



Chesnara

CHESNARA ACQUIRES SCOTTISH WIDOWS EUROPE

ANOTHER ACCRETIVE TRANSACTION WITH FUTURE CONSOLIDATION POTENTIAL



Increased cash generation

- Expected incremental cash generation of ~€250m over the lifetime of the policies held in the Scottish Widows Europe portfolio
- ~€100m occurring in first five years post-acquisition

Significant value creation for investors

- Acquired for €110m, at an attractive multiple of 64% of Eligible Own Funds
- Second material acquisition in the last 12 months with firepower to continue to execute on pipeline

New platform for future cross-border consolidation

- Attractive territory which broadens the opportunity set for future acquisitions
- Luxembourg market supports Chesnara's strategy of being a leading European life and pensions consolidator

Modern and scalable operating platform

- Closed life and pensions business led by an experienced management team
- Policy admin operation powered by leading European third-party technology provider

Maintain balance sheet strength and resilience

- Fully financed with available cash
- Pro-forma solvency ratio of 173%, above normal operating range and pro-forma leverage ratio expected to be in line with investment grade rating

SCOTTISH WIDOWS EUROPE IS A CLOSED LIFE AND PENSIONS BUSINESS



OVERVIEW

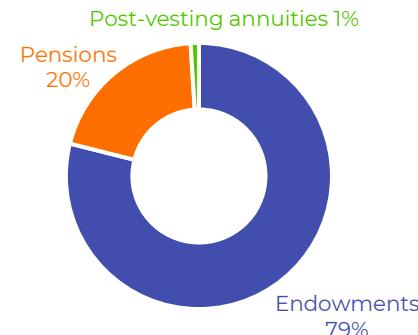
- Operations based in Luxembourg with an experienced management team
- Products Chesnara are familiar with and previously sold from UK into Europe
- Modern and scalable operating platform, creating leverage to grow the business through future M&A
- Policy admin operation powered by Lifeware, a leading European third-party technology provider
- Transaction is expected to close end 2026

KEY METRICS

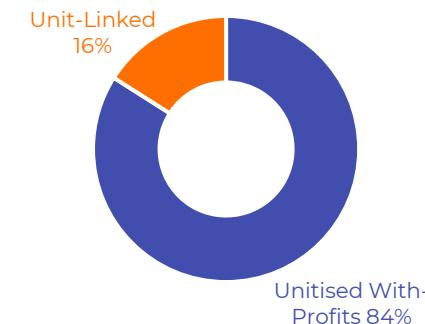


AuA BREAKDOWN

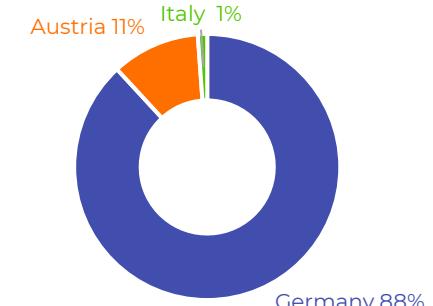
By product



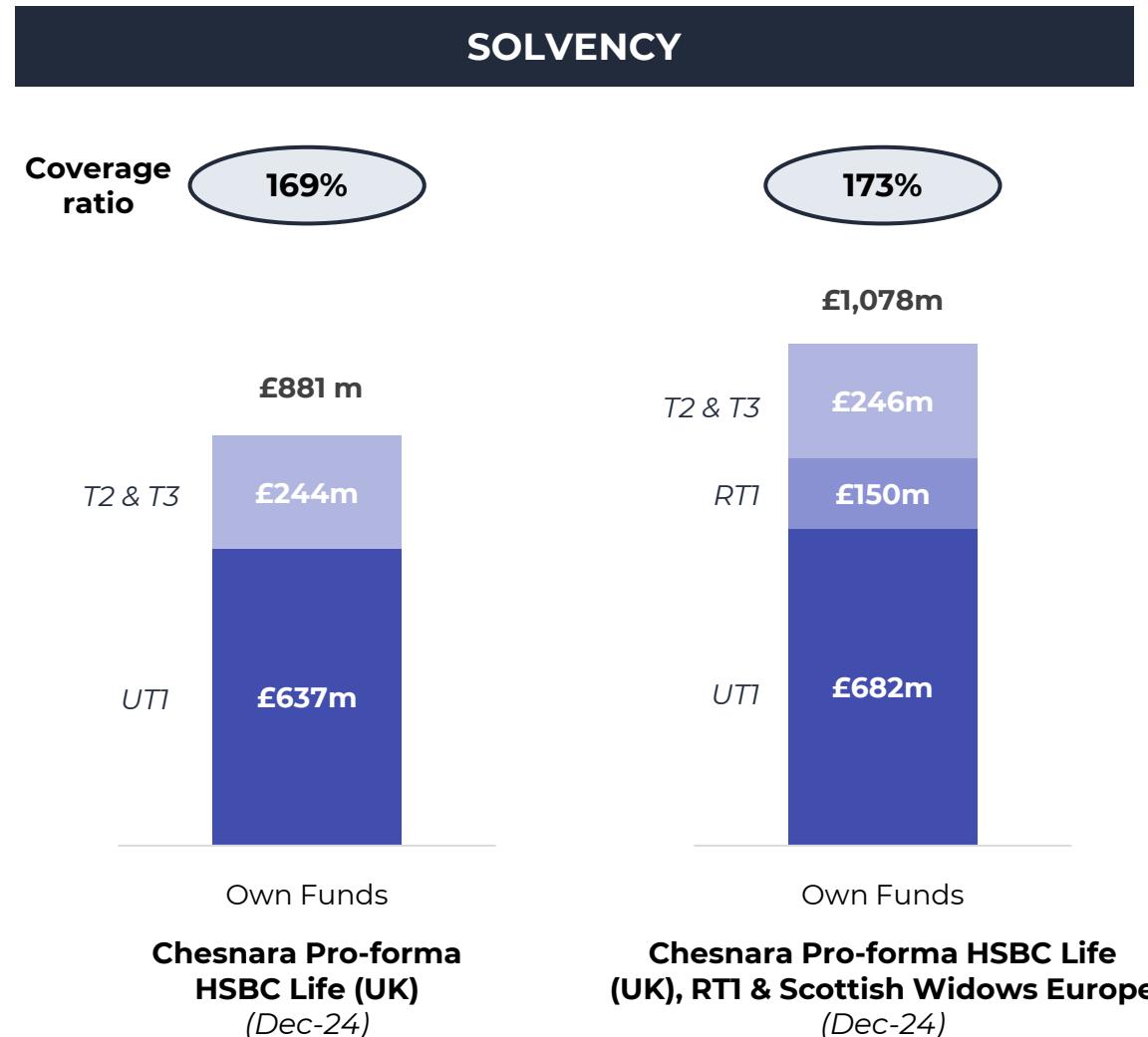
By type



By geography



ROBUST BALANCE SHEET MAINTAINED POST ACQUISITION



| Our financial considerations for M&A remain consistent | Maintained through Scottish Widows Europe transaction? |
|--|--|
| Solvency Operating range of 140% to 160% | ✓ |
| Leverage Maintain our investment grade rating | ✓ |
| Liquidity Retain robust liquidity at group level | ✓ |
| Acquisition capacity Capacity to finance further transactions without external fundraising | ✓ |

LUXEMBOURG – ADDITIONAL MARKET WITH MULTIPLE FUTURE M&A OPPORTUNITIES



Benefits of the Luxembourg Market

- Dedicated **insurance regulator** with a **strong supervisory framework**, in line with European directives
- **EU passport** allows insurers in Luxembourg to offer their services throughout the **European Single Market**
- **Cross border expertise in insurance** and access to a **highly qualified** talent pool

Potential Consolidation Catalysts

- ✓ ~30 providers of life insurance
- ✓ Long tail of sub-scale insurance businesses
- ✓ Few incumbent consolidators

AAA

Rated by all three major credit rating agencies

195%

Average Solvency Coverage Ratio

~€235bn

Total Life Insurance Liabilities⁽¹⁾

AN ATTRACTIVE TRANSACTION BROADENING THE M&A OPPORTUNITY FOR CHESNARA



Enhancing group lifetime cash generation by ~€250 million



Second material acquisition in the last 12 months creating value for investors while maintaining M&A firepower



Entry to attractive additional market providing access to local and cross-border consolidation opportunities



Modern, efficient and scalable operating platform with experienced local management team



Strengthens our position as a leading European life and pensions consolidator



QUESTIONS

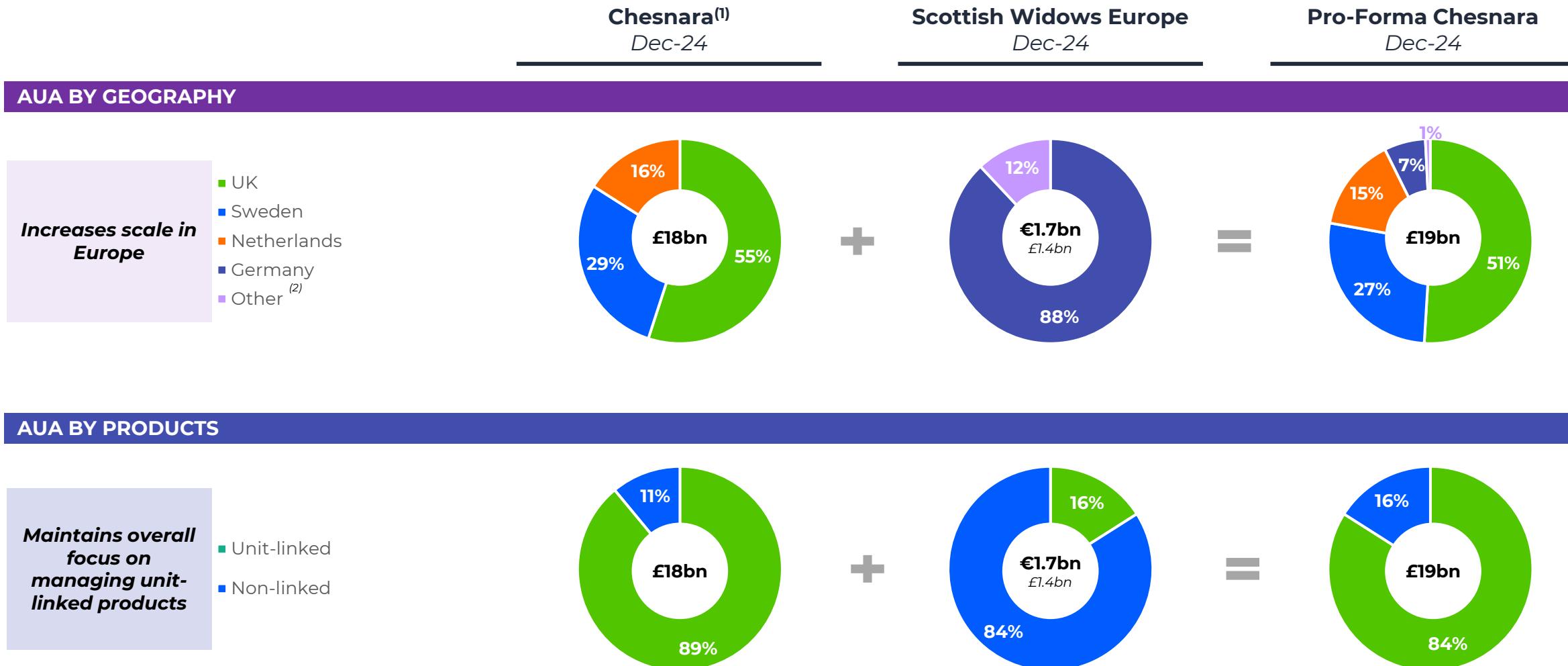
APPENDIX

TRACK RECORD OF SUCCESSFULLY EXECUTING TRANSACTIONS WITH LARGE FINANCIAL INSTITUTIONS



| | | | |
|---------------|--|---|---|
| UK | City of Westminster Assurance Life assurance and pensions solutions provider from Irish Life for £30m 2005 Entity | Save & Prosper Funds Pension and life assurance provider for £63.5m 2010 Entity | DirectLine Group Direct Line Life Insurance, focused on non-linked products, for £39.3m 2013 Entity |
| | Sanlam Unit-linked business for £39m gaining c.80,000 policies, doubling UK AuA 2021 Entity | canada life™ Individual onshore protection business with 47,000 policies 2023 Portfolio | canada life™ Closed portfolio of unit-linked onshore bonds and legacy pension business with 17,000 policies 2024 Portfolio |
| | HSBC Life Specialist investment bond and life protection provider with 454,000 policies 2025 Entity | | |
| | | | |
| | | | |
| Europe | movestic Unit-linked pensions and savings business for £20m 2009 Entity | Waard Groep The Waard Group for £54m 2014 Entity | SCILDON Legal & General Nederland for £138m 2016 Entity |
| | ARGENTA Portfolio of life assurance business in run-off for £25m 2019 Portfolio | brand new DAY Insurance portfolio consisting of c.9,000 mainly term assurance 2021 Portfolio | Monuta Term life and endowment portfolio of c.6,500 policies 2019 Portfolio |
| | | | TROBEIN Savings, mortgages and annuities provider for £13m 2021 Entity |
| | | | Conservatrix Insurance portfolio for a group capital contribution 2022 Portfolio |

STRENGTHENING OUR EXISTING BUSINESS



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