

PART I

SUMMARY

1. INTRODUCTIONS AND WARNINGS

1.1 Details of the issuer

The issuer is Chesnara plc, a public limited company incorporated in England and Wales with registered number 04947166. The registered and head office of the issuer is at 2nd Floor, Building 4, West Strand Business Park, West Strand Road, Preston, Lancashire, PR1 8UY. The issuer's telephone number is +44 (0)1772 972 050 and its Legal Entity Identifier ("LEI") is 213800VFRMBRTSZ3SJ06.

1.2 Details of the securities

On Admission, the New Ordinary Shares will be registered with an ISIN of GB00B00FPT80 and a SEDOL of B00FPT8. The ISIN for the Nil Paid Rights will be GB00BR0W1Q72 and the SEDOL will be BR0W1Q7. The ISIN for the Fully Paid Rights will be GB00BR0W1R89 and the SEDOL will be BR0W1R8. The New Ordinary Shares will be traded on the main market of the London Stock Exchange under the ticker symbol "CSN".

1.3 Details of the competent authority approving this document

This document has been approved by the FCA, as competent authority, with its head office at 12 Endeavour Square, London, E20 1JN and its telephone number is +44 (0)20 7066 1000, in accordance with Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA").

1.4 Date of approval of the Prospectus

3 July 2025.

1.5 Warnings

This summary has been prepared in accordance with Article 7 of the UK Prospectus Regulation and should be read as an introduction to this document. Any decision to invest in the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares should be based on a consideration of this document as a whole by the investor. If the investor decides to invest in the securities, all or part of their invested capital could be lost. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document, or where it does not provide, when read together with the other parts of this document, key information in order to aid in considering whether to invest in the Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the issuer of the securities?

2.1.1 *Domicile, legal form, LEI, jurisdiction of incorporation and country of operation:* The Company was incorporated on 29 October 2003 as a public limited company under the company name PINCO 2042 plc, with registered number 04947166. On 22 December 2003, the Company changed its name from PINCO 2042 plc to Chesnara plc. The LEI of the Company is 213800VFRMBRTSZ3SJ06. The Company's domicile is the UK and it operates under the laws of England and Wales.

2.1.2 *Principal Activity:* The Company is a European life and pensions consolidator listed on the London Stock Exchange since 2004. The principal legislation under which the Company operates is the Companies Act 2006 (the "**Companies Act**") and the regulations made thereunder. It administers approximately one million life and pensions policies and operates as Countrywide Assured plc in the UK, the Waard Group and Scildon in the Netherlands, and as Movestic in Sweden.

2.1.3 *Major Shareholders:* Insofar as has been notified to the Company in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules the names of the persons who, directly or indirectly, have an interest in 3% or more of the Company's issued share capital,

and their respective interests, as at 2 July 2025 (being the latest practicable date prior to the date of this document (the “**Latest Practicable Date**”) are as follows:

Name of shareholder	Number of Ordinary Shares held	Percentage of total voting rights in Company
Aberdeen plc	26,410,406	17.48*
Columbia Threadneedle Investments	17,839,143	11.81
Hargreaves Lansdown Asset Mgt	13,748,381	9.10
M&G Investments	8,700,317	5.76
Royal London Asset Mgt	5,631,863	3.73
Janus Henderson Investors	5,227,132	3.46
Dimensional Fund Advisors	4,557,161	3.02
Halifax Share Dealing	4,532,487	3.00

* Of the total Aberdeen plc shareholding of 17.48% (as at 30 May 2025), 8.36% is held by Interactive Investor.

2.1.4 *Key Managing directors*: The Executive Directors are Steven Murray (Group Chief Executive Officer) and Tom Howard (Group Chief Financial Officer).

2.1.5 *Statutory auditor*: Deloitte LLP is the statutory auditor of the Company and is registered to carry out audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Its business address is 1 City Square Leeds LS1 2AL, United Kingdom and it has no material interest in the Company or the Chesnara Group.

2.2 What is the key financial information regarding the issuer?

2.2.1 Selected historical key financial information for the Chesnara Group:

The tables below set out selected historical financial information for the Chesnara Group as at and for the year ended 31 December 2024.

Summary consolidated statement of comprehensive income

	Year ended 31 December 2024 £m
Total revenue net of investment result	165.5
Other operating expenses	(133.6)
Financing costs	(11.1)
Profit arising on business combinations and portfolio acquisitions	—
Profit/(loss) before income taxes	20.8
Income tax credit	(16.9)
Profit/(loss) for the period	3.9
Foreign exchange translation differences	(15.3)
Revaluation of pension obligations after tax	—
Revaluation of land and building	0.4
Total comprehensive income/(expense) for the period	(11.0)

Summary consolidated balance sheet

	Year ended 31 December 2024 £m
Intangible assets	87.2
Financial investments	12,116.7
Cash and cash equivalents	138.0
Other assets	413.2
Total assets	12,755.1
Insurance contract liabilities	4,099.1
Investment contracts at fair value through profit or loss	6,116.7

	Year ended 31 December 2024 £m
Borrowings	204.8
Other liabilities	2,020.1
Total Liabilities	12,440.7
Net assets	314.4

This financial information has been extracted without material adjustment from the audited consolidated financial statements for the Chesnara Group as at and for the financial year ended 31 December 2024, which has been incorporated by reference in this document.

Shareholders should read the whole of this document and not just rely on the summarised financial information set out in this Summary of this document.

2.2.2 Selected historical key financial information for HSBC Life (UK)

The tables below set out selected historical financial information for HSBC Life (UK) as at and for the three financial years ended 31 December 2024, 31 December 2023 and 31 December 2022.

The selected financial information for the years ended 31 December 2024 and 31 December 2023 is extracted from the audited consolidated financial statements of HSBC Life (UK) referred to in Part XIII (*Historical Financial Information of HSBC Life (UK)*) and set out in Appendix 1 (*HSBC Life (UK) Limited's Financial Statements together with the Audit Reports*) of this document.

From 1 January 2023 HSBC Life (UK) adopted IFRS 17 'Insurance Contracts', replacing IFRS 4 'Insurance Contracts', and consequently 2022 comparative financial information was restated within the 31 December 2023 consolidated financial statements.

As such, the selected financial information for the year ended 31 December 2022 is extracted from the unaudited comparative financial information included within the audited consolidated financial statements of HSBC Life (UK) for the year ended 31 December 2023.

The audited financial information for the year ended 31 December 2022 is also referred to in Part XIII (*Historical Financial Information of HSBC Life (UK)*) and set out in Appendix 1 (*HSBC Life (UK) Limited's Financial Statements together with the Audit Reports*) of this document.

Summary income statement

	Year ended 31 December 2024 (audited) £m	Year ended 31 December 2023 (audited) £m	Year ended 31 December 2022 (restated, unaudited) £m
Net Insurance service result	56.8	16.5	14.1
Net investment returns	26.5	12.4	21.8
Net fees income	0.3	0.3	(0.6)
Net operating Income before change in expected credit losses	83.6	29.2	35.3
Credit impairment losses	(0.1)	(2.3)	(0.2)
Net Operating Income	83.5	26.9	35.1
Total operating expenses	10.2	9.4	9.9
Profit before tax	73.3	17.5	25.2
Tax (expense) / credit	47.4	92.2	6.4
Profit/(loss) for the period	25.9	109.7	18.8

Summary statement of financial position

	Year ended 31 December 2024 (audited) £m	Year ended 31 December 2023 (audited) £m	Year ended 31 December 2022 (restated, unaudited) £m
Intangible assets	—	—	—
Financial investments	3,873.2	3,136.5	2,659.2
Cash and cash equivalents	173.1	168.5	154.1
Other assets	243.5	271.0	164.0
Total assets	4,289.9	3,576.0	2,977.4
Insurance contract liabilities	3,003.0	2,330.2	1,898.5
Investment contract liabilities	931.4	852.6	789.1
Borrowings	—	—	—
Other liabilities	78.8	87.3	93.5
Total Liabilities	4,013.2	3,270.1	2,781.2
Total equity	276.8	305.9	196.2

2.2.3 Selected unaudited *pro forma* financial information

The summary selected unaudited *pro forma* financial information set out below has been prepared to illustrate the effect of the Acquisition on the consolidated statement of net assets of the Chesnara Group as if it had completed at 31 December 2024 and on the income statement as if it had completed on 1 January 2024.

The unaudited *pro forma* statement of net assets and the unaudited *pro forma* income statement have been prepared for illustrative purposes only. The hypothetical financial position or results included in the *pro forma* financial information may differ from the Enlarged Group's actual financial position or results.

The unaudited *pro forma* profit before income taxes for the year ended 31 December 2024 is £83.9 million and the unaudited *pro forma* net assets as at 31 December 2024 is £461.1 million.

2.3 What are the key risks specific to the issuer?

- Significant and prolonged equity market falls could adversely impact the Chesnara Group's and the Enlarged Group's profitability by reducing the value of managed funds and leading policyholders to switch to lower-margin funds, thereby decreasing management fees and affecting the business, results, financial position, and prospects.
- Fluctuations in currency exchange rates may adversely affect the Chesnara Group's and the Enlarged Group's results of operations and financial condition due to foreign currency exchange risk from international operations impacting financial statements, cash flows, and regulatory capital surplus.
- Expense overruns, cost overruns on major change projects, and unsustainable unit cost growth could impact the Chesnara Group's and the Enlarged Group's profitability, with specific risks related to fixed and semi-fixed expenses, adverse variations in expense levels, and the potential for costs related to ongoing change initiatives exceeding related provisions or not realising anticipated benefits.
- The Chesnara Group relies on counterparties under reinsurance arrangements and any failures of such reinsurance counterparties could subject the Chesnara Group to losses which cannot be recovered.
- The Chesnara Group relies on certain outsourced service providers, particularly, SS&C Technologies Limited ("SS&C"), HCL Insurance BPO Services Limited and Capita Life and Pensions Regulated Services Limited to provide policy administration services and Towers Watson Limited for outsourced actuarial services. Any failure of an outsourced service provider to fulfil their contractual obligations could have a material adverse effect on the

Chesnara Group's and following Completion, the Enlarged Group's business, prospects, financial condition and results of operations.

- Failure to deliver secure IT systems and to combat cyber and other security risks to information and physical sites could lead to loss of reputation, disruptions in business operations and inability to meet contractual obligations and negatively impact the Chesnara Group's and following Completion the Enlarged Group's ability to win future contracts.
- The Chesnara Group and the Enlarged Group may suffer losses due to operational events or business disruptions arising from daily activities, technical or human errors, failed processes, insufficient resources, or external events, which could lead to financial losses, reputational damage, regulatory intervention, or business plan failure.
- Adverse movements in yields on fixed interest securities could result in a mismatch between the portfolios of fixed interest securities and certain insurance contract liabilities, increasing the Chesnara Group's exposure to mismatch losses and potentially having a material adverse effect on the Chesnara Group's business, prospects, financial condition, and results of operations.
- The Chesnara Group's strategy is to acquire insurance and pension companies and portfolios to off-set the natural decline inherent in a largely closed book business as well as to grow the business. Competition, regulatory restrictions and an inability to raise acquisition financing in the future may make it difficult for the Chesnara Group to execute its M&A strategy and future acquisitions and disposals, which could have an adverse effect on the Chesnara Group's ability to sustain growth.
- The Chesnara Group is subject to persistency risk when policyholders cancel contracts or stop paying premiums earlier than expected, leading to potential losses for the Chesnara Group due to lower future management fees, discontinued premiums, and increased exposure to mortality risks.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

3.1.1 Type, class and ISIN

Pursuant to the Rights Issue, the Company will issue 79,539,337 New Ordinary Shares. The Rights Issue will be made on the basis of 10 New Ordinary Shares for every 19 Existing Ordinary Shares in the Company. On Admission, the New Ordinary Shares will be registered with an ISIN of GB00B00FPT80 and a SEDOL of B00FPT8 and will be traded on the main market of the London Stock Exchange under the ticker symbol "CSN". The ISIN for the Nil Paid Rights will be GB00BR0W1Q72 and the SEDOL will be BR0W1Q7. The ISIN for the Fully Paid Rights will be GB00BR0W1R89 and the SEDOL will be BR0W1R8.

3.1.2 Currency, denomination and par value of the securities

The Existing Ordinary Shares are, and on Admission, the New Ordinary Shares will be, denominated in pounds sterling with a par value of 5 pence each. The Nil Paid Rights and Fully Paid Rights will be, on Admission, denominated in pounds sterling.

3.1.3 Number of issued and fully paid securities

As at the Latest Practicable Date, there were 151,124,742 Existing Ordinary Shares in issue. The Company will issue 79,539,337 New Ordinary Shares pursuant to the Rights Issue. The Rights Issue will be made on the basis of 10 New Ordinary Shares for every 19 Existing Ordinary Shares.

3.1.4 Rights attaching to the securities:

All New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of issue of the New Ordinary Shares. On a show of hands at general meetings of the Company, every Shareholder who is present in person and every person holding a valid proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per New Ordinary Share.

The New Ordinary Shares do not carry any rights to participate in a distribution of capital (including on a winding-up) other than those that exist as a matter of law. The New Ordinary Shares and the Existing Ordinary Shares will rank *pari passu* in all respects.

3.1.5 Restrictions of free transferability of securities

The New Ordinary Shares are freely transferable and there are no restrictions on transfer of the New Ordinary Shares in the UK other than as set out in Article 32 of the Articles of Association which provide that the Board, in its absolute discretion, may refuse to register any transfer of a certificated share over which the Company has a lien or where the instrument of transfer of a certificated share is not: (i) left at the office, or at such other place as the Board may decide, for registration; (ii) accompanied by the relevant share certificate and other evidence reasonably required by the Board to prove title; and (iii) in respect of only one class of shares.

3.1.6 Rank of securities in the Company's capital structure in the event of insolvency

The New Ordinary shares do not carry any rights to participate in a distribution of capital (including on a winding-up) other than those that exist as a matter of law. The New Ordinary Shares and the Existing Ordinary Shares will rank *pari passu* in all respects.

3.1.7 Dividend or payout policy:

The Company's dividend policy is directly influenced by two key factors. The Directors recognise that the Ordinary Shares are predominantly held as a source of predictable and sustainable income. The Directors' primary aim is therefore to provide an attractive yield with steady growth where possible. The Directors' aim to satisfy investor expectations cannot and will not be delivered at the expense of financial security and solvency. As such, dividend capacity is assessed giving full regard to the Group Capital Management Policy which currently prohibits dividends to be declared that would result in Chesnara's Solvency Coverage Ratio falling below 110%.

The Directors make dividend decisions with reference to a range of management information, reports and policies including the Chesnara Group own risk and solvency statement, Chesnara Group business plan, solvency analysis including sensitivities, analysis of historic financial results and the Group Capital Management Policy, and any other factors deemed by the Directors to be relevant at the time.

Supported by the strong financial profile of the Acquisition, there will be a step-up in the Chesnara Group's dividend trajectory. The final FY25 dividend and interim FY26 dividend is expected to be increased by 6%, representing a one-year acceleration in the Chesnara Group's recent historic track record of 3% per annum increases.

3.2 Where will the securities be traded?

Applications will be made to the: (i) FCA for the New Ordinary Shares to be admitted to listing on the equity shares (commercial companies) category of the Official List of the FCA; and (ii) London Stock Exchange for the New Ordinary Shares (fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that the Rights (Nil and Fully Paid) will be admitted to trading on a multi-lateral trading facility of the London Stock Exchange. No application has been made or is currently intended to be made for New Ordinary Shares to be admitted to listing or trading on any other exchange.

3.3 What are the key risks that are specific to the securities?

- Prospective investors should be aware that the value of an investment in the Company may go down as well as up and any fluctuations may be material.
- The market value of the New Ordinary Shares, the Nil Paid Rights and/or the Fully Paid Rights could fluctuate substantially and may not always reflect the underlying value or prospects of the Chesnara Group.
- The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of such Ordinary Shares in the public markets or the perception that these sales could occur.

- The market price of the New Ordinary Shares, the Nil Paid Rights and/or the Fully Paid Rights could be subject to volatility.
- Shareholders who do not (or are not permitted to) acquire New Ordinary Shares in the Rights Issue will experience dilution in their ownership of the Company.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

4.1.1 It is expected that Admission will become effective on 8 July 2025 and that dealings in Rights (Nil and Fully Paid) will commence as soon as practicable after 8.00 a.m. on that date. The Company proposes to issue 79,539,337 New Ordinary Shares in connection with the Rights Issue. Pursuant to the Rights Issue, New Ordinary Shares will be offered by way of rights to Qualifying Shareholders on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter. The offer is to be made at 176 pence per New Ordinary Share, payable in full on acceptance by no later than 11.00 a.m. on 22 July 2025. The Issue Price represents a discount of 40% to the closing price of 293.50 pence per Ordinary Share on the Latest Practicable Date, and a discount of 30.4% to TERP of 252.98 pence per Ordinary Share by reference to the closing price on the same basis. The Rights Issue will be made on the basis of 10 New Ordinary Shares at 176 pence per New Ordinary Share for every 19 Existing Ordinary Shares held at the Record Date (and so in proportion for any other number of Existing Ordinary Shares then held) and otherwise on the terms and conditions as set out in this document and, in the case of Qualifying Non-CREST Shareholders also in the Provisional Allotment Letters.

4.1.2 If a Shareholder does not (or is not permitted to) take up the offer of New Ordinary Shares under the Rights Issue, such Shareholder's proportionate ownership and voting interests in the Company will be diluted by up to 34.5% as a result of the Rights Issue. For the purposes of calculating: (i) the number of New Ordinary Shares to be issued pursuant to the Rights Issue; (ii) the specified increases to the Company's issued ordinary share capital resulting from the Rights Issue; and (iii) the specified dilutive effect of the Rights Issue, the issuance of any Ordinary Shares in respect of the vesting or exercise of any awards under the Share-Based Incentive Plans which may occur between the Latest Practicable Date and the completion of the Rights Issue has been disregarded.

4.2 Why is this prospectus being produced?

This document has been prepared in connection with the Rights Issue to be undertaken by the Company. The Company proposes to issue 79,539,337 New Ordinary Shares as pursuant to the Rights Issue. The Company expects to raise net proceeds of approximately £130 million from the Rights Issue. The aggregate expenses of, or incidental to, the Rights Issue to be borne by the Company are estimated to be approximately £10 million. The Rights Issue is fully underwritten by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement. The Company is undertaking the Rights Issue to raise funds to part finance the Acquisition and intends to use the net proceeds for that purpose. The remainder of the consideration for the Acquisition is expected to be funded from £55 million of existing internal cash resources and a drawdown of £65 million under the Company's Amended and Restated Facility Agreement.