive Director for workforce engagement during 2022. Karen actively engages with employees and feeds back to the Committee and the Board on her meetings in order to provide insight on employees' views.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	In designing the remuneration framework the Committee sought to avoid complexity by ensuring compensation arrangements are straightforward and easily understood. Sabre's remuneration framework comprises fixed pay, an annual bonus and a LTIP and is well understood by both participants and our key stakeholders.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Committee is satisfied that the remuneration structure does not encourage excessive risk taking and incorporates a number of features that align remuneration outcomes with risk. These include deferral under the bonus plan, the two-year post-vesting holding periods under the LTIP and personal shareholding guidelines that apply both in-employment and post-employment. Furthermore, the Committee has the discretion to reduce variable pay outcomes where appropriate, and malus and clawback provisions apply to both the annual bonus and LTIP awards. Further information – The Risk Committee reviews the Executive Team's management of risk during the year and advises the Remuneration Committee as appropriate, prior to the Committee approving any awards of payment of bonuses.
Predictability The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	The Remuneration Policy outlines the threshold, target and maximum levels of pay that Executive Directors can earn in any given year over the three-year life of the approved Remuneration Policy. Actual incentive outcomes will vary depending upon the level of achievement against specific performance measures and underpins.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Group should be clear. Outcomes should not reward poor performance.	The Committee is comfortable that the Remuneration Policy does not reward poor performance and that the range of potential payouts are appropriate and reasonable. The Committee has discretion to adjust incentive outcomes where they are not considered to appropriately reflect underlying performance. Furthermore, payments made under the incentive plans are subject to the achievement of performance measures and underpins which are directly linked to the Group's strategy and KPIs.
Alignment of culture Incentive schemes should drive behaviours that are consistent with Group purpose, values and strategy.	The performance measures for the annual bonus and the award of RSAs are directly linked to the Group's strategy, objectives and values.

The Executive Directors' remuneration consists of five main components: a base salary, benefits, employer pension contributions, a performance-related annual bonus (STIP) and Restricted Share Awards made under the Group's Long Term Incentive Plan ("LTIP").

Directors are also entitled to participate in both the all-employee share plans on the same basis as other Group employees. Detail in relation to each of these elements is set out in the Policy Table below.

In designing the Group's Remuneration Policy, the Committee has been guided by the three following principles:

1 Cost-effectiveness
Sabre intends to pay no more than is necessary to attract, retain and incentivise high-calibre management, while also aligning the interests of employees with those of shareholders and, where appropriate, other key stakeholders.

2 Pay for performance
Performance-related pay will, potentially, make up a significant proportion of the Executive Directors' remuneration packages and will be assessed based on stretching targets.

3 Long-term alignment
There will be an appropriate balance of remuneration to the delivery of longer-term performance targets. In determining the Group's Remuneration Policy, the Committee has taken into account the relevant regulatory and governance principles.

Remuneration Policy Table

Salary

To attract, incentivise and retain Executive Directors of a high calibre, and to reflect their responsibilities and experience.

Operation	Maximum opportunity	Performance measures
Base salaries will be reviewed at least annually, taking into account the scope and requirements of the role, the performance and experience of the Executive Director and the individual's total remuneration package. Account will also be taken of remuneration arrangements at Sabre's peer companies (and other companies of an equivalent size and complexity), for other Group employees, and the impact of any base salary increases on the total remuneration package. Any salary increases are normally effective from 1 April, each year, in line with the broader workforce.	The Committee has decided not to set an overall maximum monetary opportunity or increase. However, the Committee intends that Executive Directors' salary increases will normally be no greater than salary increases offered to the wider employee population. There are specific circumstances in which the Committee could award increases outside this range which may include: – A change in the Executive Director's role and/or responsibilities – Performance and/or development in role of the Executive Director – A significant change in the Group's size, composition and/or complexity – A significant change in market practice Where an Executive Director has been appointed to the Board at a below-market starting salary, larger increases may be awarded as their experience develops, if the Committee considers such increases to be appropriate.	n/a

Benefits

To provide a benefits package to recruit and retain Executive Directors of a high calibre and to promote the wellbeing and health of the Directors, enabling them to focus on the Group's performance.

Operation	Maximum opportunity	Performance measures
The Committee's policy is to provide Executive Directors with competitive levels of benefits, taking into consideration the benefits provided to Sabre's employees and the external market. Benefits currently include (but are not limited to) life insurance and private medical insurance. If an Executive Director is required to relocate as a result of his/her duties the Group may provide the Executive Director with additional benefits such as assistance with relocation, travel, accommodation or education allowances or professional tax advice, along with any associated tax liabilities.	As the costs of benefits are dependent on the Executive Director's individual circumstances, the Committee has not set a maximum monetary value. However, in approving the benefits paid, the Committee will ensure that they do not exceed a level which is, in the Committee's opinion, appropriate given the Executive Director's particular circumstances.	n/a

Pension

To provide a pension package for the Executive Directors.

Operation	Maximum opportunity	Performance measures
The Group may make employer pension contributions to a registered pension plan (or such other arrangement the Committee considers has the same economic effect) set up for the benefit of each of the Executive Directors. Alternatively, an Executive Director may be awarded some/all of the contribution as an equivalent cash allowance in lieu of pension contributions.	The maximum pension contribution for Executive Directors is aligned with the most prevalent rate available to employees (currently 7.5% of salary).	n/a

Short Term Incentive Plan ("STIP") including Deferred Bonus Plan ("DBP")

To incentivise and reward the delivery of short-term corporate and/or individual financial and non-financial targets, and to align the interests of Executive Directors with shareholders through the deferral of a portion of the bonus into shares.

Operation	Maximum opportunity	Performance measures
STIP outcomes will be determined by the Committee after the end of each financial year. The Committee may use its discretion to adjust the formulaic outcome of the performance targets to reflect corporate and individual performance during the year. The Committee may defer a proportion of any bonus award into a share award under the DBP. Usually this will be 50% of the bonus award reducing to 25% of the bonus award in the event that an individual's minimum shareholding requirement has been met under the shareholding guidelines. DBP awards will normally vest on the second anniversary of grant (or such other date as the Committee determines on grant). Malus and clawback provisions will apply (see page 78).	The maximum bonus opportunity for Executive Directors is 150% of base salary.	Usually operated via a bonus pool funding approach with the bonus pool capped at 2% of PBT (in addition to the maximum individual opportunity), subject to achievement of an appropriate financial hurdle which may include PBT or ROTE. Usually 70% of the bonus will be based on financial objectives, with 30% based on non-financial objectives. Performance assessment will usually be in respect of the full financial year although the Committee retains discretion, in exceptional circumstances, to assess performance over an alternative period.

Long Term Incentive Plan ("LTIP") – Restricted Share Awards ("RSA")

To incentivise and reward delivery of the Group's longer-term strategic objectives for the business and ensure alignment with shareholders.

Operation	Maximum opportunity	Performance measures
Awards are structured as conditional rights or nil-cost awards or nil-cost options, to receive free shares on vesting. Shares will normally vest after three years, subject to continued employment and the Remuneration Committee's assessment, with an additional two-year holding period, meaning that shares are not normally released until five years from award grant. If the Group does not meet one or more of the underpins at the date of vesting, then the Committee would review whether or not it was appropriate to reduce the number of shares that vest under the award. The Committee's general discretion to adjust vesting levels, depending on performance and unforeseen circumstances, and any other appropriate reason will also apply. Malus and clawback provisions will apply (see page 78).	The maximum awards are 75% of base salary for the Chief Executive Officer and 60% of base salary for the Chief Financial Officer.	RSAs are subject to one or more underpins normally over a period of three financial years commencing with the year in which the awards are granted. These underpins are designed to ensure that an acceptable threshold level of performance is achieved and that vesting is therefore warranted. The underpins applying to each award will be determined by the Committee each year and the Committee may use different performance underpins for each award, if deemed appropriate. Underpins will be set taking into account the business strategy and to ensure that failure is not rewarded. Underpins may include financial measures such as the maintaining of a minimal solvency ratio or a capital return measure. Non-financial measures may also be used, including those related to risk or regulatory matters. Vesting of awards will also be subject to overarching Committee discretion.

All-Employee Share Plans

To align the Executive Directors with the wider workforce.

Operation	Maximum opportunity	Performance measures
Executive Directors are eligible to participate in any all-employee share plans in place, which are operated in line with HMRC requirements. These are currently a share acquisition and free share plan, known as the UK Share Incentive Plan ("SIP"), and a savings-related share option plan, known as the Save As You Earn ("SAYE") Plan.	Participation in the Group's all-employee share plans will be subject to any applicable maximum limits as set by HMRC.	n/a

Shareholding guidelines

To align the interests of the Executive Directors and shareholders to the success of the Group.

Operation	Maximum opportunity	Performance measures
The Executive Directors are expected to build and maintain a shareholding equivalent to at least 200% of their base salary. This should be achieved within a reasonable timeframe from their appointment. Shares which may be used to satisfy this requirement include all beneficially-owned shares and vested share awards subject to a holding period. To support the implementation of this measure, Executive Directors are required to retain at least 50% of any share awards vesting (after settling any tax liability) until the 200% requirement is met. The Remuneration Committee will review progress towards the guidelines on an annual basis and has the discretion to adjust the guidelines in what it feels are appropriate circumstances. Post-cessation of employment, the Executive Directors are expected to maintain a minimum shareholding of 200% (or their actual shareholding if lower) for a period of two years. This arrangement will be administered through a nominee account. The post-employment guideline applies to vested shares from incentive awards that were granted from the date of the 2021 AGM. The Committee retains discretion to waive or amend this guideline if it is not considered appropriate in the specific circumstances.	n/a	n/a

Non-executive Directors' fees

To attract Non-executive Directors of an appropriate calibre and with sufficient experience to ensure the effective management of the Group.

Operation	Maximum opportunity	Performance measures
Fee levels will be reviewed (though not necessarily increased) annually. Fees will be set with reference to the time commitment and responsibilities of the position, and any increases will usually be reflective of any increases given to the wider employee population. Additional fees may be paid for additional responsibilities (such as chairing a Board Committee, membership of a Committee, or acting as the Senior Independent Director), or for an increased time commitment during the year. To the extent permitted by the internal expense policy, a Non-executive Director may be reimbursed for reasonable costs incurred in the course of his/her duties, including travel and accommodation expenditure, along with any related tax liabilities. The fee for the Chair will be determined by the Committee. Fees for Non-executive Directors will be determined by the Chair and the Executive Directors.	There is no prescribed maximum fee or annual increase. Total fees will not exceed the limit set out in the Group's Articles of Association.	n/a

Prior arrangements

The Board reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out on the prior pages where the terms of the payment were agreed (i) before the Policy set out above came into effect provided that the terms of payment were consistent with the shareholder-approved Policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Selection of performance conditions

For the STIP, the Committee believes that a mix of financial and non-financial targets is most appropriate. Strategic and personal objectives may be included where appropriate to ensure delivery of key business milestones. Targets are set by the Committee taking into account internal and external forecasts.

For the LTIP, awards of restricted shares will be subject to performance underpins. The underpins selected by the Committee will be based on measures considered to be most reflective of the overall financial stability and performance of the Group, and therefore aligned with shareholder value creation.

Terms common to the DBP and LTIP

Awards under the DBP and LTIP may:

- Be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect
- Be settled in shares or, exceptionally, in cash
- Have any performance conditions applicable to them amended or substituted by the Committee if an event occurs which causes the Committee to determine that, in respect of the relevant event, an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy
- Incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vests up to the time of vesting (or, where the award is subject to a holding period, the end of that holding period). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis be settled in cash at the Committee's discretion be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may materially affect the current or future value of the Company's shares

Malus and clawback

Malus and clawback provisions apply to all awards granted under the STIP and LTIP. These provisions may be invoked at the Committee's discretion at any time prior to the third anniversary of the grant of a cash bonus or DBP award, or to the fifth anniversary of the grant of an LTIP award. In these circumstances, the Committee may reduce or impose additional conditions on an award or require that the participant returns some or all of the value acquired under the award.

The Committee has the discretion to invoke these provisions where there has been:

- A material misstatement of any Company or its subsidiaries' audited accounts
- A corporate failure
- Material intervention from a regulator
- An error in assessing the relevant performance conditions or the information or assumptions on which the award was granted or vested
- Misconduct on the part of the Executive Director
- Serious reputational damage to, or a material failure of risk management by, a member or business unit of the Group

Within the period beginning on:

- In the case of LTIP awards, from the grant of the award and ending on the fifth anniversary of the date of grant
- In the case of STIP (cash bonus and DBP awards), the start of the financial year in respect of which the award is granted and ending on the third anniversary of the date of grant

The Board will retain the discretion to calculate the amount to be recovered, including whether or not to claw back such amount gross or net of any tax or social security contributions applicable to the award.

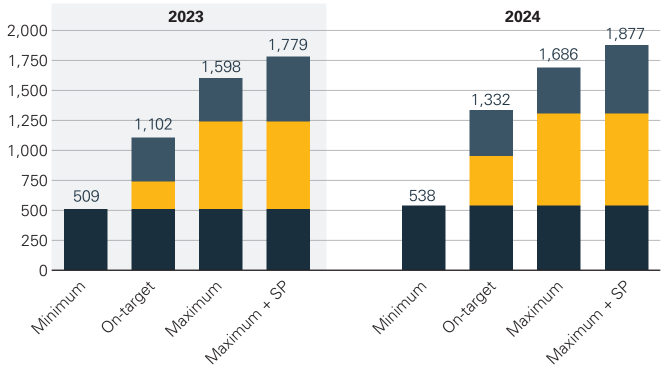
Remuneration Scenario Charts

The charts below illustrate the potential remuneration for each of the Executive Directors, using a range of assumptions, for the forthcoming year. The charts show the potential value of the current Executive Directors' remuneration under four scenarios: minimum, on-target, maximum and maximum plus share price growth (which assumes a 50% increase in share price over the LTIP vesting period).

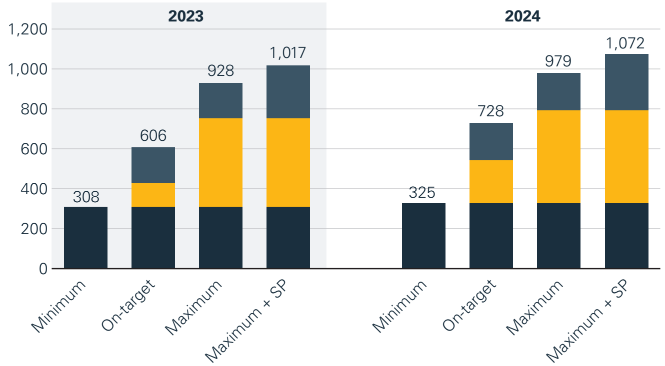
The following assumptions have been made in creating the charts below:

Pay scenario	Basis of calculation
Minimum	Fixed pay only consisting of salary, benefits and pension
On-target	Fixed pay, plus the relevant mid performance payout from the bonus pool and Restricted Share Award
Maximum	Fixed pay, plus the maximum performance payout from the bonus pool (capped at 150%) and Restricted Share Award
Maximum plus share price growth	Fixed pay, plus the maximum performance payout from the bonus pool (capped at 150%) and restricted share awards plus share price growth of 50% over the Restricted Share Award vesting period

Chief Executive Officer's remuneration package:



Chief Financial Officer's remuneration package:



■ Fixed (inc pension) ■ Short-Term Incentive Plans) ■ Long-term Incentive Plans)

Remuneration Policy for new Executive Directors

The Committee intends to set any new Executive Director's remuneration package in line with the Policy outlined earlier in this section. In an individual's first year, the Committee may set different performance measures and targets for incentive awards to those of the other Executive Directors, depending on the timing and scope of any appointment.

When determining the design of the total package in a recruitment scenario, the Committee will consider the size and scope of the role, the candidate's skills and experience and the market rate for such a candidate, in addition to the importance of securing the preferred candidate. In some circumstances, the Board may be required to take into account common remuneration practices in another country and, if applicable, may consider awarding payments in respect of relocation costs. Flexibility is also retained for the Group to pay for legal fees and other costs incurred by the individual in relation to their appointment. In line with the Policy, in relation to annual bonus and LTIP awards, maximum variable remuneration will not exceed 225% for the Chief Executive Officer and 210% for the Chief Financial Officer as a percentage of salary. In the event that another Executive Director role is created by the Company, the maximum variable opportunities (expressed as a percentage of salary for the new position) under the STIP and LTIP would not exceed the percentages shown for the Chief Executive Officer in the Policy.

In the event that Sabre wishes to hire a candidate with unvested incentives accrued at a previous employer or other compensation arrangements, which would be forfeited on the candidate leaving that company, the Committee retains the discretion to make a one-off buy-out award. In doing so, the Committee will take account of all relevant factors, including any performance conditions attached to incentive awards, the likelihood of those conditions being met, the proportion of the vesting /performance period remaining and the form of the award (e.g., cash or shares). The overriding principle will be that any buy-out award should be of comparable commercial value to the compensation which has been forfeited. The LTIP Rules have been drafted to permit the grant of recruitment awards on this basis to an individual (which will not be counted towards the annual LTIP limit and which will be subject to such vesting schedules and performance conditions (if any) as the Committee may determine). If it is not possible or practical to grant recruitment awards under the LTIP, the Committee may rely on the provisions of Listing Rule 9.4.2 to grant the awards.

For internal candidates, incentives granted in respect of the prior role would be allowed to vest according to their original terms, or adjusted if appropriate to take into account the appointment.

For the appointment of a new Chair or Non-executive Director, the fee would be set in accordance with the Policy. The length of service and notice periods would be set at the discretion of the Committee, taking into account market practice, corporate governance considerations and the skills and experience of the particular candidate at that time. In the event that the Chair or a Non-Executive Director is required to temporarily take on the role of an Executive Director, their remuneration may include any of the elements listed in the Policy Table for Executive Directors.

Service agreements and exit payment policy

In line with the UK Corporate Governance Code Provision 18, all Directors are subject to re-election annually at the Company's Annual General Meeting.

Director	Date of appointment	Notice period
Geoff Carter	21/11/2017	12 months
Adam Westwood	21/11/2017	12 months
Ian Clark	04/10/2017*	3 months
Karen Geary	07/12/2020	3 months
Bryan Joseph	01/06/2023	3 months
Michael Koller	01/09/2020	3 months
Alison Morris	01/05/2022	3 months
Rebecca Shelley	04/10/2017	3 months

* Ian Clark was appointed to the Sabre Insurance Group plc Board as a Non-executive Director upon its IPO, but had been a Non-executive Director of Sabre Insurance Company Limited since May 2014

Shareholders may inspect the Executive Directors' contracts or the Non-executive Directors' letters of appointment at the Company's registered office, and these contracts and letters of appointment are also available for shareholders to review at the Company's Annual General Meeting. Both Geoff Carter and Adam Westwood have written service contracts with the Company with no fixed end date, but which are capable of being terminated by either the Company or the Executive Director on not less than 12 months' notice.

In the event notice is given to terminate an Executive Director's contract, the Group may make a payment in lieu of notice equal to the value of the Executive Director's salary for the notice period. Any such payments may be made, at the Committee's discretion, as a lump sum or in instalments, subject to mitigation by the Executive Director. It is the Committee's intention that the service contracts for any new Executive Directors will contain equivalent provisions. In the event that an Executive Director leaves the Company, entitlement they have to any variable pay will be determined in accordance with the relevant incentive plan rules.

The Chair and each of the independent Non-executive Directors have a notice period of three months and may receive fees in respect of any notice period.

Short Term Incentive Plan ("STIP") including Deferred Bonus Plan ("DBP")

Executive Directors will not have any automatic entitlement to a bonus for the financial year in which they leave the Company. Where an Executive Director leaves the Company, as a result of their ill-health, injury, disability or redundancy, or their employing company or business is sold out of the Group (known as "Good Leaver Reasons") or in such other circumstances as the Committee determines (but excluding gross misconduct), the Executive Director will typically remain eligible for their annual bonus award, which will normally be time prorated to reflect the proportion of the financial year served. In determining the level of bonus to be paid, the Committee may, at its discretion, take into account performance up to the date of cessation or over the financial year as a whole based on appropriate performance measures as determined by the Committee. Any such bonus may be paid out in such proportions of cash and share awards as the Committee considers appropriate. For other leavers, rights to awards under the annual bonus will be forfeited.

Unvested DBP awards will normally lapse when an Executive Director leaves the Company. However, if an Executive Director's departure is a Good Leaver Reason, as set out above, their award will normally vest on the original vesting date, although the Committee has the discretion to allow awards to vest earlier if the Committee considers it appropriate.

Long Term Incentive Plan ("LTIP") – Restricted Share Awards ("RSAs")

Unvested LTIP awards will normally lapse when an Executive Director leaves the Company. However, if the Executive Director's departure is as a result of a Good Leaver Reason, their LTIP awards will normally vest (and be released from any applicable holding period) on the original timetable set, although the Committee has the discretion to accelerate the vesting and release of awards.

The extent to which unvested LTIP awards vest in these circumstances will be determined by the Committee, taking into account the extent to which the relevant performance conditions or underpins have, in its opinion, been satisfied (over the original performance period, where the vesting of the award is not being accelerated) and, unless the Committee determines otherwise, the proportion of the performance period that has elapsed at the time the Executive Director leaves.

If an Executive Director leaves the Company holding vested LTIP awards which are subject to a holding period, these awards will normally be released at the end of the original holding period, unless the Committee allows the holding period to be shortened. However, if the Executive Director is dismissed for gross misconduct, all his or her LTIP awards will lapse.

If an Executive Director dies, their DBP and LTIP awards will normally vest (and be released from any holding periods) as soon as reasonably practicable after their death. The extent to which unvested LTIP awards vest in these circumstances will be determined by the Committee in the same way as for other Good Leaver Reasons described above.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment. In some cases, they may receive a modest leaving gift.

Change of control

In the event of a change of control of the Company, LTIP and DBP awards will normally vest and be released early. The proportion of any unvested LTIP awards which vest will be determined by the Committee, taking into account the extent to which it determines that any performance conditions and underpins have been satisfied at the time, and, unless the Committee determines otherwise, the proportion of the performance period that has elapsed. DBP awards will normally vest in full.

Alternatively, the Board may permit an Executive Director to exchange their awards for equivalent awards of shares in a different company (including the acquiring company). If the change of control is an internal reorganisation of the Company or in other circumstances where the Committee considers it appropriate, Executive Directors may be required to exchange their awards.

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Committee, may materially affect the current or future value of the Company's shares, the Committee may determine that awards will vest and be released on the same basis as for a change of control.

Consideration of shareholder views and employment conditions

The Committee will consult with major shareholders prior to any significant changes to the Policy and will continue to value their views when deciding on future executive remuneration strategy. In developing and reviewing the Remuneration Policy, the Committee was mindful of the views of the Company's shareholders and remuneration arrangements for employees. The Committee proactively sought feedback from shareholders when developing the Policy, and seeks feedback from shareholders when considering any significant changes to remuneration for the Executive Directors.

In setting the Policy, the Committee was led by the same principles which determined all employee remuneration: cost-effectiveness, pay for performance and long-term alignment. These principles evidence themselves in all employee remuneration as follows:

Cost-Effectiveness – As with the Directors, in setting compensation across the Group, Sabre intends to pay no more than is necessary to attract, retain and incentivise high-calibre individuals, setting remuneration competitively but not excessively

Pay for Performance – Many full-time Group employees are eligible to participate in some form of share-based incentive. Key individuals below Board level have been invited to participate in the LTIP, in order for there to be alignment between senior management and the Executive Directors' objectives

Long-term Alignment – In line with our philosophy of encouraging our workforce to be investors in the Company, all eligible employees were offered an award of free shares under the SIP. The Group operates both a SAYE Plan and a SIP to further facilitate employee investment in the Company and their long-term alignment

Although the Committee did not formally engage with the workforce on the alignment of executive remuneration with the wider company pay policy, the Board engages with the Group's employees via the designated Non-executive Director responsible for employee engagement. Karen Geary was appointed to this position by the Board during 2022 and leads on ensuring effective engagement with the workforce and regularly feeds back to the Committee and the Board following her meetings with employees. This process does not currently include an active two-way dialogue with the workforce on executive pay but this approach is being kept under review.

The Committee appreciates the importance of an appropriate relationship between the remuneration levels of the Executive Directors, the Executive Team, managers and other employees within the Group. As such, when reviewing and determining pay for Executive Directors, the Committee takes into account the level and structure of remuneration, as well as salary budgets, for other employees in the Group. Moreover, as a result of the implementation of the all-employee share plans referred to above, many of the Group's employees are Sabre shareholders and therefore have the opportunity to express their views through the same means as any other shareholder.

Annual Report on Directors' Remuneration

This section of the Directors' Remuneration Report sets out the remuneration paid to Sabre's Directors in respect of the year which ended on 31 December 2023 (the "2023 financial year"). In line with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013) the following parts of the Annual Report on Directors' Remuneration are audited:

- The single total figure of remuneration for each Director, including pension entitlements, STIP and LTIP outcomes for the financial year ended 31 December 2023
- Share plan awards granted during the financial year ended 31 December 2023
- Payments to past Directors and payments for loss of office
- Directors' shareholdings and share interests

All other parts of the Annual Report on Directors' Remuneration are unaudited.

Single figure of remuneration (audited)

The table below sets out the total remuneration received by Executive Directors and Non-executive Directors in respect of the financial year ended 31 December 2023.

£'000s

	Salary/fees		Taxable benefits[1]		Pension[2]		Total fixed pay		Short Term Incentive Plan[3]		Long Term Incentive Plan[4]		Other[5]		Total variable Pay[6]		Total Remuneration[7]	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Executive Directors																		
Geoff Carter	477	454	4	3	31	30	512	487	229	–	187	–	19	9	435	9	947	496
Adam Westwood	292	275	2	2	20	20	314	297	120	–	88	–	10	1	218	1	352	298
Executive Director total	769	**729**	6	**5**	51	**50**	826	**784**	349	**–**	275	**–**	29	**10**	653	**10**	1,479	**794**
Non-executive Directors																		
Andrew Pomfret[8]	149	155	–	–	–	–	149	155	–	–	–	–	–	–	–	–	149	155
Ian Clark[9]	72	81	–	–	–	–	72	81	–	–	–	–	–	–	–	–	72	81
Karen Geary[10]	69	64	–	–	–	–	69	64	–	–	–	–	–	–	–	–	69	64
Bryan Joseph[11]	42	–	–	–	–	–	42	–	–	–	–	–	–	–	–	–	42	–
Michael Koller[12]	65	62	–	–	–	–	65	62	–	–	–	–	–	–	–	–	65	62
Alison Morris[13]	76	45	–	–	–	–	76	45	–	–	–	–	–	–	–	–	76	45
Rebecca Shelley[14]	95	82	–	–	–	–	95	82	–	–	–	–	–	–	–	–	95	82
Non-executive Director total	568	**489**	–	**–**	–	**–**	568	**489**	–	–	–	**–**	–	**–**	–	**–**	568	**489**
Total	1,337	**1,218**	6	**5**	51	**50**	1,394	**1,273**	349	**0**	275	**0**	29	**10**	653	**10**	2,047	**1,283**

1 Taxable benefits include private medical insurance and payment in lieu of holiday not taken

2 As an element of pension is received as cash in lieu, the amount awarded is reduced below the allowed percentage to reflect the additional National Insurance cost borne by the Group

3 Awards made under the Short Term Incentive Plan ("STIP") are paid for performance over the relevant financial year. Details of the performance targets and performance against the targets for the 2023 STIP awards are detailed on pages 82 to 84. Details of the performance targets and performance against the targets for the 2022 STIP awards are detailed in the Annual Report and Accounts for the year ended 31 December 2022. Consistent with the terms of the 2021 Remuneration Policy, 50% of the bonus earned in relation to the financial year ended 31 December 2023 is deferred into the Company's shares for two years, with the balance payable in cash. These shares will be held in the Sabre Group Employees' Share Trust and are not subject to any further performance conditions

4 Awards made under the Long Term Incentive Plan ("LTIP") are restricted share awards subject to underpin performance conditions assessed over the period 1 January 2021 to 31 December 2023. The underpins were satisfied as detailed on page 85 and the awards fully vest. Awards are valued in the single figure table at £1.48 per share being the average share price in the final quarter of 2023

5 The Company operates a SIP which is open to all employees. 'Other' is the value of matching SIP shares attributable to the year. The Company offers a 1:3 match for Partnership Shares purchased by employees. In 2022, Geoff Carter and Adam Westwood participated in the SIP up to the maximum extent permitted by HMRC. The calculation for value is based on the shares bought by the Company on behalf of the individual and the share price as at 31 December 2022 of £1.064. In 2023, Geoff Carter participated in the SIP up to the maximum extent permitted by HMRC. The calculation for value is based on the shares bought by the Company on behalf of the individual and the share price as at 31 December 2023 of £1.514

6 Comprising STIP, LTIP and any other relevant variable remuneration

7 Comprising of total fixed pay and total variable pay and other remuneration as set out in Note 6

8 Andy Pomfret served as Chair until his death in November 2023

9 Ian Clark was appointed Audit Committee Chair on an interim basis between 25 November 2021 and 25 August 2022, and his fee is prorated in line with the time served in the position during the 2022 financial year. In addition, with effect from 1 April 2022, Ian Clark stopped being the Non-executive Director responsible for employee engagement and again his fee was prorated in line with the time served in the position during the 2022 financial year. During the 2023 financial year Ian Clark stopped being the Chair of the Risk Committee and his fee is prorated in line with the time served in the position during the 2023 financial year

10 With effect from 1 April 2022, Karen Geary became the Non-executive Director responsible for employee engagement and her fee was prorated in line with the time served in the position during the 2022 financial year, and with effect from 23 November 2023 she became the Remuneration Committee Chair on an interim basis, and her fee was prorated in line with the time served in the position during the 2023 financial year

11 Bryan Joseph joined the Board with effect from 1 June 2023 and became Risk Committee Chair with effect from 12 September 2023. His fee was prorated in line with the time served in the positions during the 2023 financial year

12 Michael Koller left the Board on 31 December 2023

13 Alison Morris joined the Board with effect from 1 May 2022 and became Audit Committee Chair with effect from 25 August 2022. Her fee was prorated in line with the time served in the positions during the 2022 financial year

14 Up until her appointment as Interim Chair, Rebecca Shelley received fees as a Non-executive Director, Chair of the Remuneration Committee and the Senior Independent Director. When she was appointed Interim Chair, these fees were replaced with the Chair's fee

Base salary

The annual salary paid to the Executive Directors with effect from 1 April 2023, is shown in the table below.

In late 2022, the Committee reviewed Executive Director salaries for the 2023 financial year, taking into account the individual's role and experience and pay for the broader employee population. The Committee decided to increase Geoff Carter and Adam Westwood's 2023 salaries by 5.5%, which was below the average increase of 6.04% given to employees across the Group. Details of the salaries that will apply in 2024 are provided on page 90.

Base salary	Annual salary (£) with effect 1 April 2023
Geoff Carter	£483,713
Adam Westwood	£295,400

Pension

During the 2023 financial year, Geoff Carter and Adam Westwood received cash in lieu of pension contributions of 7.5% of their base salaries respectively, which is below the average employee rate. Details of the pension contributions that will apply in 2024 are provided on page 90.

Short Term Incentive Plan ("STIP")

Framework and outcomes for the financial year ended 31 December 2023

For the financial year ended 31 December 2023 the Executive Directors were eligible to participate in the Company's STIP, which was based on a bonus pool funding approach, calculated as 1.5% of PBT, subject to a minimum hurdle of 10% ROTE being achieved. For 2023 the maximum annual bonus opportunity within this structure was capped at 150% of salary for Geoff Carter and Adam Westwood. The STIP was based 70% on achievement against financial targets (PBT) and 30% achievement against non-financial targets, split equally between non-financial Company-wide objectives (including strategy, customer, ESG, people, development of the business and risk and compliance) and individual non-financial objectives.

Performance measure	Weighting
Profit before tax	70%
Non-financial Company-wide objectives, including strategy, customer and partners, ESG, people, development of business and risk and compliance	15%
Non-financial objectives relating to the individual	15%

ROTE performance for the 2023 financial year was 22.7% meaning that the hurdle was satisfied. PBT performance was £23.6m, and therefore the profit pool available for distribution to the Executive Directors was £0.35m (being 1.5% of PBT). Based on the allocation formula, the Chief Executive Officer is entitled to a maximum of 65.6% of the pool (£0.232m), and the Chief Financial Officer is entitled to a maximum of 34.4% of the pool (£0.122m). Each Director's share of the bonus pool is agreed provisionally at the start of the performance year, based primarily on that individual's base salary and maximum bonus potential.

As noted above, 30% of each individual's share of the bonus pool is subject to an additional adjustment for personal and Company performance. The non-financial targets set for the Company, the non-financial individual personal targets for Geoff Carter and Adam Westwood and the Committee's assessment of their performance against them are detailed on the following page, with as much clarity as possible while protecting Company competitive advantages and respecting contractual confidentiality. The non-financial targets for the Company were determined by the Committee to have been achieved at 95%, and the non-financial individual performance objectives detailed below for both Geoff Carter and Adam Westwood were determined by the Committee to have been achieved at 95% and 91% respectively.

Following this assessment, resulting bonuses were £0.229m (47% of salary) for the Chief Executive Officer and £0.120m (40% of salary) for the Chief Financial Officer.

Non-financial Company-wide objectives

The Committee believes that responsibility for the wider business objectives is shared equally amongst the Executive Team, and a consistent score will be given unless specific examples of over/under performance by any one individual are identified. Taken holistically, the Committee considered a score of 95% against these objectives to be appropriate.

Non-financial measure	Weighting as a % of total bonus opportunity	Performance	Commentary on performance	Actual bonus payable as a % of total bonus opportunity
Strategic Focus Counter ongoing inflationary pressure and achieve optimal COR/volume position.	15%	95%	Whilst navigating the recent challenging market conditions the Executive Team have also put in place new initiatives to underpin success in future years. The new direct system was launched on time, including the migration of all direct customers. The Insurer Hosted Prices ("IHP") system also had its successful initial launch and will be rolled out across the distribution partners in 2024, allowing more sophisticated rating to be deployed, at pace. Critically the Executive Team have successfully maintained focus on the core 'profitability over volume' strategy. The results announced, showing increased profit and premium are testament to the success of the Team in this area.	14.25%
Customer and Partners Maintain a high-quality service in direct and outsourced processes, ensuring customers are dealt with fairly. Ensure customers are treated fairly, and in line with regulatory expectations, as the anticipated cost-of-living crisis bites.			Services levels have been closely monitored, and corrective actions taken where necessary. Overall service levels have been positive. Consumer Duty requirements have been successfully implemented, including the creation of employee groups to review documentation and the appointment of a Non-executive Director Consumer Duty Champion. Vulnerable customers have been identified wherever possible and normal processes amended appropriately.	
Environmental, Social and Governance Continue to enhance our approach to ESG requirements, with an increased focus on environmental impacts and stakeholder expectations.			There has been a climate impact assessment for the insured estate introduced, and enhanced climate reporting is part of the business reporting, including a Carbon Disclosure Project ("CDP") submission. The Company has refreshed and relaunched the Sustainability Forum and the Charity Committee remained active throughout the year.	
People Maintain Sabre's position as a great place to work, ensuring colleagues have an appropriate work/life balance, are able to develop in their careers and strive to ensure Sabre's success and ensure a successful return to primarily office based working.			The Company has increased the diversity of the Board and its employees and has held employee health and wellbeing sessions during the year. Turnover is still at low levels, with positive employee engagement scores evident in surveys.	
Development of the Business Ensure that the new material product areas (Motorcycle and Taxi) are positioned to deliver target profitability. Effectively manage the risks inherent with these new partnerships.			Motorcycle is now performing in line with expectations, with the Executive Team also absorbing the work generated by the MCE brokers administration. Recent taxi performance also suggests this is now coming in line with targets. The new direct system was rolled out on time and to budget, with the initial delivery new insurer hosted pricing technology also being delivered during the year.	
Risk and Compliance Comply with existing and emerging regulatory requirements, and successfully manage risk and compliance across the Group, including Consumer Duty.			Risk processes have continued to evolve with no major incidents and more minor issues dealt with well. There have been no material compliance breaches and enhancements have also been rolled out – for example consumer duty requirements.	

Non-financial objectives relating to the individual

Geoff Carter	Weighting as a % of personal/strategic bonus opportunity	Commentary on performance	Actual performance
Objectives			
Ensure progress of the agreed strategic developments initiatives, with a specific focus on the IT transitions including the launch of IHP and the new direct platform. Continue to ensure the business maintains strong underwriting foundations alongside medium-term growth opportunities and review emerging opportunities and progress those which meet business requirements. Ensure new developments do not distract from maximising the opportunity from the existing portfolio and that strategic projects are successfully implemented.	60%	Whilst navigating the challenging market conditions Geoff Carter led the Executive Team in putting in place new initiatives to underpin success in future years. The new direct system was launched on time, including the migration of all direct customers. The Insurer Hosted Prices ("IHP") system also had its successful initial launch and will be rolled out across the distribution partners in 2024, allowing more sophisticated rating to be deployed. In addition, the team effectively managed the implications of the administration of one of the major motorcycle partners (MCE) including taking the run-off policy administration in house. Throughout maintained regular dialogue with the regulator in a proactive manner and took all steps possible to maintain a service to customers. Several development initiatives with external partners were reviewed during the year. Ultimately the conclusion was that, at this stage, there a stronger payback potential from focusing on internal developments.	95%
Ensure Executive Team continued effectiveness and positive engagement with the Board.	20%	The relationship with the Board has continued to be highly constructive as new NEDs have joined in the last year. Effective strategy review sessions have been held, and the Executive Team have responded positively to Board challenge throughout the year.	
Ensure positive relationships are maintained with key stakeholders, specifically including the PRA, covering analysts and key investors.	20%	Positive relations have been maintained with analysts – evidenced by positive feedback obtained independently by the Company's brokers and financial PR adviser. Extensive interaction was held with the FCA to ensure a customer centric solution was delivered following the MCE administration process, and regular communications with the PRA occurs.	
Total % of personal/strategic objectives	100%		95%

Adam Westwood	Weighting as a % of personal/strategic bonus opportunity		Actual performance
Objectives			
Successfully implement IFRS 17 implementation within required timescales.	25%	IFRS 17 was successfully rolled out, primarily by the in-house team with limited external support required.	95%
Maintain strong relationships with analysts and investors, ensuring that guidance is clear and well understood.	25%	Analysts' relationships are very strong, as evidenced by feedback obtained from brokers and PR advisers. Where individual analysts assessments appeared to be factually inaccurate this has been well managed to ensure consensus represents a realistic view of the Company's potential.	
Continue the development of a fully effective ESG roadmap for the Company, which includes a staged transition and ambitious yet achievable targets.	25%	ESG initiatives have continued to be rolled out throughout the period. Fuller details are contained within the ESG section of this report.	
Ensure successful implementation of agreed strategic projects.	25%	The finance team have played a full and effective part in the strategic projects rolled out during this year – particularly the new direct system.	
Total % of personal/strategic objectives	100%		95%

Committee Chair's commentary on Executive Directors' personal performance

Sabre is predominantly a technical underwriting and claims management business. The Company strategy is therefore centred on seeking to achieve a long-term Combined Operating Ratio ("COR") of around 80% throughout all market conditions, treating volume as an output not a target. The strategy does not currently envisage material merger and acquisition activity or territorial expansion, although it does allow for organic product development and the formation of attractive distribution partnerships. As such, the Committee considers the effective implementation of the strategy to be characterised by the quality of ongoing pricing, claims management and underwriting activity, and primarily assesses Executive performance against these measures.

As outlined in this Report, 2023 was a challenging year for motor insurers, with market COR expected to be significantly in excess of 100%. This was driven by the unexpected rapid increase in inflation having increased the costs associated with policies already written and therefore impacted the Group's and market COR.

Sabre was early to call out the implications of this increase in inflation and adjusted reserves and prices appropriately. This has resulted in Sabre being able to take advantage of growth opportunities as others in the market belatedly corrected prices, alongside delivering an increase in year-on-year profits and laying the ground for a further step up in earnings in 2024.

The Committee considers the 2023 results to be a strong refection of the application of a successful long-term strategy, and to be highly creditable. The Committee believes that the annual bonus outcomes are a fair reflection of Company performance in the year and the overall shareholder experience, and therefore has not exercised its discretion to adjust the awards.

Long Term Incentive Plan ("LTIP")

Vesting of awards under the LTIP in the financial year ended 31 December 2023

Geoff Carter and Adam Westwood were granted awards (75% and 60% of salary respectively) under the Company's LTIP during the financial year ended 31 December 2021. The awards were granted in the form of restricted shares awards (as conditional awards) and, in line with the Remuneration Policy, the awards vested after three years from the date of grant, and are subject to an additional holding period of two years from the date of vesting.

The awards were subject to the following underpins:

- Maintaining a solvency ratio in excess of 140%
- Achieving a return of tangible equity in excess of 10%
- No material regulatory censure – relating to the Executive Director's time in office
- Overall Committee discretion

The Committee reviewed the application of the underpins and agreed that they had been met (including average return of tangible equity of 22.7% and solvency ratio in excess of 140% throughout the period), discussed the underlying performance of the Company and the broader stakeholder experience, and agreed that the LTIP awards vesting in relation to the financial year ended 31 December 2023 should vest at 100% of the maximum opportunity. It is noted that the vested awards are subject to an additional holding period of two years from the date of vesting.

Granting of awards under the LTIP in the financial year ended 31 December 2023 (audited)

Geoff Carter and Adam Westwood were granted awards (75% and 60% of salary respectively) under the Company's LTIP during the financial year ended 31 December 2023. The awards were granted in the form of restricted shares awards (as conditional awards) and, in line with the Remuneration Policy, the awards will vest after three years from the date of grant, followed by an additional holding period of two years from the date of vesting.

Awards were made subject to the following underpins:

- Maintaining a solvency ratio in excess of 140%
- Achieving a return of tangible equity in excess of 10%
- No material regulatory censure – relating to the Executive Director's time in office
- Overall Committee discretion

If the Company does not meet one or more of the underpins at the date of vesting, the Committee will review whether or not it would be appropriate to reduce the number of shares, including to zero, that vest under the award. Vesting of awards will also be subject to the Committee's overarching discretion in order to ensure that outcomes reflect the underlying performance of the Company and the broader stakeholder experience.

Details of the LTIP awards granted on 6 April 2023:

Executive Director	Basis of award	Face value (£)	Shares over which conditional awards were granted[1]	Performance underpin	Period over which underpin assessed
Geoff Carter	75% of salary	362,785	314,371	Subject to the underpins detailed above	1 January 2023 to 31 December 2025
Adam Westwood	60% of salary	177,240	153,587	Subject to the underpins detailed above	1 January 2023 to 31 December 2025

1 The number of shares granted was calculated on the average share price of the five working days immediately preceding the date of grant of £1.154 as conditional awards

External appointments

Neither of the Executive Directors currently holds a paid external appointment. All appointments must first be agreed by the Board and must not represent a conflict with their current role.

Payments to past Directors and payments for loss of office (audited)

No payments were made to past Directors or in respect of loss of office during the year.

Sourcing of shares and dilution limits

The terms of the Group's share plans set limits on the number of newly issued shares that may be issued to satisfy awards. In accordance with guidance from the Investment Association these limits restrict overall dilution under all plans (the LTIP, the DBP, the SAYE Plan, the SIP and any other employee share scheme adopted by the Group) to under 10% of the Company's issued share capital over a ten-year period. Furthermore, the LTIP and DBP set a further limitation that not more than 5% of the Company's issued share capital may be issued in any ten-year period on discretionary plans. As at 31 December 2023 Sabre was operating within these limits.

Vested share awards and outstanding share awards granted during the 2023 financial year (audited)

Details of awards granted during the year are detailed below.

Long Term Incentive Plan ("LTIP")

Director		Holding on 1 January 2023	Granted during the year	Option price (£)	Exercised during the year	Lapsed	Market price at exercise date (£)	Holding on 31 December 2023	Date of grant	Share price on date of grant (£)	Vesting date	Gain on vesting (£)
Geoff Carter	2020	193,819	0	n/a	n/a	193,819	n/a	0	23 April 2020	2.894	n/a	n/a
	2021	126,539	0	n/a	n/a	0	n/a	126,539	21 May 2021	2.613	At a date agreed by the Committee, which is after the release of the results for the year ended 31 December 2023 and the third anniversary of grant. An additional two-year holding period applies to these awards, once vested. These are conditional share awards.	n/a
	2022	145,802	0	n/a	n/a	0	n/a	145,802	07 April 2022	2.359	At a date agreed by the Committee, which is after the release of the results for the year ended 31 December 2024 and the third anniversary of grant. An additional two-year holding period applies to these awards, once vested. These are conditional share awards.	n/a
	2023	0	314,371	n/a	n/a	0	n/a	314,371	06 April 2023	1.154	At a date agreed by the Committee, which is after the release of the results for the year ended 31 December 2025 and the third anniversary of grant. An additional two-year holding period applies to these awards, once vested. These are conditional share awards.	n/a
	Total	**466,160**	**314,371**	**n/a**	**n/a**	**193,819**	**n/a**	**586,172**				
Adam Westwood	2020	91,208	0	n/a	n/a	91,208	n/a	0	23 April 2020	2.894	n/a	n/a
	2021	59,548	0	n/a	n/a	0	n/a	59,548	21 May 2021	2.613	At a date agreed by the Committee, which is after the release of the results for the year ended 31 December 2023 and the third anniversary of grant. An additional two-year holding period applies to these awards, once vested. These are conditional share awards.	n/a
	2022	71,216	0	n/a	n/a	0	n/a	71,216	7 April 2022	2.359	At a date agreed by the Committee, which is after the release of the results for the year ended 31 December 2024 and the third anniversary of grant. An additional two-year holding period applies to these awards, once vested. These are conditional share awards.	n/a
	2023	0	153,587	n/a	n/a	0	n/a	153,587	06 April 2023	1.154	At a date agreed by the Committee, which is after the release of the results for the year ended 31 December 2025 and the third anniversary of grant. An additional two-year holding period applies to these awards, once vested. These are conditional share awards.	n/a
	Total	**221,972**	**153,587**	**n/a**	**n/a**	**91,208**	**n/a**	**284,351**				

Deferred Bonus Plan ("DBP")

Director		Holding on 1 January 2023	Granted during the year	Option price (£)	Exercised during the year	Lapsed	Market price at exercise date (£)	Holding as at 31 December 2023	Date of grant	Share price on date of grant (£)	Vesting date	Gain on exercise (£)
Geoff Carter	2022	47,557	0	n/a	0	0	n/a	47,557	7 April 2022	£2.359	8 April 2024	n/a
Adam Westwood	2022	24,008	0	n/a	0	0	n/a	24,008	7 April 2022	£2.359	8 April 2024	n/a

Save As You Earn ("SAYE") Plan

Director		Holding on 1 January 2023	Granted during the year	Option price (£)	Exercised during the year	Lapsed	Market price at exercise date (£)	Holding as at 31 December 2023	Date of grant	Share price on date of grant (£)	Exercisable period	Gain on exercise (£)
Geoff Carter	2022	3,970	0	1.813	0	3,970	n/a	0	26 April 2022	2.11	1 July 2025 to 31 December 2025	n/a
	2023	0	21,151	0.851	0	0	n/a	21,151	18 April 2023	0.85	1 July 2026 to 31 December 2026	n/a
	Total	**3,970**	**21,151**		**0**	**3,970**		**21,151**				
Adam Westwood	2023	0	21,151	0.851	0	0	n/a	21,151	18 April 2023	0.85	1 July 2026 to 31 December 2026	n/a
	Total	**0**	**21,151**		**0**	**0**		**21,151**				

Share Incentive Plan ("SIP")

Director	Purchased during the year	Granted during the year in the form of matching and dividend shares	Total gained during the year	Exercised during the year	Lapsed	Granted in prior years	Holding as at 31 December 2023	Vesting date	Gain on exercise (£'000)
Geoff Carter	1,970	566	2,536	n/a	n/a	3,960	6,496	Shares can be exercised with effect from the third anniversary of their grant	n/a
Adam Westwood	0	38	38	n/a	n/a	2,164	2,202	Shares can be exercised with effect from the third anniversary of their grant	n/a

During the period between 31 December 2023 and 18 March 2024, being the latest practicable date prior to publication of this Annual Report, the following changes to the above table occurred:

Geoff Carter purchased an additional 286 shares under the Share Incentive Plan ('SIP') and was awarded an additional 95 shares in the form of matching shares, taking the number of unvested shares not subject to performance as at 18 March 2024 to 6,877.

Directors' shareholdings and share interests (audited)

To further align Executive Directors with shareholders, Executive Directors are required to build up substantial interests in the Company. Executive Directors are expected to build and hold a shareholding with a value of at least 200% of their base salary. To support the implementation of this measure Executive Directors are required to retain 50% of any share awards vesting (after settling any tax liability) until the 200% requirement is met. The Executive Directors have both met their respective shareholding requirements. Post-cessation of employment, Executive Directors are expected to maintain a minimum shareholding of 200% of their base salary (or their actual shareholding, if lower) for a period of two years. To enforce this requirement vested shares are held in a nominee account.

Shareholding requirements and the number of shares held by Directors during the year and as at 31 December 2023 are set out in the table below:

Director	Number of unvested shares subject to performance/ underpins as at 31 December 2023	Number of unvested shares not subject to performance as at 31 December 2023[1]	Number of shares held under the Deferred Bonus Plan as at 31 December 2023	Number of shares held as at 31 December 2023	Number of shares held as at 31 December 2022	Shareholding requirement as a % of salary	Shareholding as a % of salary achieved at 31 December 2023[2]
Current Directors							
Geoff Carter	586,712	27,647	47,557	1,645,340	1,609,317	200%	515%
Adam Westwood	284,351	23,353	24,008	686,267	686,267	200%	352%
Andy Pomfret	n/a	n/a	n/a	n/a	174,278	n/a	n/a
Ian Clark	n/a	n/a	n/a	303,006	303,006	n/a	n/a
Karen Geary	n/a	n/a	n/a	0	0	n/a	n/a
Bryan Joseph	n/a	n/a	n/a	6,105	n/a	n/a	n/a
Alison Morris	n/a	n/a	n/a	9,282	9,282	n/a	n/a
Michael Koller	n/a	n/a	n/a	0	0	n/a	n/a
Rebecca Shelley	n/a	n/a	n/a	17,271	17,271	n/a	n/a

1 These awards relate to share options and share awards under the Company's SIP and SAYE Plans

2 Calculated using a share price of £1.514 (as at 31 December 2023)

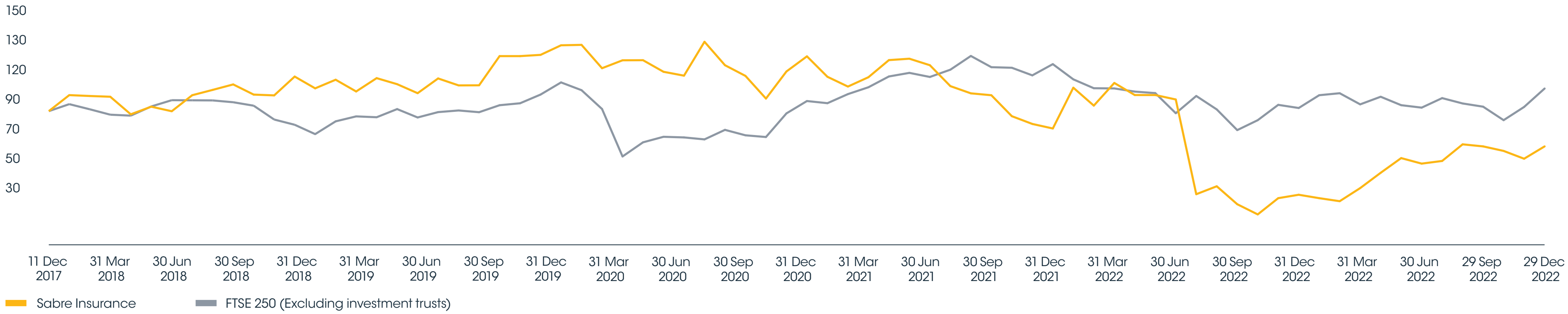
During the period between 31 December 2023 and 18 March 2024, being the latest practicable date prior to publication of this Annual Report, the following changes to the above table occurred:

Geoff Carter purchased an additional 286 shares under the Share Incentive Plan ('SIP') and was awarded an additional 95 shares in the form of matching shares, taking the number of unvested shares not subject to performance as at 18 March 2024 to 28,028.

Company performance – relative total shareholder return ("TSR")

The graph below shows Sabre's relative TSR performance from Admission to 31 December 2023 against the TSR performance of the FTSE 250 Index (excluding investment trusts and companies in the extractive industries). This is a broad equity market index which the Committee considers to be the most appropriate comparator.

TSR performance vs. FTSE 250 excluding investment trusts since IPO



Percentage change in remuneration of Directors and employees

The table below shows the percentage change in salary, taxable benefits and annual bonus for the Directors who served on the Board compared to an average employee of the Company against the prior year for the financial years 2022 and 2023.

	2022 to 2023			2021 to 2022			2020 to 2021			2019 to 2020		
	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus	Salary/fees	Taxable benefits	Annual bonus
Geoff Carter	5.1%	41.9%	n/a	3.3%	11.8%	100.0%	1.6%	34.2%	-63.2%	3.2%	0%	0%
Adam Westwood	6.1%	38.2%	n/a	6.4%	25.1%	100.0%	1.6%	59.9%	-71.0%	4.2%	0%	103.1%
Andy Pomfret[1]	n/a	n/a	n/a	3.3%	n/a	n/a	55.2%	n/a	n/a	38.1%	n/a	n/a
Ian Clark[2]	-10.9%	n/a	n/a	11.0%	n/a	n/a	3.2%	n/a	n/a	-11.6%	n/a	n/a
Karen Geary[3]	8.1%	n/a	n/a	6.7%	n/a	n/a	1,371.7%	n/a	n/a	n/a	n/a	n/a
Bryan Joseph[4]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alison Morris[5]	12.9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Michael Koller[6]	5.1%	n/a	n/a	3.3%	n/a	n/a	200%	n/a	n/a	n/a	n/a	n/a
Rebecca Shelley[7]	14.9%	n/a	n/a	2.5%	n/a	n/a	9.1%	n/a	n/a	4.8%	n/a	n/a
Average of all employees	**6.9%**	**2.5%**	**126.3%**	**0.3%**	**102.4%**	**0.3%**	**2.1%**	**8.1%**	**-27.6%**	**2.2%**	**-1.4%**	**15.4%**

1 The increase in Andy Pomfret's salary from 2020 to 2021 is due to him completing a whole financial year in this position as Company Chair
2 Changes in Ian Clark's salary in 2021 to 2022 reflect him being appointed as Audit Committee Chair in January 2022 for an interim period and stepping down with effect from April 2022 as the Non-executive Director responsible for employee engagement
3 Change in Karen Geary's salary reflect her being appointed as the Non-executive Director responsible for employee engagement in April 2022. Karen Geary was appointed to the Board during the year which ended on 31 December 2020, and the annualised basis of her salary change from 2020 to 2021, was 0%
4 Bryan Joseph was appointed to the Board during the 2023 financial year, and therefore no figures for 2021 to 2022, 2020 to 2021, and 2019 to 2020 are included
5 Alison Morris was appointed to the Board during the 2022 financial year, and therefore no figures for 2020 to 2021 and 2019 to 2020 are included. On an annualised basis, Alison Morris' salary changed by 0% between 2022 and 2023
6 Michael Koller was appointed to the Board during the 2020 financial year, and therefore no figures for 2019 to 2020 are included
7 The change in salary for Rebecca Shelley from 2020 to 2021 is due to her completing a whole financial year in the position as Senior Independent Director, which she was appointed to in 2020

Arrangements for the wider workforce

The Committee seeks to align the remuneration of the Executive Directors and senior management with consistency in reward practices throughout the Group. During 2023, all employees received a salary at or above the Real Living Wage and were eligible to receive a performance-related bonus. In addition to this, the Company paid a Christmas bonus to all employees (apart from the Executive Directors), of net value of £1,050. Further, to support employees in the current difficult external environment, all employees, apart from the Executive Team, received a Cost-of-Living Allowance of £800, which was paid over a period of five months up to February 2023.

Chief Executive Officer's single figure of remuneration

The following table shows the Chief Executive Officer's remuneration for current and prior years:

	2023 (£)	2022 (£)	2021 (£)	2020 (£)	2019 (£)	2018 (£)	2017 (£)
Single figure of remuneration	947k	496k	733k	1,110k	821k	760k	251k
Annual bonus payout (as a % of maximum opportunity)	31.5%	0%	33.9%	62.2%	63.1%	73.0%	n/a
LTIP vesting – performance share awards (as a % of maximum opportunity)	n/a	0%	0%	50%	n/a	n/a	n/a
LTIP vesting – RSA awards (as a % of maximum opportunity)	100%	n/a	n/a	n/a	n/a	n/a	n/a

Chief Executive Officer's Ratio

The ratio compares the total remuneration of Geoff Carter, the Chief Executive Officer, as set out in the Directors' Remuneration Report, against the remuneration of the median Full Time Equivalent ("FTE") employee, as well as FTE employees in the lower and upper quartiles. We will build up our reporting of these figures over time to cover a ten-year rolling basis. The ratios are calculated using the Option A methodology, which uses the pay and benefits of all UK FTE employees. This method is consistent with the historical approach taken by the Company since 2019. The Company has chosen Option A as it uses the full-time equivalent pay and benefits for all UK employees during the year and is therefore a more accurate representation of employee pay. The employee pay data used was based on the total remuneration of all of Sabre's full-time employees as of 31 December 2023. The Chief Executive Officer's pay is as per the single total figure of remuneration for 2023, as disclosed earlier in this report. Employee full-time equivalent salaries have been calculated by grossing-up the salary and bonus payments received by employees by the number of hours worked with reference to a 35-hour week.

Total Pay

	Chief Executive Officer's total pay (£'000)	25th percentile	50th percentile	75th percentile
2019				
Pay ratio	821	33.3:1	19.2:1	12.3:1
Remuneration values		24,643	42,651	66,846
2020				
Pay ratio	1,109	42.3:1	25.6:1	16.2:1
Remuneration values		26,196	43,273	68,283
2021				
Pay ratio	733	23.9:1	16:1	10.6:1
Remuneration values		30,635	45,927	68,868
2022				
Pay ratio	496	16.3:1	11.3:1	7.9:1
Remuneration values		27,905	40,306	57,552
2023				
Pay ratio	947	36.0:1	23.7:1	15.7:1
Remuneration values		26,309	39,896	60,459

Salary

	Chief Executive Officer's salary (£'000)	25th percentile	50th percentile	75th percentile
2023				
Pay ratio	477	32.4:1	23.3:1	15.3:1
Remuneration values		22,721	31,614	48,192

The Committee has considered the pay data and believes that the median pay ratio is consistent with the pay, reward and progression policies for the Company's UK employees. The year-on-year movement in the total remuneration ratio reflects the varying level of payout under the incentive plans as the value of the Chief Executive Officer's remuneration arrangements is significantly determined by the Group's performance.

Relative importance of spend on pay

The following table illustrates total remuneration for all employees compared to distributions to shareholders in respect of the last two financial years.

Measure	2023	2022	Change
Total employee remuneration[1]	£14.4m	£12.5m	£1.9m
Shareholder distributions[2]	£6.5m	£30.1m	(£23.6m)

1 Total employee cost

2 Includes dividends paid during the financial year which ended on 31 December 2022 and 31 December 2023

Implementation of the Policy in 2024

The below sets out how the Committee intends to operate the Remuneration Policy for the year ending 31 December 2024.

Salaries

The Executive Directors' salaries were reviewed during the year. The Committee decided to increase Geoff Carter and Adam Westwood's 2024 salaries by 5.5%, which was less than the average employee increase. The average salary increase for employees (excluding individual one-off salary enhancements) was 6.7%, with a range between 5.0% and 8.9%, ensuring the lowest paid employees received the greatest increase.

The revised salaries, with effect from 1 April 2024, are £510,317 for Geoff Carter, and £311,647 for Adam Westwood. The Committee was comfortable setting base salaries at these levels given the size of the roles and the experience and calibre of the individuals, took into account the experience of employees across the Group, and were conscious of the cost-of-living crisis and increase in inflation. As per the Policy, the Committee will continue to review salaries on an annual basis and may make further increases in future years, in line with the Policy.

	Salary as at 1 April 2024	Salary as at 31 December 2023	Increase
Geoff Carter	£ 510,317	£483,713	5.5%
Adam Westwood	£311,647	£295,400	5.5%

Benefits

The Executive Directors will continue to receive life insurance and private medical care.

Pension

As of 1 January 2024, the Executive Directors' pension contributions will be 7.5%, which is below the average employee rate of 7.68%.

Short Term Incentive Plan ("STIP")

As in prior years, the Committee will use a bonus pool funding and allocation approach for awards in 2024 for the STIP.

The pool will continue to be calculated as a percentage of PBT, subject to a minimum level of ROTE being achieved. For 2024, if 10% Return On Tangible Equity ("ROTE") is achieved, a pool of 1.5% of PBT will be available for the Executive Directors subject to a cap of 150% of salary. There will be a second pool for Senior Managers separate to the pool available to Executive Directors.

Awards will be subject to the following performance measures which will provide alignment with key strategic goals:

Performance measure	Weighting
Profit Before Tax	70%
Non-financial Company-wide objectives, including strategy, customer and partners, ESG, People, development of business, risk and compliance	15%
Non-financial objectives relating specifically to the individual	15%

Specific performance targets will not be disclosed at this time due to the commercially sensitive nature of the objectives. Full retrospective disclosure of the targets and performance against them, will be included in next year's Annual Report on Directors' Remuneration.

Long Term Incentive Plan ("LTIP")

LTIP awards in 2024 will be made under the Company's LTIP in the form of restricted shares. When considering grant levels each year the Committee will take into account share price performance over the preceding year. The Committee currently intends to award the Chief Executive Officer an award equivalent to 75% of salary and the Chief Financial Officer will receive an award equivalent to 60% of salary. In line with the Policy awards these will vest after three years, with an additional holding period of two years.

Awards granted in 2024 will be subject to the following strategically relevant underpins:

- Maintaining a solvency ratio in excess of 140%
- Achieving a return on tangible equity in excess of 10%
- No material regulatory censure – relating to the Executive Director's time in office
- Overall Committee discretion

If the Company does not meet one or more of the underpins at the date of vesting the Committee will review whether or not it was appropriate to reduce the number of shares, including to zero, that vest under the award. Vesting of awards will also be subject to the Committee's overarching discretion in order to ensure that outcomes reflect the underlying performance of the Company and the broader stakeholder experience.

Chair and Non-executive Director Fees

The range of salary increases for employees was between 5.0% and 8.7%, and the average salary increase was 6.5%. The Committee reviewed the Chair's fee in light of the time commitment required of the role and agreed to increase the fees by 5.5%, which was less than the average employee increase, with effect 1 April 2024. The Chair, Chief Executive Officer and Chief Financial Officer reviewed the Non-executive Directors', Committee Chair and Senior Independent Director's fees in light of the time commitment required of the role and agreed to increase the Non-executive Directors' fees by 5.5%, which was less than the average employee increase, with effect 1 April 2024.

The fees which will apply in 2024 are as follows:

Role	Fee (£) 2024	Fee (£) 2023
Chair fee (all-inclusive fee)	173,632	164,580
Non-executive Director base fee	69,453	65,832
Senior Independent Director fee	11,575	10,972
Committee Chair fee	11,575	10,972
Designated Employee Representative Non-executive Director	3,472	3,291

The Chair and Non-executive Directors' fees for the financial year ended 31 December 2024 are therefore:

Director	Reason for fee	Total annual fee (£)
Rebecca Shelley	Interim Company Chair	173,632
Ian Clark*	Non-executive Director	69,453
Karen Geary	Non-executive Director Remuneration Committee Chair Designated Non-executive Director for Employee Engagement	84,500
Bryan Joseph	Non-executive Director Risk Committee Chair	81,028
Alison Morris	Non-executive Director Audit Committee Chair	81,028

* Leaving the Board with effect from 22 May 2024 and therefore fee will be prorated in line with service during the year

KAREN GEARY

Chair of the Remuneration Committee on behalf of the Board

18 March 2024

Directors' Report

The Directors' Report for the period ended 31 December 2023 (the "2023 financial year") comprises the report set out on pages 92 to 94 and the Directors' and Officers' Responsibility Statement on page 95 together with the following sections of this Annual Report:

The Strategic Report
Pages 2 to 49 which comprise:

– The Chief Executive Officer's Review on pages 10 to 12
– The Principal Risks and Uncertainties on pages 16 to 24
– The Viability Statement on pages 25 to 26
– The Chief Financial Officer's Review on pages 31 to 34
– The Responsibility and Sustainability Report on pages 35 to 48

The Governance Report
Pages 50 to 95 which comprise:

– The Chair's Governance Letter on page 51
– The Governance Report on pages 56 to 61
– The Committee Reports on pages 62 to 73
– The Directors' Report on pages 92 to 94

The Board takes the view that some of the matters required to be disclosed in the Directors' Report are of strategic importance and that these are included in the Strategic Report. These matters, and the matters listed below, are incorporated into the Directors' Report.

Subject	Page
Business developments	11
Greenhouse gas emissions, energy consumption and energy efficiency action	46
Engagement with employees	37
Engagement with stakeholders	35

Corporate structure and principal activity

Sabre Insurance Group plc is a public company limited by shares and was incorporated in England and Wales on 21 September 2017 with registered number 10974661. Its registered office and principal place of business is at Sabre House, 150 South Street, Dorking, Surrey RH4 2YY. The Group has no branches.

Sabre Insurance Group plc is the holding company of the Sabre group of companies (the "Group"). Details of the Group's subsidiaries are set out in Note 3 of the Parent Company Financial Statements contained in this Annual Report. The Company's principal and only trading subsidiary is a motor insurance underwriter – Sabre Insurance Company Limited.

Directors

The Directors who served throughout the year are as follows:

Executive Directors
Geoff Carter – Chief Executive Officer

Adam Westwood – Chief Financial Officer

Non-executive Directors
Andy Pomfret – Chair until 18 November 2023

Rebecca Shelley – Interim Chair with effect from 18 November 2023

Ian Clark – leaving the Board with effect from 22 May 2024

Karen Geary

Bryan Joseph – appointed with effect from 1 June 2023

Michael Koller – left the Board with effect from 31 December 2023

Alison Morris

The members of the Board of Directors, their biographical details and the dates of their appointment are set out on pages 52 to 55 of this Annual Report.

Directors' interests in shares
The Directors who held office during the 2023 financial year had the following interests (including family interests) in the Ordinary Shares of the Company:

Name of Director	31 December 2023	31 December 2022
Geoff Carter	1,645,340	1,609,317
Ian Clark	303,006	303,006
Karen Geary	0	0
Bryan Joseph	6,105	n/a
Michael Koller	0	0
Alison Morris	9,282	9,282
Rebecca Shelley	17,271	17,271
Adam Westwood	686,267	686,267
Andy Pomfret	n/a	174,278

The Executive Directors, as employees and potential beneficiaries, have an interest in 942,088 shares held by the Sabre Insurance Group Employee Benefit Trust (offshore) and the Company's SIP Trust (onshore) as at 31 December 2023. As at 31 December 2023, the Sabre Insurance Group Employee Benefit Trust held 1,589,250 Ordinary Shares and the Company's SIP Trust held 326,761 Ordinary Shares. It is anticipated that these shares, which have not already been allocated, will be used to satisfy awards made under the Company's employee incentive plans. Further details regarding the Company's employee incentive plans can be found in the Annual Report on Directors' Remuneration on pages 81 to 91. There were no changes in the interests of Directors between 31 December 2023 and 18 March 2024 (the latest practical date, prior to the release of this Annual Report).

Appointment and replacement of Directors
The appointment and replacement of Directors is governed by the Company's Articles, the Companies Act 2006 (the "Companies Act") and related legislation. The Articles provide that Directors may be appointed by ordinary resolution of the shareholders or by the Board. The Board has decided to comply with best corporate governance practice, and all Directors will seek election or re-election at each Annual General Meeting. It is noted that Michael Koller left the Board with effect 31 December 2023, and that Ian Clark will leave the Board with effect from 22 May 2024, and therefore they will not be standing for re-election at the Annual General Meeting in 2024. All of the other serving Directors will be submitting themselves for election or re-election. Further information on this can be found on page 94. In addition to any powers of removal conferred by the Companies Act, the Company may by special resolution remove any Director before the expiration of their period of office.

The Nomination & Governance Committee is responsible for overseeing the recruitment of Directors and recommending appointments for approval by the Board of Directors. Further details regarding the appointment and replacement of Directors are set out in the Governance Report on pages 56 to 61 and the Nomination & Governance Committee Report on pages 67 to 69.

Executive Directors' service contracts
Executive Directors are employed under the terms of their service contracts. Details of the effective dates of the service contracts for the current Executive Directors as well as their compensation are set out in the Annual Report on Directors' Remuneration on pages 81 to 91 and the contracts are available for inspection by shareholders at the Company's registered office and at the Company's Annual General Meeting.

Non-executive Director appointments
Non-executive Directors are appointed pursuant to a letter of appointment. Such appointments are for an initial period of three years, which is renewable. A Non-executive Director's appointment is terminable by the Non-executive Director or the Company by giving written notice. Details of the effective dates of the letters of appointment for the current Non-executive Directors as well as their fees are set out in the Annual Report on Directors' Remuneration on pages 81 to 91 of the Annual Report and the terms of appointment are available for inspection by shareholders at the Company's registered office and at the Company's Annual General Meeting.

Powers of the Directors
Subject to the provisions of the Articles, the Companies Act and related legislation, and any directions given by special resolution of the shareholders, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company including the Company's powers to borrow money and to issue new shares.

Directors' and Officers' liability insurance and Directors' indemnities
Directors' and Officers' liability insurance is provided for all Directors of the Company.

Each of the Company's Directors has been granted a qualifying third-party indemnity pursuant to which the Company agrees to indemnify the Directors against any liabilities that they may incur as a result of their office as Director, to the extent permitted by the Companies Act.

Compensation for loss of office
The Company does not have arrangements with any Director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover. Further information is provided in the Annual Report on Directors' Remuneration on pages 81 to 91 of this Annual Report. No such payments were made during the financial year ended 31 December 2023.

Articles of Association
The Company may alter its Articles by special resolution of the shareholders at a general meeting. The Articles are available on the Company's website at www.sabreplc.co.uk

Shares
Share capital
The Company has one class of ordinary voting shares in issue.

As at 31 December 2023, the issued share capital of the Company comprised 250,000,000 Ordinary Shares of £0.001 each, all of which are fully paid ("Ordinary Shares").

Rights and obligations attaching to shares
The rights and obligations attached to the Company's shares are governed by the Articles and prevailing legislation. Each Ordinary Share ranks equally and carries the same rights to receive all shareholder documentation (including notices of general meetings), attend, speak and vote at general meetings, and participate in any distribution of income or capital. All shareholders entitled to attend and vote at a general meeting may appoint a proxy or proxies to attend, speak and vote in their place. None of the Ordinary Shares carry any special rights with regard to control of the Company and there are no specific restrictions on voting rights, save where the Company is legally entitled to impose such restrictions (for example, where the shareholder is in default of an obligation to the Company). Major shareholders have the same voting rights per share as all other shareholders.

Restrictions on transfer
There are no restrictions on the transfer or holding of shares in the Company other than (i) as set out in the Articles and (ii) certain restrictions which may from time to time be imposed by laws and regulations and pursuant to the Listing Rules of the Financial Conduct Authority (the "Listing Rules") whereby Directors and certain officers and employees of the Group require approval to deal in the Ordinary Shares in accordance with the Group's share dealing policies and the Market Abuse Regulation.

Power to allot and purchase shares
By a resolution passed at the Annual General Meeting (the "Meeting") of the Company on 25 May 2023, the Company was granted a general authority to allot Ordinary Shares up to the lower of (i) an aggregate nominal amount of £83,333 and (ii) 33.33% of the Company's Ordinary Share capital. At the Meeting, the Company was also granted authority to allot shares up to the lower of (i) an aggregate nominal amount of £166,666 and (ii) 66.67% of the Company's Ordinary Share capital by way of a rights issue to ordinary shareholders in proportion to their existing shareholdings (with such amount to be reduced to the extent that the general authority is utilised (if any)).

The Company also received authority to allot shares for cash on a non-pre-emptive basis up to the lower of (i) an aggregate nominal amount of £25,500 and (ii) 10% of the Company's Ordinary Share capital. As at the date of this report, no shares have been issued under these authorities. These authorities will expire at the conclusion of the 2024 Annual General Meeting and, accordingly, the Board is proposing to renew these authorities at that Annual General Meeting.

The Company was granted authority by its shareholders at the Meeting to purchase up to the lower of (i) 25,000,000 Ordinary Shares and (ii) 10% of the Company's maximum Ordinary Share capital immediately following the listing. This authority will expire at the conclusion of the 2024 Annual General Meeting. During 2023, no shares were bought under this authority. The Board is proposing to renew this authority at the 2024 Annual General Meeting, however the Company does not have any current intention to purchase any of its own Ordinary Shares.

Major interests in shares
Information on major interests in shares notified to the Company under the Disclosure Guidance and Transparency Rules ("DTRs") of the UK Listing Authority is published via a Regulatory Information Service and on the Company's website www.sabreplc.co.uk/investors/regulatory-news

At 31 December 2023, the Company had been notified, in accordance with Chapter 5 of the DTRs, of the following voting rights in respect of 3% or more of the issued share capital of the Company.

Company name	Current shareholdings	%
Aberforth Partners	12,915,737	5.17
Aviva Investors	18,144,473	7.26
AXA Framlington Investment Managers	12,291,762	4.92
Companies owned by Old Mutal plc	12,870,464	5.14
Fidelity Management & Research	12,546,431	5.01
Gresham House Asset Management	12,704,600	5.08
M&G Investments	11,867,810	4.74
Mawer Investment Management	12,793,280	5.11
Ninety One UK Limited	12,493,014	5.00
Unicorn Asset Management	12,050,000	4.82
Wellington Management	11,983,350	4.79

During the period between 31 December 2023 and 18 March 2024, being the latest practicable date prior to publication of this Annual Report, the following changes to the above table occurred:

Date of transaction	Shareholder	Number of Ordinary Shares	% of voting rights	Change
15 February 2024	Aviva Investors	15,522,050	6.21	1.05%

Results and dividends

The audited accounts for the year ended 31 December 2023 are set out on pages 96 to 175. The Company profit after tax for the year was £18.1m (2022 restated: £11.1m).

The Directors recommend a final dividend of 4.2 pence (2022: 0 pence) and a special dividend of 3.9 pence (2022: 1.7 pence).

The total dividend for the 2023 financial year, including the proposed special dividend and interim dividend paid in 2023 is 9 pence (2022: 4.5 pence). Further information on the Company's dividend policy can be found on page 30.

Significant agreements and change of control

The Company is not a party to any material agreements that would take effect, alter or terminate upon a change of control of the Group.

Employees and communities

Fewer than 250 individuals were employed by the Group in each week during the financial year to which this Annual Report relates (further details regarding the Group's employees are set out in the Responsibility and Sustainability section of this report on pages 35 to 48 of this Annual Report).

Environment and emissions

Information on the Group's greenhouse gas emissions is set out in the Responsibility and Sustainability section on pages 35 to 48 of this Annual Report. Adam Westwood is the Executive Director responsible for Environmental, Social and Governance issues.

Research and development

The Group has carried out some activities in the field of Research & Development ("R&D") during the year. This R&D has included innovative developments in insurance risk analysis and insurer-hosted pricing, as discussed in the CEO Review on pages 10 to 12.

Financial instruments and risk management

The Group's financial risk management objective and policies, including information about its use of financial instruments, are contained in notes 4.2 to 4.6 of the Consolidated Financial Statements on pages 142 to 150 of this Annual Report.

Events after the balance sheet date

Refer to Note 12 of the Consolidated Financial Statements on page 167 for information on events after the balance sheet date.

Charitable and political donations

The donations made by the Group to the charities referred to on page 41 of this Annual Report amounted, in aggregate, to £32,476 (2022: £23,713). The Group made no political donations during the year (2022: £0).

Annual General Meeting

The Annual General Meeting is the Company's principal forum for communication with shareholders and the Directors will be available to answer shareholders' questions at the meeting.

The 2024 Annual General Meeting will be held at 9:30am on Thursday 23 May 2024. Full details about the 2024 Annual General Meeting, including the venue and explanatory notes, will be contained in the Notice of Annual General Meeting which will be sent to shareholders in a separate document. The Notice of Annual General Meeting will set out the resolutions to be proposed at the Annual General Meeting and an explanation of each resolution. All documents relating to the Annual General Meeting will be available on the Company's website at www.sabreplc.co.uk/investors/annual-general-meeting

Independent auditor

The auditor of the Group, PwC, has indicated their willingness to continue in office, and resolutions to re-appoint PwC and to fix their remuneration will be proposed at the 2024 Annual General Meeting.

Statement of disclosure of information to the auditor

Each of the Directors who held office at the date of the approval of this Annual Report confirms that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act.

Requirements of Listing Rule 9.8.4R

Information to be included in the Annual Report and Accounts under Listing Rule 9.8.4R can be found as follows:

Listing Rule	Description	Page
9.8.4 (1) R	Interest capitalised by the Group	Not applicable
9.8.4 (2) R	Unaudited financial information previously published	Not applicable
9.8.4 (4) R	Details of long-term incentive schemes	85
9.8.4 (5) R	Directors' waivers of emoluments	Not applicable
9.8.4 (6) R	Directors' waivers of future emoluments	Not applicable
9.8.4 (7) R	Non pro-rata allotments for cash (issuer)	Not applicable
9.8.4 (8) R	Non pro-rata allotments for cash (major subsidiaries)	Not applicable
9.8.4 (9) R	Listed company is a subsidiary of another company	Not applicable
9.8.4 (10) R	Contracts of significance involving a Director	Not applicable
9.8.4 (11) R	Contracts of significance involving a controlling shareholder	Not applicable
9.8.4 (12) R 9.8.4 (13) R	Details of shareholder dividend waivers	Not applicable
9.8.4 (14) R	Controlling shareholder agreements	Not applicable

Supplier payment policy

The Group's policy is to agree payment terms with suppliers when entering into each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the Group (consolidated) at 31 December 2023 were 14 days (2022: 6 days) based on the average daily amount invoiced by suppliers during the year.

Going concern

The Board has considered the business activities of the Group and the factors likely to affect its future performance as well as the Group's principal risks and uncertainties, including the Directors' statement on the viability of the Group over a three-year period which is set out in the Strategic Report on page 25 of this Annual Report. On the basis of these considerations, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the date the Directors approved these Financial statements and that it is appropriate to adopt a going concern basis for the preparation of the financial statements.

By order of the Board

ANNEKA KINGAN
Company Secretary
18 March 2024

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 2023 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards. Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- State whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Make judgements and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. The Directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed on pages 52 to 55 of this Annual Report confirm that, to the best of their knowledge:

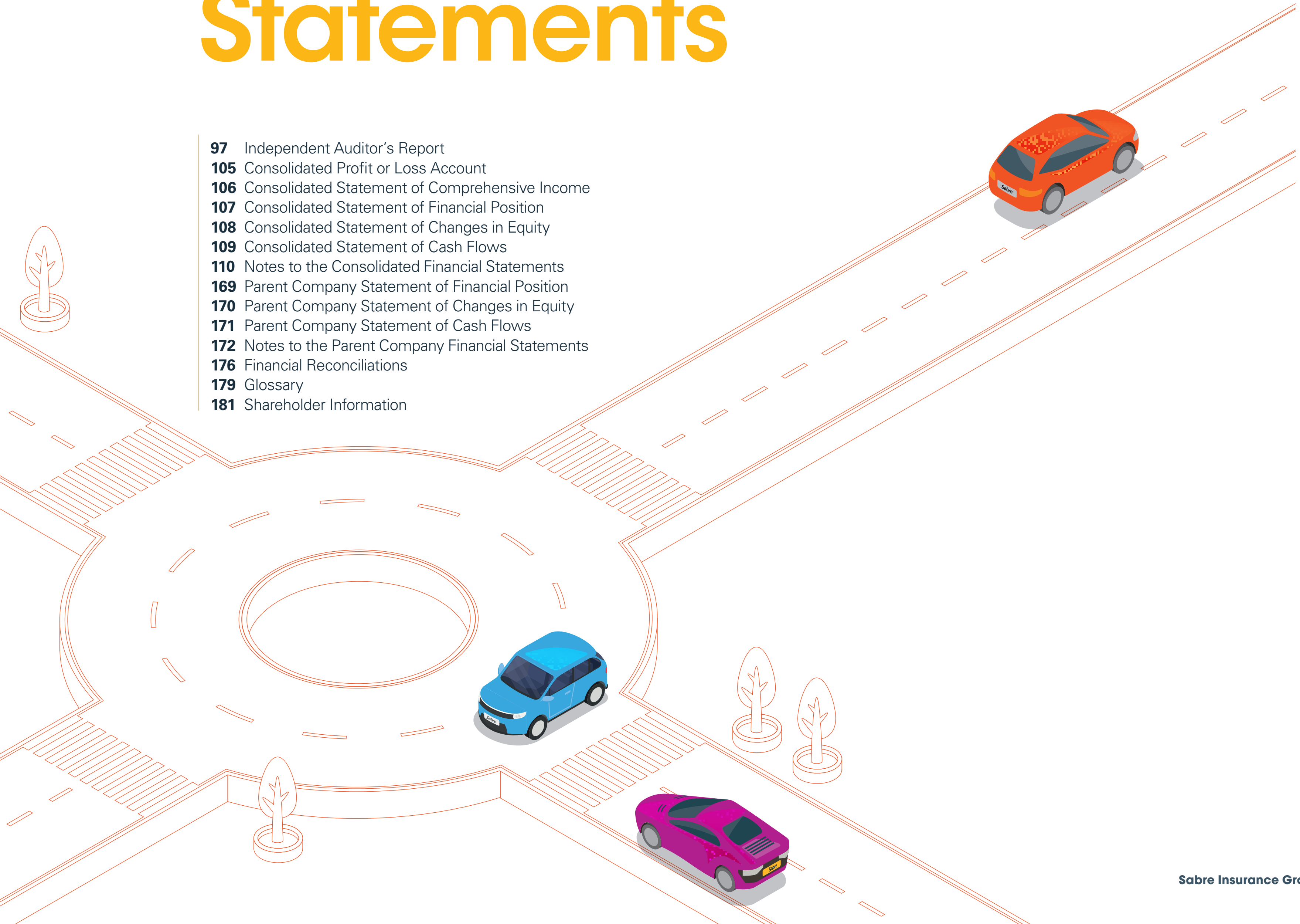
- The Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and Company, and of the profit of the Group
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces

This Responsibility Statement was approved by the Board of Directors on 18 March 2024 and is signed on its behalf by:

GEOFF CARTER
Chief Executive Officer

ADAM WESTWOOD
Chief Financial Officer

Financial Statements



How to navigate the annual financial statements

Primary statements
The primary statements are included at the beginning of the annual financial statements and include note references to underlying detailed notes.

Notes to the financial statements
The notes to the financial statements consist of insurance-specific, financial instrument-specific and risk management notes first, followed by less significant notes thereafter.

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Consolidated and Company Financial Statements are included in the specific notes to which they relate and are indicated by a blue border and headings on a shaded blue background.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated and Company Financial Statements, are included in the specific notes to which they relate and are indicated by a red border and headings on a shaded red background.

RISK MANAGEMENT

Risk management disclosures are indicated by a purple border and headings, with a shaded purple background.

Independent auditors' report to the members of Sabre Insurance Group plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Sabre Insurance Group plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2023 (the "Annual Report"), which comprise: the Consolidated and Parent Company Statements of Financial Position as at 31 December 2023; the Consolidated Profit or Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated and Parent Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 8.4, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- Our audit scope has been determined to provide coverage of all material financial statement line items; and
- In designing our audit, we have considered the impacts that climate change could have on the Group, including the physical and transitional risks which could arise. In particular, we have assessed the impacts on reporting of the commitments related to climate change which the Group has made.

Key audit matters

- Valuation of insurance contract liabilities (group)
- Transition to IFRS 17 and associated restatement of comparatives (group)
- Valuation of investment in Subsidiaries (parent)

Materiality

- Overall group materiality: £1.88m based on 1% of insurance revenue.
- Overall company materiality: £4.51m based on 1% of net assets.
- Performance materiality: £1.41m (group) and £3.38m (company).

Independent Auditor's Report to the members of Sabre Insurance Group plc continued

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The transition to IFRS 17 and associated restatement of comparatives is a new key audit matter this year. The key audit matter "Valuation of insurance contract liabilities (group)" (previously "Valuation of the provision for gross claims incurred but not reported ("IBNR") and gross claims incurred but not enough reported ("IBNER") (together "IBNR") reserves (group)) has been updated this year to reflect the impact from the adoption of IFRS 17. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities (group)	
Refer to Note 3 Insurance Liabilities and Reinsurance Assets of the financial statements, specifically the Liability for incurred claims, Discount rates and Risk adjustment for non-financial risk sections within Significant Judgements and Estimates. The valuation of insurance contract liabilities, specifically the liability for incurred claims, involves a significant degree of judgement. These liabilities are based on the estimated ultimate cost of all claims incurred but not settled at 31 December 2023, whether reported or not, together with the related claims handling costs (together the 'best estimate cashflows'), along with a discounting credit and risk adjustment for non-financial risk. A range of methods may be used to determine these provisions. Underlying these methods are a number of explicit and implicit assumptions relating to the expected settlement amount and settlement patterns of claims, including those relating to the settlement of personal injury lump sum compensation amounts.	In performing our audit work over the valuation of insurance contract liabilities we have used actuarial specialists to assist us in conducting elements of the testing. Our procedures included: – Understood management's process and controls related to insurance contract liabilities; – Tested the underlying source data to source documentation on a sample basis as at 30 September 2023 and 31 December 2023; – Developed independent point estimates of best estimate cashflows as at 30 September 2023 and performed roll-forward testing to 31 December 2023; – Performed a methodology and assumptions review of the Periodic Payment Order ('PPO') reserves; – Developed an independent estimate of the discounted best estimate liabilities in order to compare to management's estimate; and – Performed methodology and key assumptions testing over the risk adjustment. Based on the work performed and evidence obtained, we consider the methodology and assumptions used to calculate the insurance contract liabilities to be appropriate.

Transition to IFRS 17 "insurance contracts" and associated restatement of comparatives (group)

Refer to Note 1.3.1 IFRS 17 "Insurance Contracts", specifically Notes 1.3.1.1, 1.3.1.2 and 1.3.1.3 and the restated comparatives of the financial statements.

The implementation of IFRS 17 has resulted in significant changes to the measurement of balances across the financial statements. New processes and models have been developed and introduced as part of the implementation. Those related to insurance contract liabilities have been considered in the above key audit matter. Further, new disclosures have been produced in the financial statements.

In performing our audit work over the transition and restatement of comparatives we have used actuarial specialists as part of our team to conduct elements of the testing. Our procedures included:

- Understood management's process and controls related to the implementation of IFRS 17;
- Assessed the appropriateness of the accounting policy applied to determine the risk adjustment and testing of the derivation of the risk adjustment
- Tested the underlying data to source documentation on a sample basis;
- Reviewed the assumptions and timings of cash flows, and independently development a point estimate; and
- Assessed the disclosures in the financial statements for compliance with the requirements of IAS 8.

Based on the work performed and evidence obtained, we consider the restatement of the comparatives to be appropriate.

Valuation of investment in Subsidiaries (parent)

Refer to Note 3.1 Investment in subsidiary undertakings of the Parent Company financial statements.

In the Company's statement of financial position, investment in subsidiary undertakings is reported at cost less any impairment. The investment in subsidiary undertakings is the largest asset on the parent company's statement of financial position. The impairment analysis involves a significant degree of judgement.

In respect to the carrying value of investment in subsidiary undertakings our procedures included:

- Assessed investment in subsidiary undertakings for indication of impairment considering our understanding of the business;
- Challenged and tested management's valuation of the subsidiary undertakings including reviewing the appropriateness of the assumptions, performing sensitivity analysis, and testing the underlying source data used in management's valuation; and
- Assessed the disclosures in the financial statements.

Based on the work performed and the evidence obtained, we consider the carrying value of investment in subsidiary undertakings to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

Based on the output of our risk assessment, along with our understanding of the Sabre Insurance Group structure, we performed a full scope audit over Sabre Insurance Company Limited and Sabre Insurance Group plc.

Independent Auditor's Report to the members of Sabre Insurance Group plc continued

The impact of climate risk on our audit

We have made enquiries of management in order to understand the extent of the impact of climate change risks and commitments made by the Group in the Group's financial statements. As part of this, we have reviewed management's assessment of climate risk. We have also made enquiries to understand, and performed a risk assessment in respect of, the commitments made by the Group and how these may affect the financial statements and the audit procedures that we perform. We have assessed the risks of material misstatement to the financial statements as a result of climate change and concluded that for the year ended 31 December 2023, the main audit risks are related to consistency of disclosure included within the Annual Report and 'other information' including the Task Force on Climate-related Financial Disclosure ('TCFD') disclosures. As a result of this assessment, we concluded that there was no impact on our key audit matters.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements - company
Overall materiality	£1.88m	£4.51m
How we determined it	1% of insurance revenue	1% of net assets
Rationale for benchmark applied	In determining our materiality, we considered financial metrics which we believed to be relevant. Following the transition to IFRS 17, we concluded that insurance revenue was a more appropriate benchmark to use to determine overall materiality, when compared to profit before tax, as it provides a more stable measure of the size and performance of the business.	In determining our materiality, we considered financial metrics which we believed to be relevant and concluded that net assets was the most appropriate benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. In addition to the parent company, the group consists primarily of one component, Sabre Insurance Company Limited to which we allocated materiality of £1.79m.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £1.41m for the group financial statements and £3.38m for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £94,120 (group audit) and £225,000 (company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Independent Auditor's Report to the members of Sabre Insurance Group plc continued

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the Directors' Going Concern assessment and challenged the rationale for the downside scenarios adopted and material assumptions made using our knowledge of Sabre's business performance, review of regulatory correspondence and obtaining further corroborating evidence;
- Considering management's assessment of the regulatory Solvency coverage and liquidity position; and
- Considering information obtained during the course of the audit and publicly available market information to identify any evidence that would contradict management's assessment of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Annual Report on Directors' Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company'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 the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Sabre Insurance Group plc continued

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory principles, such as those governed by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements as shown in the 'Key Audit Matters', and posting of inappropriate journals. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, and Internal Audit function including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Understanding management's controls designed to prevent and detect irregularities;
- Reviewing relevant meeting minutes including those of the Board of Directors, Audit, Risk, Nomination and Remuneration Committees;
- Identifying and testing journal entries based on risk criteria;
- Challenging assumptions and judgements made by management in their significant accounting estimates, for example, in relation to the valuation of the liability for incurred claims, and the investment in subsidiary;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Attendance at Audit Committee meetings.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Annual Report on Directors' Remuneration to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 25 May 2022 to audit the financial statements for the year ended 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ended 31 December 2022 to 31 December 2023.

OTHER MATTER

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

PHILIP WATSON (SENIOR STATUTORY AUDITOR)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

18 March 2024

Consolidated Profit or Loss Account

For the year ended 31 December 2023

	Notes	2023 £'k	2022 £'k Restated [1]
Insurance revenue	3.2	**188,246**	181,476
Insurance service expense	3.2	**(139,497)**	(126,607)
Insurance service result before reinsurance contracts held		**48,749**	54,869
Reinsurance expense	3.2	**(28,506)**	(24,958)
Change in amounts recoverable from reinsurers for incurred claims	3.2	**31,532**	6,304
Net income/(expense) from reinsurance contracts held		**3,026**	(18,654)
Insurance service result		**51,775**	36,215
Interest income on financial assets using effective interest rate method	4.5	**3,775**	1,667
Net gains on derecognition of debt securities measured at FVOCI	4.5	**–**	22
Total investment income		**3,775**	1,689
Insurance finance expenses from insurance contracts issued	3.8	**(10,170)**	(6,043)
Reinsurance finance income from reinsurance contracts held	3.8	**3,588**	3,195
Net insurance financial result		**(6,582)**	(2,848)
Net insurance and investment result		**48,968**	35,056
Other income	7	**1,232**	1,784
Other finance costs		**–**	(5)
Other operating expenses	8	**(26,587)**	(22,815)
Profit before tax		**23,613**	14,020
Income tax expense	10	**(5,548)**	(2,942)
Profit for the year attributable to ordinary shareholders		**18,065**	11,078
Basic earnings per share (pence per share)	19	**7.27**	4.45
Diluted earnings per share (pence per share)	19	**7.20**	4.42

The attached notes on pages 110 to 168 form an integral part of these financial statements.

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 £'k	2022 £'k Restated [1]
Profit for the year attributable to ordinary shareholders		**18,065**	11,078
Items that are or may be reclassified subsequently to Profit or Loss			
Unrealised fair value gains/(losses) on debt securities	4.5	**9,284**	(14,207)
Realised gains on derecognition of debt securities reclassified to Profit of Loss		**–**	(22)
Tax (charge)/credit		**(2,149)**	3,563
Debt securities at fair value through Other Comprehensive Income		**7,135**	(10,666)
Insurance finance (expense)/income from insurance contracts issued	3.8	**(12,436)**	23,602
Reinsurance finance income/(expense) from reinsurance contracts held	3.8	**5,432**	(12,924)
Tax credit/(charge)		**1,550**	(2,509)
Net insurance financial (expense)/income		**(5,454)**	8,169
Items which will not be reclassified to Profit or Loss			
Revaluation losses on owner-occupied properties	9	**(800)**	–
Income tax relating to items that will not be reclassified		**(31)**	–
		(831)	–
Total other comprehensive income/(loss) for the year, net of tax		**850**	(2,497)
Total comprehensive income for the year attributable to the owners of the Company		**18,915**	8,581

The attached notes on pages 110 to 168 form an integral part of these financial statements.

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	**31 December 2023 £'k**	31 December 2022 £'k Restated [1]	1 January 2022 £'k Restated [1]
Assets				
Cash and cash equivalents	4.1	**35,079**	18,502	30,611
Financial investments	4.2	**264,679**	229,158	234,667
Receivables [2]	4.3	**87**	7	74
Current tax assets		**1,438**	1,255	–
Reinsurance contract assets [1]	3.1	**166,726**	136,954	147,896
Property, plant and equipment	9	**4,388**	3,996	4,066
Right-of-use asset		**–**	–	187
Deferred tax assets	11	**688**	2,391	1,634
Other assets [2]	13	**774**	1,278	821
Goodwill	14	**156,279**	156,279	156,279
Total assets		**630,138**	549,820	576,235
Liabilities				
Payables [2]	5	**9,700**	5,108	5,872
Current tax liabilities		**–**	–	580
Insurance contract liabilities [1]	3.1	**374,839**	314,341	317,621
Lease liability		**–**	–	193
Other liabilities [2]		**3,187**	1,383	1,893
Total liabilities		**387,726**	320,832	326,159
Equity				
Issued share capital	15	**250**	250	250
Own shares	16	**(3,121)**	(2,810)	(2,257)
Merger reserve		**48,525**	48,525	48,525
FVOCI reserve		**(5,894)**	(13,029)	(2,363)
Revaluation reserve		**–**	831	831
Insurance/Reinsurance finance reserve [1]		**4,790**	10,244	2,075
Share-based payments reserve		**2,686**	2,407	1,841
Retained earnings [1]		**195,176**	182,570	201,174
Total equity		**242,412**	228,988	250,076
Total liabilities and equity		**630,138**	549,820	576,235

The attached notes on pages 110 to 168 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 18 March 2024.

Signed on behalf of the Board of Directors by:

ADAM WESTWOOD
Chief Financial Officer

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

(2) The description of the line item has been updated. The change in description has had no impact on the components of the balances.
- Receivables (31 December 2022: Loans and other receivables)
- Other assets (31 December 2022: Prepayments, accrued income and other assets)
- Payables (31 December 2022: Trade and other payables)
- Other liabilities (31 December 2022: Accruals)

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £'k	Own shares £'k	Merger reserve £'k	FVOCI reserve £'k	Revaluation reserve £'k	Insurance/ Reinsurance finance reserve £'k	Other reserves £'k	Retained earnings £'k	Total equity £'k
Balance as at 31 December 2021, as previously reported	250	(2,257)	48,525	(2,363)	831	–	1,841	205,900	252,727
Impact of initial application of IFRS 17	–	–	–	–	–	2,075	–	(4,726)	(2,651)
Restated balance as at 1 January 2022	250	(2,257)	48,525	(2,363)	831	2,075	1,841	201,174	250,076
Profit for the year attributable to the owners of the Company	–	–	–	–	–	–	–	11,078	11,078
Total other comprehensive (loss)/income for the year, net of tax: *Items that are or may be reclassified subsequently to Profit or Loss*	–	–	–	(10,666)	–	8,169	–	–	(2,497)
Share-based payment expense	–	–	–	–	–	–	566	450	1,016
Net movement in own shares	–	(553)	–	–	–	–	–	–	(553)
Dividends paid	–	–	–	–	–	–	–	(30,132)	(30,132)
Restated balance as at 31 December 2022	250	(2,810)	48,525	(13,029)	831	10,244	2,407	182,570	228,988
Profit for the year attributable to the owners of the Company	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**18,065**	**18,065**
Total other comprehensive income/(loss) for the year, net of tax: *Items that are or may be reclassified subsequently to Profit or Loss*	**–**	**–**	**–**	**7,135**	**–**	**(5,454)**	**–**	**–**	**1,681**
Total other comprehensive loss for the year, net of tax: *Items which will not be reclassified to Profit or Loss*	**–**	**–**	**–**	**–**	**(831)**	**–**	**–**	**–**	**(831)**
Share-based payment expense	**–**	**–**	**–**	**–**	**–**	**–**	**279**	**1,007**	**1,286**
Net movement in own shares	**–**	**(311)**	**–**	**–**	**–**	**–**	**–**	**–**	**(311)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,466)**	**(6,466)**
Balance as at 31 December 2023	**250**	**(3,121)**	**48,525**	**(5,894)**	**–**	**4,790**	**2,686**	**195,176**	**242,412**

The attached notes on pages 110 to 168 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 £'k	2022 £'k Restated (1)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		**23,613**	14,020
Adjustments for:			
Depreciation of property, plant and equipment	9	**140**	108
Depreciation of right-of-use assets		**–**	187
Share-based payment – equity-settled schemes	16	**1,606**	1,603
Investment return		**(3,131)**	(1,590)
Interest on lease liability		**–**	5
Expected credit loss	4.4	**6**	(34)
Impairment loss on owner-occupied buildings		**333**	–
Operating cash flows before movements in working capital		**22,567**	14,299
Movements in working capital:			
Change in receivables		**(80)**	69
Change in reinsurance contract assets		**(24,340)**	(1,982)
Change in other assets		**504**	(457)
Change in payables		**4,592**	(764)
Change in insurance contract liabilities		**48,062**	20,322
Change in other liabilities		**1,804**	(510)
Cash generated from operating activities before investment of insurance assets		**53,109**	30,977
Taxes paid		**(4,658)**	(4,479)
Net cash generated from operating activities before investment of insurance assets		**48,451**	26,498
Interest and investment income received		**3,818**	3,383
Proceeds from the sale and maturity of invested assets		**24,089**	37,734
Purchases of invested assets		**(51,018)**	(48,214)
Net cash generated from operating activities		**25,340**	19,401
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	9	**(1,665)**	(38)
Net cash used by investing activities		**(1,665)**	(38)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		**–**	(198)
Net cash used in acquiring and disposing of own shares		**(632)**	(1,142)
Dividends paid	12	**(6,466)**	(30,132)
Net cash used by financing activities		**(7,098)**	(31,472)
Net increase/(decrease) in cash and cash equivalents		**16,577**	(12,109)
Cash and cash equivalents at the beginning of the year		**18,502**	30,611
Cash and cash equivalents at the end of the year		**35,079**	18,502

The attached notes on pages 110 to 168 form an integral part of these financial statements.

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

Corporate information

Sabre Insurance Group plc is a company incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Sabre House, 150 South Street, Dorking, Surrey, RH4 2YY, England. The nature of the Group's operations is the writing of general insurance for motor vehicles, including taxis and motorcycles. The Company's principal activity is that of a holding company.

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Consolidated and Company Financial Statements are included in the specific notes to which they relate. These policies have been consistently applied to all the years presented, unless otherwise indicated.

1.1. Basis of preparation

The financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards, comprising International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS"), and the requirements of the Companies Act 2006. Endorsement of accounting standards is granted by the UK Endorsement Board ("UKEB").

The financial statements are 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 preparation of the financial statements necessitates the use of estimates, assumptions and judgements that affect the reported amounts in the Statement of Financial Position and the Profit or Loss Account and Statement of Comprehensive Income. Where appropriate, details of estimates are presented in the accompanying notes to the Consolidated Financial Statements.

As the full impact of climate change is currently unknown, it is not possible to consider all possible future outcomes when determining the value of assets, liabilities and the timing of future cash flows. The Group's view is that any reasonable impact of climate change would not have a material impact on the valuation of assets and liabilities at the year-end date.

The financial statements values are presented in pounds sterling (£) rounded to the nearest thousand (£'k), unless otherwise indicated.

The Group presents its Statement of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the respective notes.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

1.2. Going concern

The Consolidated Financial Statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the date the Directors approved these Financial Statements and that therefore it is appropriate to adopt a going concern basis for the preparation of the Financial Statements.

In making their assessment, the Directors took into account the potential impact of the principal risks that could prevent the Group from achieving its strategic objectives. The assessment was based on the Group's Own Risk and Solvency Assessment ("ORSA"), which brings together management's view of current and emerging risks, with scenario-based analysis and reverse stress testing to form a conclusion as to the financial stability of the Group. Consideration was also given to what the Group considers its principal risks which are set out in the Principal Risks and Uncertainties section on pages 16 to 24 of the Strategic Report. The assessment also included consideration of any scenarios which might cause the Group to breach its solvency requirements which are not otherwise covered in the risk-based scenario testing.

1. ACCOUNTING POLICIES continued

1.2. Going concern continued

We have assessed the short, medium and long-term risks associated with climate change. Given the geographical diversity of the Group's policyholders within the UK and the Group's reinsurance programme, it is highly unlikely that a climate event will materially impact Sabre's ability to continue trading. More likely is that the costs associated with the transition to a low-carbon economy will impact the Group's indemnity spend, as electric vehicles are currently relatively expensive to fix. We expect that this is somewhat, or perhaps completely, offset by advances in technology reducing the frequency of claims, in particular bodily injury claims which are generally far more expensive than damage to vehicles. These changes in the costs of claims are gradual and as such reflected in our claims experience and fed into the pricing of our policies.

1.3. New and amended standards and interpretations adopted by the Group

Amendments to IFRS

The following amended IFRS standards became effective for the year ended 31 December 2023:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- IFRS 17 "Insurance Contracts"
  - Amendments to IFRS 17
  - Initial Application of IFRS 17 and IFRS 9 – Comparative Information

In these financial statements, the Group has applied IFRS 17 "Insurance Contracts" for the first time from 1 January 2023. The Group had not elected to defer the implementation of IFRS 9 and has implemented IFRS 9 from 1 January 2020.

Other than IFRS 17 "Insurance Contracts" which is discussed below, none of the amendments have had a material impact to the Group.

1. ACCOUNTING POLICIES continued

1.3. New and amended standards and interpretations adopted by the Group continued

1.3.1. IFRS 17 "Insurance Contracts"

IFRS 17 "Insurance Contracts" replaced IFRS 4 "Insurance Contracts" for annual periods starting on 1 January 2023.

The Group has restated comparative information for 2022 applying the transitional provision in Appendix C to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

1.3.1.1. Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Group's insurance contracts as insurance contracts.

Under IFRS 4, the Group was permitted to account for insurance contracts using its previous accounting policies under 'old' UK GAAP. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

IFRS 17 prescribes a comprehensive model, the general model, which requires entities to measure an insurance contract at initial recognition as the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

IFRS 17 also provides a simplification to the general model, the premium allocation approach ("PAA"). This simplified approach is applicable for certain types of contracts, including those with a coverage period of one year or less. The liability for remaining coverage is similar to the IFRS 4 premium reserve profile recognised over time. The principles of the general model remain applicable to the liability for incurred claims.

Under IFRS 17, the Group's insurance contracts issued and reinsurance contracts held are all eligible to be measured applying the Premium Allocation Approach. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows less amounts recognised in revenue for insurance services provided
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported ("IBNR") claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts

The Group allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

For an explanation of how the Group accounts for insurance and reinsurance contracts under IFRS 17, see Note 3.

There has been no change in the Group's segments or how the Group reports on these segments internally.

1. ACCOUNTING POLICIES continued

1.3. New and amended standards and interpretations adopted by the Group continued

1.3.1.2. Changes to presentation and disclosure

For presentation in the Statement of Financial Position, the Group aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance contracts issued that are assets
- Portfolios of insurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

The line item descriptions in the Profit or Loss Account and Statement of Comprehensive Income have been changed significantly compared with the previous accounting basis. Previously, the Group reported the following line items:

- Gross written premium
- Net written premium
- Changes in unearned premium reserves
- Gross insurance claims
- Net insurance claims

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Reinsurance expense
- Amounts recoverable from reinsurers for incurred claims
- Insurance finance income/(expense) from insurance contracts issued
- Reinsurance finance income/(expense) from reinsurance contracts held

The Group provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Critical judgements, and changes in those judgements, when applying the standard

1. ACCOUNTING POLICIES continued

1.3. New and amended standards and interpretations adopted by the Group continued

1.3.1.3. Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach. Under the full retrospective approach, at 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always applied
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified
- Derecognised any existing balances that would not exist had IFRS 17 always applied
- Recognised any resulting net difference in equity (see Statement of Changes in Equity)

1.4. New and amended standards and interpretations not yet effective in 2023

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 still reviewing the upcoming standards to determine their impact:

IFRS 10 and IAS 28: Amendment: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (IASB effective date: optional)

2. RISK AND CAPITAL MANAGEMENT

2.1. Risk management framework

The Sabre Insurance Group plc Board is responsible for prudent oversight of the Group's business and financial operations, ensuring that they are conducted in accordance with sound business principles and with applicable laws and regulations, and ensure fair customer outcomes. This includes responsibility to articulate and monitor adherence to the Board's appetite for exposure to all risk types. The Board also ensures that measures are in place to provide independent and objective assurance on the effective identification and management of risk and on the effectiveness of the internal controls in place to mitigate those risks.

The Board has set a robust risk management strategy and framework as an integral element in its pursuit of business objectives and in the fulfilment of its obligations to shareholders, regulators, customers and employees.

The Group's risk management framework is proportionate to the risks that we face. Our assessment of risk is not static; we continually reassess the risk environment in which the Group operates and ensure that we maintain appropriate mitigation in order to remain within our risk appetite. The Group's Management Risk and Compliance Forum gives Management the regular opportunity to review and discuss the risks which the Group faces, including but not limited to any breaches, issues or emerging risks. The Forum also works to ensure that adequate mitigation for the risks the Group is exposed to are in place.

2.2. Underwriting risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The Group issues only motor insurance contracts, which usually cover a 12-month duration. For these contracts, the most significant risks arise from under-estimation of the expected costs attached to a policy or a claim, for example through unexpected inflation of costs or single catastrophic events.

Refer to Note 3.6 for detail on these risks and the way the Group manages them. Note 3.6 also includes the considerations of climate change. Further discussion on climate change can be found in the Principal Risks and Uncertainties section on pages 16 to 24 of the Strategic Report and the Responsibility and Sustainability section on pages 35 to 48.

2. RISK AND CAPITAL MANAGEMENT continued

2.3. Credit risk

Credit risk reflects the financial impact of the default of one or more of the Group's counterparties. The Group is exposed to financial risks caused by a loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. Key areas where the Group is exposed to credit default risk are:

- Failure of an asset counterparty to meet their financial obligations (Note 4.4)
- Reinsurers default on their share of the Group's insurance liabilities (Note 3.7)
- Default on amounts due from insurance contract intermediaries or policyholders (Note 3.7)

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- A Group credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported to the Group's Risk Committee
- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the Board of Directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining a suitable allowance for impairment
- The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings
- The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts

Refer to Notes 3.7 and 4.4 as indicated above for further information on credit risk.

2.4. Liquidity risk

Liquidity risk is the potential that obligations cannot be met as they fall due as a consequence of having a timing mismatch or inability to raise sufficient liquid assets without suffering a substantial loss on realisation. The Group manages its liquidity risk through both ensuring that it holds sufficient cash and cash equivalent assets to meet all short-term liabilities, and matching the maturity profile of its financial investments to the expected cash outflows.

Refer to Note 6 for further information on liquidity risk.

2.5. Investment concentration risk

Excessive exposure to particular industry sectors or groups can give rise to concentration risk. The Group has no significant investment in any particular industrial sector and therefore is unlikely to suffer significant losses through its investment portfolio as a result of over-exposure to sectors engaged in similar activities or which have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

A significant part of the Group's investment portfolio consists primarily of UK government bonds and government-backed bonds, therefore the risk of government default does exist, however the likelihood is extremely remote. The remainder of the portfolio consists of investment grade corporate bonds. The Group continues to monitor the strength and security of all bonds.

The Group's portfolio has a significant concentration of UK debt securities and therefore is exposed to movements in UK interest rates.

Refer to Note 4.2.1 for further information on investment concentration risk.

2. RISK AND CAPITAL MANAGEMENT continued

2.6. Operational risk

Operational risk is the risk of loss arising from system failure, cyber attack, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by operating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

2.7. Capital management

The Board of Directors has ultimate responsibility for ensuring that the Group has sufficient funds to meet its liabilities as they fall due. The Group carries out detailed modelling of its assets and liabilities and the key risks to which these are exposed. This modelling includes the Group's own assessment of its capital requirements for solvency purposes.

The Group has continued to manage its solvency with reference to the Solvency Capital Requirement ("SCR") calculated using the Standard Formula. The Group has developed sufficient processes to ensure that the capital requirements under Solvency II are not breached, including the maintenance of capital at a level higher than that required through the Standard Formula. The Group considers its capital position to be its net assets on a Solvency II basis and monitors this in the context of the Solvency II SCR.

The Group aims to retain sufficient capital such that in all reasonably foreseeable scenarios it will hold regulatory capital in excess of its SCR. The Directors currently consider that this is achieved through maintaining a regulatory capital surplus of 140% to 160%. As at 31 December 2023, the Group holds significant excess Solvency II capital.

The Group's IFRS capital comprised:

	As at 31 December	
	2023 £'k	2022 £'k Restated [(1)]
Equity		
Share capital	**250**	250
Own shares	**(3,121)**	(2,810)
Merger reserve	**48,525**	48,525
FVOCI reserve	**(5,894)**	(13,029)
Revaluation reserve	**–**	831
Insurance/Reinsurance finance reserve	**4,790**	10,244
Share-based payments reserve	**2,686**	2,407
Retained earnings	**195,176**	182,570
Total	**242,412**	228,988

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

2. RISK AND CAPITAL MANAGEMENT continued

2.7. Capital management continued

The Solvency II position of the Group both before and after proposed final dividend is given below:

Pre-dividend	As at 31 December **2023** **£'k**	 2022 £'k Not restated [(1)]
Total tier 1 capital	**121,099**	91,191
SCR	**58,998**	56,516
Excess capital	**62,101**	34,675
Solvency coverage ratio (%)	**205%**	161%

Post-dividend	As at 31 December **2023** **£'k**	 2022 £'k Not restated [(1)]
Total tier 1 capital	**100,849**	86,941
SCR	**58,998**	56,516
Excess capital	**41,851**	30,425
Solvency coverage ratio (%)	**171%**	154%

(1) The 2022 IFRS net assets figure is as reported at 31 December 2022 and have not been restated here

The following table sets out a reconciliation between IFRS net assets and Solvency II net assets before proposed final dividend:

2. RISK AND CAPITAL MANAGEMENT continued
2.7. Capital management continued

	As at 31 December	
	2023 £'k	2022 £'k Not restated [1]
IFRS net assets	**242,412**	222,496
Less: Goodwill	**(156,279)**	(156,279)
Adjusted IFRS net assets	**86,133**	66,217
Add: Liability for remaining coverage (Unearned Premium element)	**124,448**	83,858
Remove: Insurance acquisition cash flow asset	**(8,733)**	(13,354)
Remove: IFRS risk adjustment	**12,255**	10,764
Add: Solvency II risk margin	**(5,904)**	(7,752)
Add: Solvency II premium provision	**(76,441)**	(53,581)
Changes in valuation differences of technical reserves	**996**	12,710
Change in deferred tax	**(11,655)**	(7,671)
Solvency II net assets	**121,099**	91,191

(1) The 2022 IFRS net assets figure is as reported at 31 December 2022 and have not been restated here

The adjustments set out in the above table have been made for the following reasons:

- **Adjusted IFRS net assets:** Equals Group net assets on an IFRS basis, less Goodwill.
- **Removal of liability for remaining coverage and insurance acquisition cash flow asset:** Liability for remaining coverage is not treated as a liability under Solvency II.
- **Removal of insurance acquisition cash flow asset:** Insurance acquisition cash flow asset is not deferred under Solvency II.
- **Removal of IFRS risk adjustment:** Solvency II risk margin replaces IFRS risk adjustment.
- **Addition of Solvency II risk margin:** The Solvency II risk margin represents the premium that would be required were the Group to transfer its technical provisions to a third party, and essentially reflects the SCR required to cover run-off of claims on existing business. This amount is calculated by the Group through modelling the discounted SCR on a projected future balance sheet for each year of claims run-off.
- **Addition of Solvency II premium provision:** A premium reserve reflecting the future cash flows in respect of insurance contracts is calculated and this must be discounted under Solvency II.
- **Changes in valuation differences:** Valuation differences of technical differences between IFRS 17 and Solvency II, including discounting.
- **Change in deferred tax:** As the move to a Solvency II basis balance sheet increases the net asset position of the Group, a deferred tax liability is generated to offset the increase.

Sabre Insurance Group plc's SCR, expressed on a risk module basis, is set out in the following table:

2. RISK AND CAPITAL MANAGEMENT continued
2.7. Capital management continued

		as at 31 December 2023			as at 31 December 2022	
	£'k	£'k	£'k	£'k	£'k	£'k
Interest rate risk			**4,655**			5,548
Equity risk			**–**			–
Property risk			**900**			956
Spread risk			**2,739**			3,264
Currency risk			**1,058**			1,112
Concentration risk			**–**			–
Correlation impact			**(3,192)**			(3,660)
Market risk		**6,160**			7,220	
Counterparty risk		**3,098**			2,333	
Underwriting risk		**63,720**			52,421	
Correlation impact		**(6,219)**			(6,129)	
Basic SCR	**66,759**			55,845		
Operating risk	**7,650**			6,372		
Loss absorbing effect of deferred taxes	**(15,411)**			(5,701)		
Total SCR	**58,998**			56,516		

The total SCR is primarily driven by the underwriting risk element, which is a function of the Group's net earned premium (or projected net earned premium) and the level of reserves held. Therefore, the SCR is broadly driven by the size of the business.

The Group's capital management objectives are:

- To ensure that the Group will be able to continue as a going concern
- To maximise the income and capital return to its equity

The Board monitors and reviews the broad structure of the Group's capital on an ongoing basis. This review includes consideration of the extent to which revenue in excess of that which is required to be distributed should be retained.

The Group's objectives, policies and processes for managing capital have not changed during the year.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS

ACCOUNTING POLICY

For the purpose of this accounting policy, the term 'motor insurance' covers all the Group's products, which **includes Motor Vehicle, Motorcycle and Taxi insurance**.

A. Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future insured event adversely affects the policyholder.

As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

The Group issues only non-life insurance to individuals and businesses. Non-life insurance products offered by the Group are Motor Vehicle, Motorcycle and Taxi insurance. These products offer protection of a policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risks if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contacts, even if it does not expose the reinsurer to the possibility of a significant loss.

B. Insurance and reinsurance contracts accounting treatment

(i) Separating components from insurance and reinsurance contracts

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

(ii) Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the expected profitability of contracts:

- Any contracts that are onerous on initial recognition
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts in the annual cohort

The Group recognises groups of insurance contracts it issues from the earliest of:

- The beginning of the coverage period of the group of contracts
- When the first payment from a policyholder in the group becomes due or when the first payment is received if there is no due date
- When facts and circumstances indicate that the contract is onerous

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

ACCOUNTING POLICY CONTINUED

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g. a change in market experience or regulations

Reinsurance contracts

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Group concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Group's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

The Group recognises a group of reinsurance contracts held at the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

(iii) Measurement

Summary of measurement approaches

The Group uses the following measurement approaches to its insurance and reinsurance contacts.

	Product classification	Measurement model
Insurance contracts issued		
Motor insurance	Insurance contracts issued	Premium Allocation Approach ("PAA")
Reinsurance contracts held		
Motor insurance – excess of loss reinsurance	Reinsurance contracts held	Premium Allocation Approach ("PAA")

The Group applies the premium allocation approach to all the insurance contracts that it issues and reinsurance contracts that it holds, as the coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary. The Group does not expect significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred.

All the Group's insurance contracts have a coverage period of one year or less. The Group's reinsurance contracts held are excess of loss contracts and are loss occurring. The Group does not issue any reinsurance contracts.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

ACCOUNTING POLICY CONTINUED

Insurance contracts issued

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage ("LRC") is measured at:

- The premiums received on initial recognition
- Minus any insurance acquisition cash flows allocated to the group at that date
- Adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows)

The Group has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the Group measures the carrying amount of the LRC at the end of each reporting period as the LRC at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period
- Minus the amount recognised as insurance revenue for the services provided in the period

On initial recognition of each group of contracts, the Group expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Group has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in Profit or Loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted.

The Group recognises the liability for incurred claims ("LIC") of a group of insurance contracts at the amount of the fulfilment cash flows ("FCF") relating to incurred claims. The fulfilment cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

- The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:
- The LRC
- The LIC

Risk adjustment for non-financial risk

An explicit risk adjustment for non-financial risk is estimated separate from the other estimates. Unless contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

This risk adjustment represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk. Non-financial risk is risk arising from insurance contracts other than financial risk, which is included in the estimates of future cash flows or the discount rate used to adjust the cash flows. The risks covered by the risk adjustment for non-financial risk are insurance risk and other non-financial risks such as lapse risk and expense risk.

The risk adjustment for non-financial risk for insurance contracts measures the compensation that the Group would require to make it indifferent between:

- Fulfilling a liability that has a range of possible outcomes arising from non-financial risk
- Fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contracts

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

ACCOUNTING POLICY CONTINUED

Reinsurance contracts held

The excess of loss reinsurance contracts held provide coverage on the motor insurance contracts originated for claims incurred during an accident year and are accounted for under the PAA. The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid. For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

– Increased for ceding premiums paid in the period

– Decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period

Assets for reinsurance contracts consist of the asset for remaining coverage ("ARC") and the asset for incurred claims ("AIC") being the reinsurers' share of claims that have already been incurred.

For reinsurance contracts held, the risk adjustment for non-financial risk presents the amount of risk being transferred by the Group to the reinsurer.

Asset for insurance acquisition cash flows

The Group includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

a. Costs directly attributable to individual contracts and groups of contracts

b. Costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

Recoverability assessment

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Group:

a. Recognises an impairment loss in Profit or Loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group

b. If the asset relates to future renewals, recognises an impairment loss in Profit or Loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a)

The Group reverses any impairment losses in Profit or Loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

Modification and derecognition

The Group derecognises insurance contracts when:

– The contract is extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled)

– The contract is modified and certain additional criteria are met

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

ACCOUNTING POLICY CONTINUED

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a. If the modified terms had been included at contract inception and the Group would have concluded that the modified contract:

   i. Is not in scope of IFRS 17

   ii. Results in different separable components

   iii. Results in a different contract boundary

   iv. Belongs to a different group of contracts

b. The original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to Profit or Loss:

a. If the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment

b. If the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party

c. If the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification

(iv) Presentation

The Group has presented separately, in the Statement of Financial Position, the carrying amount of portfolios of insurance contracts issued and portfolios of reinsurance contracts held.

The Group has elected to disaggregate part of the movement in LIC resulting from the changes in discount rates and present this in the Statement of Comprehensive Income. The Group disaggregates the total amount recognised in the Profit or Loss Account and the Statement of Comprehensive Income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

ACCOUNTING POLICY CONTINUED

AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

Insurance service result from insurance contracts issued

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

The Group measures all insurance contracts under the PAA and recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- Incurred claims and benefits
- Other incurred directly attributable expenses
- Amortisation of insurance acquisition cash flows
- Changes that relate to past service – changes in the FCF relating to the LIC
- Changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses

Amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the Profit or Loss Account.

Insurance service result from reinsurance contracts held

Net income/(expense) from reinsurance contracts held

The Group presents separately on the face of the Profit or Loss Account and the Statement of Comprehensive Income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The net income/(expense) from reinsurance contract held comprise:

- Reinsurance expenses
- For groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses
- Incurred claims recovery
- Other incurred directly attributable expenses
- Changes that relate to past service – changes in the FCF relating to incurred claims recovery
- Effect of changes in the risk of reinsurers' non-performance
- Amounts relating to accounting for onerous groups of underlying insurance contracts issued

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Broker fees are included in reinsurance expenses.

All groups of reinsurance contracts held are measured under the PAA and reinsurance expenses are recognised based on the passage of time over the coverage period of a group of contracts.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

ACCOUNTING POLICY CONTINUED

AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a. Interest accreted on the LIC

b. The effect of changes in interest rates and other financial assumptions

The Group disaggregates insurance finance income or expenses on motor insurance contracts issued between Profit or Loss and OCI. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Group's financial assets backing the motor insurance portfolios are predominantly measured at FVOCI.

RISK MANAGEMENT

Refer to Notes 3.6 and 3.7 for detail on risks relating to insurance liabilities and reinsurance assets, and the management thereof.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management considers that their use of estimates, assumptions and judgements in application of the Group's accounting policies are inter-related and therefore discuss them together with the major sources of estimation uncertainty and critical judgements separately identified.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group disaggregates information to disclose major product lines namely, Motor Vehicle, Motorcycle and Taxi.

The Group applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

A. Liability for remaining coverage ("LRC")

Insurance acquisition cash flows

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period.

At the end of each reporting period, the Group revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

Critical estimates

In determining the liability for remaining coverage, the Group considers the term over which insurance policies apply, the distribution of expected claims occurrence during the life of those policies and, in determining whether or not a group of contracts is onerous, the expected profitability of each group of contracts written. The profitability of each group of contracts is estimated with reference to:

- Underwriting performance to date for each group of contracts
- The strategic goals assigned to each group of contracts, including target underwriting performance
- Projections of changes to underwriting performance resulting from pricing decisions taken during the life of each group of contracts

B. Liability for incurred claims (“LIC”)

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group’s past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The Group has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

Critical estimates

The key estimates in calculating the LIC are the amount and timing of future claims payments in relation to claims already incurred. This is primarily assessed with reference to past performance, including past settlement patterns, as per the actuarial methodology outlined above. This includes estimating the likely changes in inflation as relates to claims already incurred, as well as the expected frequency of claims which have occurred but which have not yet been reported. The ongoing cost of handling claims already incurred is estimated with reference to the historical cost-per-claim calculated over the past 12 months.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

C. Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk-free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

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

	31 December 2023				31 December 2022			
	1 year	**3 years**	**5 years**	**10 years**	1 year	3 years	5 years	10 years
Motor insurance	5.05%	3.98%	3.67%	3.59%	4.75%	4.62%	4.35%	4.00%

Critical estimates

The discount rate is determined as the risk-free rate adjusted for an illiquidity premium. The risk-free rate is determined using the Solvency II risk-free rate sourced from the Bank of England. The illiquidity premium represents the differences in liquidity characteristics between the financial assets used to derive the risk-free rate and the relevant liability cash flows.

D. Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows could vary from the expected value amount.

Critical estimates

The Company has estimated the risk adjustment using a methodology which targets a confidence level (probability of sufficiency) approach between the 80th and 85th percentile. At 31 December 2023, the risk margin applied equates to an approximate confidence interval of 81.3% (31 December 2022: 82.0%) That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 80th to 85th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.1. Composition of the Statement of Financial Position

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

	Notes	2023 £'k	2022 Restated [1] £'k
Insurance contract liabilities			
Insurance contract liabilities			
Motor Vehicle insurance		**321,720**	276,171
Motorcycle insurance		**32,370**	26,928
Taxi insurance		**29,482**	17,204
Asset for insurance acquisition cash flows			
Motor Vehicle insurance	3.3	**(6,933)**	(4,324)
Motorcycle insurance	3.3	**(867)**	(629)
Taxi insurance	3.3	**(933)**	(1,009)
Total insurance contract liabilities		**374,839**	314,341
Reinsurance contracts assets			
Motor Vehicle insurance		**143,364**	123,991
Motorcycle insurance		**13,502**	8,526
Taxi insurance		**9,860**	4,437
Total reinsurance contract assets		**166,726**	136,954

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

Notes to the Consolidated Financial Statements continued

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.2. Movements in insurance and reinsurance contract balances

3.2.1. Insurance contracts issued

Reconciliation of liability for remaining coverage and the liability for incurred claims

In £'k	2023 Liabilities for Remaining Coverage ("LRC")	2023 Liabilities for Incurred Claims ("LIC") – Estimates of present value of future cash flows	2023 Liabilities for Incurred Claims ("LIC") – Risk adjustment for non-financial risk	2023 TOTAL	2022 Restated(1) Liabilities for Remaining Coverage ("LRC")	2022 Restated(1) Liabilities for Incurred Claims ("LIC") – Estimates of present value of future cash flows	2022 Restated(1) Liabilities for Incurred Claims ("LIC") – Risk adjustment for non-financial risk	2022 Restated(1) TOTAL
Opening insurance contract liabilities	47,836	221,651	44,854	314,341	47,656	229,734	40,231	317,621
Changes in the Profit or Loss Account								
Insurance revenue	(188,246)	–	–	(188,246)	(181,476)	–	–	(181,476)
Insurance service expenses								
Incurred claims and other directly attributable expenses	–	110,057	13,605	123,662	–	112,659	14,292	126,951
Changes that relate to past service – *changes in the FCF relating to the LIC*	–	6,764	(4,986)	1,778	–	(3,618)	(9,669)	(13,287)
Amortisation of insurance acquisition cash flows	14,057	–	–	14,057	12,943	–	–	12,943
	14,057	116,821	8,619	139,497	12,943	109,041	4,623	126,607
Insurance service result	(174,189)	116,821	8,619	(48,749)	(168,533)	109,041	4,623	(54,869)
Net finance income from insurance contracts issued	–	10,170	–	10,170	–	6,043	–	6,043
Total changes in the Profit or Loss Account	(174,189)	126,991	8,619	(38,579)	(168,533)	115,084	4,623	(48,826)
Changes in the Statement of Comprehensive Income								
Net finance income/(expense) from insurance contracts issued	–	12,436	–	12,436	–	(23,602)	–	(23,602)
Total changes in Statement of Comprehensive Income	–	12,436	–	12,436	–	(23,602)	–	(23,602)
Cash flows								
Premiums received	206,189	–	–	206,189	181,301	–	–	181,301
Claims and other insurance services expenses paid	–	(102,720)	–	(102,720)	–	(99,565)	–	(99,565)
Insurance acquisition cash flows	(16,828)	–	–	(16,828)	(12,588)	–	–	(12,588)
Total cash flows	189,361	(102,720)	–	86,641	168,713	(99,565)	–	69,148
Closing insurance contract liabilities	63,008	258,358	53,473	374,839	47,836	221,651	44,854	314,341

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

Notes to the Consolidated Financial Statements continued

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.2. Movements in insurance and reinsurance contract balances

3.2.2. Reinsurance contracts held

Reconciliation of assets for remaining coverage and the assets for incurred claims

In £'k	2023 Assets for remaining coverage	2023 Assets for incurred claims: Estimates of present value of future cash flows	2023 Assets for incurred claims: Risk adjustment for non-financial risk	2023 TOTAL	2022 Restated(1) Assets for remaining coverage	2022 Restated(1) Assets for incurred claims: Estimates of present value of future cash flows	2022 Restated(1) Assets for incurred claims: Risk adjustment for non-financial risk	2022 Restated(1) TOTAL
Opening reinsurance contract assets	**5,675**	**97,996**	**33,283**	**136,954**	2,812	114,510	30,574	147,896
Changes in the Profit or Loss Account								
Net income/(expense) from reinsurance contracts held								
Reinsurance expense	**(28,506)**	**–**	**–**	**(28,506)**	(24,958)	–	–	(24,958)
Incurred claims recovery	**–**	**16,738**	**9,103**	**25,841**	–	16,409	9,423	25,832
Changes that relate to past service – *changes in the FCF relating to incurred claims recovery*	**–**	**6,859**	**(1,168)**	**5,691**	–	(12,814)	(6,714)	(19,528)
	(28,506)	**23,597**	**7,935**	**3,026**	(24,958)	3,595	2,709	(18,654)
Net finance income for reinsurance contracts held	**–**	**3,588**	**–**	**3,588**	–	3,195	–	3,195
Total changes in the Profit or Loss Account	**(28,506)**	**27,185**	**7,935**	**6,614**	(24,958)	6,790	2,709	(15,459)
Changes in the Statement of Comprehensive Income								
Net finance income/(expense) for reinsurance contracts held	**–**	**5,432**	**–**	**5,432**	–	(12,924)	–	(12,924)
Total changes in Statement of Comprehensive Income	**–**	**5,432**	**–**	**5,432**	–	(12,924)	–	(12,924)
Cash flows								
Premiums paid	**24,906**	**–**	**–**	**24,906**	27,821	–	–	27,821
Recoveries received	**–**	**(7,180)**	**–**	**(7,180)**	–	(10,380)	–	(10,380)
Total cash flows	**24,906**	**(7,180)**	**–**	**17,726**	27,821	(10,380)	–	17,441
Closing reinsurance contract assets	**2,075**	**123,433**	**41,218**	**166,726**	5,675	97,996	33,283	136,954

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.3. Assets for insurance acquisition cash flows

	£'k
Restated balance as at 1 January 2022	6,317
Amounts incurred during the year	12,588
Amounts derecognised and included in measurement of insurance contracts	(12,943)
Restated balance as at 31 December 2022	5,962
Amounts incurred during the year	**16,828**
Amounts derecognised and included in measurement of insurance contracts	**(14,057)**
Balance as at 31 December 2023	**8,733**

The following table sets out when the Group expects to derecognise assets for insurance acquisition cash flows after the reporting date:

	£'k
31 December 2023	
Less than one year	**8,032**
More than one year	**701**
	8,733
31 December 2022	
Less than one year	5,437
More than one year	525
	5,962

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.4. Claims development

The presentation of the claims development tables for the Group is based on the actual date of the event that caused the claim (accident year basis). These triangles present estimated costs including any risk adjustment and associated liability related to the future cost of handling claims.

Gross of reinsurance

Accident year	2014 £'k	2015 £'k	2016 £'k	2017 £'k	2018 £'k	2019 £'k	2020 £'k	2021 £'k	2022 £'k	2023 £'k	**Total £'k**
Estimates of undiscounted gross cumulative claims											
At the end of the accident year	75,649	103,599	111,518	165,707	120,077	126,981	101,965	89,233	136,811	133,334	
– One year later	65,639	90,133	100,935	131,803	108,089	122,663	97,953	93,309	131,433		
– Two years later	62,039	82,537	94,294	123,651	107,988	127,225	93,390	90,941			
– Three years later	60,301	79,845	91,336	122,674	113,257	131,254	88,192				
– Four years later	59,149	77,095	90,789	124,128	118,600	135,173					
– Five years later	58,367	77,038	92,629	137,472	125,038						
– Six years later	58,718	77,469	101,655	137,660							
– Seven years later	58,438	77,729	101,124								
– Eight years later	58,380	77,040									
– Nine years later	58,341										
Current estimate of cumulative claims	58,341	77,040	101,124	137,660	125,038	135,173	88,192	90,941	131,433	133,334	
Cumulative gross claims paid	(58,238)	(76,024)	(93,623)	(89,583)	(99,233)	(106,817)	(67,881)	(59,366)	(65,812)	(43,102)	
Undiscounted gross liabilities – accident years from 2014 to 2023	**103**	**1,016**	**7,501**	**48,077**	**25,805**	**28,356**	**20,311**	**31,575**	**65,621**	**90,232**	**318,597**
Undiscounted gross liabilities – accident years from 2013 and before											43,435
Effect of discounting											(50,201)
Total gross liabilities for incurred claims ("LIC")											**311,831**
Liabilities for remaining coverage ("LRC")											63,008
Total gross liabilities included in the Statement of Financial Position											**374,839**

The unshaded numbers are undiscounted, but otherwise presented on an IFRS 17 basis. The shaded numbers have not been restated under IFRS 17 and reflect the numbers as previously reported under IFRS 4. The primary difference between the IFRS 17 and IFRS 4 numbers presented here relates to the risk adjustment.

The gross liabilities for incurred claims and gross liabilities for remaining coverage per product is given below:

	LIC	LRC	**Total**
Motor vehicle	261,946	52,841	314,787
Motorcycle	27,765	3,738	31,503
Taxi	22,120	6,429	28,549
Total	**311,831**	**63,008**	**374,839**

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.4. Claims development continued

Net of reinsurance

Accident year	2014 £'k	2015 £'k	2016 £'k	2017 £'k	2018 £'k	2019 £'k	2020 £'k	2021 £'k	2022 £'k	2023 £'k	Total £'k
Estimates of undiscounted net cumulative claims											
At the end of the accident year	74,609	97,288	104,808	106,478	111,433	115,011	85,723	81,161	106,049	102,185	
– One year later	65,639	85,814	93,664	96,446	99,649	111,550	81,882	82,487	102,066		
– Two years later	60,953	81,164	87,824	91,806	98,641	111,347	80,990	80,146			
– Three years later	59,741	77,869	85,243	91,179	99,071	111,342	78,353				
– Four years later	59,008	76,409	84,995	88,545	100,893	112,156					
– Five years later	58,259	76,254	84,891	92,002	103,254						
– Six years later	58,481	76,011	86,784	92,375							
– Seven years later	58,198	76,581	86,536								
– Eight years later	58,147	76,425									
– Nine years later	58,115										
Current estimate of cumulative claims	58,115	76,425	86,536	92,375	103,254	112,156	78,353	80,146	102,066	102,185	
Cumulative net claims paid	(58,020)	(75,741)	(83,819)	(85,158)	(95,501)	(101,061)	(65,577)	(59,366)	(65,812)	(43,102)	
Undiscounted net liabilities – accident years from 2014 to 2023	**95**	**684**	**2,717**	**7,217**	**7,753**	**11,095**	**12,776**	**20,780**	**36,254**	**59,083**	**158,454**
Undiscounted net liabilities – accident years from 2013 and before											8,061
Effect of discounting											(19,335)
Total net liabilities for incurred claims ("LIC")											**147,180**
Net liabilities for remaining coverage ("LRC")											60,933
Total net liabilities included in the Statement of Financial Position											**208,113**

The unshaded numbers are undiscounted, but otherwise presented on an IFRS 17 basis. The shaded numbers have not been restated under IFRS 17 and reflect the numbers as previously reported under IFRS 4. The primary difference between the IFRS 17 and IFRS 4 numbers presented here relates to the risk adjustment.

The net liabilities for incurred claims and net liabilities for remaining coverage per product is given below:

	LIC	LRC	Total
Motor vehicle	120,136	51,287	171,423
Motorcycle	14,391	3,610	18,001
Taxi	12,653	6,036	18,689
Total	**147,180**	**60,933**	**208,113**

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.5. 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.

				2023				2022 Restated (1)
	Motor vehicles £'k	**Motorcycle £'k**	**Taxi £'k**	**Total £'k**	Motor vehicles £'k	Motorcycle £'k	Taxi £'k	Total £'k
Insurance revenue								
Insurance revenue from contracts measured under the PAA	**158,054**	**15,363**	**14,829**	**188,246**	157,464	17,826	6,186	181,476
Total insurance revenue	**158,054**	**15,363**	**14,829**	**188,246**	**157,464**	**17,826**	**6,186**	**181,476**
Insurance service expense								
Incurred claims and other directly attributable expenses	**(91,688)**	**(16,087)**	**(15,887)**	**(123,662)**	(94,492)	(26,185)	(6,274)	(126,951)
Changes that relate to past service – *changes in the FCF relating to the LIC*	**(861)**	**1,796**	**(2,713)**	**(1,778)**	13,257	(358)	388	13,287
Amortisation of insurance acquisition cash flows	**(10,206)**	**(1,953)**	**(1,898)**	**(14,057)**	(11,371)	(879)	(693)	(12,943)
Total insurance service expense	**(102,755)**	**(16,244)**	**(20,498)**	**(139,497)**	**(92,606)**	**(27,422)**	**(6,579)**	**(126,607)**
Net income/(expenses) from reinsurance contracts held								
Reinsurance expenses – contracts measured under the PAA	**(23,800)**	**(2,444)**	**(2,262)**	**(28,506)**	(21,257)	(2,734)	(967)	(24,958)
Incurred claims recovery	**17,367**	**5,947**	**2,527**	**25,841**	17,862	7,611	359	25,832
Changes that relate to past service – *changes in the FCF relating to incurred claims recovery*	**4,758**	**(1,184)**	**2,117**	**5,691**	(19,337)	30	(221)	(19,528)
Total net income/(expenses) from reinsurance contracts held	**(1,675)**	**2,319**	**2,382**	**3,026**	**(22,732)**	**4,907**	**(829)**	**(18,654)**
Total insurance service result	**53,624**	**1,438**	**(3,287)**	**51,775**	**42,126**	**(4,689)**	**(1,222)**	**36,215**

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.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.6. Underwriting risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The Group issues only motor insurance contracts within the UK, which usually cover a 12-month duration. For these contracts, the most significant risks arise from severe weather conditions or single catastrophic events. For longer-tail claims that take some years to settle, there is also inflation risk.

The above risk exposure is mitigated by diversification across a large portfolio of policyholders and geographical areas within the UK. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across policyholders. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Group purchases reinsurance as part of its risk mitigation programme. Reinsurance ceded is placed on a non-proportional basis. This non-proportional reinsurance is excess-of-loss, designed to mitigate the Group's net exposure to single large claims or catastrophe losses. The current reinsurance programme in place has a retention limit of £1m, with no upper limit. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded reinsurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is not dependent on a single reinsurer. There is no single counterparty exposure that exceeds 25% of total reinsurance assets at the reporting date.

Key assumptions

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: one-off occurrence; changes in market factors such as public attitude to claiming: economic conditions; and internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

Sensitivities

The motor claim liabilities are primarily sensitive to the reserving assumptions noted above. It has not been possible to quantify the sensitivity of individual, specific assumptions such as legislative changes.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.6. Underwriting risk continued

The table shows the impact of a 10% increase in the gross loss ratio applied to all underwriting years which have a material outstanding claims reserve, and a 10% increase in gross outstanding claims across all underwriting years, taking into account the impact of an increase in the operational costs associated with handling those claims. The impact of a 10% decrease will have a similar but opposite impact.

	Decrease in profit after tax		Decrease in total equity	
At 31 December	**2023 £'k**	2022 Restated [(1)] £'k	**2023 £'k**	2022 Restated [(1)] £'k
Insurance risk				
Impact of a 10% increase in gross loss ratio	**(8,573)**	(8,864)	**(8,573)**	(8,864)
Impact of a 10% increase in gross outstanding claims	**(9,430)**	(9,737)	**(9,430)**	(9,737)

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

A substantial increase in individually large claims which are over our reinsurance retention limit, generally will have no impact on profit before tax. The table shows the impact of a 10% increase on a net basis. The impact of a 10% decrease will have a similar but opposite impact.

	Decrease in profit after tax		Decrease in total equity	
At 31 December	**2023 £'k**	2022 Restated [(1)] £'k	**2023 £'k**	2022 Restated [(1)] £'k
Insurance risk				
Impact of a 10% increase in net loss ratio	**(11,353)**	(11,579)	**(11,353)**	(11,579)
Impact of a 10% increase in net outstanding claims	**(12,738)**	(11,920)	**(12,738)**	(11,920)

(1) See Note 1.3.1 IFRS 17 "Insurance Contracts"

The impact of a 1% increase in the discount rates will increase the 2023 total equity by £2,259k. The impact of a 1% decrease in the discount rate will decrease the 2023 total equity by £2,763k.

Climate change

Management has assessed the short, medium and long-term risks which result from climate change. The short-term risk is low. Given the geographical diversity of the Group's policyholders within the UK and the Group's reinsurance programme, it is highly unlikely that a climate event will materially impact the Group's financial position, including its assessment of the liability for incurred claims. More likely is that the costs associated with the transition to a low-carbon economy will impact the Group's indemnity spend in the medium term, as electronic vehicles are currently relatively expensive to fix. This is somewhat, or perhaps completely, offset by advances in technology reducing the frequency of claims, in particular bodily injury claims which are generally far more expensive than damage to vehicles. These changes in the costs of claims are gradual and as such reflected in the Group's claims experience and fed into the pricing of policies. However, if the propensity to travel by car decreases overall this could impact the Group's income in the long term.

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.7. Insurance related credit risk

Key insurance related areas where the Group is exposed to credit default risk are:

- Reinsurers default on their share of the Group's insurance liabilities
- Default on amounts due from insurance contract intermediaries or policyholders

Sabre uses a large panel of secure reinsurance companies. The credit risk of reinsurers included in the reinsurance programme is considered annually by reviewing their credit worthiness. Sabre's largest reinsurance counterparty is Munich Re. The credit risk exposure is further monitored throughout the year to ensure that changes in credit risk positions are adequately addressed.

The following tables demonstrate the Group's exposure to credit risk in respect of overdue insurance debt and counterparty creditworthiness.

Overdue insurance related debt

At 31 December 2023	Neither past due nor impaired £'k	Past due 1-90 days £'k	Past due more than 90 days £'k	Assets that have been impaired £'k	Carrying value in the balance sheet £'k
Reinsurance contracts assets [1]	**197,591**	**–**	**–**	**–**	**197,591**
Insurance receivables [2]	**54,650**	**62**	**–**	**–**	**54,712**
Total	**252,241**	**62**	**–**	**–**	**252,303**

At 31 December 2022 Restated [3]	Neither past due nor impaired £'k	Past due 1-90 days £'k	Past due more than 90 days £'k	Assets that have been impaired £'k	Carrying value in the balance sheet £'k
Reinsurance contracts assets [1]	166,996	–	–	–	166,996
Insurance receivables [2]	31,364	63	–	–	31,427
Total	198,360	63	–	–	198,423

(1) Undiscounted
(2) Included within 'Insurance contract liabilities'
(3) See Note 1.3.1 IFRS 17 "Insurance Contracts"

Exposure by credit rating

At 31 December 2023	AAA £'k	AA+ to AA- £'k	A+ to A- £'k	BBB+ to BBB- £'k	BB+ and below £'k	Not rated £'k	Total £'k
Reinsurance contracts assets [1]	**–**	**128,942**	**68,649**	**–**	**–**	**–**	**197,591**
Insurance receivables [2]	**–**	**–**	**–**	**–**	**–**	**54,712**	**54,712**
Total	**–**	**128,942**	**68,649**	**–**	**–**	**54,712**	**252,303**

At 31 December 2022 Restated [3]	AAA £'k	AA+ to AA- £'k	A+ to A- £'k	BBB+ to BBB- £'k	BB+ and below £'k	Not rated £'k	Total £'k
Reinsurance contracts assets [1]	–	111,995	55,001	–	–	–	166,996
Insurance receivables [2]	–	–	–	–	–	31,427	31,427
Total	–	111,995	55,001	–	–	31,427	198,423

(1) Undiscounted
(2) Included within 'Insurance contract liabilities'
(3) See Note 1.3.1 IFRS 17 "Insurance Contracts"

Notes to the Consolidated Financial Statements continued

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.8. Net financial result

	Notes	Insurance related £'k	Non-insurance related £'k	2023 Total £'k
Investment income				
Interest income on financial assets using effective interest rate method	4.5	3,506	269	3,775
Amounts recognised in OCI	4.6	9,284	–	9,284
Total investment income		12,790	269	13,059
Insurance finance expenses from insurance contracts issued				
Interest accreted		(10,170)	–	(10,170)
Effect of changes in interest rates and other financial assumptions		(12,436)	–	(12,436)
		(22,606)	–	(22,606)
Reinsurance finance income from reinsurance contracts held				
Interest accreted		3,588	–	3,588
Effect of changes in interest rates and other financial assumptions		5,432	–	5,432
		9,020	–	9,020
Net insurance finance expense		(13,586)	–	(13,586)
Net financial results		(796)	269	(527)
Represented by:				
Amounts recognised in Profit or Loss		(3,076)	269	(2,807)
Amounts recognised in OCI		2,280	–	2,280
Total		(796)	269	(527)

3. INSURANCE LIABILITIES AND REINSURANCE ASSETS continued

3.8. Net financial result continued

	Notes	Insurance related £'k	Non-insurance related £'k	Total £'k
				2022
Investment income				
Interest income on financial assets using effective interest rate method	4.5	1,627	40	1,667
Realised fair value gains on debt securities	4.5	22	–	22
Amounts recognised in OCI	4.6	(14,207)	–	(14,207)
Total investment income		(12,558)	40	(12,518)
Insurance finance expenses from insurance contracts issued				
Interest accreted		(6,043)	–	(6,043)
Effect of changes in interest rates and other financial assumptions		23,602	–	23,602
		17,559	–	17,559
Reinsurance finance income from reinsurance contracts held				
Interest accreted		3,195	–	3,195
Effect of changes in interest rates and other financial assumptions		(12,924)	–	(12,924)
		(9,729)	–	(9,729)
Net insurance finance expense		7,830	–	7,830
Net financial results		(4,728)	40	(4,688)
Represented by:				
Amounts recognised in Profit or Loss		(1,199)	40	(1,159)
Amounts recognised in OCI		(3,529)	–	(3,529)
Total		(4,728)	40	(4,688)

4. FINANCIAL ASSETS

RISK MANAGEMENT

Refer to the following notes for detail on risks relating to financial assets:

Investment concentration risk – Note 4.2.1

Interest rate risk – Note 4.2.2

Credit risk – Note 4.4

Liquidity risk – Note 6

The Group's financial assets are summarised below:

	Notes	2023 £'k	2022 £'k
Cash and cash equivalents	4.1	**35,079**	18,502
Debt securities held at fair value through other comprehensive income	4.2	**264,679**	229,158
Receivables	4.3	**87**	7
Total		**299,845**	247,667

4.1. Cash and cash equivalents

ACCOUNTING POLICY – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held on call with banks and money market funds. Cash and cash equivalents are carried at amortised cost.

	2023 £'k	2022 £'k
Cash at bank and on hand	**12,890**	13,162
Money market funds	**22,189**	5,340
Total	**35,079**	18,502

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. FINANCIAL ASSETS continued

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

ACCOUNTING POLICY – FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE

Classification

The Group classifies the following financial assets at fair value through Other Comprehensive Income ("FVOCI"):

– Debt securities

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated at fair value through the Profit or Loss Account ("FVTPL"):

– The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

– The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding on specified dates

Recognition and measurement

At initial recognition, the Group measures debt securities through other comprehensive income at fair value, plus the transaction costs that are directly attributable to the acquisition of the financial asset. Debt securities at FVOCI are subsequently measured at fair value.

Impairment

At each reporting date, the Group assesses debt securities at FVOCI for impairment. Under IFRS 9 a 'three-stage' model for calculated Expected Credit Losses ("ECL") is used, and is based on changes in credit quality since initial recognition. Refer to Note 4.4.

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

		2023		2022
	£'k	**% holdings**	£'k	% holdings
Government bonds	**107,040**	**40.4%**	87,151	38.1%
Government-backed securities	**81,942**	**31.0%**	80,753	35.2%
Corporate bonds	**75,697**	**28.6%**	61,254	26.7%
Total	**264,679**	**100.0%**	229,158	100.0%

4. FINANCIAL ASSETS continued

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

4.2.1. Investment concentration risk

Excessive exposure to particular industry sectors or groups can give rise to concentration risk. The Group has no significant investment concentration in any particular industrial sector and therefore is unlikely to suffer significant losses through its investment portfolio as a result of over-exposure to sectors engaged in similar activities or which have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

A significant part of the Group's investment portfolio consists primarily of UK government bonds and government-backed bonds, therefore the risk of government default does exist, however the likelihood is extremely remote. The remainder of the portfolio consists of investment grade corporate bonds. The Group continues to monitor the strength and security of all bonds. The Group does not have direct exposure to Ukrainian and Russian assets.

The Group's exposure by geographical area is outlined below:

At 31 December 2023	Government bonds £'k	Government-backed securities £'k	Corporate bonds £'k	Total £'k	% holdings
United Kingdom	**107,040**	**–**	**32,364**	**139,404**	**52.7%**
Europe	**–**	**50,982**	**28,736**	**79,718**	**30.1%**
North America	**–**	**28,284**	**12,643**	**40,927**	**15.5%**
Australasia	**–**	**–**	**1,954**	**1,954**	**0.7%**
Asia	**–**	**2,676**	**–**	**2,676**	**1.0%**
Total	**107,040**	**81,942**	**75,697**	**264,679**	**100.0%**

At 31 December 2022	Government bonds £'k	Government-backed securities £'k	Corporate bonds £'k	Total £'k	% holdings
United Kingdom	87,151	101	25,942	113,194	49.4%
Europe	–	48,295	25,972	74,267	32.4%
North America	–	32,357	9,340	41,697	18.2%
Total	87,151	80,753	61,254	229,158	100.0%

Notes to the Consolidated Financial Statements continued

4. FINANCIAL ASSETS continued

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

4.2.1. Investment concentration risk continued

The Group's exposure by investment type for government-backed securities and corporate bonds is outlined below:

At 31 December 2023	Agency £'k	Supranational £'k	Total £'k
Government-backed securities	**40,310**	**41,632**	**81,942**
% of holdings	**49.2%**	**50.8%**	**100.0%**

At 31 December 2023	Financial £'k	Industrial £'k	Utilities £'k	Total £'k
Corporate bonds	**40,973**	**31,117**	**3,607**	**75,697**
% of holdings	**54.1%**	**41.1%**	**4.8%**	**100.0%**

At 31 December 2022	Agency £'k	Supranational £'k	Total £'k
Government-backed securities	37,989	42,764	80,753
% of holdings	47.0%	53.0%	100.0%

At 31 December 2022	Financial £'k	Industrial £'k	Utilities £'k	Total £'k
Corporate bonds	31,229	28,121	1,904	61,254
% of holdings	51.0%	45.9%	3.1%	100.0%

4. FINANCIAL ASSETS continued

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

4.2.2. Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk. Currently the Group holds only fixed rate securities.

The Group's interest risk policy requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity.

The Group has a concentration of interest rate risk in UK government bonds and other fixed-income securities.

The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

The impact of any movement in market values, such as those caused by changes in interest rates, is taken through other comprehensive income and has no impact on profit after tax.

	Decrease in profit after tax		Decrease in total equity	
At 31 December	**2023 £'k**	2022 £'k	**2023 £'k**	2022 £'k
Interest rate				
Impact of a 100-basis point increase in interest rates on debt securities at FVOCI	**–**	–	**(2,758)**	(1,940)
Impact of a 200-basis point increase in interest rates on debt securities at FVOCI	**–**	–	**(5,516)**	(3,881)

4.2.3. Fair value

ACCOUNTING POLICY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, or in its absence, the most advantageous market to which the Group has access at that date.

The Group measures the fair value of an instrument using the quoted bid price in an active market for that instrument. A market is regarded as active if transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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.

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.

4. FINANCIAL ASSETS continued

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

4.2.3. Fair value continued

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.

The following table summarises the classification of financial instruments:

As at 31 December 2023	Level 1 £'k	Level 2 £'k	Level 3 £'k	Total £'k
Assets held at fair value				
Debt securities held at FVOCI	**264,679**	**–**	**–**	**264,679**
Total	**264,679**	**–**	**–**	**264,679**

As at 31 December 2022	Level 1 £'k	Level 2 £'k	Level 3 £'k	Total £'k
Assets held at fair value				
Debt securities held at FVOCI	229,158	–	–	229,158
Total	229,158	–	–	229,158

Transfers between levels

There have been no transfers between levels during the year (2022: no transfers).

4. FINANCIAL ASSETS continued
4.3. Receivables

ACCOUNTING POLICY

Classification

The Group classifies its receivables as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows
- The contractual terms give rise to cash flows that are solely payments of principal and interest

Recognition and measurement

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses.

Impairment

The Group measures loss allowances at an amount equal to lifetime ECL. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due to create the categories namely performing, underperforming and not performing. The expected loss rates are based on the payment profiles of receivables over a period of 36 months before year end. The loss rates are adjusted to reflect current and forward-looking information on macro-economic factors, such as the socio-economic environment affecting the ability of the debtors to settle the receivables. Receivables that are 30 days or more past due are considered to be 'not performing' and the default rebuttable presumption of 90 days prescribed by IFRS 9 is not applied.

Performing

Customers have a low risk of default and a strong capacity to meet contractual cash flows.

Underperforming

Receivables for which there is a significant increase in credit risk. A significant increase in credit risk is presumed if interest and/or principal repayments are past due.

Not performing

Interest and/or principal repayments are 30 days past due.

The Group's receivables comprise of:

	2023 £'k	2022 £'k
Other debtors	**87**	7
Total	**87**	7

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 is based on the recoverability of the individual receivables.

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

4. FINANCIAL ASSETS continued

4.4. Credit risk

ACCOUNTING POLICY

Impairment of financial assets

At each reporting date, the Group assesses financial assets measured at amortised cost and debt securities at FVOCI for impairment. Under IFRS 9 a 'three-stage' model for calculating Expected Credit Losses ("ECL") is used, and is based on changes in credit quality since initial recognition as summarised below:

Performing financial assets

- **Stage 1:** From initial recognition of a financial asset to the date on which an asset has experienced a significant increase in credit risk relative to its initial recognition, a stage 1 loss allowance is recognised equal to the credit losses expected to result from its default occurring over the earlier of the next 12 months or its maturity date ("12-month ECL").
- **Stage 2:** Following a significant increase in credit risk relative to the initial recognition of the financial asset, a stage 2 loss allowance is recognised equal to the credit losses expected from all possible default events over the remaining lifetime of the asset ("Lifetime ECL"). The assessment of whether there has been a significant increase in credit risk, such as an actual or significant change in instruments external credit rating; significant widening of credit spread; changes in rates or terms of instrument; existing or forecast adverse change in business, financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its debt obligations; requires considerable judgement, based on the lifetime probability of default ("PD"). Stage 1 and 2 allowances are held against performing loans; the main difference between stage 1 and stage 2 allowances is the time horizon. Stage 1 allowances are estimated using the PD with a maximum period of 12 months, while stage 2 allowances are estimated using the PD over the remaining lifetime of the asset.

Impaired financial assets

- **Stage 3:** When a financial asset is considered to be credit-impaired, the allowance for credit losses ("ACL") continues to represent lifetime expected credit losses, however, interest income is calculated based on the amortised cost of the asset, net of the loss allowance, rather than its gross carrying amount.

Application of the impairment model

The Group applies IFRS 9's ECL model to two main types of financial assets that are measured at amortised cost or FVOCI:

- **Other receivables**, to which the simplified approach prescribed by IFRS 9 is applied. This approach requires the recognition of a Lifetime ECL allowance on day one.
- **Debt securities**, to which the general three-stage model (described above) is applied, whereby a 12-month ECL is recognised initially and the balance is monitored for significant increases in credit risk which triggers the recognition of a Lifetime ECL allowance.

ECLs are a probability-weighted estimate of credit losses. The probability is determined by the estimated risk of default which is applied to the cash flow estimates. On a significant increase in credit risk, from investment grade to non-investment grade, allowances are recognised without a change in the expected cash flows (although typically expected cash flows do also change) and expected credit losses are rebased from 12-month to lifetime expectations.

The measurement of ECLs considers information about past events and current conditions, as well as supportable information about future events and economic conditions.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in the Profit or Loss Account and accounted for as a transfer from OCI to Profit or Loss, instead of reducing the carrying amount of the asset.

Write-offs

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of the amount being recovered. This is generally the case when the Group concludes that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

4. FINANCIAL ASSETS continued

4.4. Credit risk continued

Exposure by credit rating

At 31 December 2023	AAA £'k	AA+ to AA- £'k	A+ to A- £'k	BBB+ to BBB- £'k	BB+ and below £'k	Not rated £'k	Total £'k
UK government bonds	–	107,040	–	–	–	–	107,040
Government-backed securities	81,942	–	–	–	–	–	81,942
Corporate bonds	–	4,153	51,020	20,524	–	–	75,697
Receivables	–	–	–	–	–	87	87
Cash and cash equivalents	22,189	51	12,839	–	–	–	35,079
Total	104,131	111,244	63,859	20,524	–	87	299,845

At 31 December 2022	AAA £'k	AA+ to AA- £'k	A+ to A- £'k	BBB+ to BBB- £'k	BB+ and below £'k	Not rated £'k	Total £'k
UK government bonds	–	87,151	–	–	–	–	87,151
Government-backed securities	80,031	722	–	–	–	–	80,753
Corporate bonds	–	2,839	41,235	17,180	–	–	61,254
Receivables	–	–	–	–	–	7	7
Cash and cash equivalents	5,340	52	13,110	–	–	–	18,502
Total	85,371	90,764	54,345	17,180	–	7	247,667

With exception of receivables, all the Group's financial assets are investment grade (AAA to BBB).

Analysis of credit risk and allowance for ECL

The following table provides an overview of the allowance for ECL provided for on the types of financial assets held by the Group where credit risk is prevalent.

At 31 December 2023	Gross carrying amount £'k	Allowance for ECL £'k	Net amount £'k
Government bonds	107,040	(3)	107,037
Government-backed securities	81,942	(4)	81,938
Corporate bonds	75,697	(30)	75,667
Receivables	87	–	87
Cash and cash equivalents	35,079	–	35,079
Total	299,845	(37)	299,808

At 31 December 2022	Gross carrying amount £'k	Allowance for ECL £'k	Net amount £'k
Government bonds	87,151	(3)	87,148
Government-backed securities	80,753	(2)	80,751
Corporate bonds	61,254	(27)	61,227
Receivables	7	–	7
Cash and cash equivalents	18,502	–	18,502
Total	247,667	(32)	247,635

4. FINANCIAL ASSETS continued

4.5. Investment income

ACCOUNTING POLICY

Investment income from debt instruments classified as FVOCI are measured using the effective interest rate which allocates the interest income or interest expense over the expected life of the asset or liability at the rate that exactly discounts all estimated future cash flows to equal the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees payable or receivable that are an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

	2023 £'k	2022 £'k
Interest income on financial assets using effective interest rate method		
Interest income from debt securities	**3,131**	1,567
Interest income from cash and cash equivalents	**644**	100
Total	**3,775**	1,667

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

ACCOUNTING POLICY

Movements in the fair value of debt instruments classified as FVOCI are taken through OCI. When the instruments are derecognised, the cumulative gain or losses previously recognised in OCI is reclassified to Profit or Loss.

	2023 £'k	2022 £'k
Profit or loss		
Realised fair value gains on debt securities	**–**	22
Realised fair value gains on debt securities reclassified to Profit or Loss	**–**	22
Other comprehensive income		
Unrealised fair value gains/(losses) on debt securities	**9,278**	(14,175)
Expected credit loss	**6**	(32)
Unrealised fair value gains/(losses) on debt securities through Other Comprehensive Income	**9,284**	(14,207)
Net gains/(losses) from fair value adjustments on financial assets	**9,284**	(14,185)

5. PAYABLES

ACCOUNTING POLICY

Payables are recognised when the Group has a contractual obligation to deliver cash or another financial asset to another entity, or a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. Payables are carried at amortised cost.

	2023 £'k	2022 £'k
Trade and other creditors	2,149	760
Other taxes	7,551	4,348
Total	**9,700**	5,108

6. LIQUIDITY RISK

Liquidity risk is the potential that obligations cannot be met as they fall due as a consequence of having a timing mismatch or inability to raise sufficient liquid assets without suffering a substantial loss on realisation. The Group manages its liquidity risk through both ensuring that it holds sufficient cash and cash equivalent assets to meet all short-term liabilities and matching, as far as possible, the maturity profile of its financial investments to the expected cash outflows.

The liquidity of the Group's insurance and financial liabilities and supporting assets is given in the tables below:

At 31 December 2023	Total £'k	Up to 1 year £'k	1-2 years £'k	3-4 years £'k	5-10 years £'k	Over 10 years £'k
Cash and cash equivalents (1)	35,079	35,079	–	–	–	–
UK government bonds	107,040	22,008	40,649	44,383	–	–
Government-backed securities	81,942	57,722	17,241	6,979	–	–
Corporate bonds	75,697	8,987	49,953	16,757	–	–
Receivables	87	87	–	–	–	–
Reinsurance contract assets	197,592	68,215	53,543	26,409	18,452	30,973
Total	**497,437**	**192,098**	**161,386**	**94,528**	**18,452**	**30,973**

At 31 December 2023	Total £'k	Up to 1 year £'k	1-2 years £'k	3-4 years £'k	5-10 years £'k	Over 10 years £'k
Payables	9,700	9,700	–	–	–	–
Insurance contract liabilities (2)	300,593	83,152	110,871	46,344	24,978	35,248
Total	**310,293**	**92,852**	**110,871**	**46,344**	**24,978**	**35,248**

Management have considered the liquidity and cash generation of the Group and are satisfied that the Group will be able to meet all liabilities as they fall due.

(1) Includes money market funds with no notice period for withdrawal

(2) Excludes the liability for remaining coverage and effect of discounting

Notes to the Consolidated Financial Statements continued

6. LIQUIDITY RISK continued

At 31 December 2022 Restated [3]	Total £'k	Up to 1 year £'k	1–2 years £'k	3–4 years £'k	5–10 years £'k	Over 10 years £'k
Cash and cash equivalents [1]	18,502	18,502	–	–	–	–
UK government bonds	87,151	14,463	26,470	38,992	7,226	–
Government-backed securities	80,753	5,119	69,693	5,941	–	–
Corporate bonds	61,254	4,426	44,514	12,314	–	–
Receivables	7	7	–	–	–	–
Reinsurance contract assets	166,997	40,816	36,280	32,672	30,986	26,243
Total	414,664	83,333	176,957	89,919	38,212	26,243

At 31 December 2022 Restated [3]	Total £'k	Up to 1 year £'k	1–2 years £'k	3–4 years £'k	5–10 years £'k	Over 10 years £'k
Payables	5,108	5,108	–	–	–	–
Insurance contract liabilities	283,118	75,141	88,842	51,935	37,759	29,441
Total	288,226	80,249	88,842	51,935	37,759	29,441

(1) Includes money market funds with no notice period for withdrawal
(2) Excludes the liability for remaining coverage and effect of discounting
(3) See Note 1.3.1 IFRS 17 'Insurance Contracts'

Notes to the Consolidated Financial Statements continued

7. OTHER INCOME

ACCOUNTING POLICY

Other income consists of brokerage fees resulting from the sale of ancillary products connected to the Group's direct business, and other non-insurance income such as administrative fees charged on direct business. Such income is recognised once the related service has been performed. Typically, this will be at the point of sale of the product.

	2023 £'k	2022 £'k
Administration fees	**495**	1,042
Brokerage and other fee income (1)	**737**	742
Total	**1,232**	1,784

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

(1) Restated from previous reporting periods. This line now combines both 'Marketing' and 'Fee income from the sale of auxiliary products and services' disclosed separately in previous reporting period.

8. OTHER OPERATING EXPENSES

	Notes	2023 £'k	2022 £'k
Employee expenses		**13,869**	12,536
Property expenses		**689**	428
IT expense including IT depreciation		**5,961**	5,043
Other depreciation		**59**	17
Industry levies		**5,936**	5,913
Policy servicing costs		**2,491**	2,164
Other operating expenses		**3,328**	2,958
Movement in expected credit loss on debt securities		**6**	(34)
Impairment loss on owner occupied properties		**333**	–
Before adjustment for directly attributable claims expenses		**32,672**	29,025
Adjusted for:			
Reclassification of directly attributable claims expenses		**(6,085)**	(6,210)
Total operating expenses		**26,587**	22,815

8. OPERATING EXPENSES continued

8.1. Employee expenses

ACCOUNTING POLICY

A. Pensions

For staff who were employees on 8 February 2002, the Group operates a non-contributory defined contribution Group personal pension scheme. The contribution by the Group depends on the age of the employee.

For employees joining since 8 February 2002, the Group operates a matched contribution Group personal pension scheme where the Group contributes an amount matching the contribution made by the staff member.

Contributions to defined contribution schemes are recognised in the Profit or Loss Account in the period in which they become payable.

B. Share-based payments

The fair value of equity instruments granted under share-based payment plans are recognised as an expense and spread over the vesting period of the instrument. The total amount to be expensed is determined by reference to the fair value of the awards made at the grant date, excluding the impact of any non-market vesting conditions. Depending on the plan, the fair value of equity instruments granted is measured on grant date using an appropriate valuation model or the market price on grant date. At the date of each Statement of Financial Position, the Group revises its estimate of the number of equity instruments that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the Profit or Loss Account, and a corresponding adjustment is made to equity over the remaining vesting period. The fair value of the awards and ultimate expense are not adjusted on a change in market vesting conditions during the vesting period.

C. Leave pay

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the Statement of Financial Position date.

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

	2023 £'k	2022 £'k
Wages and salaries	**10,079**	8,988
Social security expenses	**1,276**	1,213
Contributions to defined contribution plans	**557**	508
Equity-settled share-based payment	**1,606**	1,603
Other employee expenses	**351**	224
Before adjustment for directly attributable claims expenses	**13,869**	12,536
Adjusted for:		
Reclassification of directly attributable claims expenses	**(4,146)**	(4,783)
Employee expenses	**9,723**	7,753

8. OPERATING EXPENSES continued

8.2. Number of employees

The table below analyses the average monthly number of persons employed by the Group's operations.

	2023	2022
Operations	129	123
Support	28	28
Total	**157**	151

8.3. Directors' remuneration

Amounts paid to Directors are disclosed within the Annual Report on Directors' Remuneration on pages 81 to 91.

8.4. Auditor's remuneration

The table below analyses the Auditor's remuneration in respect of the Group's operations.

	2023 £'k	2022 £'k
Audit of these financial statements	195	180
Audit of financial statements of subsidiaries of the Group	251	175
Audit fees in relation to IFRS 17 transition	190	85
Total audit fees	**636**	440
Fees for non-audit services – Audit-related assurance services	105	79
Fees for non-audit services – Other non-audit services	–	–
Total non-audit fees	**105**	79
Total auditor remuneration	**741**	519

The above fees exclude irrecoverable VAT of 20%.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of owned and leased assets that do not meet the definition of investment property.

	2023 £'k	2022 £'k
Owner-occupied property	**3,600**	3,825
Office equipment	**652**	32
IT equipment	**136**	139
Total	**4,388**	3,996

ACCOUNTING POLICY

A. Owner-occupied property

Owner-occupied properties are held by the Group for use in the supply of services or, for its own administration purposes.

Owner-occupied property is held at fair value. Increases in the carrying amount of owner-occupied properties as a result of revaluations are credited to other comprehensive income and accumulated in a revaluation reserve in equity. To the extent that a revaluation increase reverses a revaluation decrease that was previously recognised as an expense in Profit or Loss, such increase is credited to income in Profit or Loss. Decreases in valuation are charged to Profit or Loss, except to the extent that a decrease reverses the existing accumulated revaluation reserve and therefore such a decrease is recognised in other comprehensive income.

A fair value assessment of the owner-occupied property is undertaken at each reporting date with any material changes in fair value recognised. Valuation is at highest and best use. Owner-occupied property is also revalued by an external qualified surveyor, at least every three years. UK properties do not have frequent and volatile fair value changes and as such, more frequent revaluations are considered unnecessary, as only insignificant changes in fair value is expected.

Owner-occupied land is not depreciated. As the depreciation of owner-occupied buildings is immaterial and properties are revalued every three years by an external qualified surveyor, no depreciation is charged on owner-occupied buildings.

B. Office and IT equipment

Office and IT equipment are stated at historical cost less accumulated depreciation and impairment charges. Historical cost includes expenditure that is directly attributable to the acquisition of property and equipment.

Depreciation is calculated on the difference between the cost and residual value of the asset and is charged to the Profit or Loss Account over the estimated useful life of each significant part of an item of fixtures, fittings and computer equipment, using the straight-line basis.

Change in accounting estimate – useful lives

The Group previously estimated the useful lives of Office and IT equipment to be five years. From 1 January 2023 the Group changed the estimate for assets purchased from 2023 onwards. The new estimate useful lives are disclosed below. All assets purchased in prior years will continue to be depreciated over five years and the change will have no impact on the depreciation charge in future years of these assets.

Estimate useful lives are as follows:

Office equipment	3 to 10 years (Assets purchased prior to 2023: 5 years)
Computer equipment	3 to 5 years (Assets purchased prior to 2023: 5 years)

The assets' residual values and useful lives are reviewed at each Statement of Financial Position date and adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are included in Profit or Loss before tax.

Repairs and maintenance costs are charged to the Profit or Loss Account during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits from the renovations will flow to the Group.

9. PROPERTY, PLANT AND EQUIPMENT continued

	Owner-occupied £'k	Office equipment £'k	IT equipment £'k	Total £'k
Cost/Valuation				
At 1 January 2023	**4,250**	**41**	**409**	**4,700**
Additions/Improvements	**908**	**679**	**78**	**1,665**
Disposals	**–**	**–**	**–**	**–**
Revaluation	**(800)**	**–**	**–**	**(800)**
At 31 December 2023	**4,358**	**720**	**487**	**5,565**
Accumulated depreciation and impairment				
At 1 January 2023	**425**	**9**	**270**	**704**
Depreciation charge for the year	**–**	**59**	**81**	**140**
Disposals	**–**	**–**	**–**	**–**
Impairment losses on revaluation	**333**	**–**	**–**	**333**
At 31 December 2023	**758**	**68**	**351**	**1,177**
Carrying amount				
As at 31 December 2023	**3,600**	**652**	**136**	**4,388**

	Owner-occupied £'k	Office equipment £'k	IT equipment £'k	Total £'k
Cost/Valuation				
At 1 January 2022	4,250	240	848	5,338
Additions/Improvements	–	27	11	38
Disposals	–	(226)	(450)	(676)
Revaluation	–	–	–	–
At 31 December 2022	4,250	41	409	4,700
Accumulated depreciation and impairment				
At 1 January 2022	425	218	629	1,272
Depreciation charge for the year	–	17	91	108
Disposals	–	(226)	(450)	(676)
Impairment losses on revaluation	–	–	–	–
At 31 December 2022	425	9	270	704
Carrying amount				
As at 31 December 2022	3,825	32	139	3,996

All items disposed were either donated to charity or recycled at £NIL.

9. PROPERTY, PLANT AND EQUIPMENT continued

The Group holds two owner-occupied properties, Sabre House and The Old House, which are both managed by the Group. In accordance with the Group's accounting policies, owner-occupied buildings are not depreciated. The properties are measured at fair value which is arrived at on the basis of a valuation carried out on 16 October 2023 by Hurst Warne and Partners LLP. The valuation was carried out on an open-market basis in accordance with the Royal Institution of Chartered Surveyors' requirements, which is deemed to equate to fair value. While transaction evidence underpins the valuation process, the definition of market value, including the commentary, in practice requires the valuer to reflect the realities of the current market. In this context valuers must use their market knowledge and professional judgement and not rely only upon historical market sentiment based on historical transactional comparables.

The fair value of the owner-occupied properties was derived using the investment method supported by comparable evidence. The significant non-observable inputs used in the valuations are the expected rental values per square foot and the capitalisation rates. The fair value of the owner-occupied properties valuation would increase (decrease) if the expected rental values per square foot were to be higher (lower) and the capitalisation rates were to be lower (higher).

The fair value measurement of owner-occupied properties of £3,600k (2022: £3,825k) has been categorised as a Level 3 fair value based on the non-observable inputs to the valuation technique used.

The following table shows reconciliation to the closing fair value for the Level 3 owner-occupied property at valuation:

Owner-occupied	**2023 £'k**	2022 £'k
At 1 January	**3,825**	3,825
Additions/Improvements	**908**	–
Revaluation losses	**(800)**	–
Impairment losses	**(333)**	–
At 31 December	**3,600**	3,825

The fair value of owner-occupied includes a revaluation reserve of £NIL (2022: £800k) (excluding tax impact) and is not distributable.

Revaluation losses are charged against the related revaluation reserve to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same asset. Any additional losses are charged as an impairment loss in the Profit or Loss Account. Reversal of such impairment losses in future periods will be credited to the Profit or Loss Account to the extent losses were previously charged to the Profit or Loss Account.

The table below shows the impact a 15% decrease in property markets will have on the Group's profit after tax and equity:

	Decrease in profit after tax		Decrease In total equity	
	2023 £'k	2022 £'k	**2023 £'k**	2022 £'k
Owner-occupied property				
Impact of a 15% decrease in property markets	**(309)**	(131)	**(309)**	(465)

Historical cost model values

If owner-occupied properties were carried under the cost model (historical costs, less accumulated depreciation and impairment losses), the value of owner-occupied properties in the balance sheet would have been £3,349k (2022: £2,816k).

10. INCOME TAX EXPENSE

ACCOUNTING POLICY

The income tax expense in the Profit or Loss Account is based on the taxable profits for the year. It is Group policy to relieve profits where possible by the surrender of losses from Group companies with payment for value.

	2023 £'k	2022 £'k
Current taxation		
Charge for the year	**4,444**	2,645
	4,444	2,645
Deferred taxation (Note 11)		
Origination and reversal of temporary differences	**1,104**	297
	1,104	297
Current taxation	**4,444**	2,645
Deferred taxation (Note 11)	**1,104**	297
Income tax expense for the year	**5,548**	2,942

Tax recorded in Other Comprehensive Income is as follows:

	2023 £'k	2022 £'k
Current taxation	**31**	–
Deferred taxation	**599**	(1,054)
	630	(1,054)

The actual income tax expense differs from the expected income tax expense computed by applying the standard rate of UK corporation tax of 23.50% (2022: 19.00%) as follows:

	2023 £'k	2022 £'k
Profit before tax	**23,613**	14,020
Expected income tax expense	**5,548**	2,664
Effect of:		
Expenses not deductible for tax purposes	**12**	9
Adjustment of deferred tax to average rate of 25%	**(1)**	56
Adjustment in respect of prior periods	**–**	9
Income/loss not subject to UK taxation	**–**	6
Other Income Tax Adjustments	**(11)**	198
Income tax expense for the year	**5,548**	2,942
Effective income tax rate	**23.50%**	20.98%

11. DEFERRED TAX

ACCOUNTING POLICY

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

	Provisions and other temporary differences	Depreciation in excess of capital allowances £'k	Share-based payments £'k	Fair value movements in debt securities at FVOCI £'k	Movement in insurance finance reserve £'k	Total £'k
At 1 January 2022	19	(26)	233	594	814	1,634
(Debit)/Credit to the Profit or Loss	(19)	6	20	(6)	(298)	(297)
(Debit)/Credit to Other Comprehensive Income	–	–	–	3,563	(2,509)	1,054
At 31 December 2022	–	(20)	253	4,151	(1,993)	2,391
(Debit)/Credit to the Profit or Loss	**–**	**(160)**	**215**	**(6)**	**(1,153)**	**(1,104)**
(Debit)/Credit to Other Comprehensive Income	**–**	**–**	**–**	**(2,149)**	**1,550**	**(599)**
At 31 December 2023	**–**	**(180)**	**468**	**1,996**	**(1,596)**	**688**

	2023 £'k	2022 £'k
Per Statement of Financial Position:		
Deferred tax assets	**2,464**	4,404
Deferred tax liabilities	**(1,776)**	(2,013)
	688	**2,391**

From 1 April 2023, The Finance Act 2021 increased the UK corporation tax rate from 19% to 25%. This means that for any temporary differences expected to reverse on or after 1 April 2023, the new tax rate of 25% will be relevant. The Group has adjusted deferred tax balances accordingly. The net impact of this adjustment on the deferred tax balances is not material.

12. DIVIDENDS

ACCOUNTING POLICY

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividend is approved.

	2023 pence per share	2023 £'k	2022 pence per share	2022 £'k
Amounts recognised as distributions to equity holders in the period				
Interim dividend for the current year	**0.9**	**2,238**	2.8	6,960
Final dividend for the prior year	**1.7**	**4,228**	9.3	23,172
	2.6	**6,466**	12.1	30,132
Proposed dividends				
Final dividend (1)	**8.1**	**20,250**	1.7	4,250

(1) Subsequent to 31 December 2023, the Directors declared a final dividend for 2023 of 8.1p per ordinary share subject to approval at Annual General Meeting. This dividend will be accounted for as an appropriation of retained earnings in the year ended 31 December 2023 and is not included as a liability in the Statement of Financial Position as at 31 December 2023.

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 year ended 31 December 2023 by £34k (2022: £118k).

13. OTHER ASSETS

	2023 £'k	2022 £'k
Prepayments and accrued income	**774**	1,278
Total	**774**	1,278

The carrying value of other assets approximates to fair value. There are no amounts expected to be recovered more than 12 months after the reporting date.

14. GOODWILL

ACCOUNTING POLICY

Goodwill has been recognised in acquisitions of subsidiaries and represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses.

Impairment of goodwill

The Group perform an annual impairment review which involves comparing the carrying amount to the estimated recoverable amount and recognising an impairment loss if the recoverable amount is lower than the carrying amount. Impairment losses are recognised through the Profit or Loss Account and are not subsequently reversed.

The recoverable amount is the greater of the fair value of the asset less costs to sell and the value in use.

The value in use calculations use cash flow projections based on financial budgets approved by management.

On 3 January 2014 the Group acquired Binomial Group Limited, the parent of Sabre Insurance Company Limited, for a consideration of £245,485k satisfied by cash. As from 1 January 2014, the date of transition to IFRS, goodwill was no longer amortised but is subject to annual impairment testing. Impairment testing involves comparing the carrying value of the net assets and goodwill against the recoverable amount.

The goodwill recorded in respect of this transaction at the date of acquisition was £156,279k. There has been no impairment to goodwill since this date, and no additional goodwill has been recognised by the Group.

The Group performed its annual impairment test as at 31 December 2023 and 31 December 2022. The Group considers the relationship between the Group's market capitalisation and the book value of its subsidiary undertakings, among other factors, when reviewing for indicators of impairment.

Key assumptions

The valuation uses fair value less cost to sell. The key assumption on which the Group has based this value is:

The market capitalisation of the Group as at 31 December 2023 of £378,500k (31 December 2022: £266,000k).

The Directors concluded that the recoverable amount of the business unit would remain in excess of its carrying value even after reasonably possible changes in the key inputs and assumptions affecting its market value, such as a significant fall in demand for its products or a significant adverse change in the volume of claims and increase in other expenses, before the recoverable amount of the business unit would reduce to less than its carrying value. Therefore, the Directors are of the opinion that there are no indicators of impairment as at 31 December 2023.

15. SHARE CAPITAL

	2023 £'k	2022 £'k
Authorised share capital		
250,000,000 Ordinary Shares of £0.001 each	**250**	250
Issued Ordinary Share capital (fully paid up):		
250,000,000 Ordinary Shares of £0.001 each	**250**	250

All shares are unrestricted and carry equal voting rights.

As at 31 December 2023, The Sabre Insurance Group Employee Benefit Trust held 1,589,250 (2022: 1,431,576) of the 250,000,000 issued Ordinary Shares with a nominal value of £1,589.25 (2022: £1,431.58) in connection with the operation of the Group's share plans. Refer to Notes 16 and 17 for additional information on own shares held.

16. SHARE-BASED PAYMENTS

The Group operates equity-settled share-based schemes for all employees in the form of a Long Term Incentive Plan ("LTIP"), Deferred Bonus Plan ("DBP") and Share Incentive Plans ("SIP"), including Free Shares and Save As You Earn ("SAYE"). The shares are in the ultimate Parent Company, Sabre Insurance Group plc.

	Shares bought/(sold) on open market		
	Number of shares	Average price (pence)	£
As at 31 December 2021	843,725	267.463	2,256,652
Shares purchased	807,981	141.293	1,141,621
Shares disposed	–	–	–
Shares vested	(220,130)	267.463	(588,766)
As at 31 December 2022	1,431,576	196.253	2,809,507
Shares purchased	**435,758**	**145.021**	**631,940**
Shares disposed	**–**	**–**	**–**
Shares vested	**(278,084)**	**115.401**	**(320,912)**
As at 31 December 2023	**1,589,250**	**196.353**	**3,120,534**

In thousands	£'k
31 December 2022	2,810
31 December 2023	**3,121**

The Group recognised a total expense in the Profit or Loss for the year ended 31 December 2023 of £1,606k (2022: £1,603k), relating to equity-settled share-based plans.

Long Term Incentive Plan ("LTIP")

The LTIP is a discretionary share plan, under which the Board may grant share-based awards ("LTIP Awards") to incentivise and retain eligible employees.

LTIP Awards – Awards with performance conditions

From 2021 the Group no longer issues awards under the LTIP Awards with performance conditions, but instead issues RSAs. Shares granted under the 2020 LTIP did not meet the required performance measures and shares granted under the plan were forfeited in 2023.

LTIP Awards – Restricted Share Awards ("RSAs")

From 2021 the Group no longer issues awards under the LTIP Awards with performance conditions, but instead issues RSAs.

The RSAs are structured as nil-cost rewards, to receive free shares on vesting. Shares will normally vest three years after grant date, subject to continued employment and the satisfaction of pre-determined underpins. Awards are also subject to an additional two-year holding period, so that the total time prior to any potential share sale (except to meet any tax liabilities arising from the award) will generally be five years.

The total number of shares awarded under the scheme was 1,244,964 (2022: 540,574) with an estimated fair value at grant date of £1,484k (2022: £1,238k) The fair value is based on the closing share price on the grant date.

Future dividends are accrued separately and are not reflected in the fair value of the grant.

16. SHARE-BASED PAYMENTS continued

The table below details the movement in the RSA:

	Number of shares	Weighted Average Exercise Price
Outstanding at 1 January 2022	441,684	NIL
Granted	540,574	NIL
Forfeited	–	NIL
Vested	–	NIL
Outstanding at 31 December 2022	982,258	NIL
Granted	**1,244,964**	**NIL**
Forfeited	**–**	**NIL**
Vested	**–**	**NIL**
Outstanding at 31 December 2023	**2,227,222**	**NIL**

The average unexpired life of RSAs is 1.4 years (2022: 1.4).

Deferred Bonus Plan ("DBP")

To encourage behaviour which does not benefit short-term profitability over longer-term value, Directors and some key staff were awarded shares in lieu of a bonus, to be deferred for two years, using the market value at the grant date. The total number of shares awarded under the scheme was NIL (2022: 171,234) with an estimate fair value of £NIL (2022: £404k). Of this award, the number of shares awarded to Directors and Persons Discharging Managerial Responsibilities ("PDMRs") was NIL (2022: 144,659) with an estimated fair value of £NIL (2022: £341k). Fair values are based on the share price at grant date. All shares are subject to a two-year service period and are not subject to performance conditions.

Future dividends are accrued separately and are not reflected in the fair value of the grant.

The DBP is recognised in the Profit or Loss Account on a straight-line basis over a period of two years from grant date.

Share Incentive Plans ("SIPs")

The Sabre SIPs provide for the award of free Sabre Insurance Group plc shares, Partnership Shares (shares bought by employees under the matching scheme), Matching Shares (free shares given by the employer to match partnership shares) and Dividend Shares (shares bought for employees with proceeds of dividends from partnership shares). The shares are owned by the Employee Benefit Trust to satisfy awards under the plans. These shares are either purchased on the market and carried at fair value or issued by the Parent Company to the trust.

Matching Shares

The Group has a Matching Shares scheme under which employees are entitled to invest between £10 and £150 each month through the share trust from their pre-tax pay. The Group supplements the number of shares purchased by giving employees 1 free matching share for every 3 shares purchased up to £1,800. Matching shares are subject to a three-year service period before the matching shares are awarded. Dividends are paid on shares, including matching shares, held in the trust by means of dividends shares. The fair value of such awards is estimated to be the market value of the awards on grant date.

In the year ended 31 December 2023, 16,017 (2022: 12,317) matching shares were granted to employees with an estimated fair value of £24k (2022: £13k).

As at 31 December 2023, 40,940 (2022: 28,826) matching shares were held on behalf of employees with an estimated fair value of £62k (2022: £31k). The average unexpired life of Matching Share awards is 1.8 years (2022: 1.5 years).

16. SHARE-BASED PAYMENTS continued

Save as You Earn ("SAYE")

The SAYE scheme allows employees to enter into a regular savings contract of between £5 and £500 per month over a three-year period, coupled with a corresponding option over shares. The grant price is equal to 80% of the quoted market price of the shares on the invitation date. The participants of the SAYE scheme are not entitled to dividends and therefore dividends are excluded from the valuation of the SAYE scheme.

Estimated fair value of options at grant date:
SAYE 2021: 55 pence
SAYE 2022: 40 pence
SAYE 2023: 49 pence

The following table lists the inputs to the Black-Scholes model used to value the awards granted in respect of the 2023 SAYE scheme.

	2023 SAYE
Share price at grant date	**124.2 pence**
Expected term	**3 years**
Expected volatility(1)	**59.4%**
Continuously compounded risk-free rate	**1.5%**
Continuously compounded dividend yield	**6%**
Strike price at grant date	**85.1 pence**

(1) Volatility has been estimated using the historical daily average volatility of the share price of the Group for the year immediately preceding the grant date.

The table below details the movement in the SAYE scheme:

	Number of shares	Weighted Average Exercise Price
Outstanding at 1 January 2022	347,177	2.08
Granted	166,146	1.81
Forfeited	(163,092)	NIL
Vested	–	NIL
Outstanding at 31 December 2022	350,231	2.00
Granted	**768,616**	**0.85**
Forfeited	**(260,442)**	**NIL**
Vested	**–**	**NIL**
Outstanding at 31 December 2023	**858,405**	**1.33**

The average unexpired life of SAYE scheme is 1.5 years (2022: 1.5)

17. RESERVES

Own shares

Sabre Insurance Group plc established an Employee Benefit Trust ("EBT") in 2017 in connection with the operation of its share plans. The investment in own shares as at 31 December 2023 was £3,121k (2022: £2,810k). The market value of the shares in the EBT as at 31 December 2023 was £2,422k (£1,523k).

Merger reserve

Sabre Insurance Group plc was incorporated as a limited company on 21 September 2017. On 11 December 2017, immediately prior to the Group's listing on the London Stock Exchange, Sabre Insurance Group plc acquired the entire share capital of the former ultimate Parent Company of the Group, Barbados TopCo Limited ("TopCo"). As a result, Sabre Insurance Group plc became the ultimate parent of the Sabre Insurance Group. The merger reserve resulted from this corporate reorganisation.

FVOCI reserve

The FVOCI reserve records the unrealised gains and losses arising from changes in the fair value of debt securities at FVOCI. The movements in this reserve are detailed in the Consolidated Statement of Comprehensive Income.

Revaluation reserve

The revaluation reserve records the fair value movements of the Group's owner-occupied properties. Refer to Note 9 for more information on the revaluation of owner-occupied properties.

Insurance/Reinsurance finance reserve

The insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in Other Comprehensive Income.

Share-based payments reserve

The Group's share-based payments reserve records the value of equity-settled share-based payment benefits provided to the Group's employees as part of their remuneration that has been charged through the income statement. Refer to Note 16 for more information on share-based payments.

18. RELATED PARTY TRANSACTIONS

Sabre Insurance Group plc is the ultimate parent and ultimate controlling party of the Group. The following entities included below form the Group.

Name	Principal Business	Registered Address
Binomial Group Limited	Intermediate holding company	Sabre House, 150 South Street, Dorking, Surrey, United Kingdom, RH4 2YY
Sabre Insurance Company Limited	Motor insurance underwriter	Sabre House, 150 South Street, Dorking, Surrey, United Kingdom, RH4 2YY
Other controlled entities		
EBT – UK SIP	Trust	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
The Sabre Insurance Group EBT	Trust	Ocorian, 26 New Street, St Helier, Jersey, JE2 3RA

During the year ended 31 December 2023, the following related party companies have been dissolved/liquidated:

- Barbados TopCo Limited
- Barb IntermediateCo Limited
- Bard MidCo Limited
- Bard BidCo Limited
- Barb HoldCo Limited

No single party holds a significant influence (>20%) over Sabre Insurance Group plc.

Both Employee Benefit Trusts ("EBTs") were established to assist in the administration of the Group's employee equity-based compensation schemes. UK registered EBT holds the all-employee SIP. The Jersey-registered EBT holds the Long Term incentive Plan ("LTIP") and Deferred Bonus Plan ("DBP").

While the Group does not have legal ownership of the EBTs and the ability of the Group to influence the actions of the EBTs is limited to a trust deed, the EBT was set up by the Group with the sole purpose of assisting in the administration of these schemes, and is in essence controlled by the Group and therefore consolidated.

During the period ended 31 December 2023, the Group donated no shares to the EBTs (2022: NIL).

Key Management compensation

Key Management includes Executive Directors, Non-executive Directors and Directors of subsidiaries which the Group considers to be senior management personnel. Further details of Directors' shareholdings and remuneration can be found in the Annual Report on Directors' Remuneration on pages 81 to 91.

The aggregate amount paid to Directors during the year was as follows.

	2023	2022
Remuneration	**2,660**	1,894
Contributions to defined contribution pension scheme	**9**	7
Shares granted under LTIP	**912**	864
Total	**3,581**	2,765

19. EARNINGS PER SHARE

Basic earnings per share

	2023 After tax £'k	2023 Per share pence	2022 After tax £'k	2022 Per share pence
Profit for the year attributable to equity holders	**18,065**	**7.27**	11,078	4.45

Diluted earnings per share

	2023 After tax £'k	2023 Weighted average number of shares (000s)	2023 Per share pence
Profit for the year attributable to equity holders	**18,065**	**248,636**	**7.27**
Net share awards allocable for no further consideration		**2,201**	**(0.07)**
Total diluted earnings		**250,837**	**7.20**

	2022 After tax £'k	2022 Weighted average number of shares (000s)	2022 Per share pence
Profit for the year attributable to equity holders	11,078	248,865	4.45
Net share awards allocable for no further consideration		1,880	(0.03)
Total diluted earnings		250,745	4.42

20. EVENTS AFTER THE BALANCE SHEET DATE

Other than the declaration of a final dividend as disclosed in Note 12, 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.

Parent Company Statement of Financial Position

As at 31 December 2023

	Notes	2023 £'k	2022 £'k
Assets			
Cash and cash equivalents		**23**	861
Receivables [(1)]	2	**41**	3
Other assets [(1)]		**32**	211
Investments	3	**451,606**	450,000
Total assets		**451,702**	451,075
Liabilities			
Payables [(1)]	4	**–**	1,607
Other liabilities [(1)]		**380**	91
Total liabilities		**380**	1,698
Equity			
Share capital		**250**	250
Own shares		**(3,121)**	(2,810)
Merger reserve		**236,949**	236,949
Share-based payments reserve		**2,686**	2,407
Retained earnings		**214,558**	212,581
Total equity		**451,322**	449,377
Total equity and liabilities		**451,702**	451,075

No income statement is presented for Sabre Insurance Group plc as permitted by section 408 of the Companies Act 2006. The profit after tax of the Parent Company for the period was £7,437k (2022: £103,094k loss after tax).

The attached notes on pages 172 to 175 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 18 March 2024.

Signed on behalf of the Board of Directors by:

ADAM WESTWOOD
Chief Financial Officer

(1) The description of the line item has been updated. The change in description has had no impact on the components of the balances.
- Receivables (31 December 2022: Debtors)
- Other assets (31 December 2022: Prepayments)
- Payables (31 December 2022: Creditors: Amounts falling due within one year)
- Other liabilities (31 December 2022: Accruals)

Parent Company Statement of Changes in Equity

For the year ended 31 December 2023

	Ordinary shareholders' equity £'k	Own shares £'k	Merger reserve £'k	Share-based payments reserve £'k	Retained earnings £'k	**Total equity £'k**
Balance as at 31 December 2021	250	(2,257)	369,515	1,841	212,794	582,143
Profit for the period attributable to the owners of the Company	–	–	–	–	(103,094)	(103,094)
Merger reserve transfer	–	–	(132,566)	–	132,566	–
Share-based payment expense	–	–	–	566	447	1,013
Net movement in own shares	–	(553)	–	–	–	(553)
Dividends paid	–	–	–	–	(30,132)	(30,132)
Balance as at 31 December 2022	250	(2,810)	236,949	2,407	212,581	449,377
Profit for the period attributable to the owners of the Company	**–**	**–**	**–**	**–**	**7,437**	**7,437**
Share-based payment expense	**–**	**–**	**–**	**279**	**1,006**	**1,285**
Net movement in own shares	**–**	**(311)**	**–**	**–**	**–**	**(311)**
Dividends paid	**–**	**–**	**–**	**–**	**(6,466)**	**(6,466)**
Balance as at 31 December 2023	**250**	**(3,121)**	**236,949**	**2,686**	**214,558**	**451,322**

Parent Company Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 £'k	2022 £'k
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		**7,437**	(103,094)
Adjustments for:			
Impairment of subsidiary		**–**	132,566
Operating cash flows before movements in working capital		**7,437**	29,472
Movements in working capital:			
Change in receivables		**(38)**	124
Change in other assets		**179**	(7)
Change in payables		**(1,607)**	1,607
Change in other liabilities		**289**	24
Net cash generated from operating activities		**6,260**	31,220
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in acquiring and disposing of own shares		**(632)**	(1,142)
Dividends paid		**(6,466)**	(30,132)
Net cash used by financing activities		**(7,098)**	(31,274)
Net decrease in cash and cash equivalents		**(838)**	(54)
Cash and cash equivalents at the beginning of the year		**861**	915
Cash and cash equivalents at the end of the year		**23**	861

Notes To The Parent Company Financial Statements

For the year ended 31 December 2023

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Consolidated and Company Financial Statements are included in the specific notes to which they relate. These policies have been consistently applied to all the years presented, unless otherwise indicated.

1.1. Basis of preparation

These financial statements present the Sabre Insurance Group plc Company financial statements for the period ended 31 December 2023, comprising the Parent Company Statement of Financial Position, Parent Company Statement of Changes in Equity, Parent Company Statement of Cash Flows, and related notes.

The financial statements of the Company have been prepared in accordance with UK-adopted international accounting standards, comprising International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS"), and the requirements of the Companies Act 2006. Endorsement of accounting standards is granted by the UK Endorsement Board ("UKEB").

In accordance with the exemption permitted under section 408 of the Companies Act 2006, the Company's Profit or Loss Account and related notes have not been presented in these separate financial statements.

The financial statements are 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 financial statements values are presented in pounds sterling (£) rounded to the nearest thousand (£'k), unless otherwise indicated.

The accounting policies that are used in the preparation of these separate financial statements are consistent with the accounting policies used in the preparation of the consolidated financial statements of Sabre Insurance Group plc as set out in those financial statements.

As permitted by section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the Parent Company is not presented. The additional accounting policies that are specific to the separate financial statements of the Company are set out below.

Notes to the Parent Company Financial Statements continued

2. RECEIVABLES

	2023 £'k	2022 £'k
Due within one year		
Amounts due from Group undertakings	**14**	–
Other debtors	**27**	3
As at 31 December	**41**	3

3. INVESTMENTS

The Company's financial assets are summarised below:

	2023 £'k	2022 £'k
Investment in subsidiary undertakings	**451,606**	450,000
Total	**451,606**	450,000

3.1. Investment in subsidiary undertakings

ACCOUNTING POLICY – INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Investment in subsidiaries is stated at cost less any impairment.

	2023 £'k	2022 £'k
As at 1 January	**450,000**	580,963
Additions	**1,606**	1,603
Impairment	**–**	(132,566)
As at 31 December	**451,606**	450,000

The only operating insurance subsidiary of the Company is Sabre Insurance Company Limited, from which the value of the Group is wholly derived, as there are no other trading entities within the Group. The Company performed its annual impairment test as at 31 December 2023 and 31 December 2022. The Company considers the relationship between the Group's market capitalisation and the book value of its subsidiary undertakings, among other factors, when reviewing for indicators of impairment. As at 31 December 2023 and 31 December 2022, the Company's securities were traded on a liquid market, therefore market capitalisation could be used as an indicator of value.

Having carried out this assessment the Board concluded, on the basis of the cautious assumptions outlined below, that the value in use is higher than the current

3. INVESTMENTS continued

3.1. Investment in subsidiary undertakings continued

carrying value of the investment in subsidiary and no impairment is necessary.

Key assumptions

We have used a dividend discount model to estimate the value in use, wherein dividend payments are discounted to the present value. Dividends have been estimated, based on forecasted financial information, over a four-year forecast period, with a terminal growth rate applied. The key assumptions used in the preparation of future cash flows are: plan-period financial performance, dividend payout ratio, long-term growth rates and discount rate.

The key assumptions used in the calculation for the value in use is set out below:

– Plan period financial performance set in line with the Group's expectations
– Dividend payout ratio in line with the Group's strategy
– Long-term growth rate beyond the plan period of 2%
– Discount rate of 8.4%, being a calculated cost of capital using market rate returns of Sabre and comparable insurers

These calculations use post-tax cash flow projections based on the Group's capital models. As the value in use exceeds the carrying amount, the recoverable amount remains supportable.

The Group has conducted sensitivity testing to the recoverable amount, in order to understand the relevance of these various factors in arriving at the value in use.

– Dividend within the plan period – To assess the impact of reasonable changes in performance on our base case impairment analysis and headroom, we flexed the dividend within the plan period by +10% and -10%. In doing so, the value in use varied by approximately 16% around the central scenario.
– Long-term growth rate – To assess the impact of reasonable changes in the long-term growth rate on our base case impairment analysis and headroom, we flexed the long-term growth rate by +1% and -1%. In doing so, the value in use varied by approximately 8% around the central scenario.
– Discount rate – To assess the impact of reasonable changes in the dividend payout ratio on our base case impairment analysis and headroom, we flexed the average discount rate by +2% and -2%. In doing so, the value in use varied by approximately 23% around the central scenario.

In all these scenarios there is material headroom over the carrying value of the investment in subsidiary.

Name of subsidiary	Place of incorporation	Principal activity
Directly held by the Company		
Binomial Group Limited	United Kingdom	Intermediate holding company
Indirectly held by the Company		
Sabre Insurance Company Limited	United Kingdom	Motor insurance underwriter

Notes to the Parent Company Financial Statements continued

The registered office of each subsidiary is disclosed within Note 18 of the consolidated Group accounts.

4. PAYABLES

	2023 £'k	2022 £'k
Due within one year		
Amounts due to Group undertakings	–	1,607
As at 31 December	–	1,607

5. SHARE CAPITAL AND RESERVES

Full details of the share capital and the reserves of the Company are set out in Note 15 and Note 17 to the consolidated financial statements.

6. DIVIDEND INCOME

ACCOUNTING POLICY – DIVIDEND INCOME

Dividend income from investment in subsidiaries is recognised when the right to receive payment is established.

7. RELATED PARTY TRANSACTIONS

Sabre Insurance Group plc, which is incorporated in the United Kingdom and registered in England and Wales, is the ultimate parent undertaking of the Sabre Insurance Group of companies.

The following balances were outstanding with related parties at year end:

	2023 £'k	2022 £'k
Due from		
Sabre Insurance Company Limited	**14**	(1,607)
Total	**14**	(1,607)

The outstanding balance represents cash transactions effected by Sabre Insurance Company Limited on behalf of its Parent Company, and will be settled within one year.

8. SHARE-BASED PAYMENTS

Full details of share-based compensation plans are provided in Note 16 to the consolidated financial statements.

9. RISK MANAGEMENT

The risks faced by the Company, arising from its investment in subsidiaries, are considered to be the same as those presented by the operations of the Group. Details of the key risks and the steps taken to manage them are disclosed in Note 2 to the Consolidated Financial Statements.

10. DIRECTORS' AND KEY MANAGEMENT REMUNERATION

The Directors and key management of the Group and the Company are the same. The aggregate emoluments of the Directors and the remuneration and pension benefits payable in respect of the highest paid Director are included in the Directors' Remuneration Report in the Governance section of the Annual Report and Accounts.

Financial Reconciliations

As at 31 December 2023

GROSS WRITTEN PREMIUM

	2023 £'k	2022 £'k
Insurance revenue	**188,246**	181,476
Less: Instalment income	**(3,738)**	(3,300)
Less: Movement in unearned premium	**40,590**	(6,919)
Gross written premium	**225,098**	171,257

NET LOSS RATIO

	2023 £'k	2022 £'k
Insurance service expense	**139,497**	126,607
Less: Amortisation of insurance acquisition cash flows	**(14,057)**	(12,942)
Less: Amounts recoverable from reinsurers for incurred claims	**(31,532)**	(6,304)
Less: Directly attributable claims expenses	**(6,085)**	(6,210)
Net claims incurred	**87,823**	101,151
Insurance revenue	**188,246**	181,476
Less: Instalment income	**(3,738)**	(3,300)
Less: Reinsurance expense	**(28,506)**	(24,958)
Net earned premium	**156,002**	153,218
Net claims incurred	**87,823**	101,151
Net earned premium	**156,002**	153,218
Net loss ratio	**56.3%**	66.0%

Financial Reconciliations continued

EXPENSE RATIO

	2023 £'k	2022 £'k
Other operating expenses	**26,587**	22,815
Add: Amortisation of insurance acquisition cash flows	**14,057**	12,942
Add: Directly attributable claims expenses	**6,085**	6,210
Total operating expenses	**46,729**	41,967
Insurance revenue	**188,246**	181,476
Less: Instalment income	**(3,738)**	(3,300)
Less: Reinsurance expense	**(28,506)**	(24,958)
Net earned premium	**156,002**	153,218
Total operating expenses	**46,729**	41,967
Net earned premium	**156,002**	153,218
Expense ratio	**30.0%**	27.4%

COMBINED OPERATING RATIO

	2023 £'k	2022 £'k
Net loss ratio	**56.3%**	66.0%
Expense ratio	**30.0%**	27.4%
Combined operating ratio	**86.3%**	93.4%

UNDISCOUNTED NET LOSS RATIO

	2023 £'k	2022 £'k
Net claims incurred	**87,823**	101,151
Add: Net impact of discounting	**8,201**	7,593
Undiscounted net claims incurred	**96,024**	108,744
Net earned premium	**156,002**	153,218
Undiscounted net loss ratio	**61.6%**	71.0%

UNDISCOUNTED COMBINED OPERATING RATIO

	2023 £'k	2022 £'k
Undiscounted net loss ratio	**61.6%**	71.0%
Expense ratio	**30.0%**	27.4%
Undiscounted combined operating ratio	**91.6%**	98.4%

Financial Reconciliations continued

NET PROFIT MARGIN

	2023 £'k	2022 £'k
Net claims incurred	**87,823**	101,151
Total operating expenses	**46,729**	41,967
Total insurance expense	**134,552**	143,118
Insurance revenue	**188,246**	181,476
Less: Reinsurance expense	**(28,506)**	(24,958)
Net insurance revenue	**159,740**	156,518
Net profit margin	**15.8%**	8.6%

RETURN ON TANGIBLE EQUITY

	2023 £'k	2022 £'k
IFRS net assets at year end	**242,412**	228,988
Less:		
Goodwill at year end	**(156,279)**	(156,279)
Closing tangible equity	**86,133**	72,709
Opening tangible equity	**72,709**	93,797
Average tangible equity	**79,421**	83,253
Profit after tax	**18,065**	11,078
Return on tangible equity	**22.7%**	13.3%

SOLVENCY COVERAGE RATIO – PRE-DIVIDEND

	2023 £'k	2022 £'k	2021 £'k
Solvency II net assets	**121,099**	91,191	110,114
Solvency capital requirement	**58,998**	56,516	52,955
Solvency coverage ratio – pre-dividend	**205.3%**	161.4%	207.9%

SOLVENCY COVERAGE RATIO – POST-DIVIDEND

	2023 £'k	2022 £'k	2021 £'k
Solvency II net assets	**121,099**	91,191	110,114
Less: Interim/Final dividend	**(20,250)**	(4,250)	(23,250)
Solvency II net assets – post-dividend	**100,849**	86,941	86,864
Solvency capital requirement	**58,998**	56,516	52,955
Solvency coverage ratio – post-dividend	**170.9%**	153.8%	164.0%

Glossary

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 contacts, 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")
An entity's obligation to:

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

b) Pay amounts that are not included in (a) and that relate to:

   i. insurance contract services that have already been provided; or

   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

Glossary continued

Liability for remaining coverage ("LRC")
An entity's obligation to:

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

b) pay amounts under existing insurance contracts that are not included in (a) and that relate to:
   i. insurance contract services not yet provided (i.e. the obligations that relate to future provision of insurance contract services); or
   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

Net claims incurred
Net claims incurred is equal to gross claims incurred less amounts recovered from reinsurers.

Net earned premium ("NEP")
Gross earned premium ("GEP") less reinsurance expense.

Net insurance revenue
Insurance revenue less reinsurance expense

Net loss ratio ("NLR")
Net loss ratio measures net insurance claims, less claims handling expenses, relative to net earned premium expressed as a percentage.

Net profit margin ("NPM")
Net profit margin measures how much net profit is generated as a percentage of net insurance revenue.

Own Risk and Solvency Assessment ("ORSA")
An prospective assessment of the Group's risks and solvency capital requirements.

Periodic Payment Order ("PPO")
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.

Premium allocation approach ("PAA")
Method for measuring insurance contracts under IFRS 17 "Insurance Contracts"

Return on tangible equity
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.

Risk adjustment for non-financial risk
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.

Solvency capital ratio
The ratio of Own Funds (Solvency II capital) to Solvency Capital Requirement "SCR".

Solvency Capital Requirement ("SCR")
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.

The Group uses the Standard Formula to determine the SCR.

Shareholder Information

Shareholders

Shareholder profile as at 31 December 2023

Balance Ranges	Total Number of Holdings	Percentage of Holders	Total Number of Shares	% Issued Capital
1-100	10	3.52%	471	0.00%
101-1,000	33	11.62%	16,478	0.01%
1,001-10,000	60	21.13%	257,981	0.10%
10,001-100,000	60	21.13%	2,173,653	0.87%
100,001-1,000,000	76	26.76%	29,012,716	11.61%
1,000,001-999,999,999	45	18.84%	218,538,701	87.41%
Total	**284**	**100.00%**	**250,000,000**	**100.00%**

Party Type	No Of Holders	% of Holders within Type	Balance	% Issued Capital
Male	37	13.03%	341,826	0.14%
Female	12	4.23%	22,462	0.01%
Nominee	180	63.38%	207,407,164	82.96%
Bank	1	0.35%	72	0.00%
Limited Company	24	8.45%	31,674,462	12.67%
Other Organisation	30	10.56%	10,554,014	4.22%
Total	**284**	**100.00%**	**250,000,000**	**100.00%**

Party Type	No Of Holders	% of Holders within Type	Balance	% Issued Capital
Private Individuals	49	17.26%	364,288	0.15%
Nominee Companies	180	63.38%	207,407,164	82.96%
Limited & Public Limited Companies	24	8.45%	31,674,462	12.67%
Other Organisations & Banks	31	10.91%	10,554,086	4.22%
Total	**284**	**100.00%**	**250,000,000**	**100.00%**

Share Price

London Stock Exchange, pence per 0.01 pence share

Highest	165.4pence
Lowest	94.0pence

2024 Financial Calendar

Full Year Results	19 March 2024
Trading Update	23 May 2024
Annual General Meeting	23 May 2024
Half Year Results	30 July 2024
Trading Update	17 October 2024

2024 Dividend Calendar

2023 Final Dividend Payment Dates*	
Ex-dividend date	25 April 2024
Record date	26 April 2024
Payment date	5 June 2024

2024 Interim Dividend Payment Dates**	
Ex-dividend date	22 August 2024
Record date	23 August 2024
Payment date	25 September 2024

* Subject to shareholder approval

** Dates and dividend not yet finalised

Shareholder Queries

General shareholder queries

Enquiries relating to shareholdings, such as the transfer of shares, change of name or address, lost share certificates or dividend cheques, should be referred to the Company's Registrar at: Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Shareholder helpline is +44 (0)371 384 2030 and +44 (0)371 384 2255 (Mini Com). Lines are open 8.30am to 5.30pm, Monday to Friday, excluding Bank Holidays in England and Wales.

Registrar share dealing service

For telephone share dealing call 0345 603 7037 between 8.00am and 4.30pm, Monday to Friday.

For internet dealings log onto www.shareview.co.uk/dealing

Dividend mandates

Shareholders who wish dividends to be paid directly into a bank or building society should contact the Company's Registrar, Equiniti Limited, for a dividend mandate form. This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

Electronic communications

Shareholders can elect to receive shareholder documents electronically by registering with Shareview at www.shareview.co.uk. This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent an email notification to say when shareholder documents are available on our website and you will be provided with a link to that information. When registering you will need your shareholder reference number which can be found on your share certificate or proxy form. Please contact Equiniti Limited if you require any assistance or further information. Equiniti Limited's shareholder helpline is +44 (0)371 384 2030 and +44 (0)371 384 2255 (Mini Com). Lines are open 8.30am to 5.30pm, Monday to Friday, excluding Bank Holidays in England and Wales.

Cautionary note regarding forward-looking statements

This Annual Report includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules, Disclosure and Transparency Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date of this Annual Report.

Website

The corporate website address is

www.sabreplc.co.uk

The investor section of the website includes:

- Regulatory news
- Share price information
- Financial results announcements

Registered office

Sabre House
150 South Street
Dorking
Surrey
RH4 2YY

Registered in England and Wales. Registered number 10974661

Directors, advisers and other information

Directors

Rebecca Shelley – Chair

Geoff Carter

Ian Clark

Karen Geary

Bryan Joseph

Alison Morris

Adam Westwood

Company Secretary

Anneka Kingan

Auditor

PricewaterhouseCoopers LLP

7 More London Riverside, London, SE1 2RT

Company Brokers

Barclays Bank plc
1 Churchill Place, London, E14 5LB

Numis Securities Limited
45 Gresham St, London, EC2V 7BF

Peel Hunt LLP
100 Liverpool Street, London, EC2M 2AT

Principal Bankers

National Westminster Bank plc
250 Bishopgate, London, EC2M 4AA

Lloyds Bank plc
25 Gresham Street, London EC2V 7HN

Public Relations

Teneo Strategy Limited
5th Floor, 6 More London Place, London, SE1 2DA

Solicitors

Dickson Minto W.S.
16 Charlotte Square, Edinburgh, EH2 4DF

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