



Chesnara

CHESNARA

RT1 GBP BOND OFFERING

*Continued strategic delivery driving growth in cash
generation and future value*

28 JULY 2025

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INTRODUCTION TO CHESNARA & KEY CREDIT STRENGTHS

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

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

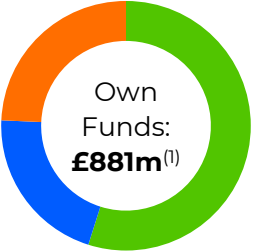
Chesnara has committed to becoming a Sustainable Group and being net zero by 2050.

Chesnara are acquiring HSBC Life (UK), our largest transaction since listing in 2004, creating a Group with c.£18bn AuA and c.1.4m policies

KEY FINANCIAL METRICS

Pro Forma Post HSBC Life (UK) Acquisition

Group Solvency II Ratio: 169%



UK

SWEDEN

NETHERLANDS

OUR STRATEGIC PLAN

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

KEY STRENGTHS OF THE CHESNARA CREDIT STORY



1

SUSTAINABLE, LONG-TERM CASH GENERATION

- History of cash generation from efficient administration of unit-linked and protection policies, with limited exposure to policies with interest rate guarantees
- Conservative investment strategy for own account investments, providing clear trajectory of future cash flow emergence
- M&A supports emergence of further value and cash flow over medium term

2

TRACK RECORD OF BUILDING SCALE AND VALUE

- Value growth driven by M&A
- Meaningful upside potential from new business growth
- Range of management actions are available to deliver future value

3

DISCIPLINED M&A FRAMEWORK WITH PROVEN TRACK RECORD OF DELIVERY AND INTEGRATION, DRIVING INCREASE IN AUA

- Strong M&A track record – acquisitions have been completed at attractive multiples and have delivered material synergies
- Focus on three sizeable and active markets (UK, Sweden and the Netherlands) with options for further territories if compatible with strategy
- Strong track record of integrating businesses & portfolios and scalable platforms capable of taking on portfolios, along with funding capacity & optionality

4

STRONG SOLVENCY II POSITION AND CREDIT RATING

- Chesnara is strongly capitalised and expects the acquisition to result in a Solvency II coverage ratio above the upper end of its 140-160% operating range
- Solvency II Coverage ratio following acquisition of HSBC Life (UK) will stand at 169%, with leverage remaining at conservative levels
- Long term default rating A- (Fitch)

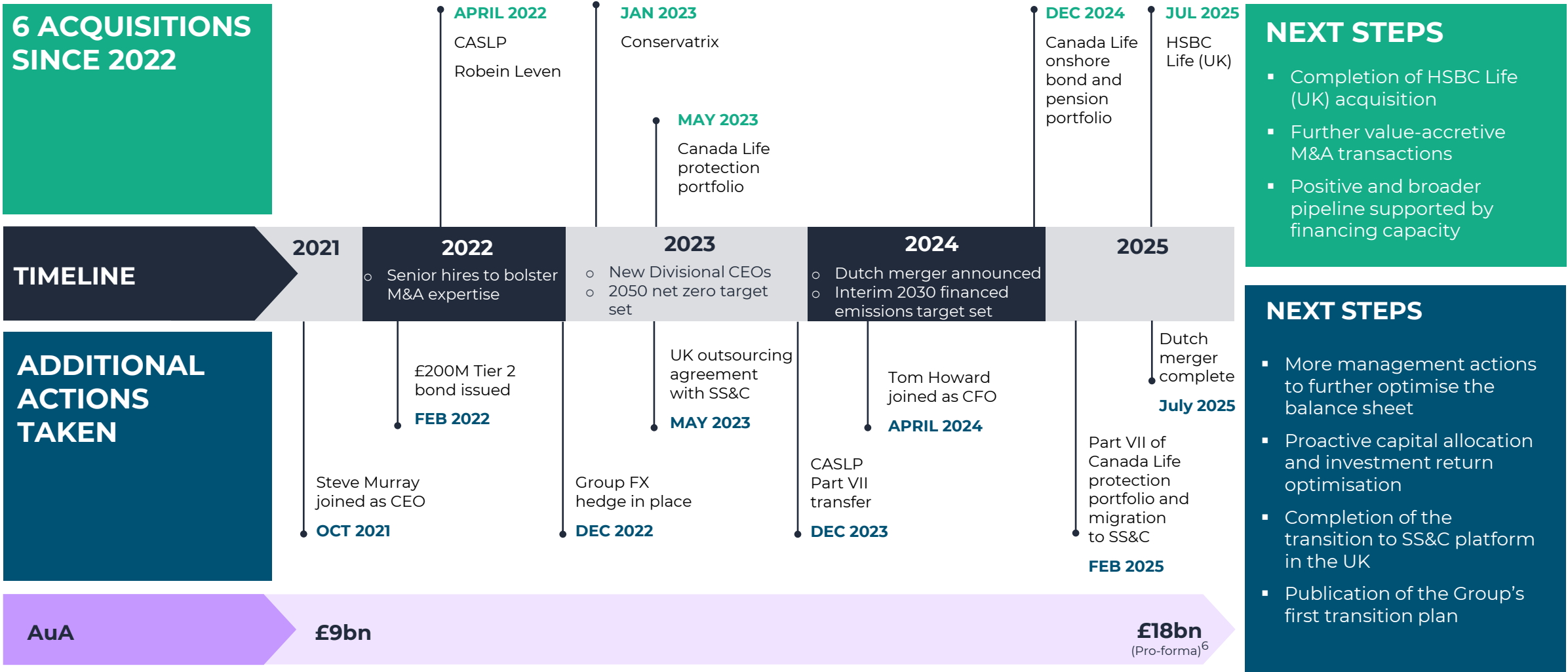
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EXPERIENCED AND HIGH-QUALITY MANAGEMENT TEAM

- Well-regarded management team, with deep expertise and proven track record across our strategic objectives
- Group management well supported by strong divisional leadership groups
- Backed by a long-established and supportive shareholder base

Multiple drivers of stability and value growth, providing strong support for the credit proposition

CHESNARA HAS BEEN ACTIVELY ACQUIRING IN RECENT YEARS AND HAS LAID THE FOUNDATIONS FOR FURTHER GROWTH



CONTINUED STRONG M&A PIPELINE



KEY DRIVERS FOR M&A ACTIVITY:




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:





ACQUISITION OVERVIEW: HSBC LIFE (UK)

ACQUISITION ACCELERATES CHESNARA'S STRATEGY



Chesnara has the capacity, capability and reputation to acquire and integrate HSBC Life (UK) successfully



HSBC Life (UK) is a high-quality business acquired at an attractive price



Chesnara has significant experience in all of HSBC Life (UK)'s product lines



Multiple value levers including expense efficiency and synergies



Chesnara retains balance sheet strength and financing capacity for future M&A

A COMPELLING VALUE-ACCRETIVE TRANSACTION



INCREASED CASH GENERATION

- Expected incremental lifetime cash generation of >£800m⁽³⁾, >3x consideration of £260m⁽⁴⁾

MAINTAIN BALANCE SHEET STRENGTH AND RESILIENCE

- Solvency II ratio to remain above normal range of 140% - 160%
- Leverage ratio in line with investment grade rating

SIGNIFICANT VALUE CREATION FOR INVESTORS

- Acquired at an attractive multiple of 83% of Eligible Own Funds⁽⁵⁾
- 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 expected eligibility for FTSE 250 inclusion increasing liquidity in the shares

REINFORCES OUR POSITION AS ONE OF THE LEADING LIFE AND PENSIONS CONSOLIDATORS

- 15th announced acquisition to date with firepower to continue to execute on attractive pipeline

HSBC LIFE (UK) IS AN ATTRACTIVE BUSINESS OFFERING HIGHLY COMPLEMENTARY PRODUCTS

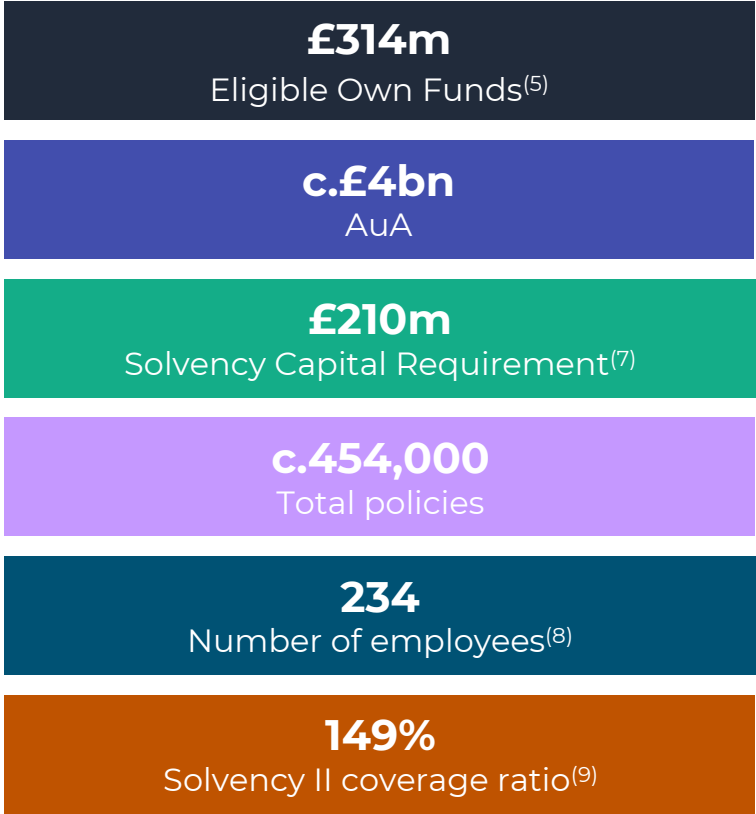


HSBC Life (UK) is a specialist investment bond and life protection provider in the UK

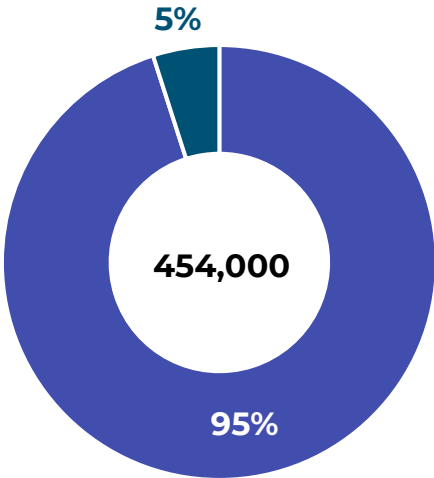
OVERVIEW OF HSBC LIFE (UK)

- Chesnara is experienced in managing all of the products provided by HSBC Life (UK)
- Product suite includes onshore investment bond and a range of protection products
- Distributed through IFAs and aggregators as well as certain HSBC internal channels
- Key operations in Fareham, Bristol and London

HSBC LIFE (UK) KEY METRICS (Dec 2024)



NUMBER OF POLICIES BY PRODUCT TYPE



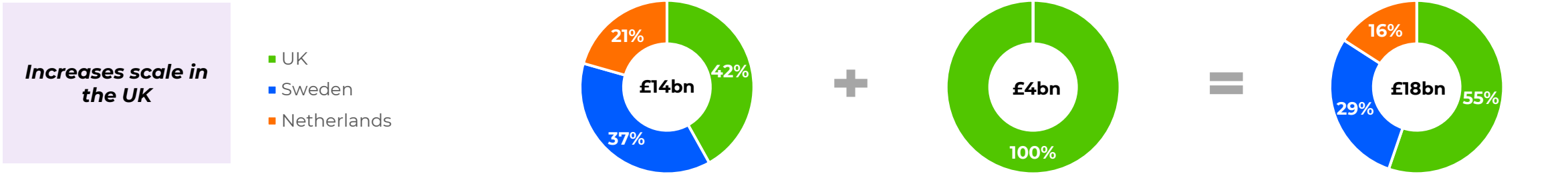
- Protection
- Onshore Investment bond

STRENGTHENING OUR EXISTING BUSINESS



	Chesnara Dec-24	HSBC Life (UK) Dec-24	Pro-Forma Chesnara Dec-24
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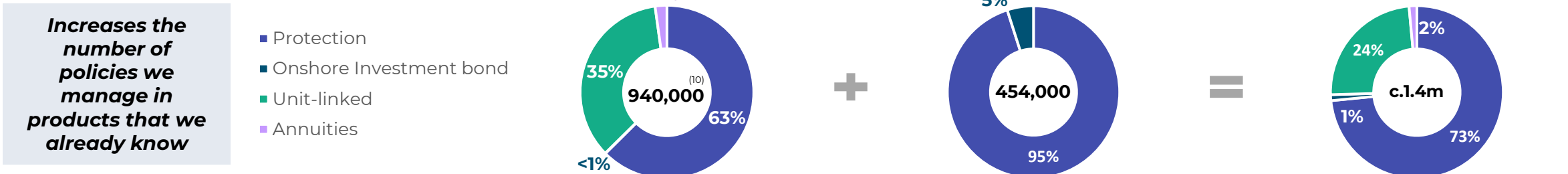
AUA BY GEOGRAPHY



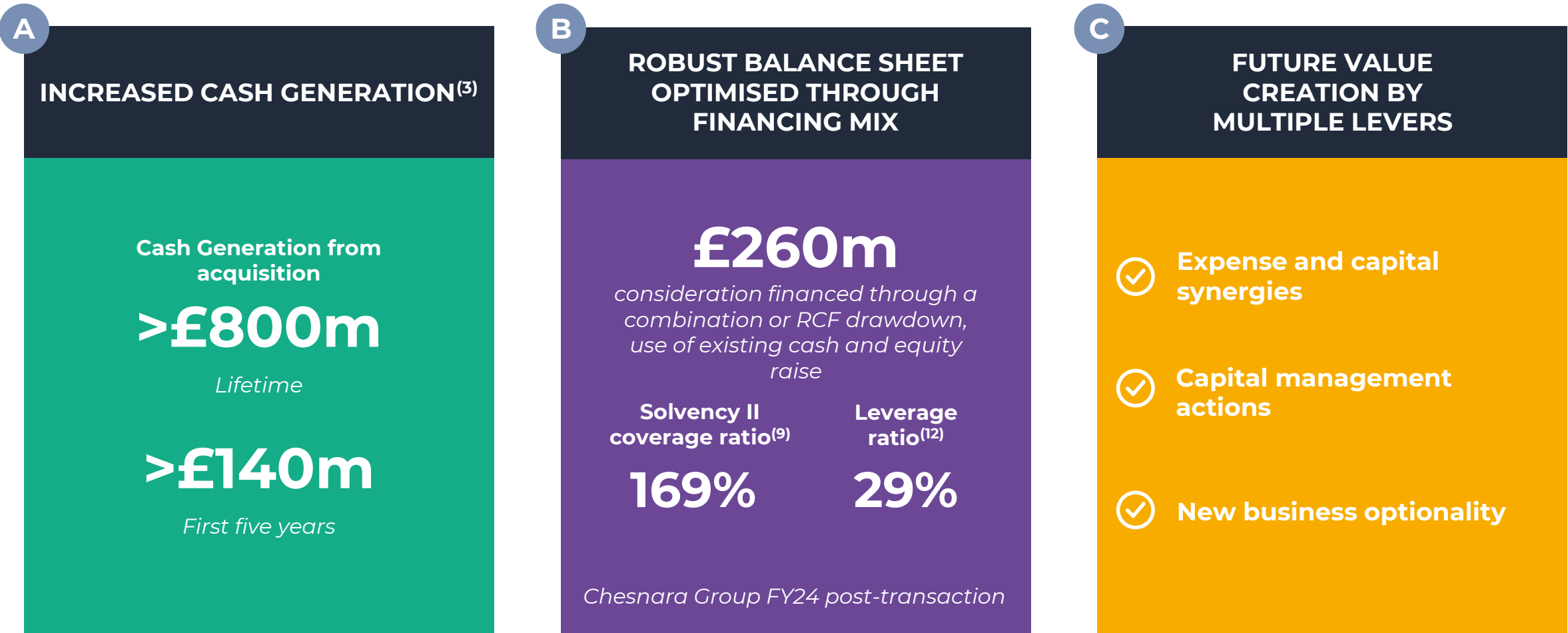
AUA BY PRODUCTS



POLICIES BY PRODUCTS



HSBC LIFE (UK) WILL DRIVE INCREASED CASH GENERATION AND VALUE CREATION



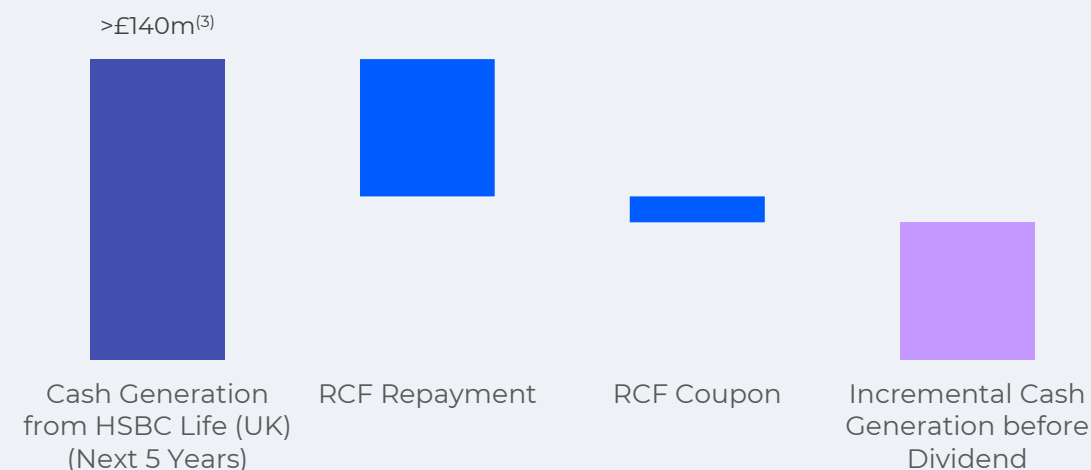
A INCREASED CASH GENERATION



OVERVIEW

- HSBC Life (UK) is expected to add in excess of £800 million of lifetime cash generation⁽³⁾
 - Achieved through delivery of future profits and run off of capital requirements
 - Materially increases the group's stock of lifetime cash generation
- £140m of cash generation during the first five years post acquisition over the period 2025 - 2029⁽³⁾
 - >80% of lifetime cash flows expected to emerge after five years
 - Extends the sustainability of the dividend
- Potential for incremental cash generation from additional expense and capital synergies, management actions and new business
- Robust liquidity levels maintained at group level

NEXT 5 YEARS CASH GENERATION TRANSACTION IMPACT



B FINANCING STRUCTURE RETAINS BALANCE SHEET STRENGTH



Financing structure consistent with existing framework and provides firepower for further M&A

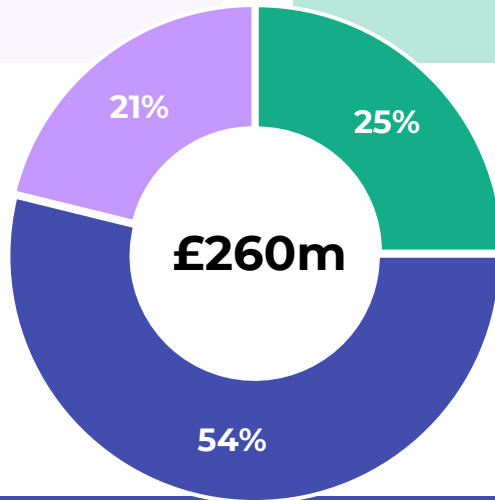
FINANCING STRUCTURE

Existing cash - £55m

- £55m existing cash used

Drawdown on RCF - £65m

- Drawdown of £65m under updated and increased £150m debt facility



Equity Raise - £140m⁽¹³⁾

- Fully underwritten rights issue launched on announcement

FINANCIAL CONSIDERATIONS

Solvency

- ✓ Remain above Solvency II operating range of 140% - 160%

Leverage

- ✓ Maintain investment grade rating

Liquidity

- ✓ Robust liquidity at group level

Acquisition Capacity

- ✓ To maintain capacity for further M&A, the Group continues actively to assess all financing options including the issuance of RTI instruments

B ROBUST BALANCE SHEET MAINTAINED



SOLVENCY

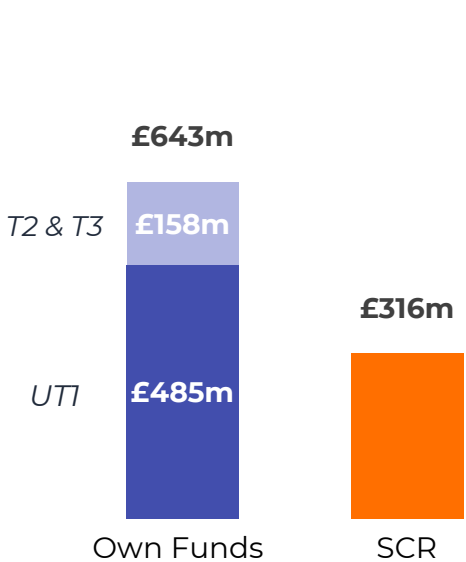
- Estimated Group solvency coverage of 169% (Dec-24 pro-forma)
- Above our Group's operating range of 140% - 160%
- Robust capital position expected to remain above the range with no material changes expected to Solvency II sensitivities

LEVERAGE⁽¹²⁾

- Estimated Group leverage of 29% (Dec-24 pro-forma)
- Leverage ratio would reduce further following repayment of the RCF

Coverage ratio⁽⁹⁾

203%



Chesnara Standalone
(Dec-24)

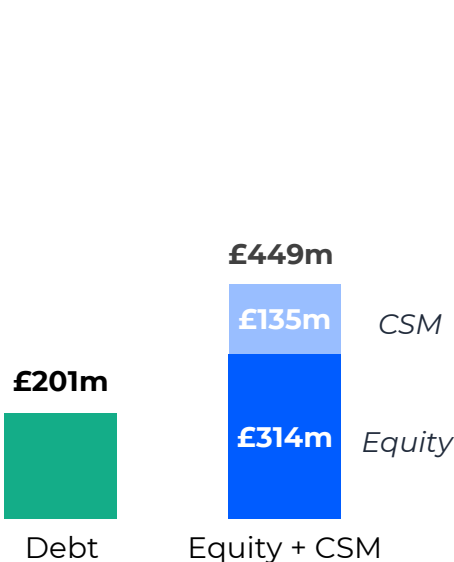
169%



Chesnara Pro-forma⁽¹⁴⁾
(Dec-24)

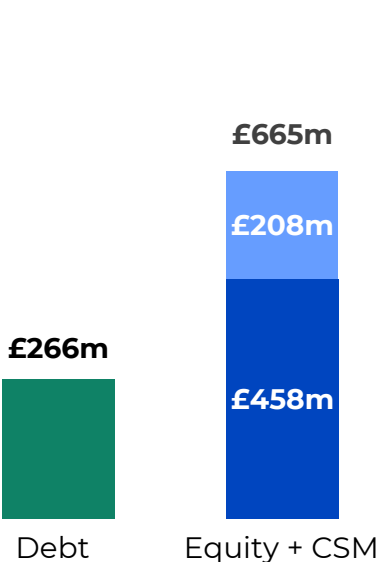
Leverage ratio⁽¹²⁾

31%



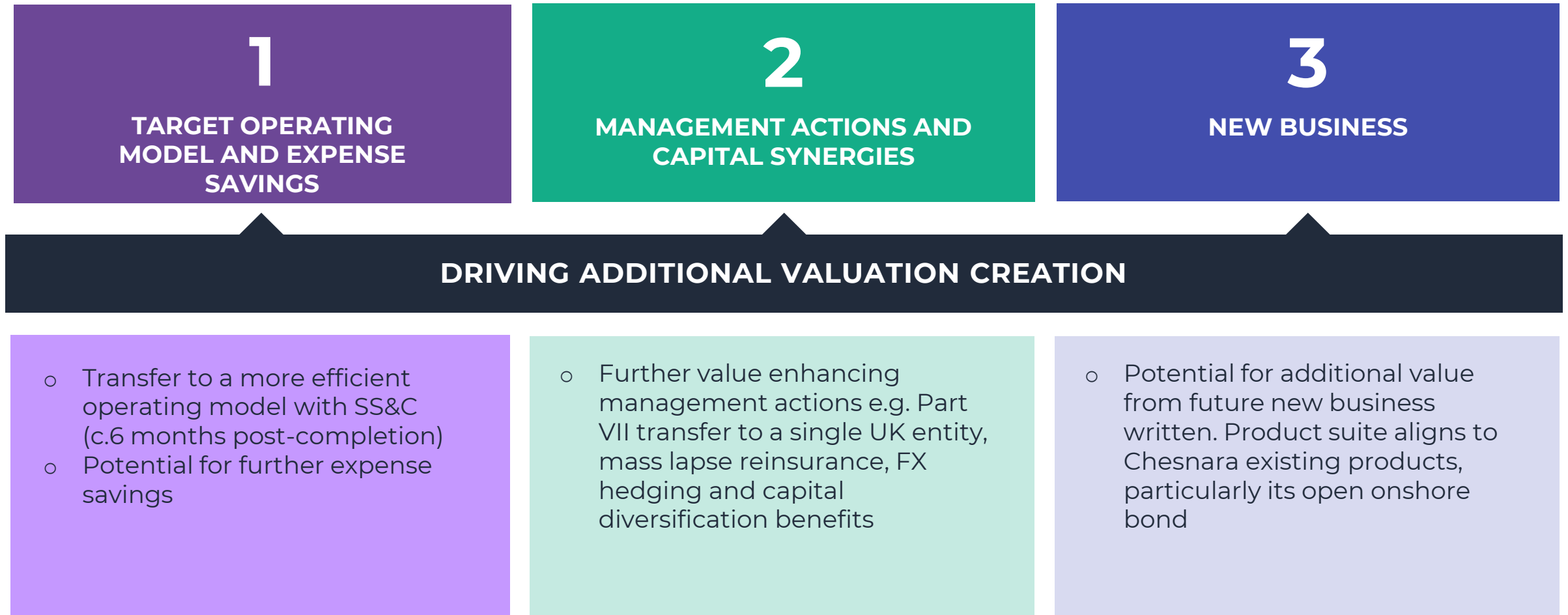
Chesnara Standalone
(Dec-24)

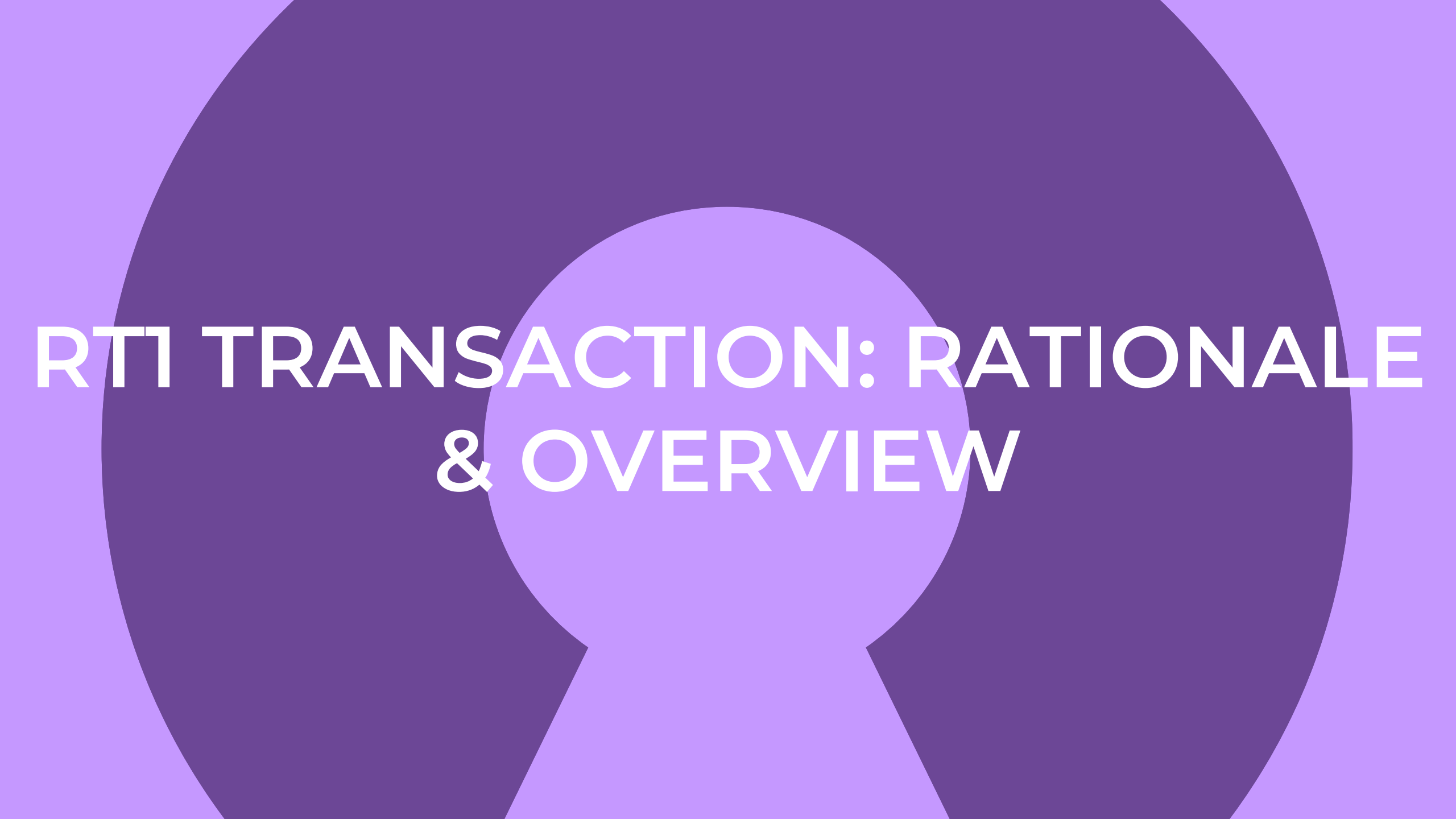
29%



Chesnara Pro-forma⁽¹⁴⁾
(Dec-24)

C FUTURE VALUE CREATION THROUGH MULTIPLE LEVERS





RTT TRANSACTION: RATIONALE & OVERVIEW

RTI TRANSACTION RATIONALE & INVESTMENT THESIS



Summary

- Inaugural RTI transaction from Chesnara plc
- Proposed issue of GBP denominated Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes
- Envisaged £150m transaction size
- PerpNC5.5 structure, including a 6-month par call prior to each Reset Date
- Expected instrument rating of BBB- by Fitch
- Net proceeds of the transaction will be used for general corporate purposes, including investments and acquisitions

Transaction Rationale

- Strengthens solvency position by increasing Tier 1 own funds at an attractive cost of capital
- Optimises capital structure leveraging available RTI headroom
- Supports current rating position by improving Fitch capitalisation and leverage metrics
- Enhances debt maturity profile and provides financial flexibility to support future growth initiatives, including potential acquisitions
- Further broadens Chesnara's capital base and strengthens its presence in the debt capital markets following inaugural Tier 2 transaction in 2022

Issuer & Investment Thesis

- Experienced and high quality management team, with deep expertise and proven track record across Chesnara's strategic objectives
- Consistently strong financial performance since 2004
- FY 2024 cash generation of £60m on a robust capital base
- Strong 'A-' Long-Term Issuer Default Rating by Fitch
- Issuing from a position of strength, with a Solvency II Coverage ratio of 203% as of FY 2024 and 169% post-acquisition - comfortably above the upper end of Chesnara's 140-160% operating range
- Ample buffers protecting distribution capacity and substantial headroom to each of the three RTI trigger events

WE REMAIN FLEXIBLE TO EXECUTE FUTURE M&A USING EXISTING CASH, EXTERNAL DEBT AND EQUITY RAISE

FINANCIAL CONSIDERATIONS

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 smaller transactions without external fundraising

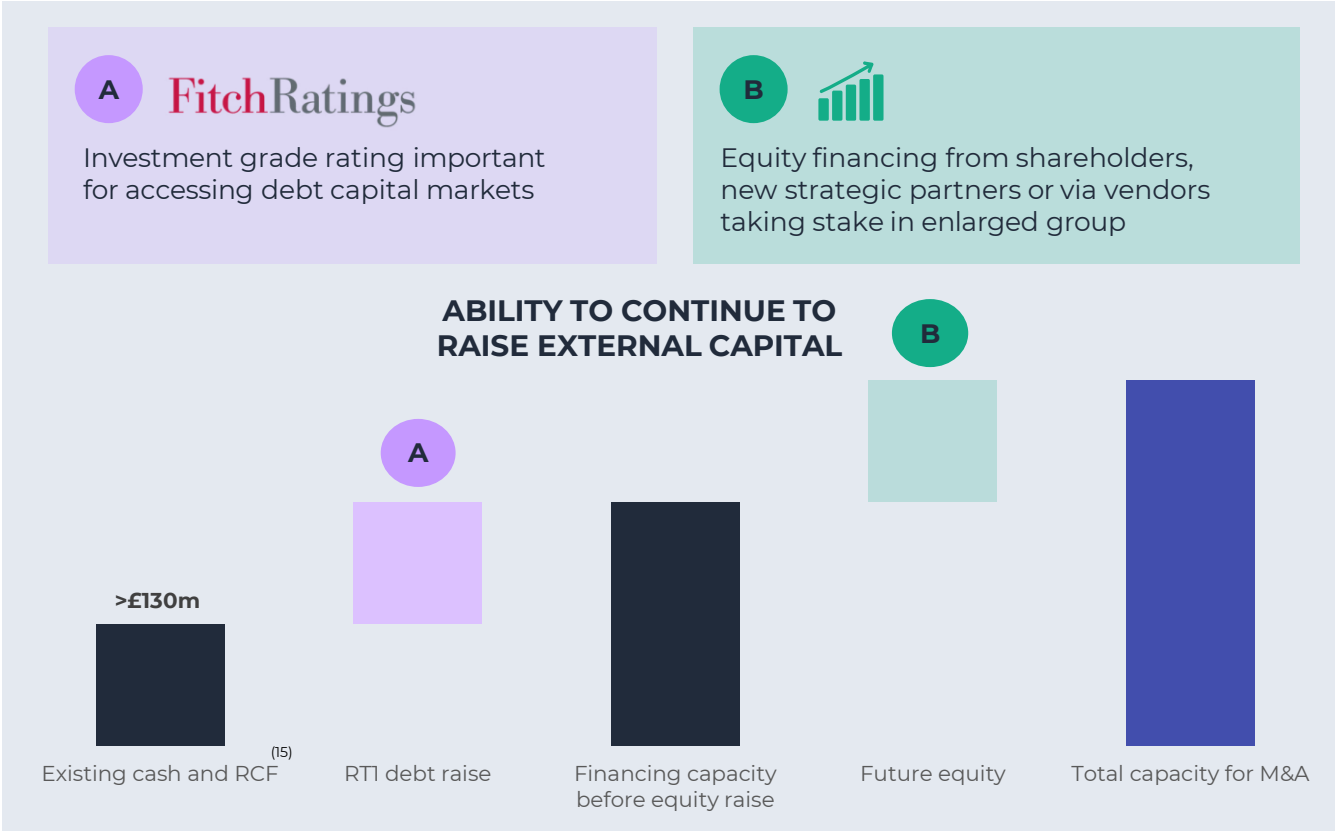
RECENT ACTIONS TAKEN

Expanded

RCF to £150m from £100m

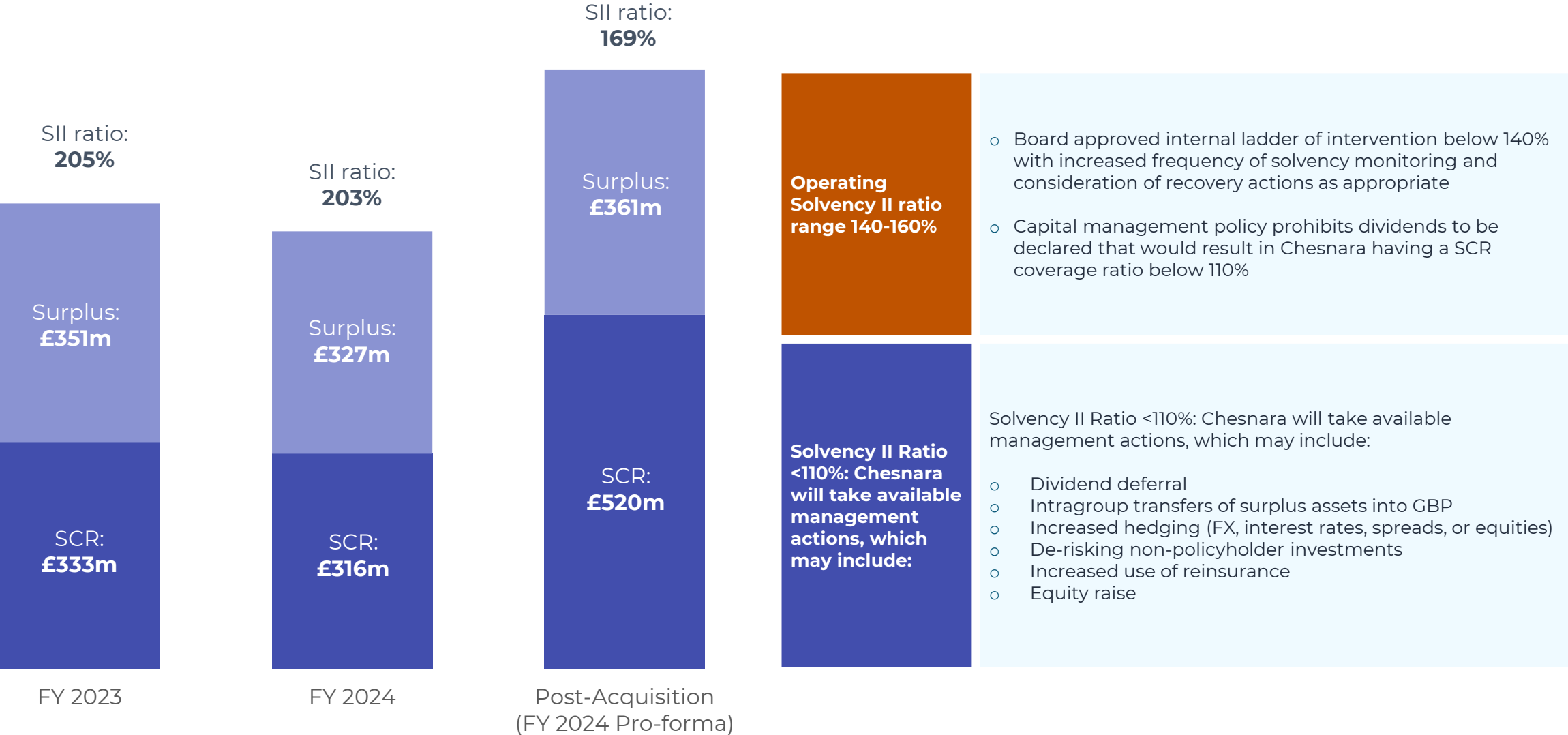
Obtained

Shareholder approval to raise RTI capital

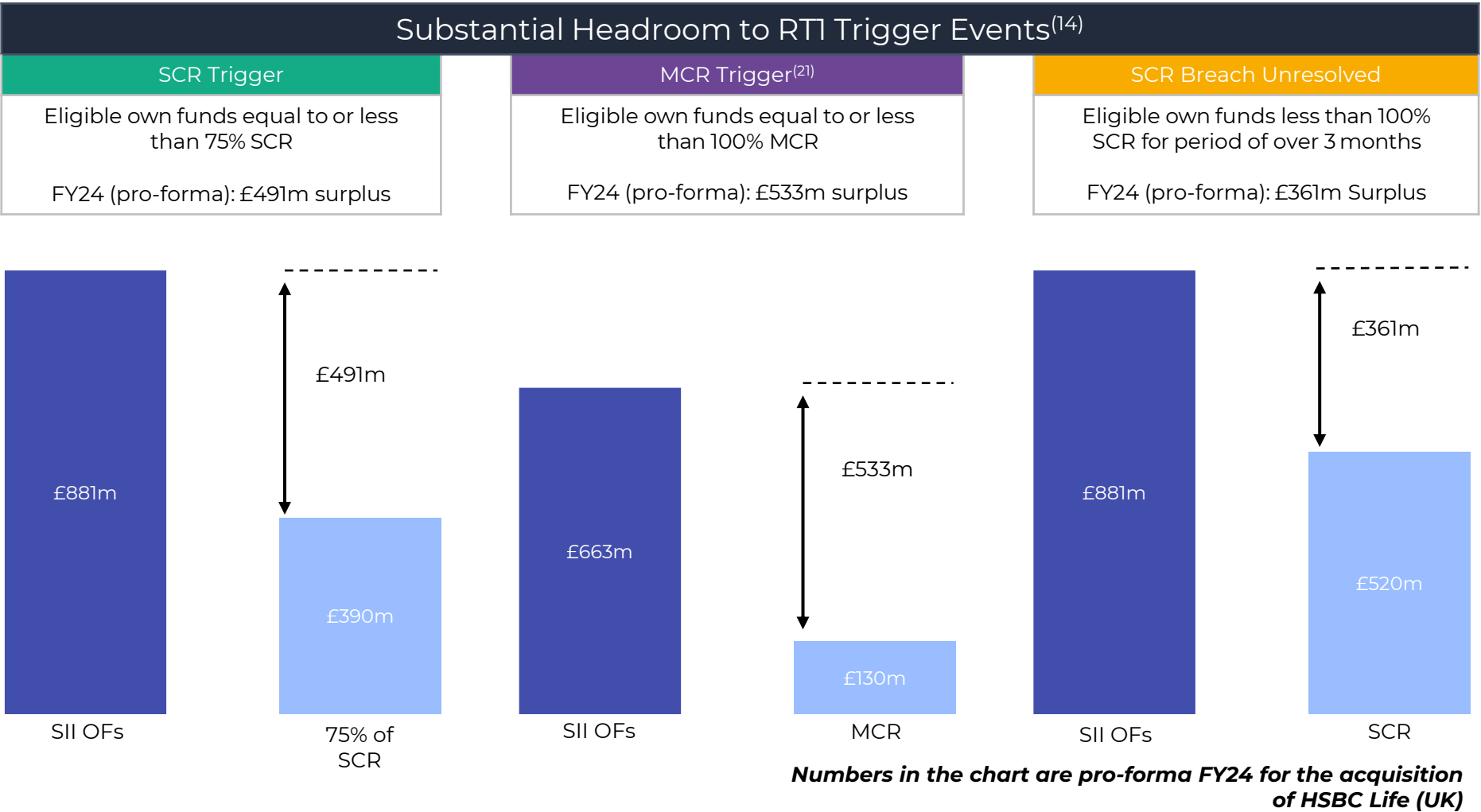


Consistent with Chesnara's current acquisition strategy, we are actively evaluating near- and medium-term acquisition opportunities; any transaction would aim to maintain a Solvency II coverage ratio within or above the 140–160% operating range

STRONG CAPITAL MANAGEMENT



SUBSTANTIAL HEADROOM ABOVE REQUIREMENTS



- It is the Issuer's intention that, whenever exercising its discretion to declare dividends, or its discretion to cancel interest on the Notes, the Issuer will take into account, among other factors, the relative ranking of these instruments in the capital structure⁽¹⁶⁾
- Chesnara plc is a public listed company with a strong track record of consistent dividend payments
- Long term interest rate risk for investors mitigated by a coupon reset mechanism at the first reset date and every 5 years thereafter

Under UK Company law the Issuer's distributions can be made out of the distributable items of the Issuer. As at FY 2024 distributable items are £158m and will be supported by dividends from the life company subsidiaries

SUMMARY TERMS OF THE OFFERING (1/2)



The summary terms below are indicative only and subject to amendment and completion. This summary is qualified in its entirety by, and must be read together with, the full 'Terms and Conditions of the Notes' as set out in the Preliminary Offering Memorandum prepared by Chesnara plc and available to eligible investors upon request from the Joint Lead Managers.

Issuer	Chesnara plc
Instrument	Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes ("Notes")
Currency/Expected Size	£[150]m
Expected Issue Rating (Fitch)⁽¹⁷⁾	BBB-
Maturity	Perpetual
Status and Subordination	The Notes constitute direct, unsecured and subordinated obligations of the Issuer ranking pari passu and without any preference among themselves, and rank in an Issuer Winding-up which occurs prior to the occurrence of a Trigger Event, (i) junior to the claims of Senior Creditors (including unsubordinated creditors, Tier 2 and Tier 3 Capital), (ii) pari passu with the most senior class or classes of issued preference shares (if any) and (iii) ahead of all other classes of issued shares
No Set-off	Subject to applicable law, each Noteholder will be deemed to have waived any right of set-off, compensation, counterclaim, or retention against the Issuer in respect of or arising under the Notes or the Trust Deed
Solvency Condition	Other than where an Issuer Winding-Up has occurred, all payments (other than any cash component of the Conversion Shares Offer Consideration) under the Notes shall be conditional upon the Issuer being solvent (as defined in Condition 3(d)) at the time for payment and immediately thereafter
First Reset Date	5.5 years after the Issue Date (February 2031)
Reset Dates	The First Reset Date and each fifth anniversary of the First Reset Date thereafter
Redemption at the Option of the Issuer	The Issuer may, at its option, redeem all (but not some only) of the Notes at par (i) on any day falling in the 6-month period commencing on (and including) the [fifth] anniversary of the Issue Date and ending on (and including) the First Reset Date (6-month par call); or (ii) on any day falling in the six-month period ending on (and including) any subsequent Reset Date (in each case subject to the Redemption and Purchase Conditions)
Interest	Fixed rate to (but excluding) the First Reset Date, and then reset on each Reset Date to the then-prevailing 5-year Gilt yield plus the Margin (no step-up)
Cancellation of Interest	Fully discretionary interest cancellation (in whole or in part) at the option of the Issuer at any time. Mandatory cancellation of interest upon occurrence of the following events (subject to waiver by the Relevant Regulator in exceptional circumstances): (i) breach of the Solvency Condition, (ii) non-compliance with the Solvency Capital Requirement, (iii) non-compliance with the Minimum Capital Requirement, (iv) insufficient Distributable Items, (v) otherwise required by the Relevant Regulator or under the Relevant Rules. Any cancelled interest payment is non-cumulative

SUMMARY TERMS OF THE OFFERING (2/2)



Special Redemption Events	At par at any time (subject in each case to the Redemption and Purchase Conditions) if (i) a Tax Event, Capital Disqualification Event or Ratings Methodology Event has occurred and is continuing (or if a Capital Disqualification Event or Ratings Methodology Event will occur within six months) or (ii) 75% or more of the Notes originally issued have been purchased and cancelled (clean-up call)
Substitution of Issuer	Under the Conditions, the Issuer may, without the consent of the Noteholders, be substituted as principal debtor under the Notes by (i) a successor in business, (ii) a new Insurance Group Parent Entity or (iii) (in the event of a Newco Scheme), Newco (each as defined in the Conditions)
Trigger Event	If the Issuer determines at any time that: (i) Own Fund Items of the Issuer or the Insurance Group is $\leq 75\%$ of SCR; (ii) Own Fund Items of the Issuer or the Insurance Group is $\leq 100\%$ of the MCR; or (iii) breach of the SCR of the Issuer or the Insurance Group has occurred and has not been remedied within 3 months
Automatic Conversion upon Trigger Event	Upon the occurrence of Trigger Event, the Notes will (unless conversion is waived by the Relevant Regulator in exceptional circumstances) be converted into ordinary shares of the Issuer in whole and not in part at the prevailing Conversion Price
Conversion Price	£1,000 per Conversion Share, subject to limited anti-dilution adjustments
Conversion Shares Offer	The Issuer may in its sole and absolute discretion (subject to applicable law), elect that (subject to Noteholder opt-out) some or all of the shares to be delivered on conversion first be offered for sale to all or some of the Issuer's existing shareholders at such time, subject to certain conditions, and deliver the cash proceeds (net of costs and taxes) to Noteholders
Substitution & Variation of the Notes	Applicable upon a Tax Event, a Capital Disqualification Event or a Rating Methodology Event (or if a Capital Disqualification Event or Ratings Methodology Event will occur within six months); subject to certain conditions including new terms not being materially less favourable to Noteholders
Enforcement	Non-payment of principal when due and Issuer Winding-Up only. Payment of any amounts due can only be enforced in an Issuer Winding-Up.
Governing Law / Listing / Clearing	English law / Global Exchange Market ("GEM") of Euronext Dublin / Euroclear and Clearstream, Luxembourg
Use of Proceeds	The net proceeds of the issue of the Notes are expected to be used by the Issuer for its general corporate purposes, including investments and acquisitions
Form/Denominations	Registered (Reg S) / £200,000 and integral multiples of £1,000 in excess thereof
Documentation	Offering Memorandum prepared by the Issuer; defined terms used and not defined herein have the meaning given in the section thereof titled 'Terms and Conditions of the Notes' (the "Conditions", and references to a numbered "Condition" should be construed accordingly).
Target Market (UK MiFIR / MiFID II) / FCA CoCo restriction / UK/EEA PRIIPs	Eligible counterparties and professional clients only (all distribution channels). No EU PRIIPs or UK PRIIPs key information document (KID) has been prepared as not available to retail investors in the EEA or the UK. FCA CoCo Restriction applies - no sales to retail clients (as defined in COBS 3.4) in the UK.
Selling Restrictions	United States (Reg S, Cat 2), EEA, UK, Singapore, Japan

STRUCTURAL COMPARISON WITH SELECTED RTI TRANSACTIONS



	Chesnara plc £[150]m PNC5.5RTI	Aviva plc £500m PNC8 RTI	Utmost Group plc £300m PNC7.5 RTI	Rothesay Life Plc £450m PNC10.5 RTI	Bupa Finance plc £300m PNC10.5 RTI
Issue Date	[TBD]	Mar-25	Jan-22	Oct-21	Sep-21
Issue Ratings⁽¹⁹⁾ (M/S/F)	- / - / BBB- (expected)	Baa2 / - / BBB+	- / - / BB	- / - / BBB-	Ba1 / - / BB+
Interest	[·]% until the FRD [Feb-31], thereafter reset to 5yr Gilt + [·]bps, semi-annual	7.750% until the FRD (Mar-33), thereafter reset to 5yr Gilt+319.4bps, semi-annual	6.125% until the FRD (Jun-29), thereafter reset to 5yr Gilt+498.3bps, semi-annual	5.000% until the FRD (Apr-32), thereafter reset to 5yr Gilt+387.3bps, semi-annual	4.000% until the FRD (Mar-32), thereafter reset to 5yr Gilt+317bps, semi-annual
Redemption at the Option of the Issuer	During the 6-month period to and including the FRD, and on any day falling in the 6-month period to and including every 5yrs thereafter	During the 6m period to and including the FRD (6-month par call), and every 5yrs thereafter	During the 6m period to and including the FRD (6-month par call), and every 5yrs thereafter	During the 6m period to and including the FRD (6-month par call), and every 5yrs thereafter	During the 6m period to and including the FRD (6-month par call), and every 5yrs thereafter
Optional Interest Cancellation	Fully discretionary, cancellable at any time. Non-cumulative	Fully discretionary, cancellable at any time. Non-cumulative	Fully discretionary, cancellable at any time. Non-cumulative	Fully discretionary, cancellable at any time. Non-cumulative	Fully discretionary, cancellable at any time. Non-cumulative
Cancellation of Interest	Cancellation upon breach of SCR, MCR, or Solvency Condition; insufficient distributable items; or if otherwise required by regulator. Non-cumulative	Cancellation upon breach of SCR, MCR, or Solvency Condition; insufficient distributable items; or if otherwise required by regulator. Non-cumulative	Cancellation upon breach of SCR, MCR, or Solvency Condition; insufficient distributable items; or if otherwise required by regulator. Non-cumulative	Cancellation upon breach of SCR, MCR, or Solvency Condition; insufficient distributable items; IIWU; or if otherwise required by regulator. Non-cumulative	Cancellation upon breach of SCR, MCR, or Solvency Condition; insufficient distributable items; IIWU; or if otherwise required by regulator. Non-cumulative
Trigger Event	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months	Own Fund Items ≤75% SCR, ≤100% MCR, or 100% > SCR > 75% for 3 months
Principal Loss Absorption	Equity Conversion at £1,000	Equity Conversion at £3.885 (30% discount to share price)	Equity Conversion at £1,000 (class B non-voting ordinary shares)	Equity Conversion at £1,000 (class B non-voting ordinary shares)	Equity Conversion at £1,000 (held by Nominee, no entitlement to voting rights)
Conversion Shares Offer	Issuer's option (subject to Noteholder opt-out) at the then current market price to existing shareholders	Issuer's option (subject to Noteholder opt-out) at no lower than the then current market price to existing shareholders	N/A	N/A	Issuer's option (subject to Noteholder opt-out) at no lower than the nominal value of an ordinary share to existing shareholders
Special Redemption Event	Tax Event, CDE, RME, Clean-Up Call (75%)	Tax Event, CDE, RME, Clean-Up Call (75%)	Tax Event, CDE, RME, Clean-Up Call (80%)	Tax Event, CDE, RME, Clean-Up Call (80%)	Tax Event, CDE, RME, Clean-Up Call (80%)
Substitution and Variation	Tax Event, CDE, RME	Tax Event, CDE, RME	Tax Event, CDE, RME	Tax Event, CDE, RME	Tax Event, CDE, RME
Governing Law / Listing	English / Euronext Dublin (GEM)	English / LSE (ISM)	English / Euronext Dublin (GEM)	English / Euronext Dublin (GEM)	English / LSE (ISM)
Denominations	£200k + 1k	£200k + 1k	£200k + 1k	£200k + 1k	£200k + 1k

Familiar and well understood structure in-line with recent Insurance RTI comparables

STRONG 'A-' LONG-TERM ISSUER DEFAULT RATING BY FITCH



Chesnara Credit Ratings⁽²⁰⁾

Entity	Fitch Rating Category	Rating	Outlook	Date Affirmed
Chesnara plc	Long Term IDR	A-	Stable	10 July 2025
Countrywide Assured plc	Insurer Financial Strength	A	Stable	10 July 2025

Instrument	Nominal	Coupon	Issue Date	Redemption	Fitch Rating
Chesnara plc Subordinated Tier 2 Notes	£200m	4.750%	4 Feb 2022	4 Aug 2032	BBB-
Chesnara plc Proposed Restricted Tier 1 Notes	[.]	[.]	[.] 2025	Perpetual	Expected BBB-

Key Rating Drivers

Company Profile	Capitalisation & Leverage	Financial Performance
<ul style="list-style-type: none"> ✓ Established record of life-insurance book acquisitions and strong new business market shares ✓ Chesnara's proposed acquisition of HSBC Life UK, which is its largest acquisition to date, enhances its operating scale, adding about GBP4 billion to its GBP14 billion assets under administration at end-2024 ~ Fitch continues to view Chesnara's post-acquisition operating scale as modest compared to similarly rated peers 	<ul style="list-style-type: none"> ✓ Lower Financial Leverage with pro forma financial leverage ratio (FLR) expected to improve to 29% post-acquisition ✓ Improvements in Chesnara's financial performance could further support a reduction in the FLR over the near to medium term ✓ Strong Capitalisation with 'Extremely Strong' Fitch Prism model score and expected to remain commensurate with the rating ✓ Scoring benefits from low risk charges on unit-linked reserves and high-quality investment portfolio 	<ul style="list-style-type: none"> ✓ The acquired businesses and increased scale support the execution of cost-efficiency initiatives, which will have a positive impact on operating earnings ✓ Improvement in Chesnara's credit profile benefitting from larger, more diversified operations to be partially offset by the integration and execution risks inherent in major acquisitions. However, these are mitigated by Chesnara's record of successful life-insurance book acquisitions

KEY STRENGTHS OF THE CHESNARA CREDIT STORY



1

SUSTAINABLE, LONG-TERM CASH GENERATION

- History of cash generation from efficient administration of unit-linked and protection policies, with limited exposure to policies with interest rate guarantees
- Conservative investment strategy for own account investments, providing clear trajectory of future cash flow emergence
- M&A supports emergence of further value and cash flow over medium term

2

TRACK RECORD OF BUILDING SCALE AND VALUE

- Value growth driven by M&A
- Meaningful upside potential from new business growth
- Range of management actions are available to deliver future value

3

DISCIPLINED M&A FRAMEWORK WITH PROVEN TRACK RECORD OF DELIVERY AND INTEGRATION, DRIVING INCREASE IN AUA

- Strong M&A track record – acquisitions have been completed at attractive multiples and have delivered material synergies
- Focus on three sizeable and active markets (UK, Sweden and the Netherlands) with options for further territories if compatible with strategy
- Strong track record of integrating businesses & portfolios and scalable platforms capable of taking on portfolios, along with funding capacity & optionality

4

STRONG SOLVENCY II POSITION AND CREDIT RATING

- Chesnara is strongly capitalised and expects the acquisition to result in a Solvency II coverage ratio above the upper end of its 140-160% operating range
- Solvency II Coverage ratio following acquisition of HSBC Life (UK) will stand at 169%, with leverage remaining at conservative levels
- Long term default rating A- (Fitch)

5

EXPERIENCED AND HIGH-QUALITY MANAGEMENT TEAM

- Well-regarded management team, with deep expertise and proven track record across our strategic objectives
- Group management well supported by strong divisional leadership groups
- Backed by a long-established and supportive shareholder base

Multiple drivers of stability and value growth, providing strong support for the credit proposition



APPENDICES

SUSTAINABILITY



We are committed to becoming a sustainable Group and net zero by 2050

OUR SUSTAINABILITY COMMITMENTS:

1 Support a sustainable future

2 Make a positive impact

3 Help create a fairer world

OUR GOALS:

NET ZERO
EMISSIONS BY
2050

INVESTMENTS
IN NATURE
AND SOCIAL
IMPACT
SOLUTIONS

A BUSINESS
WHERE
EVERYONE
FEELS
WELCOME

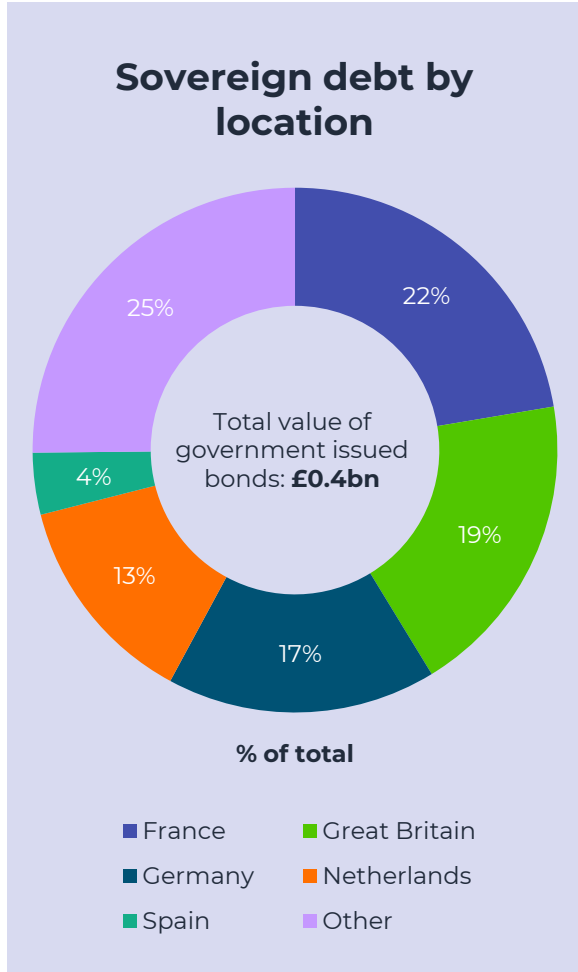
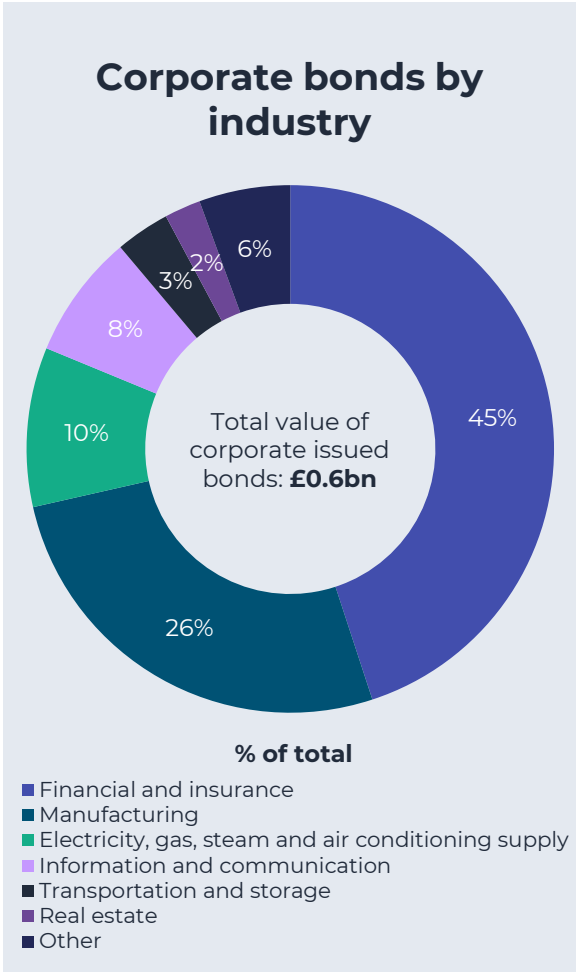
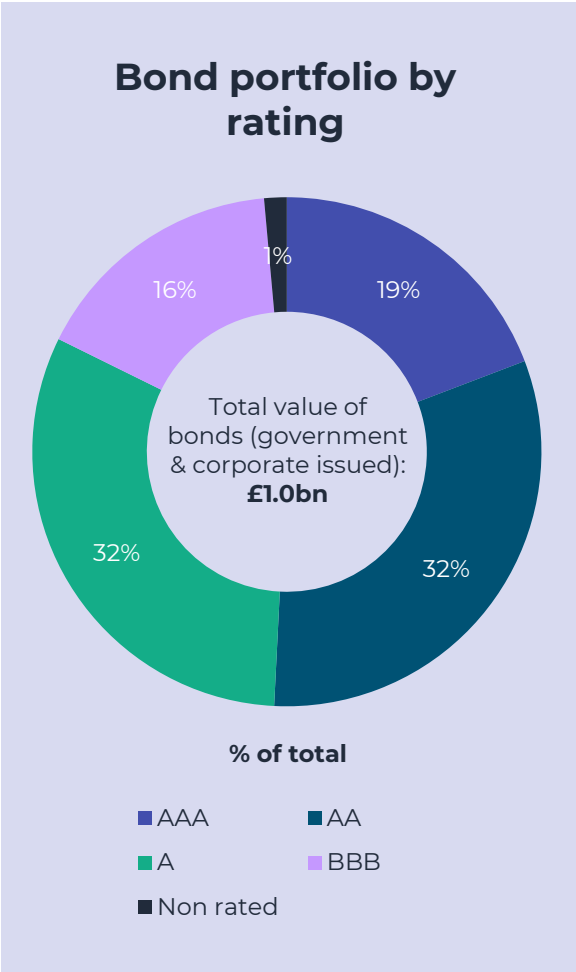
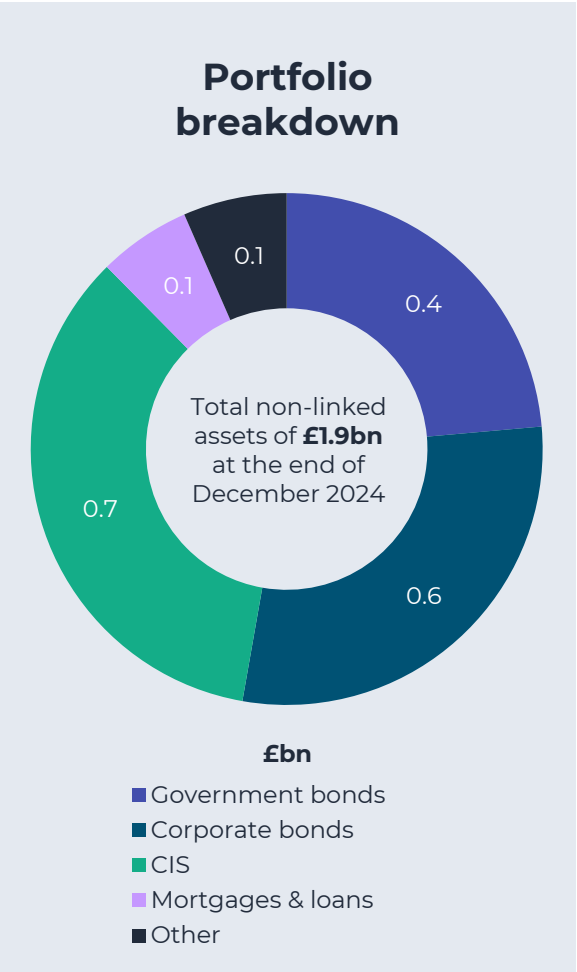
OUR 2024 DELIVERY:

- ✓ Published our interim financed emissions reductions targets
- ✓ Continued to develop our initial transaction plan
- ✓ Embedded sustainability into the assessment of potential acquisitions
- ✓ Delivered sustainability-focused training for all employees across the Group

OUR 2025 PLANS:

- Publish our first transition plan
- Progress our supplier and asset manager engagement
- Further embed sustainability into decision making
- Continue to deliver impactful social value activities across the Group
- Increase our investments in positive solutions
- Progress our implementation of relevant reporting frameworks

NON-LINKED ASSETS (FY24)



SOLVENCY II SENSITIVITIES (FY 2024)



			Solvency	Solvency surplus immediate impact										
			% impact	(80)	(60)	(40)	(20)	-	20	40	60	80		
1	20% sterling appreciation	+34pp												
	20% sterling depreciation	-12pp												
2	25% equity fall	+6pp												
	25% equity rise	-5pp												
	10% equity fall	+3pp												
	10% equity rise	-2pp												
3	1% interest rate rise	+6pp												
	1% interest rate fall	-8pp												
4	50 bps credit spread rise	-4pp												
5	25 bps swap rate fall	-5pp												
6	10% mass lapse	0pp												
7	1% inflation rise	-10pp												
8	5% mortality increase	-4pp												

SOLVENCY II SENSITIVITIES (FY 2024) - CONTINUED



EXPLANATORY NOTES ON THE SENSITIVITIES ON THE PREVIOUS SLIDE ARE PROVIDED BELOW:

1	Foreign Exchange: Appreciation of sterling relative to our overseas currencies reduces the value of overseas surplus with partial mitigation from the Group currency hedge.
2	Equity Valuations: Lower equity valuations reduce the Group's AuA. In turn, this decreases the value of Own Funds and the associated SCR as the value of the funds exposed to market risk reduce. The reduction in SCR is limited by the impact of the Solvency II Symmetric Adjustment.
3	Interest rates: An interest rate fall has a more adverse effect on surplus than an interest rate rise. Group solvency is less exposed to rising interest rates as a rise in rates causes capital requirements to fall, increasing solvency.
4	Credit Spreads: Higher spreads reduce surplus as the rise in spreads decreases the value of Own Funds.
5	Swap Rates: A reduction in the swap discount rate profile reduces the Group's surplus by increasing the time-value of the projected future liabilities associated with the in-force book. This sensitivity assumes that this change applies with no change in the value of the assets backing the liabilities.
6	Mass Lapse: A 10% mass-lapse event drives an immediate reduction in the Group's projection of future surpluses, largely offset by the reduction in the associated SCR.
7	Inflation: A permanent increase in inflation for all future years increases the Group's future expense profile, reducing Own Funds and surplus.
8	Mortality Rates: A 5% increase in mortality rates across the Group will reduce the future surplus projections from the in-force book, leading to lower Own Funds and a reduction in Group's surplus.

BASIS OF PREPARATION ON REPORTING: Although it is not a precise exercise, the general aim is that the sensitivities modelled are deemed to be broadly similar (with the exception that the 10% equity movements are naturally more likely to arise) in terms of likelihood. Whilst sensitivities provide a useful guide, in practice, how our results react to changing conditions is complex and the exact level of impact can vary due to the interactions of events and starting position.

FOOTNOTES



SUMMARY OF FOOTNOTES USED THROUGHOUT THE PRESENTATION

(1)	Geographical split for UK includes other Group activities 2024, see accounts for a definition
(2)	Split based on AuA as at 31 December 2024 excluding the pro forma AuA from the second Canada Life portfolio acquisition announced in December 2024
(3)	Incremental cash generation arising from the acquisition of HSBC Life (UK) is calculated using Chesnara's assumptions and reporting bases on an undiscounted basis
(4)	Consideration before customary closing adjustments
(5)	Eligible Solvency II Own Funds of £314 million after Tier 3 eligibility restriction as at 31 December 2024
(6)	Assets under Administration ("AuA") as at 31 December 2024, pro forma number including the impacts of the Canada Life acquisition announced in December 2024 and the HSBC Life (UK) acquisition announced in July 2025
(7)	Solvency Capital Requirement defined as the sum of individual capital resource requirements for the insurer and each of its regulated undertakings
(8)	234 employees represents people engaged wholly or substantially in the business of HSBC Life (UK) and expected to transfer to Chesnara in the context of the proposed transaction
(9)	Solvency coverage ratio defined as Eligible Solvency II Own Funds divided by SCR
(10)	Chesnara's unit-linked policies also includes index-linked and with-profits
(11)	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
(12)	Leverage ratio calculation defined as debt divided by debt plus equity with the equity denominator adding back the net of tax CSM liability
(13)	Gross proceeds from rights issue
(14)	Chesnara pro forma figures based on combining Chesnara and HSBC Life (UK) and reflecting the impact of the Rights Issue
(15)	Based on closing cash position of £108m as 31 December 2024 less £55m cash resource utilisation for the acquisition and £85m of undrawn capacity from the RCF
(16)	However, the Issuer may depart from this approach at any time in its sole discretion
(17)	A security rating is not a recommendation to buy, hold or sell the Notes and is subject to revision or withdrawal at any time by the rating agency
(18)	These terms provide only an indicative summary. Please refer to the respective Offering Memorandums for a full description of the legally binding terms and conditions
(19)	Issue Ratings are at time of issuance date
(20)	As of Fitch Rating Affirmation 10 July 2025: "Fitch Affirms Chesnara's IFS Rating at 'A'; Outlook Stable"
(21)	Calculated using lower bound, high level proforma estimate

GLOSSARY



TERM	DEFINITION
AuA	Assets under Administration
Cash generation	This represents the operational cash that has been generated in the period. The cash generating capacity of the Group is largely a function of the movement in the solvency position of the insurance subsidiaries within the Group and takes account of the buffers that management has set to hold over and above the solvency requirements imposed by our regulators. Cash generation is reported at a group level and also at an underlying divisional level reflective of the collective perform
CSM	Contractual Service Margin as recognised under IFRS 17, presented on a net of tax basis
Eligible Own Funds	Own Funds that can be used to meet the Solvency Capital Requirement
IFA	Independent Financial Advisor
RCF	Revolving Credit Facility
RT1	Restricted Tier 1 Own Funds
SCR	Solvency Capital Requirement
MCR	Minimum Capital Requirement
T2 & T3	Tier 2 and Tier 3 Own Funds
UT1	Unrestricted Tier 1 Own Funds
FRD	First Reset Date
CDE	Capital Disqualification Event
RME	Ratings Methodology Event
IIWU	Insolvent Insurer Winding Up



Chesnara

THANK YOU