CHESNARA HY 2023 RESULTS

21 September 2023

Continued acquisition momentum drives economic value growth and positive cash generation

AGENDA FOR HY23 RESULTS PRESENTATION

OVERVIEW OF STRATEGIC DELIVERY	**STEVE MURRAY,** GROUP CHIEF EXECUTIVE OFFICER
FINANCIAL OUTCOMES, INCLUDING IFRS 17	**DAVID RIMMINGTON,** GROUP FINANCE DIRECTOR
AREAS OF FOCUS, OUTLOOK AND SUMMARY	**STEVE MURRAY,** GROUP CHIEF EXECUTIVE OFFICER

PRESENTERS

Steve Murray

Group Chief Executive Officer
> 20 years of industry experience

David Rimmington

Group Finance Director
> 25 years of industry experience

OVERVIEW OF STRATEGIC DELIVERY

Steve Murray

Group Chief Executive Officer

CHESNARA CONTINUES EXECUTING ITS RENEWED STRATEGY TO DELIVER GROWTH

1. **Delivery of sources of Economic Value growth, supporting sustainable long-term cash generation and shareholder dividends**

2. **Strong Solvency II position with high resilience to market volatility**

3. **Disciplined yet flexible M&A framework with proven track record of delivery, integration and growth**

4. **Experienced management team focused on sustainable shareholder value creation**

CONTINUED M&A MOMENTUM SUPPORTING FURTHER GROWTH

M&A

- COMPLETION OF THE ACQUISITION AND INTEGRATION OF CONSERVATRIX IN THE NETHERLANDS
- ACQUISITION OF A PROTECTION PORTFOLIO FROM CANADA LIFE IN THE UK ON 16 MAY 2023

RESULTS

- GROUP COMMERCIAL CASH GENERATION OF £22M
- STRONG SOLVENCY AT 205%, WELL ABOVE NORMAL OPERATING RANGE
- INCREASED ECV PER SHARE OF 347p (FY 2022: 340p)
- IMPROVED H1 2023 COMMERCIAL NEW BUSINESS PROFITS OF £6M
- IFRS(1) PROFIT BEFORE TAX OF £16M AND CSM(1)(2) INCREASE OF £54M
- 3% INTERIM DIVIDEND INCREASE, OUR 19TH YEAR OF CONSECUTIVE RISES

Notes:
(1) The IFRS numbers contained within this report are currently unaudited
(2) The contractual service margin (CSM) represents the future unearned profits of the insurance contracts

MATERIAL OPERATIONAL CHANGE DELIVERED

Chesnara

OPERATIONAL ACTIONS

- SIGNED A NEW LONG TERM, STRATEGIC PARTNERSHIP WITH SS&C TECHNOLOGIES IN THE UK WHICH ENHANCES SCALE AND CAPABILITY
- MOVE TO IFRS 17 REPORTING SUCCESSFULLY DELIVERED
- TRANSITION AND INTEGRATION ACTIVITY ON CASLP REMAINS ON TRACK WITH CONSERVATRIX INTEGRATION COMPLETE
- NEW SCILDON CEO AND UK CEO DESIGNATE[1] STARTED IN SEPTEMBER; MARKET SEARCH FOR MOVESTIC CEO UNDERWAY

SUSTAINABILITY

- WE ARE COMMITTED TO BECOMING A SUSTAINABLE CHESNARA
- OUR THREE TARGETS ARE: TO BE A NET ZERO EMITTER; TO INVEST IN POSITIVE SOLUTIONS; AND TO BE AN INCLUSIVE PLACE FOR ALL STAKEHOLDERS
- WE ARE PROGRESSING WELL WITH OUR 2023 OBJECTIVES AND DEVELOPING LONGER TERM PLANS TO MEET OUR TARGETS

Notes:
(1) Remains subject to regulatory approval

CONTINUED PROGRESS ON INTEGRATIONS AND TRANSITIONS

	CASLP	ROBEIN LEVEN	CONSERVATRIX	CANADA LIFE
Date of completion	April 2022	April 2022	January 2023	May 2023
Day 1 EcV gain	£15m Announcement: £9m	£6m Announcement: £3m	£22m[2] Announcement: £18m	£7m Announcement: £7m
Discount to EcV[1]	19%	21%	34%	44%
Steady state additional annual cash generation	£5m	Post acquisitions, Waard expected to generate c£8m per annum		£3m[3]
Closed book type	Unit linked[4]	Savings, mortgages and annuities	Savings, annuities and funeral products	Individual protection products
Update	Part VII expected to complete at the end of 2023	Integration into Waard now complete Conservatrix premiums restarted where customers want them		Part VII expected to complete in 2024
Integration status	**On track**	**Complete**	**Complete**	**On track**

Notes:
(1) Discount to EcV represents that which was quoted in the announcement. Conservatrix discount to EcV quoted as initial EcV gain estimate (£18m) divided by the gain plus the capital injection of £35m.
(2) This is £1m higher than we projected in the FY22 annual report and accounts
(3) £16m cash generation expected over the next five years
(4) CASLP onshore bond remains open to new business via third party platform

Integration is well under way with capacity to undertake more M&A

FINANCIAL OUTCOMES, INCLUDING IFRS 17

David Rimmington

Group Finance Director

MARKET CONTEXT & FINANCIAL HIGHLIGHTS

CASH GENERATION

SOLVENCY

GROWTH

IFRS

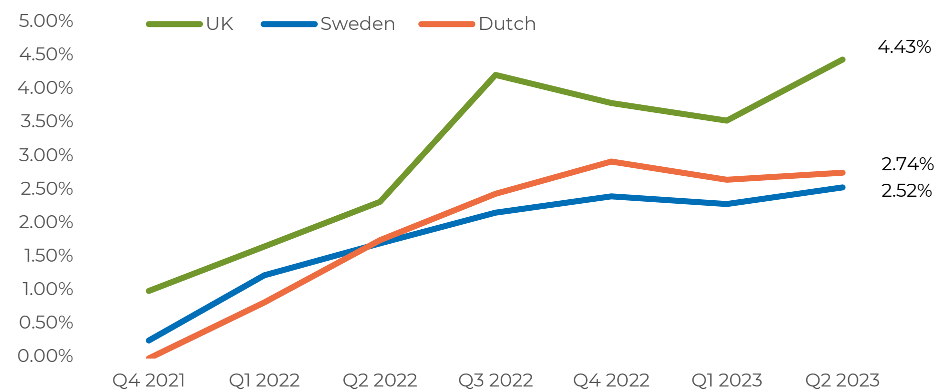
STEADY MARKET RECOVERY SEEN IN THE FIRST HALF OF THE YEAR

Chesnara

EQUITY MARKETS

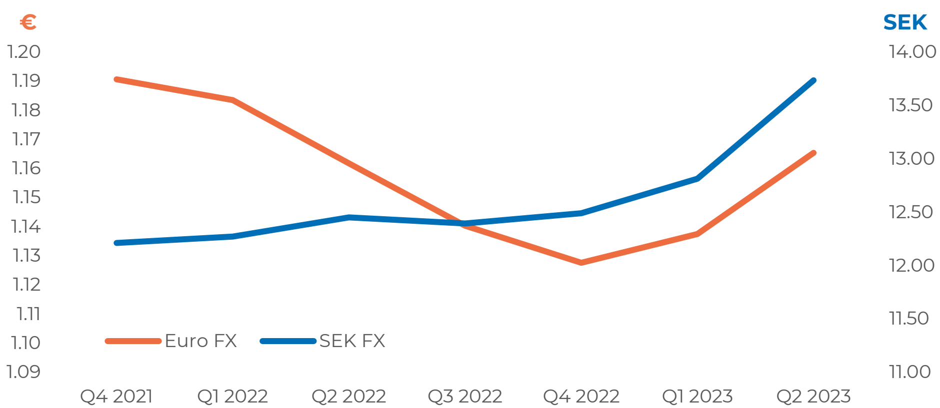
FTSE ALL SHARE	FTSE ALL WORLD	SWEDISH OMX ALL SHARE	NETHERLANDS AEX ALL SHARE
31 Dec 2022: 4,075	**31 Dec 2022:** 400	**31 Dec 2022:** 782	**31 Dec 2022:** 945
+1%	+13%	+8%	+10%
30 Jun 2023: 4,096	**30 Jun 2023:** 450	**30 Jun 2023:** 848	**30 Jun 2023:** 1,041

INTEREST RATES (10 YEAR)



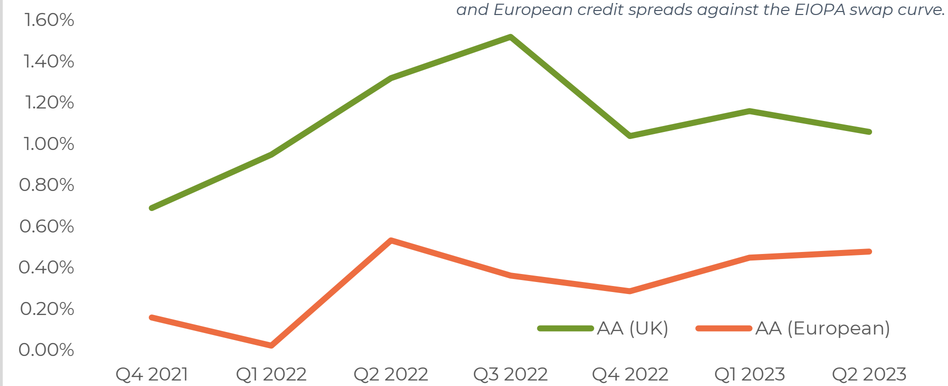
Reference is for the end of the quarter, therefore, Q4 2021 is the rate at 31 December 2021 etc.

FX RATES



CREDIT SPREADS

Reference is for the end of the quarter. Metrics relate to UK corporate bond yields and European credit spreads against the EIOPA swap curve.



The strengthening of the pound has resulted in some significant adverse FX movements over H1, partly offset by the FX hedge

MACRO ECONOMIC IMPACTS ON THE GROUP IN LINE WITH SENSITIVITIES

In 2022, we saw significant market turmoil generating a large economic loss over the course of the year. In the first half of 2023, there has been some market recovery, of which the key impacts are below:

MACRO	CASH GENERATION		ECV	IN LINE WITH SENSITIVITIES?[1]
Equities	With SA[2]: **+£2m**	Without SA[2]: **+£13m**	**+£20m**	✓
Bond yields	**+£12m**		**+£7m**	✓
Credit spreads	**+£2m**		**£0m**	✓
FX[3]	**£0m**		**(£20m)**	✓
Inflation	**(£2m)**		**(£2m)**	✓

Notes:
(1) The determination of whether the impact is in line with sensitivities assumes a level of tolerance.
(2) SA refers to the symmetric adjustment. The Solvency II capital requirement calculation includes an adjusting factor that reduces or increases the level of the equity capital required depending on historical market conditions. Following periods of market growth, the factor tends to increase the level of capital required and conversely, in falling markets the capital requirement becomes less onerous.
(3) Impacts include the benefit of the movement in fair value of the derivatives used to hedge FX retranslation.

We have seen some economic recovery in H1 2023 although adverse FX impacts have eroded an element of this growth

FINANCIAL HIGHLIGHTS

Financial performance			HY 2023	HY 2022
Dividends	Dividends per share		8.36p	8.12p
Cash generation[1]	Base	Divisional	£2.3m	£60.1m[3]
		Group	£11.1m	£21.9m
	Commercial	Divisional	£13.0m	£18.6m
		Group	£21.8m	£(3.0)m
IFRS[4]	Profit before tax		£16.0m	£(54.2)m[6]
	CSM[5] movement (new metric)		£54.2m	£6.0m
New business	Commercial new business profit		£6.3m	£4.6m
Financial position			**30 June 2023**	**31 December 2022**
Solvency	Solvency ratio		205%	197%
	Solvency surplus		£344.8m	£298.4m
Economic value	Economic value		£523.2m	£511.7m
	Economic value per share		£3.47	£3.40
Assets	Assets under management		£11.0bn	£10.6bn
IFRS	CSM[4] (new metric)		£157.0m	£102.9m
	Leverage ratio[2]		29.5%	30.3% (previously reported as 37.6%[2])

Notes:
(1) Base cash generation excludes day 1 impacts of acquisitions and day 1 tier 2 debt impacts. Commercial cash takes base cash and removes the symmetric adjustment impact and WP restriction changes.
(2) Leverage ratio is defined as 'debt' divided by 'net equity + debt + net of tax CSM', with the FY 2022 ratio being restated on an IFRS 17 basis and under the new calculation.
(3) The H1 2022 divisional cash result includes an impact of +£30.8m re the symmetric adjustment impact compared to -£10.6m in H1 2023.
(4) The IFRS numbers contained within this report are currently unaudited.
(5) The contractual service margin (CSM) represents the future unearned profits of the insurance contracts.
(6) IFRS loss before tax for FY 2022 has been restated under IFRS 17.

EcV growth and a solvency ratio of over 200% at the end of H1 2023 provide more capacity for M&A

MARKET CONTEXT & FINANCIAL HIGHLIGHTS

CASH GENERATION

SOLVENCY

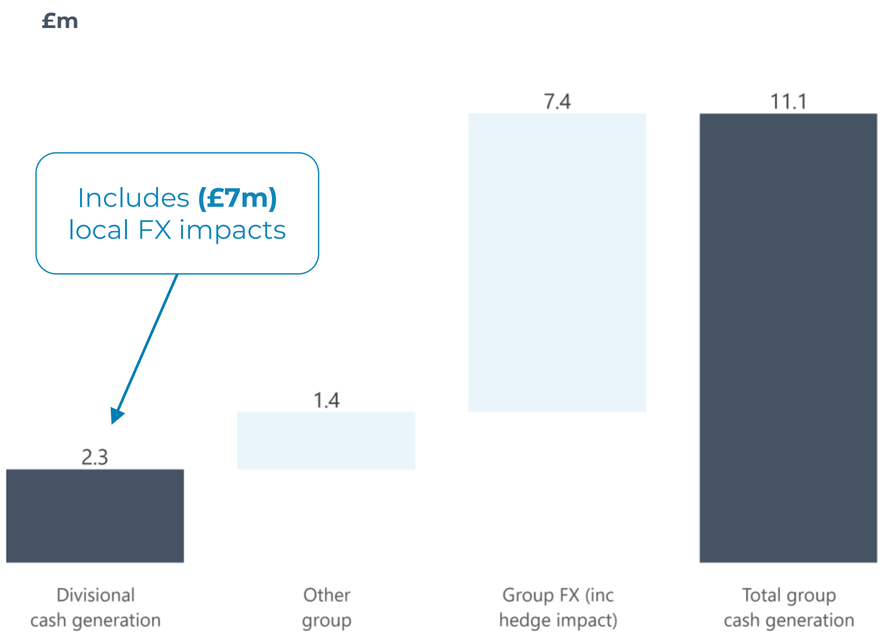
GROWTH

IFRS

Base cash (includes symmetric adjustment)	Commercial cash (excludes symmetric adjustment)

Base cash
(includes symmetric adjustment)

Divisional base cash of £2.3m (1)(4)

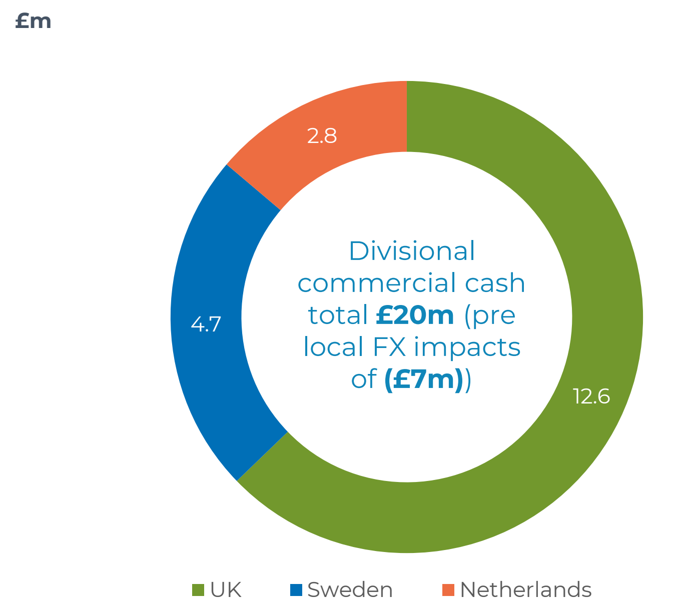


Group base £11.1m (3)(6)

Includes the impact of the symmetric adjustment (£11m)

Commercial cash
(excludes symmetric adjustment)

Divisional commercial cash of £13.0m (1)(2)(5)



Group commercial £21.8m (2)(3)(6)

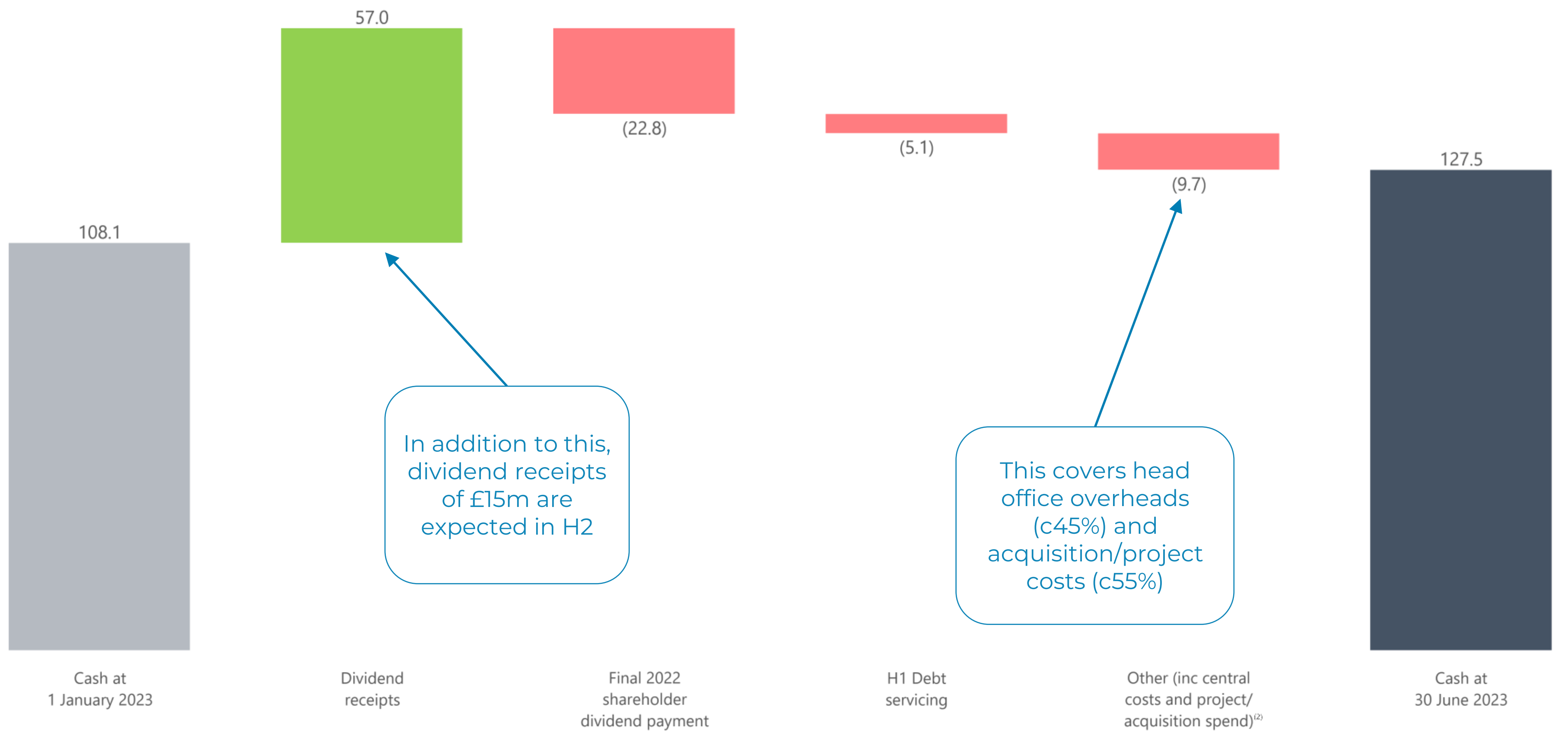
Excludes the impact of the symmetric adjustment (£11m)

Notes:
(1) Divisional cash generation excludes: 'Chesnara and other activities' and all acquisition impacts
(2) Definition of commercial cash generation included in section D of the financial statements
(3) Excluding the day 1 impact of acquisitions
(4) **Base divisional** results best illustrate the level of dividend paying potential that has emerged in the period
(5) **Commercial divisional** total better reflects how effective the businesses have been at generating surplus from operations
(6) **Group** totals are more relevant if we are focusing on the headline solvency movements

Group commercial cash continues to more than cover dividend and debt coupon payments, with potential for further management actions in H2

SIGNIFICANT CASH RESERVES TO FUND FUTURE M&A

Chesnara and holding company cash reserves (£m)
Reconciliation from FY 22 to HY 23

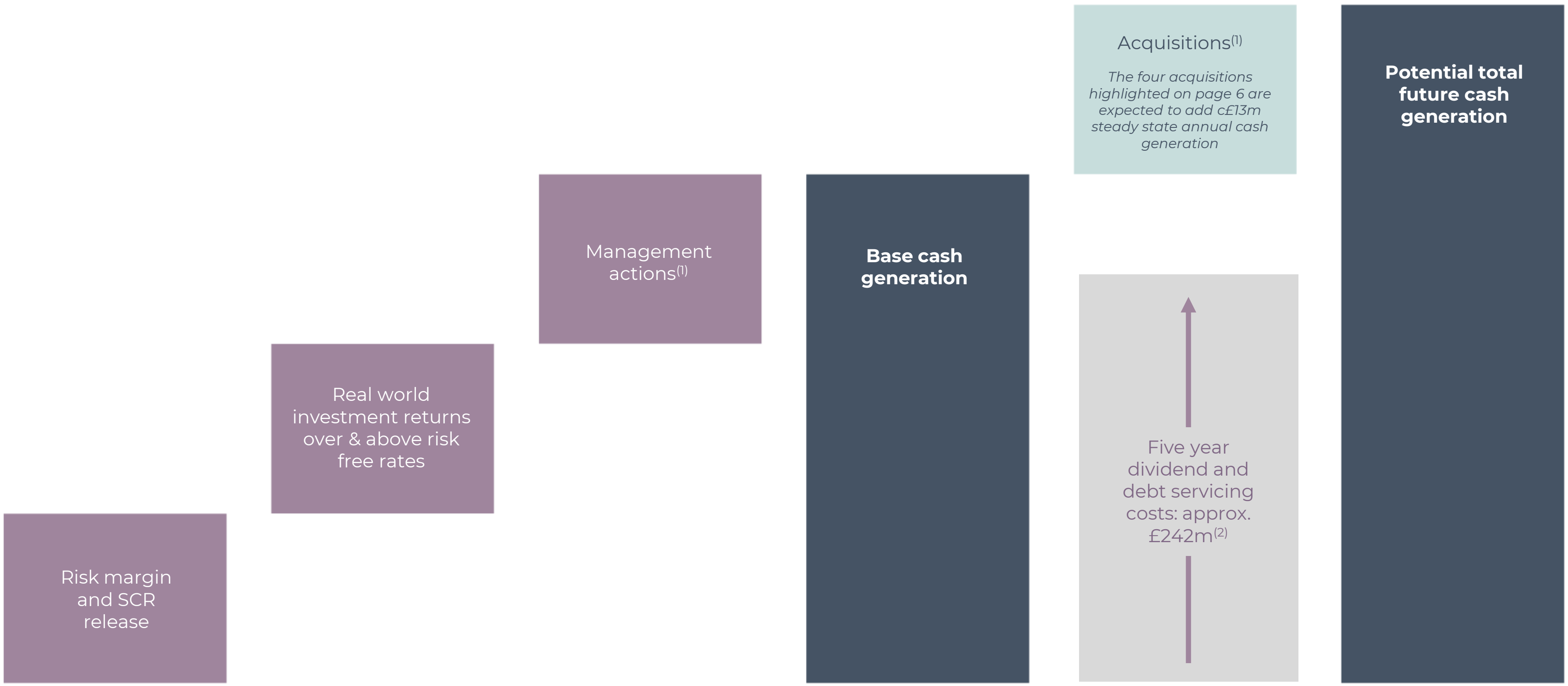


Notes:
(1) Cash at bank includes Chesnara and its holding companies
(2) The pro forma calculation for HY 2023 made at FY 2022 included an estimate for debt servicing and expenses which was lower than the actuals in the chart above. This difference arises on: acquisition costs (as stated on the FY 2022 results pack) were not included in the estimate; the timing of tax impact approximations included in the estimate have changed; and general expense base changes as the organisation grows (projects and resource).

Cash balances at group holding companies increased over the period and provides substantial resources to fund future acquisitions

STRONG VISIBILITY ON SOURCES OF FUTURE CASH

Sources of future cash generation composition
(5 year estimate)



Notes:
(1) Boxes are broadly drawn to scale with the exception of acquisitions given their uncertainty.
(2) Dividend cost is based on historical growth levels which are then rolled forward. The board will review our approach to dividend each year deciding on what an appropriate level is.
(3) We expect new business to generate cash over the longer term, but remain broadly neutral in the 5 year outlook.

We have strong line of sight to sources of cash generation that more than cover our estimated cumulative dividend and debt servicing costs

MARKET CONTEXT & FINANCIAL HIGHLIGHTS

CASH GENERATION

SOLVENCY

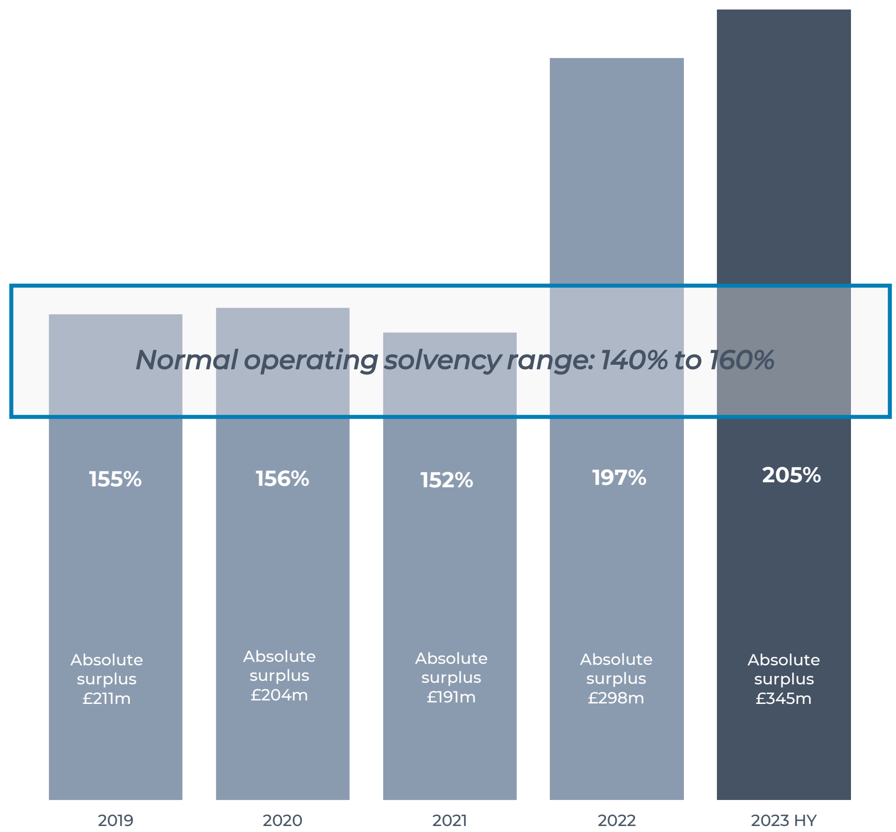
GROWTH

IFRS

SOLVENCY MATERIALLY ABOVE NORMAL OPERATING RANGE POST ACQUISITIONS

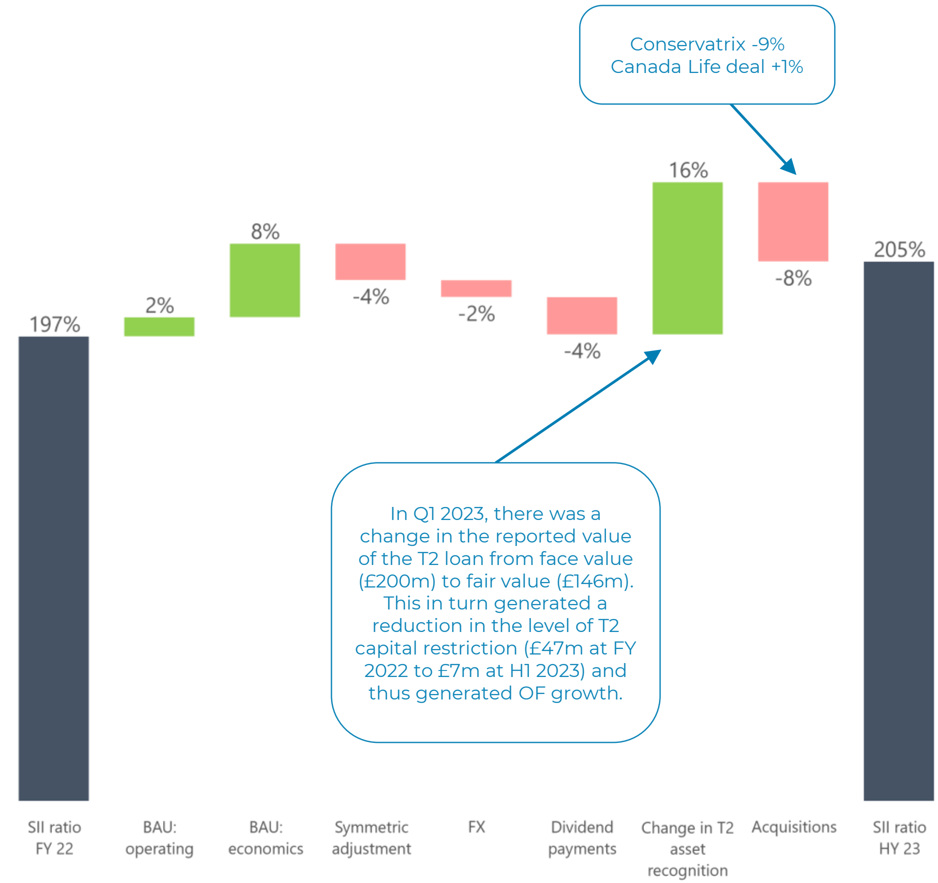
Chesnara

Solvency ratio and surplus



Solvency II ratio

Reconciliation of movement between FY 22 and HY 23



In the FY 2022 investor presentation, we estimated the impact of Conservatrix as -15%. This impact is now -9% due to differences between deal estimates and actual day 1 impacts and a change in allocation approach.

Increasing level of headroom on solvency continues to create capacity for M&A

MARKET CONTEXT & FINANCIAL HIGHLIGHTS

CASH GENERATION

SOLVENCY

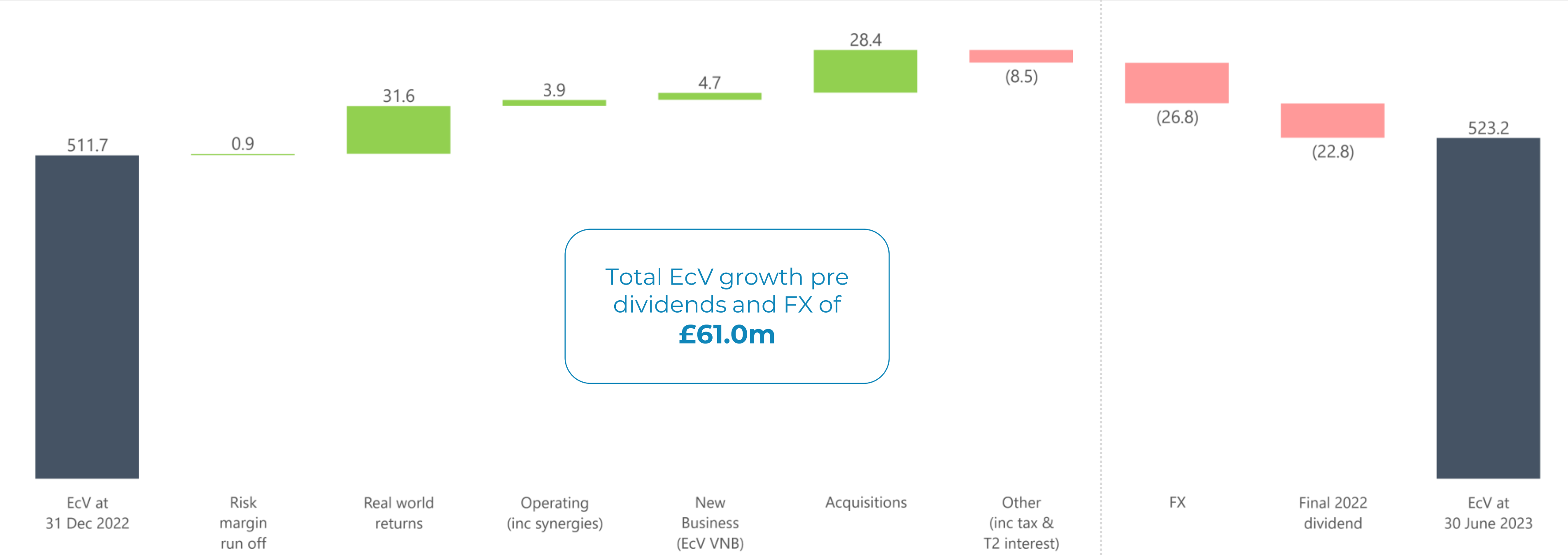
GROWTH

IFRS

ECV GROWTH IN H1 FOLLOWING ACQUISITIONS AND SOME ECONOMIC RECOVERY

Chesnara

Group EcV (£m)
Reconciliation from FY 22 to HY 23

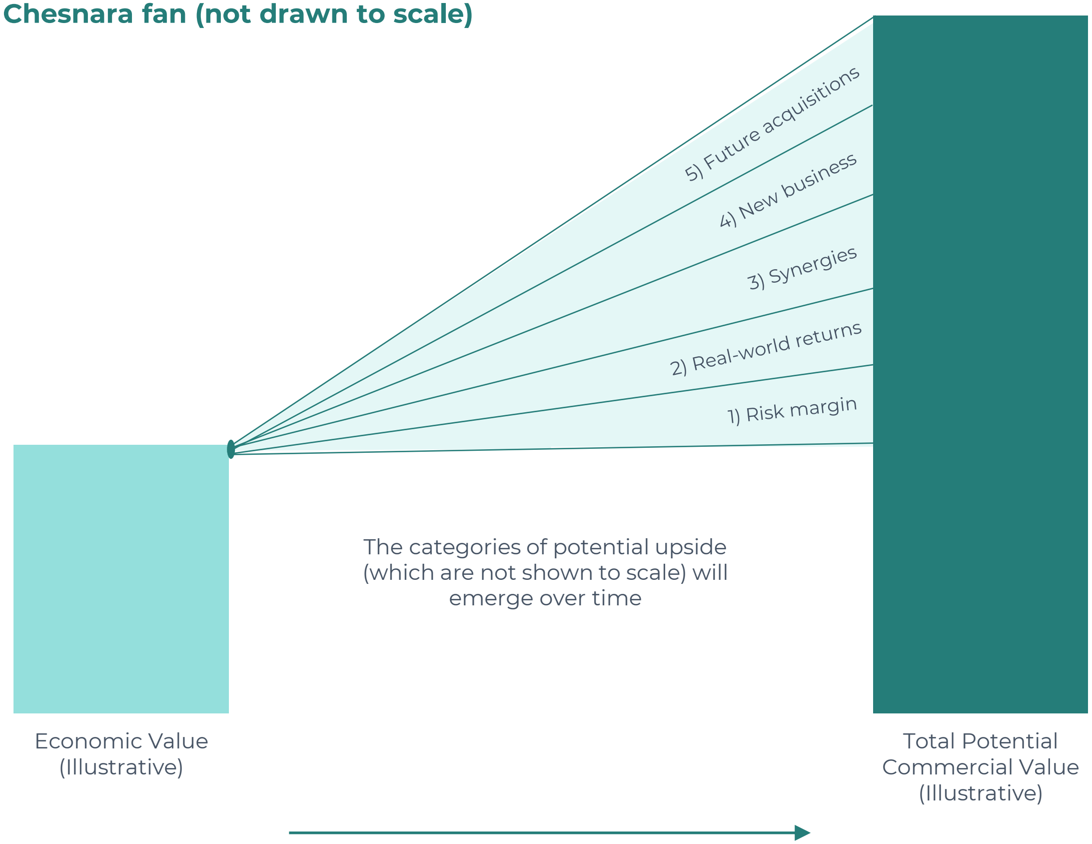


- Acquisition gain of £28.4m: £21.7m from **Conservatrix** and £6.7m from **Canada Life**
- Operating activities have delivered earnings of £8.6m, including £4.7m of improved new business profits on an EcV basis (on a commercial basis, profits of £6.3m)
- H1 2023 saw some market recovery which contributed to £31.6m of EcV growth, offsetting some of the 2022 reduction
- Adverse impact of -£26.8m due to the depreciation of the SEK and euro, partly offset by the impact of the FX hedge (c+£6.7m, shown in real world returns)

EcV growth in the period primarily generated from acquisitions and real world returns

ECONOMIC VALUE DOES NOT RECOGNISE FURTHER AREAS OF POTENTIAL GROWTH

Chesnara fan (not drawn to scale)



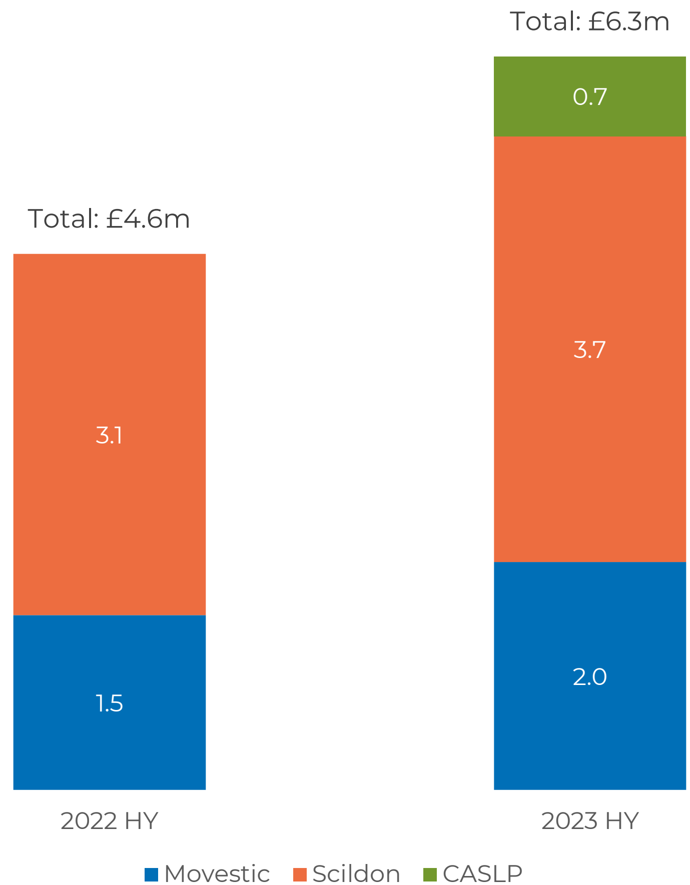
Value driver	Value created during H1 2023	Impact
1) Risk margin run off	✓	£0.9m
2) Real world returns	✓	£31.6m
3) Operating (inc synergies)	✓	£3.9m
4) Commercial new business[(1)]	✓	£6.3m
5) Acquisitions	✓	£28.4m

Notes:
(1) Commercial new business is shown as a component of the fan to show the total potential commercial value of the group

In H1 2023, all components of the Chesnara fan delivered positively

NEW BUSINESS VALUE HAS SEEN STRONG GROWTH COMPARED TO 2022

Commercial VNB (£m)



MOVESTIC

- Occupational pension market share of 4.2% at June 2023 (December 2022 4.1%)
- Custodian market share of 7.7% at June 2023 (December 2022 9.5%)
- Improved commercial VNB of £2.0m

SCILDON

- Term market share[(1)] 12.1% for June 2023 (December 2022 10.6%, June 2022 11.6%)
- New business primarily in the term market
- Improved commercial VNB of £3.7m

CASLP

- CASLP onshore bond remains open to new business via third party platform links delivering £0.7m commercial VNB in H1 23

Notes:
(1) Scildon market share calculation basis has changed and has resulted in a lower position than the previous methodology. The 2022 comparators are shown on the new basis.

At the current profit levels, we deem the new business strategy to be materially beneficial to the wider group outlook

MARKET CONTEXT & FINANCIAL HIGHLIGHTS

CASH GENERATION

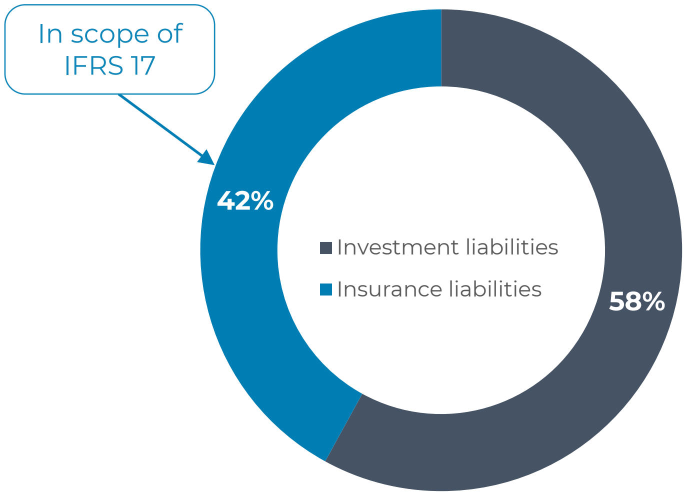
SOLVENCY

GROWTH

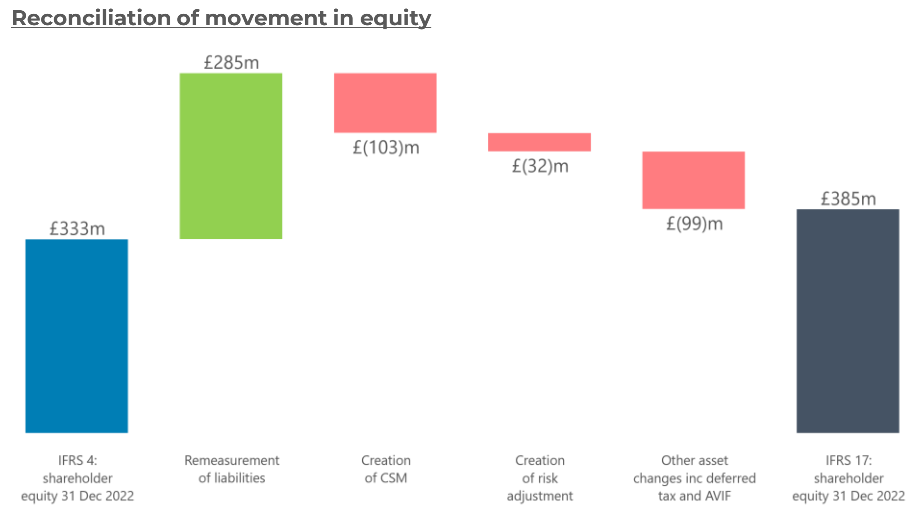
IFRS

OUR IFRS BALANCE SHEET HAS CHANGED UNDER IFRS 17

OUR SPLIT OF INSURANCE AND INVESTMENT CONTRACTS



IFRS 4 V IFRS 17 (INC IFRS 9) – 31 DECEMBER 2022



IMPACT

The transition to IFRS 17 results in:

- **No change** to solvency ratio or cash generation
- **No change** to group EcV
- **No change** to dividend expectation
- **No change** to our group acquisition strategy or capability for future M&A
- **No change** to the expected profitability and future new business projections

H1 2023 KEY METRICS

	HY 2023	FY 2022 restated	FY 2022
CSM	£157m	£103m	n/a
Net assets	£362m	£385m	£333m
Leverage	29.5%	30.3%	37.6%

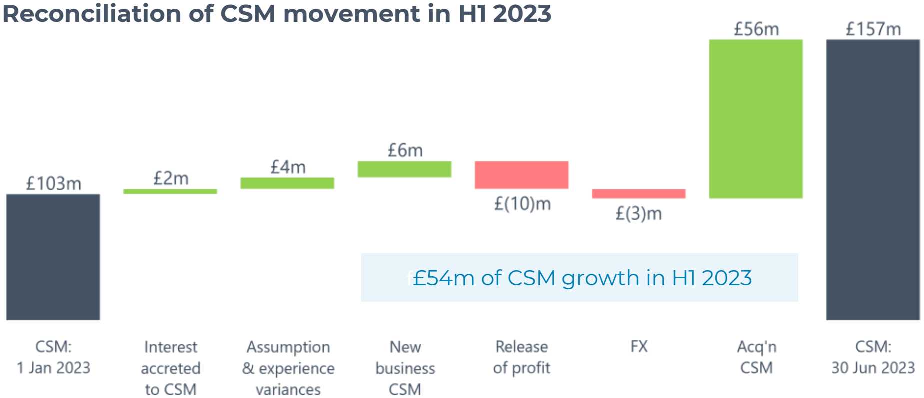
Note - The IFRS numbers contained within this report are currently unaudited

Transition to IFRS 17 results in no change to the group's growth ambition, value or cash generation

THE HY 2023 RESULTS ARE THE FIRST TO BE REPORTED UNDER IFRS 17

Summary income statement £m	HY 2023	HY 2022
Net insurance service result	9.5	3.2
Net investment result	25.0	(46.2)
Fee, commission and other income	48.5	32.2
Other operating expenses	(65.5)	(48.6)
Financing costs	(5.5)	(4.6)
Profit arising on acquisitions	4.0	9.9
Profit/(loss) before income taxes	**16.0**	**(54.2)**
Income tax	(0.4)	22.4
Profit/(loss) for the period after taxes	**15.6**	**(31.7)**
Foreign exchange (loss)/gain	(15.3)	1.9
Other comprehensive income	(0.1)	-
Total comprehensive income	**0.2**	**(29.8)**

Reconciliation of CSM movement in H1 2023



- We have delivered positive insurance profits in the period
- Increase in investment returns primarily from improved equity returns narrowing credit spreads being the main contributors
- Fee income increased primarily due to the acquisitions and higher FUM values in Movestic generating higher fund rebate income
- Operating costs have increased due to the acquisitions over the past 12 months
- Conservatrix acquisition contributed a day 1 gain of £4m together with a contribution to the overall operating profit
- The group has added £54m of CSM in the period, largely driven by the two deals executed in H1 2023.

A separate IFRS 17 report has been published on our website providing more detail on the results and transition from IFRS 4.

Note - The IFRS numbers contained within this report are currently unaudited

£54m of new CSM generated in the period

AREAS OF FOCUS, OUTLOOK AND SUMMARY

Steve Murray

Group Chief Executive Officer

CHESNARA CONTINUES TO BUILD A STRONG BASE ON WHICH TO GROW

1 MAXIMISE THE VALUE FROM EXISTING BUSINESS

- Over 1 million policies post completion of Conservatrix and addition of Canada Life UK portfolio
- Continued strong commercial cash generation
- New strategic partnership with SS&C in the UK delivering cost efficiencies
- Ongoing opportunities to drive further cost synergies

2 ACQUIRE LIFE AND PENSION BUSINESSES

- Two transactions delivered in the past six months
- Solvency of 205% provides material headroom for strategic activity
- £200m Tier 2 Bond issue provides financing capacity
- New SS&C partnership enhances migration and M&A capacity
- Strong governance track record with regulators
- Positive M&A pipeline

3 ENHANCE VALUE THROUGH PROFITABLE NEW BUSINESS

- Continued strong market share in the Swedish custodian business and Dutch term assurance market
- Improved new business contribution in the period

SUSTAINABILITY: We are committed to becoming a sustainable group and being net zero by 2050

We have the skills and the capability to run insurance books of business at scale for benefit of customers, shareholders and our other stakeholders

UK AND EUROPEAN CLOSED BOOK M&A ACTIVITY CONTINUES TO BE RESILIENT

Chesnara

KEY DRIVERS

- Operational simplicity
- Disposals of non-core products to release capital
- Focus on specific geographies
- Regulatory change
- Persistent cost inflation
- De-risking of portfolio to macroeconomic shifts

EXAMPLES OF SIGNIFICANT RECENT M&A ACTIVITY IN THE UK AND EUROPE

FEDERALE Verzekering
Sale of portfolio from Federale Verzekering to Monument Re
Undisclosed
(Aug-23)

Assegurances SA NOSTRA Compañía de Seguros de Vida S.A.
Sale of the run-off portfolio of Sa Nostra Vida to MEDVIDA
Undisclosed
(Jul-23)

canada life
Sale of Canada Life's individual onshore protection business to Chesnara
£9m
(May-23)

integrale Luxembourg
Sale of Integrale Luxembourg's portfolio to Monument Re
Undisclosed
(May-23)

aegon
Sale of Aegon UK's protection book to Royal London
Undisclosed
(Apr-23)

aegon
Aegon to combine its Dutch operations with a.s.r.
€4.9bn
(Oct-22)

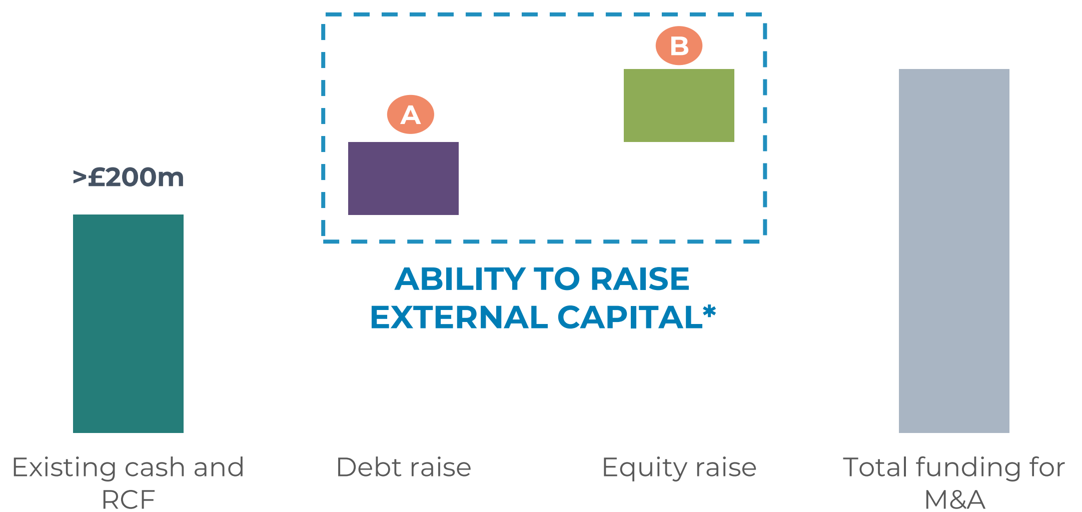
Chesnara continues to take a disciplined approach in assessing potential acquisitions

CHESNARA IS WELL POSITIONED TO NAVIGATE THE CURRENT ENVIRONMENT

CHESNARA'S KEY STRENGTHS

- ✓ Strong record of customer service and governance
- ✓ Comfortable managing wide range of books including unit linked, life insurance, with profit and individual annuities
- ✓ Positive and long-standing relationships with multiple regulators
- ✓ Less likely to be a material competitor on new business than some other consolidators
- ✓ Flexibility on approach to managing assets / investment management

FINANCING CAPACITY OFFERS ABILITY TO FUND A RANGE OF DEAL SIZES



*Not drawn to scale

A FitchRatings

Investment grade rating provides access to the debt capital markets

B

Equity financing from shareholders, new strategic partners or via vendors taking stake in enlarged group

WE ARE COMMITTED TO BECOMING A SUSTAINABLE CHESNARA

Chesnara

Our sustainability commitments:

1 — To support a sustainable future, including our ***net zero*** transition plans

2 — To make a positive impact, including our plans to invest in positive solutions

3 — To create a fairer world and ensure our group is an inclusive place for all employees, customers and stakeholders

Our targets:

A NET ZERO EMITTER

INVESTING IN POSITIVE SOLUTIONS

INCLUSIVITY FOR ALL STAKEHOLDERS

Our 2023 plans:

Baselining our financed emissions and creating our transition plan to be a net zero group

Establishing our framework for investing in positive solutions

Planning and implementing changes to reduce our operational carbon footprint

Embedding sustainability into decision-making at all levels across the group

Activity in H1 2023 includes:

- Selected data providers to baseline our emissions
- Commenced selection process for a groupwide training provider
- Commenced implementation of decarbonisation actions
- Implemented our first internship programme in the UK
- Continued our work with the Real Living Wage Foundation and Preston City Council

We are progressing well against our 2023 plans

CONTINUED ACQUISITION MOMENTUM DRIVES ECV GROWTH & CASH GENERATION

Strong divisional commercial cash generation of £20m[(1)]

Improved new business profits of £6m

Strong EcV growth of £61m[(2)] with all areas of the Chesnara fan contributing positively

Multiple value levers available with a positive outlook for future M&A

Strong and resilient solvency at 205% with clear line of sight to future sources of cash generation

Good traction on our group-wide sustainability programme

Notes:
(1) Figure shown excluding the impact of foreign exchange
(2) Figure show is pre FX and dividend

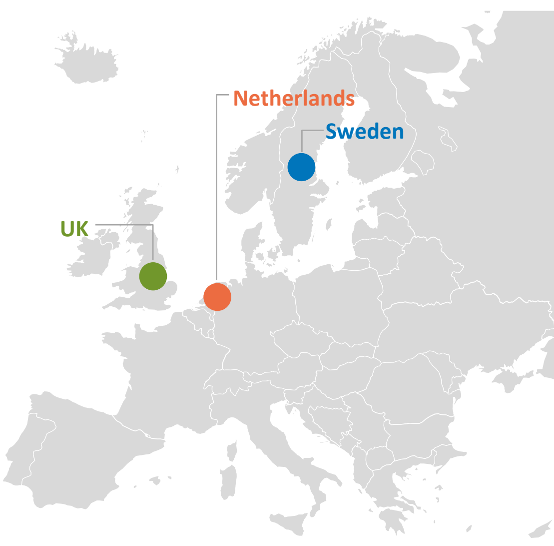
QUESTIONS

APPENDICES

Chesnara

WHO WE ARE

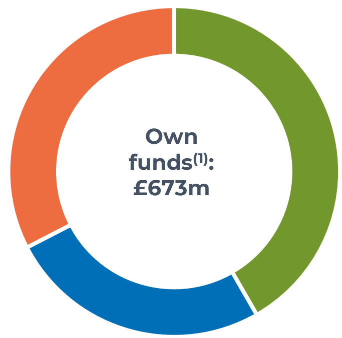
- Chesnara plc was formed in 2004 and is listed on the London Stock Exchange.
- The group is a European life and pensions consolidator, having successfully completed thirteen acquisitions to date.
- We are focused on three key markets: UK, Sweden and the Netherlands.
- Our new business franchises in Sweden and the Netherlands complement the group's long-term cash flow generation.
- Chesnara has committed to becoming a sustainable group and being net zero by 2050.



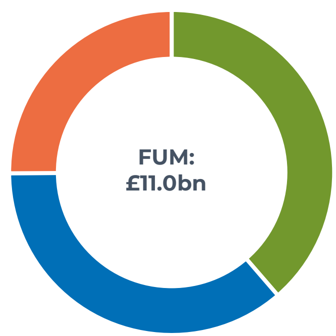
FINANCIAL KEY METRICS

30 June 2023

Group Solvency II Ratio: 205%



UK NETHERLANDS SWEDEN



THREE CORE STRATEGIC OBJECTIVES

01 MAXIMISE THE VALUE FROM EXISTING BUSINESS

- Efficient management of existing customers and financial resources to optimise long-term cash flow
- Key strategy across all three geographies – UK, Netherlands and Sweden

02 ACQUIRE LIFE AND PENSION BUSINESSES

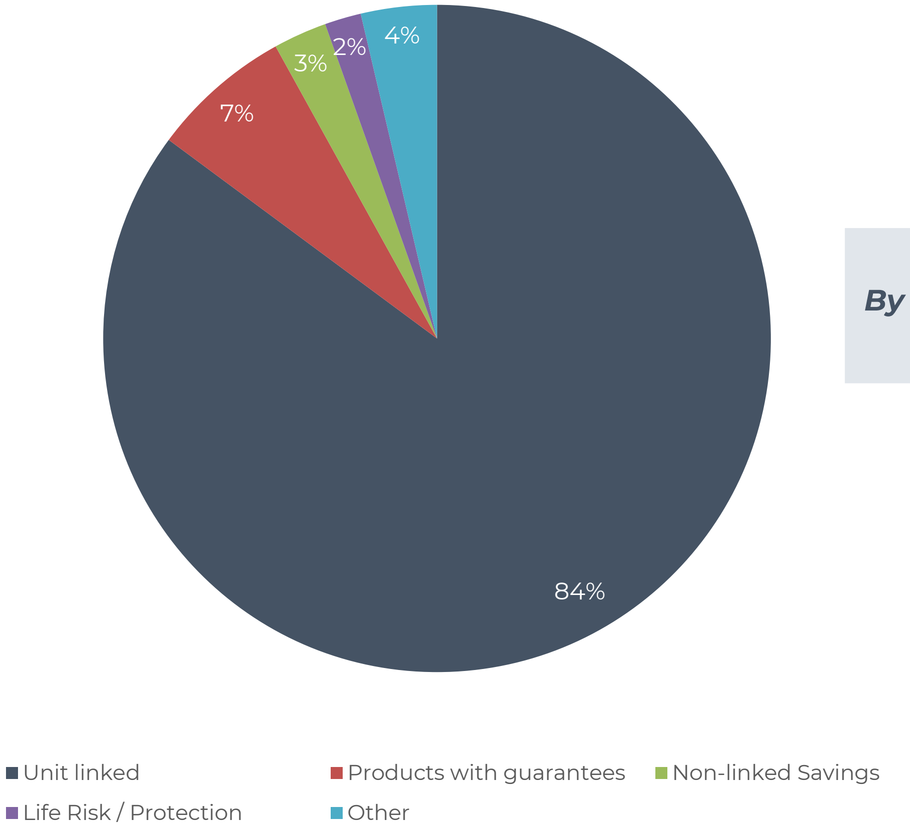
- Disciplined M&A framework identifies opportunities that enhance value over the long-term

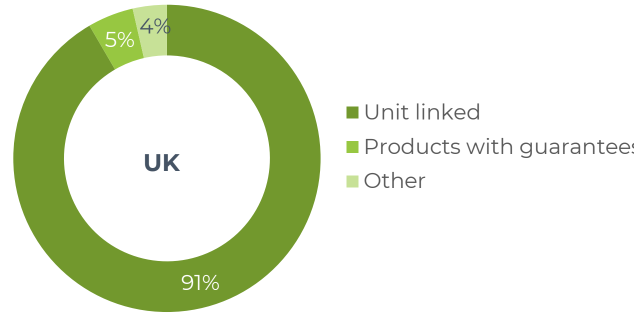
03 ENHANCE VALUE THROUGH PROFITABLE NEW BUSINESS

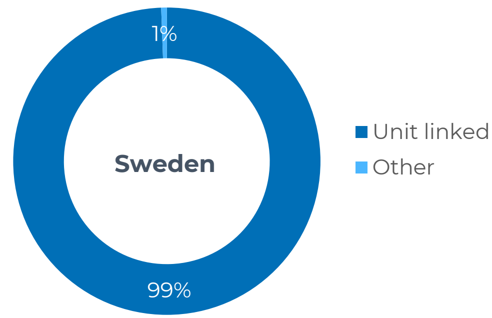
- New business franchises in Sweden and the Netherlands (including a small number of open product lines in the UK)
- Focused on delivering long-term cash flow accretion for the group

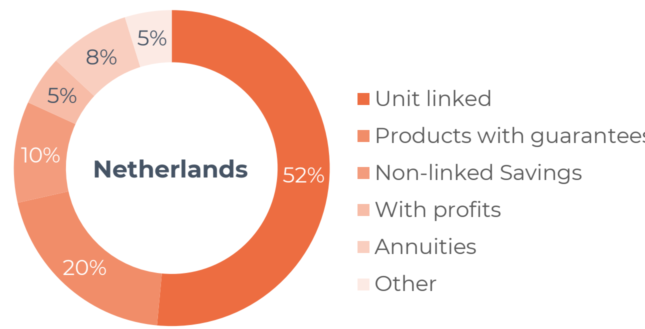
Notes:
1. Geographical split for UK includes other group activities

Split of Group SII BEL by product



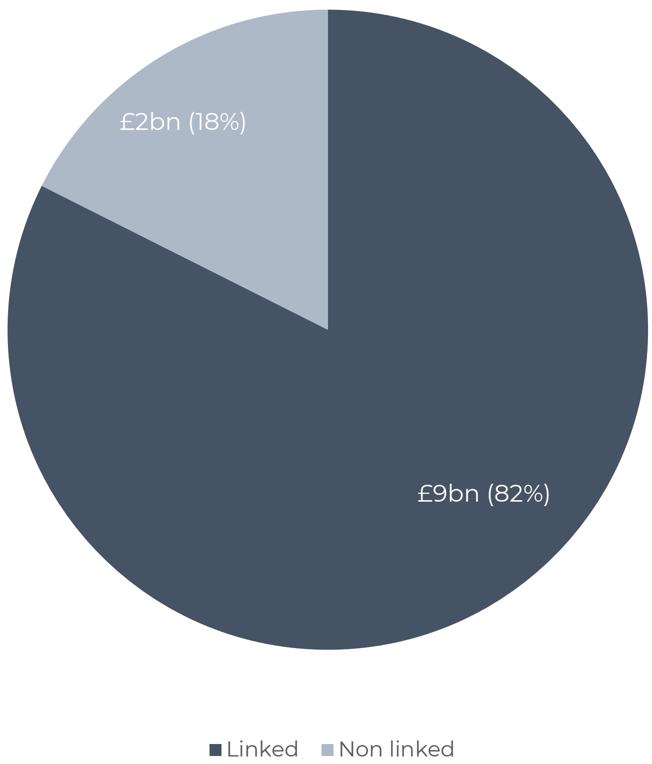


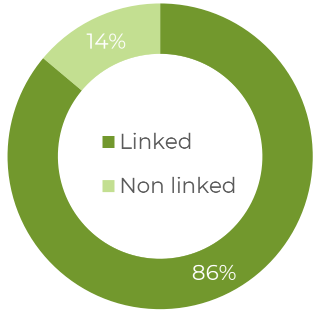




The analysis above is based on our group Solvency II Best estimate of Liabilities (BEL) as at 30 June 2023.

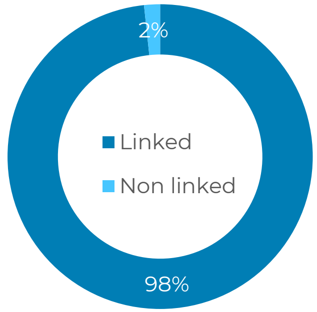
Split of our total group FUM* of £11bn





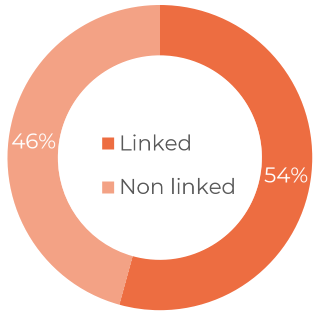
UK

FUM: £4.1bn



Sweden

FUM: £4.0bn



Netherlands

FUM: £2.8bn

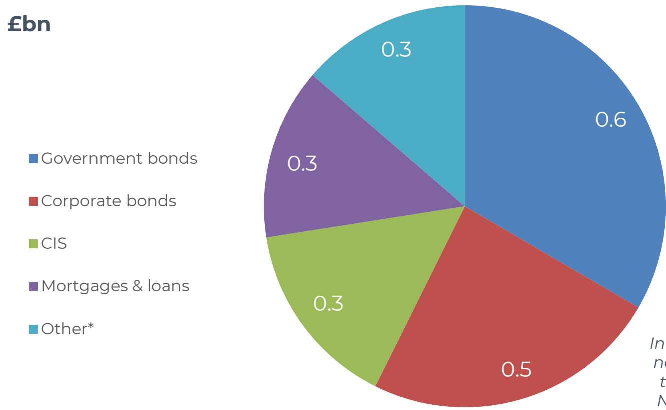
The following page has a deeper dive of our non linked debt securities and mortgages

**FUM is quoted as at 30 June 2023, and a definition of FUM can be found in section D of the financial statements.*

BREAKDOWN OF INVESTMENT PORTFOLIO BY ASSET CLASS

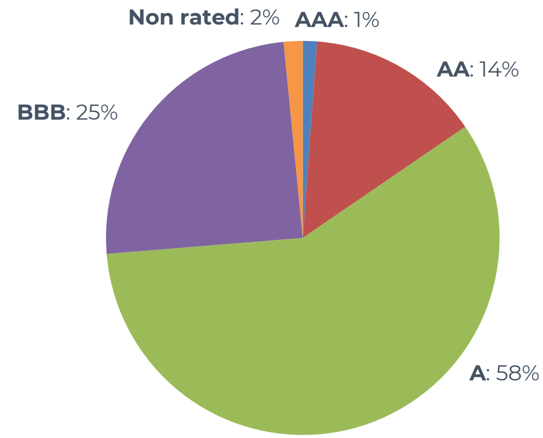
Total non linked assets of **£2bn** at the end of June 2023

£bn



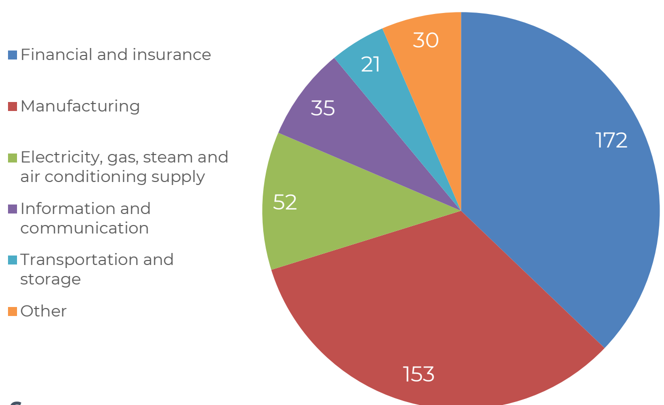
In the FY 2022 report the equivalent non linked assets were £1.7bn (note the equivalent chart only included NL debt securities). The increase is primarily due to Conservatrix.

CREDIT QUALITY OF NON-LINKED & SHAREHOLDER DEBT SECURITIES



Total value of non-linked assets (corporate issued): £463m

CORPORATE ISSUED - SECTOR SPLIT (£m)

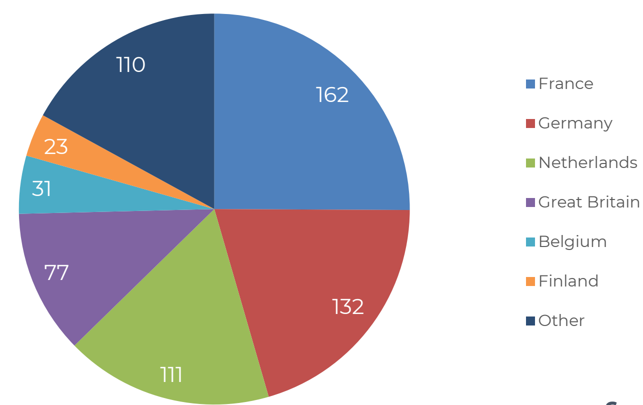


£m

Total value of non-linked assets (corporate issued): £463m

GOVERNMENT ISSUED - GEOGRAPHICAL AREA SPLIT (£m)

Total value of non linked assets (government issued): £646m



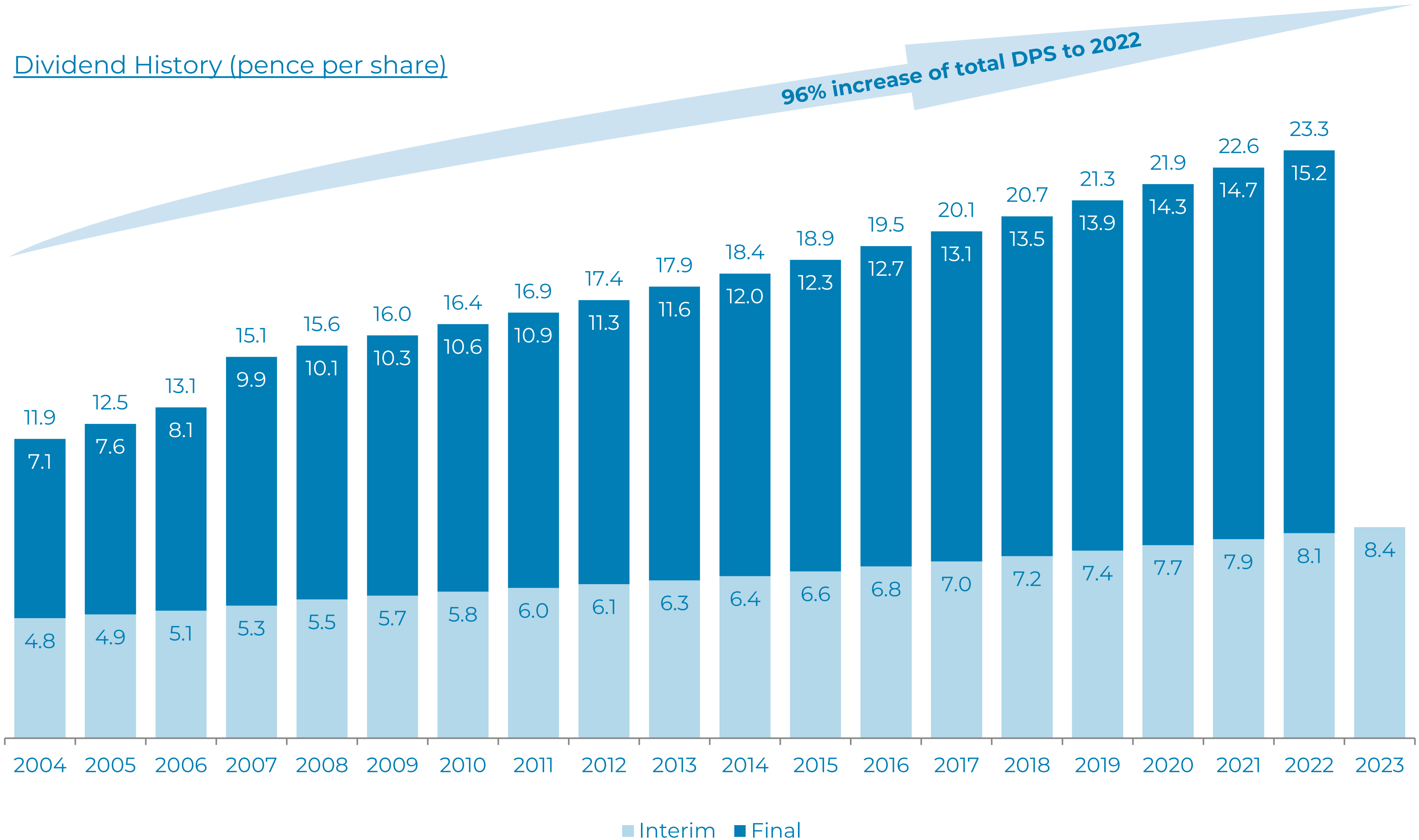
£m

Low risk investment portfolio, with strong weighting towards high quality fixed income assets

*Other includes items such as cash balances and a ring-fenced portfolio of assets in the UK of c£0.2bn.

APPENDIX 2: DIVIDEND GROWTH

Dividend History (pence per share)



The strength of our business model has enabled us to increase our interim dividend by 3% and we have strong line of sight to future cash generation

APPENDIX 3: COMMERCIAL CASH

BASE CASH GENERATION: £11.1m

DIVISIONAL BASE CASH GENERATION: £2.3m

COMMERCIAL CASH GENERATION: £21.8m

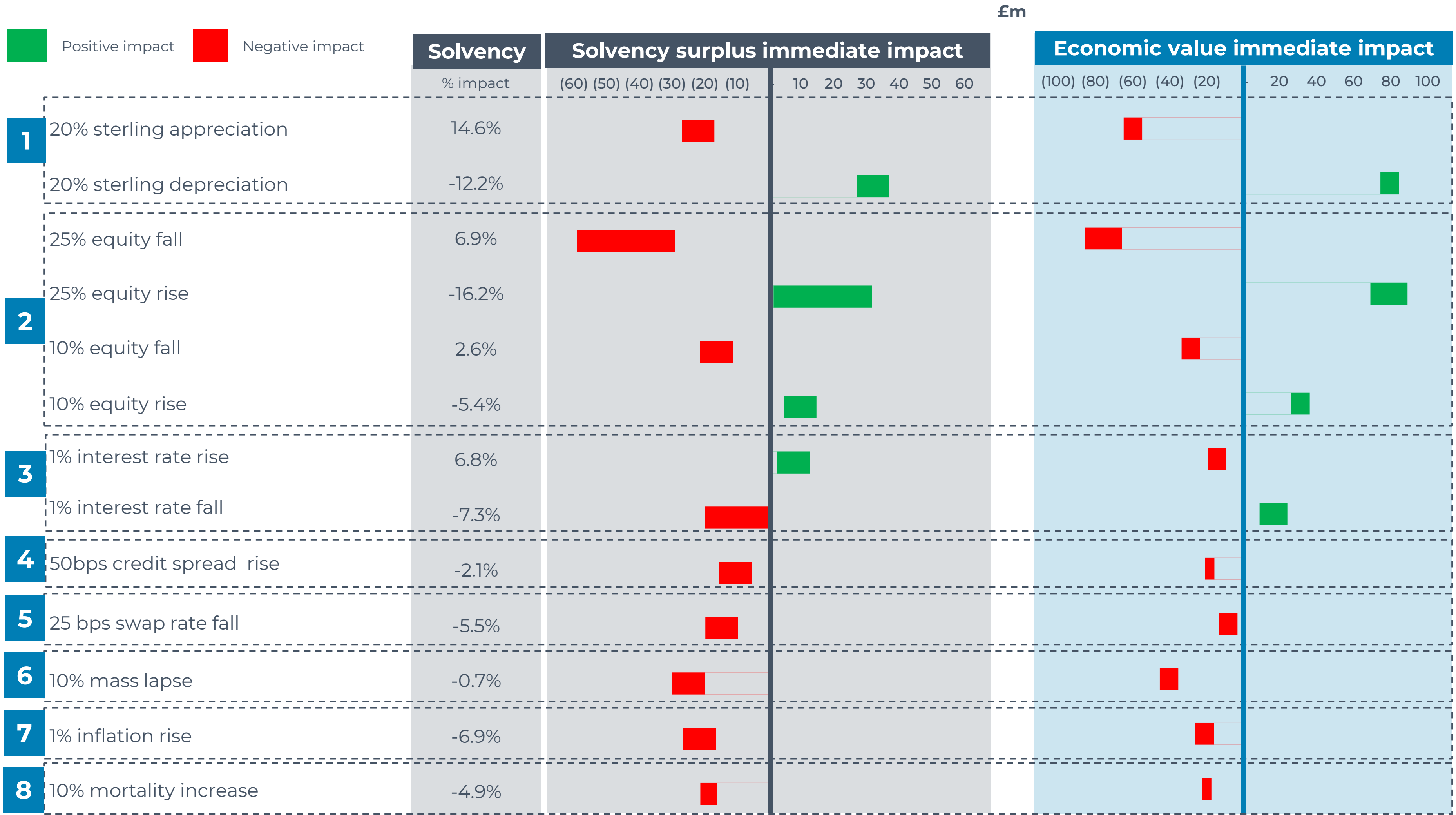
DIVISIONAL COMMERCIAL CASH GENERATION: £13.0m *(£20.0m excluding FX)*

£m	UK	SWEDEN	NETHERLANDS		DIVISIONAL TOTAL	GROUP ADJUSTMENTS	TOTAL
			WAARD	SCILDON			
Base cash generation	10.0	(6.4)	(0.4)	(0.9)	**2.3**	8.8	**11.1**
Symmetric adjustment	2.5	6.5	0.5	1.1	**10.6**	0.0	**10.6**
WP restriction look through	0.1	0.0	0.0	0.0	**0.1**	0.0	**0.1**
Commercial cash generation	**12.6**	**0.1**	**0.1**	**0.2**	**13.0**	**8.8**	**21.8**
Commercial cash generation excluding FX impacts	***12.6***	***4.7***	***2.2***	***0.5***	***20.0***	***1.4***	***21.4***

Base cash adversely impacted by the symmetric adjustment over H1 2023

The charts below provide some insight into the potential range of impacts of certain sensitivities that the group is exposed to, covering surplus and economic value

Whilst cash generation has not been shown in the diagrams below, the impact of these sensitivities on the group's solvency surplus has a direct read across to the immediate impact on cash generation. Each individual bar in the diagram illustrates the estimated impact range (£m) of the respective sensitivities and whether that impact is positive (green) or negative (red). Further details are provided on the following slide.



APPENDIX 4: SENSITIVITIES (2 of 2)

Explanatory notes on the sensitivities on the previous slide are provided below:

1 **20% sterling appreciation/depreciation**: A material sterling appreciation reduces the value of surplus in our overseas divisions and any overseas investments in our UK entities, however this is partially mitigated by the group currency hedge so the overall impact on solvency is reduced.

2 **Equity sensitivities:** The equity rise sensitivities cause both Own Funds and SCR to rise, as the value of the funds exposed to risk is higher. The increase in SCR can be larger than Own Funds, resulting in an immediate reduction in surplus, depending on the starting point of the symmetric adjustment. The converse applies to an equity fall sensitivity, although the impacts are not fully symmetrical due to management actions and tax. The Tier 2 debt value also changes materially in these sensitivities. The change in symmetric adjustment can have a significant impact (25% equity fall: -£17.3m to the SCR, 25% equity rise: +£26.7m to SCR). The EcV impacts are more intuitive as they are more directly linked to Own Funds impact. CA and Movestic contribute the most due to their large amounts of unit-linked business, much of which is invested in equities.

3 **Interest rate sensitivities:** An interest rate rise currently has a more adverse effect on group economic value than an interest rate fall. This is a consistent with the change in exposure following continued rise in interest rates over 2023. However, group solvency is still less exposed to rising interest rates as a rise in rates causes capital requirements to fall, increasing solvency.

4 **50bps credit spread rise:** A credit spread rise has an adverse impact on surplus and future cash generation, particularly in Scildon due to corporate and non-local government bond holdings that form part of the asset portfolios backing non-linked insurance liabilities. The impact on the other divisions is less severe.

5 **25bps swap rate fall**: This sensitivity measures the impact of a fall in the swap discount curve with no change in the value of assets. The result is that liability values increase in isolation. The most material impacts are on CA and Scildon due to the size of the non-linked book.

6 **10% mass lapse:** In this sensitivity Own Funds fall as there are fewer policies on the books, thus less potential for future profits. This is largely offset by a fall in SCR, although the amount of eligible Tier 2 capital also falls. The division most affected is Movestic as it has the largest concentration of unit-linked business.

7 **1% inflation rise:** This sensitivity measures a permanent increase in inflation in every future year. Such a rise in inflation increases the amount of expected future expenses. This is capitalised into the balance sheet and hits the solvency position immediately.

8 **10% mortality increase**: This sensitivity has an adverse impact on surplus and cash generation, particularly for Scildon due to their term products.

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