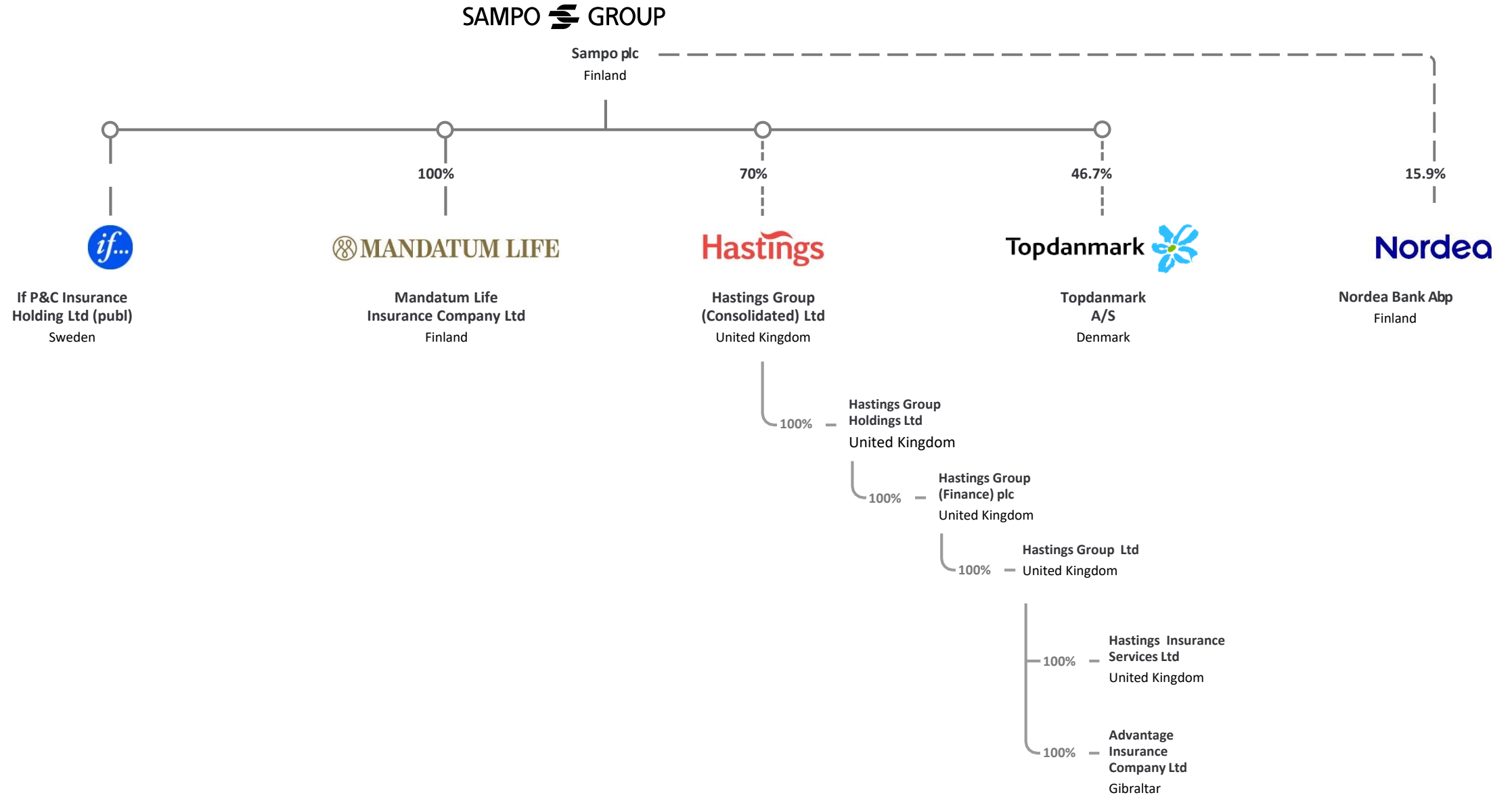


Hastings consolidation into Sampo Group

Executive Summary

- As of 16 November 2020, Sampo owns 70% of the share capital in Hastings Group (Consolidated) Ltd, which is a holding company that controls the companies/subsidiaries in Hastings Group (see Sampo Group structure chart for details). Sampo has appointed three out of five Board Director in Hastings Group (Consolidated) Ltd.
- Hastings will be presented as a separate segment in Sampo's Financial Statement, in a similar way to Topdanmark.
- Hastings p/l is recognized in the consolidated p/l net of amortization of intangible costs. The non-controlling interest share of Hastings p/l will be shown separately, together with other non-controlling interests. The intangible assets will be amortized over 7-10 years, while goodwill will be tested annually for impairment.
- At the end of 2020, Sampo will consolidate 1.5 months' profit or loss from Hastings. The transaction costs from the acquisition are shown in the Holding segment.
- The full Hastings Group will be consolidated into the Sampo Group solvency calculation in accordance with Solvency II principles. Within the Hastings Group only Advantage Insurance Company Limited (AICL) is subject to Solvency II regulation at solo level.



Summary of Accounting Treatment

Accounting treatment

- The subsidiary, Hastings Group, will be consolidated into the Group financial statements as of 16 November 2020 in accordance with IFRS 10 *Consolidated Financial Statements*.
- Hastings' assets, liabilities, equity, income, expenses and cash flows are consolidated to the Group. In 2020 the Group PL will include 1.5 months' PL of Hastings.
- For segment reporting purposes, Hastings Group is considered as a separate reporting segment.
- The non-controlling interest is presented separately from the equity owners of the parent company in the statement of financial position, income statement and other comprehensive income.

Purchase Price Allocation

- The Purchase Price Allocation calculations are on-going.
- Initially identified intangible assets consist of:
 - customer relationships
 - software platforms
 - trademarks
- The intangible assets will be depreciated over an estimated period of 7 to 10 years. The 2020 PL will include a depreciation for 1.5 months.
- Goodwill is measured as the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed including the cost of acquisition in accordance with IFRS 3 *Business Combinations*.
- Goodwill will be tested annually for impairment.

Sampo plc
Fabianinkatu 27
00100 Helsinki, Finland

Phone: +358 10 516 0100
Business ID: 0142213-3

 www.sampo.com
 [@Sampo_plc](https://twitter.com/Sampo_plc)
 [sampo-plc](https://www.linkedin.com/company/sampo-plc)
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