Chesnara

CHESNARA

HALF YEAR RESULTS 2025

Strong financial performance and major strategic progress

CHESNARA BACKGROUND

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 fourteen acquisitions to date.

We are currently focused on three key markets: UK, Sweden and the Netherlands.

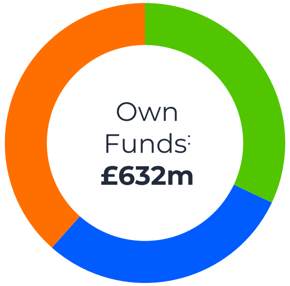
Our new business franchises complement the Group's long-term Cash Generation.

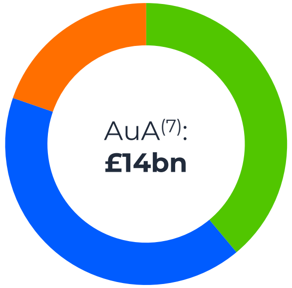
Chesnara has committed to becoming a sustainable Group and being net zero by 2050.

KEY FINANCIAL METRICS

30 June 2025

Group Solvency II Ratio: 207%





UK | SWEDEN | NETHERLANDS

OUR STRATEGIC PILLARS

1 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

2 ACQUIRE LIFE AND PENSION BUSINESSES

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

3 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

CHESNARA RECENT HISTORY

6 ACQUISITIONS SINCE 2022

APRIL 2022
CASLP
Robein Leven

JAN 2023
Conservatrix

MAY 2023
Canada Life protection portfolio

DEC 2024
Canada Life onshore bond and pension portfolio

JUL 2025
HSBC Life (UK)

TIMELINE

2021

2022
- Senior hires to bolster M&A expertise

2023
- New Divisional CEOs
- 2050 net zero target set

2024
- Dutch merger announced
- Interim 2030 financed emissions target set

2025
- Dutch Merger complete

Sustained momentum

ADDITIONAL ACTIONS TAKEN

Steve Murray joined as CEO
OCT 2021

£200M Tier 2 bond issued
FEB 2022

Group FX hedge in place
DEC 2022

UK outsourcing agreement with SS&C
MAY 2023

CASLP Part VII transfer
DEC 2023

Tom Howard joined as CFO
APRIL 2024

Part VII of Canada Life protection portfolio and migration to SS&C
FEB 2025

Issuance of £150m RT1 Bond
JUL 2025

Entered the FTSE 250 Index
AUG 2025

AuA

£9bn

£18bn
Pro-forma for HSBC Life (UK)(7)

HSBC LIFE (UK): ACCELERATING OUR STRATEGY

INCREASED CASH GENERATION	○ Expected incremental lifetime cash generation of **>£800m**[3], >3x consideration of £260m[3]
SIGNIFICANT VALUE CREATION FOR INVESTORS	○ Acquired at an attractive multiple of **83% of Eligible Own Funds**[3] ○ Anticipated step-up in dividend trajectory with multiple levers for further value creation
TRANSFORMATIONAL TRANSACTION FOR CHESNARA	○ Largest transaction since listing in 2004, creating a Group with **c.£18bn AuA** and **c.1.4m policies** ○ Increased free float and **admission to the FTSE 250** on 18 August increasing liquidity in the shares
MAINTAIN BALANCE SHEET STRENGTH AND RESILIENCE	○ Solvency Coverage ratio to remain **above normal operating range** of 140% - 160% ○ Leverage ratio in line with investment grade rating
REINFORCES OUR POSITION AS ONE OF THE LEADING LIFE AND PENSIONS CONSOLIDATORS	○ 15th acquisition to date with firepower to continue to execute on attractive pipeline

CONTINUING TO DELIVER FOR OUR INVESTORS

Announced today: **3% increase** in the interim 2025 dividend

Unrivalled track record of dividend growth[4] in UK and European insurance

Final FY 2025 and Interim FY 2026 expected to **increase by 6%**

CONTINUED FINANCIAL DELIVERY

CASH RESULT	CAPITAL POSITION	FUTURE VALUE	
Cash Generation[1]	Solvency Coverage Ratio	Eligible Own Funds	AuA[7]
£37m	207%	£632m	£14bn
HY 2024: £29m	FY 2024: 203%	FY 2024: £643m	FY 2024: £14bn
Dividend Cover[5]	IFRS Leverage[6]	IFRS Capital Base	
1.42x	31%	£441m	
HY 2024: 1.57x	FY 2024: 31%	FY 2024: £449m	

Interim dividend

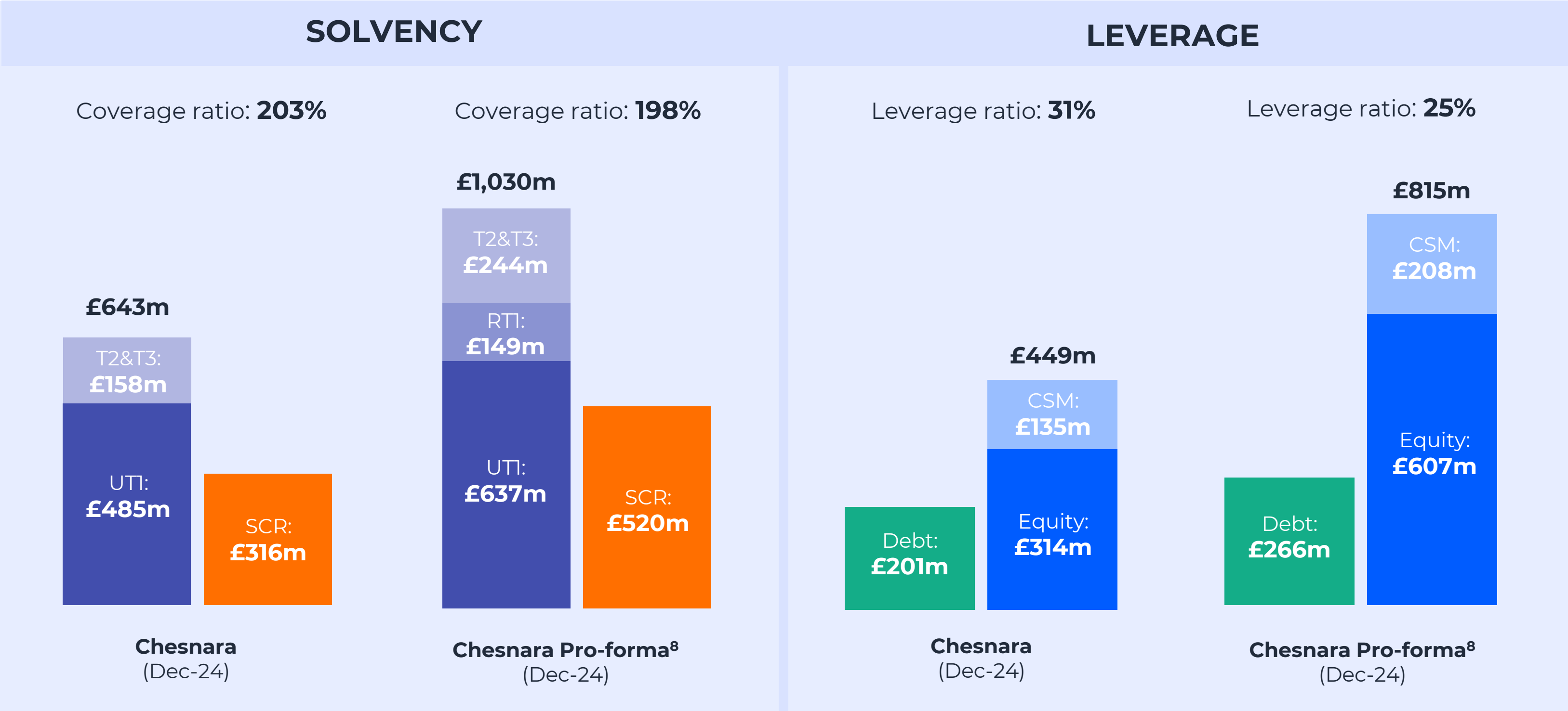
7.70p per share, **up 3%** year on year

POST H1 BALANCE SHEET: THREE MAJOR UPDATES

On 3 July, we announced the proposed acquisition of HSBC Life (UK) and a £140m rights issue as part of the financing package. On 30 July, we announced the issuance of a £150m RT1 bond.

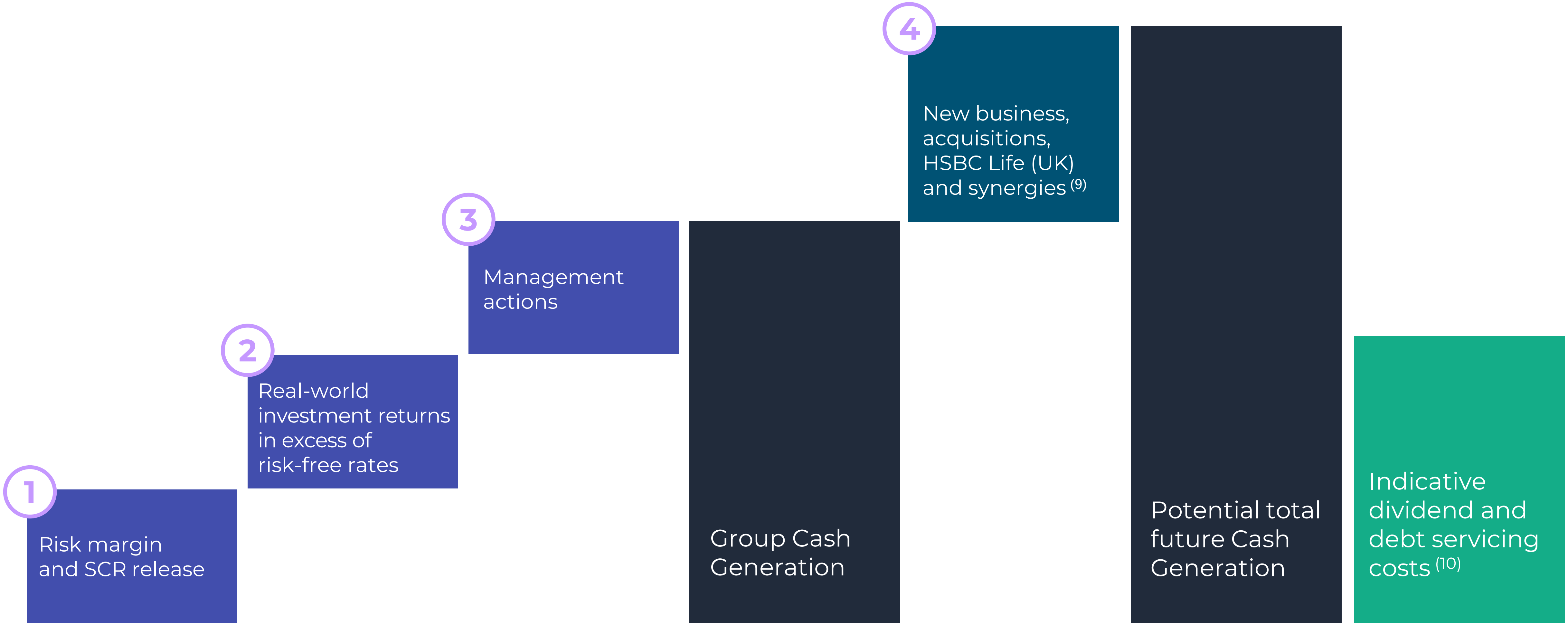
We expect the impact of these changes to:

- **Significantly increase** Own Funds;
- **Maintain** a strong Solvency Coverage Ratio; and
- **Reduce** Leverage by 6ppts.



FUTURE CASH GENERATION: VISIBILITY EXTENDED BY HSBC LIFE

Reliable sources of organic future Cash Generation, expected to cover long-term debt cost and dividends; further upside from future M&A



STRONGLY POSITIONED FOR FURTHER M&A

KEY VENDOR DRIVERS FOR DISPOSALS:

1 Operational simplification and expense pressure

2 Disposals of non-core products to release capital

3 Focus on specific geographies

CURRENT COMPETITIVE ENVIRONMENT:

Chesnara is well positioned for transactions, given both increased regulatory scrutiny of ownership models and shifts in focus for larger insurance groups

CHESNARA'S COMPETITIVE STRENGTHS:

- Strong track record of integrating businesses and portfolios
- Scalable platforms that are capable of taking on portfolios
- Management skills and capacity to enter new territories
- Ability to manage a wide range of policies and take on open or closed books of business
- Strong record of customer service and positive relationships with regulators

CONTINUING TO DELIVER: UNLOCKING SUSTAINABLE CASH AND DIVIDEND GROWTH

Strong financial results, with growing cash and dividend

Transformational M&A deal announced

Internal restructuring and capital management activities underway to realise further synergies

Increased finance capacity for future M&A activity

QUESTIONS