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23 December 2024

CHESNARA plc
("Chesnara" or "the Company")

ANNOUNCEMENT OF A SECOND PORTFOLIO ACQUISITION FROM CANADA LIFE UK

Chesnara plc, the European life and pensions consolidator, today announces it has reached an agreement with Canada Life Limited ("Canada Life UK") to acquire a closed portfolio of unit linked bonds and legacy pension business with approximately 17,000 policies and total assets under management of £1.5 billion as at 31 December 2023. As a result of the acquisition, the policies are expected to transfer to Chesnara's UK subsidiary, Countrywide Assured plc ("Countrywide Assured") at the end of 2025 (subject to the completion of a court-approved Part VII transfer). This transaction follows the previous acquisition of an individual onshore protection business from Canada Life in 2023.

In the interim period, Canada Life UK will reinsure the portfolio to Countrywide Assured, effective from 31 December 2023. The consideration as part of the reinsurance agreement is £2 million, funded from internal Group resources, and we expect the transaction to provide an uplift in the Group's Economic Value of at least £8 million, contribute £8 million of cash generation over a five year period, with a small initial reduction to the Group's Solvency II ratio of approximately 2 percentage points.

Steve Murray, Group Chief Executive, commented:

"We are pleased to continue our relationship with Canada Life through the agreement of our second recent transaction, following the acquisition of 47,000 protection policies that we announced last year. I am looking forward to welcoming these new customers and their advisors to Chesnara and they can be confident we will continue to provide high levels of customer service as part of a financially strong and growing group.

"This transaction, the sixth deal implemented in the past three years, will add additional scale to our UK business which now looks after over 300,000 policies, and provides an attractive return on investment for our shareholders. We continue to see a range of M&A opportunities and are highly confident in our ability to finance and execute such transactions on attractive terms for vendors, customers and our shareholders."

For further information, please contact:

Investor Enquiries

Sam Perowne

Head of Strategic Development & Investor Relations

Chesnara plc

E - sam.perowne@chesnara.co.uk

Media Enquiries

Roddy Watt

Director, Capital Markets

FWD

T - 020 7280 0651 / 07714 770 493

E - rodgy.watt@fwdconsulting.co.uk

Notes to Editors

Chesnara (CSN.L) is a European life and pensions consolidator listed on the London Stock Exchange. It administers over one million policies and operates as Countrywide Assured in the UK, as The Waard Group and Scildon in the Netherlands and as Movestic in Sweden.

Following a three-pillar strategy, Chesnara's primary responsibility is the efficient administration of its customers' life and savings policies, ensuring good customer outcomes and providing a secure and compliant environment to protect policyholder interests. It also adds value by writing profitable new business in Sweden, the Netherlands and the UK and by undertaking value-adding acquisitions of either companies or portfolios.

Consistent delivery of the Company strategy has enabled Chesnara to increase its dividend for 20 years in succession.

Further details are available on the Company's website (www.chesnara.co.uk).

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