

# Proposed demerger of Sampo

Investor Presentation

March 2023

# Disclaimer

This presentation is not an offer of securities for sale in the United States of America. The shares in Mandatum plc referred to herein have not been, and will not be, registered under the US Securities Act of 1933, as amended ("**US Securities Act**"), or with any regulatory authority of any state or other jurisdiction in the United States, and may only be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with applicable state and other securities laws.

This presentation shall not be published or disseminated, in whole or in part, directly or indirectly, in Australia, Canada, Hongkong, Japan, New Zealand, South Africa or Singapore or any other country where publication or dissemination would be unlawful. This presentation is not an offer to sell or solicitation of an offer to buy securities in any such jurisdiction where such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction.

The shares in Mandatum plc have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States. Neither Sampo plc nor Mandatum plc intends to take any action to facilitate a market in Mandatum plc shares in the United States. Consequently, it is unlikely that an active trading market in the United States will develop for the Mandatum plc shares.

The Mandatum plc shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the partial demerger or the accuracy or the adequacy of this presentation. Any representation to the contrary is a criminal offence in the United States.

This presentation does not constitute a notice to convene a general meeting of shareholders nor does it constitute a demerger prospectus. Any decision with respect to the proposed partial demerger of Sampo plc should be made solely on the basis of information to be contained in the actual notice to convene the general meeting of shareholders of Sampo plc, and the demerger prospectus as well as on an independent assessment of the information contained therein. Investors are directed to consult the demerger prospectus for more comprehensive information on Mandatum plc.

This presentation includes "forward-looking statements" that are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations and assumptions, which, even though they seem to be reasonable at present, may turn out to be incorrect. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of Sampo plc or Mandatum plc to differ materially from those expressed or implied in the forward-looking statements. Neither Sampo plc, nor any of its affiliates, advisors or representatives or any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

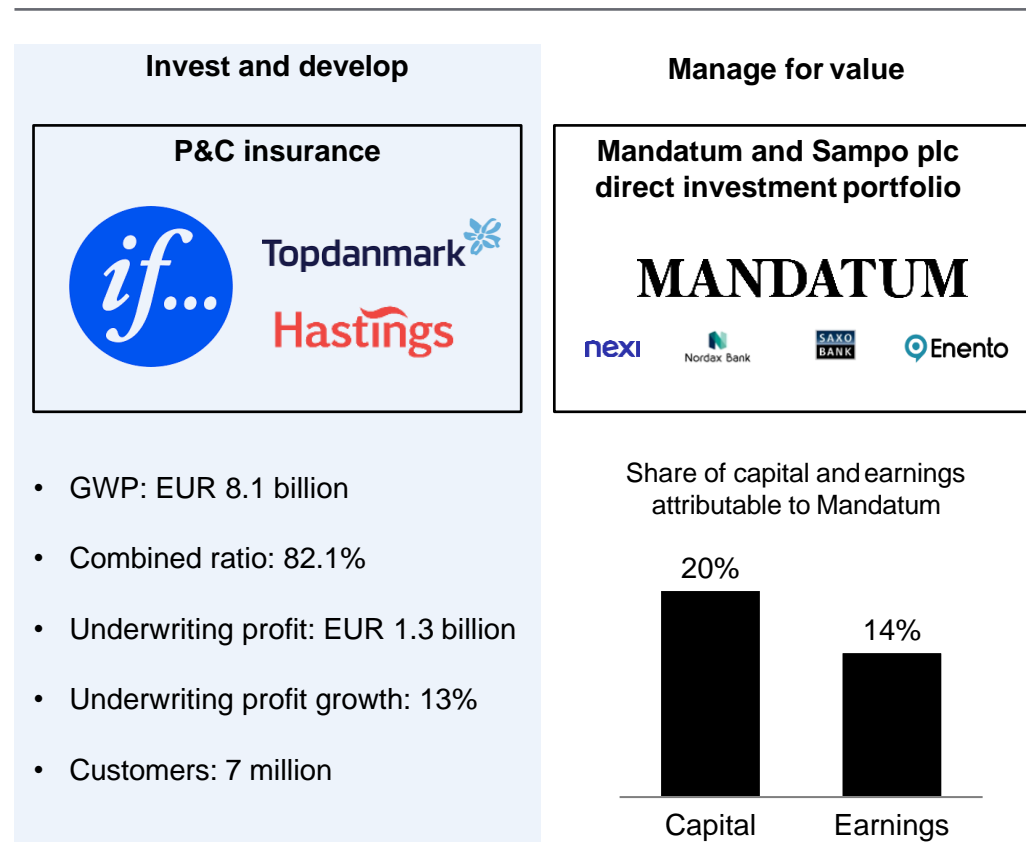
This presentation contains financial information regarding the businesses and assets of Sampo plc and Mandatum plc and their consolidated subsidiaries. Such financial information may not have been audited, reviewed or verified by any independent auditor. Certain financial data included in this presentation consists of "alternative performance measures." These alternative performance measures, as defined by Sampo plc and Mandatum plc, may not be comparable to similarly titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of Sampo plc's and Mandatum plc's cash flows based on IFRS. Even though the alternative performance measures are used by the management of Sampo plc and Mandatum plc to assess the financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of Sampo plc's or Mandatum plc's financial position or results of operations as reported under IFRS.

This presentation includes estimates relating to the benefits expected to arise from the proposed partial demerger, which are based on a number of assumptions and judgments. The assumptions relating to the estimated benefits and costs arising from the proposed partial demerger are inherently uncertain and are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause the actual benefits and costs arising from the proposed partial demerger to differ materially from the estimates in this presentation. Further, there can be no certainty that the proposed partial demerger will be completed in the manner and timeframe described in this presentation, or at all.

# Mandatum strategic review: Sampo board proposes a demerger

- In line with its P&C focused strategy, Sampo announced a strategic review of Mandatum’s role within the group on 7 December 2022
- Following an assessment of options, the Board has resolved to propose a demerger\* of Sampo to separate Mandatum
- Sampo becomes a pure-play P&C insurer with an attractive footprint and potential to deliver high and resilient returns on capital
- An independent Mandatum would be able to build on its strong Finnish core business to enhance growth
- The Board proposes that the Annual General Meeting on 17 May 2023 resolves to approve the demerger
- The Board retains the option to discontinue the demerger until the effective date, should this be in the interest of shareholders

## P&C Focused strategy



Notes: Proportion of capital allocated to Mandatum determined on the basis of FY 2022 SCR; Earnings split based on 2022 profit before taxes excluding extraordinary items, Underwriting profit growth figure excludes COVID-19 effects reported in 2022

\*The *demerger* refers herein to the partial demerger as set forth in the Demerger Plan approved by the Sampo plc Board of Directors on 29 March 2023

# Creating highly attractive P&C and life insurance investment cases

## 1 Sampo P&C

- ✓ Leading pure-play Northern P&C insurer operating in the attractive Nordic market
- ✓ Scale player in Retail and SME segments
- ✓ Track record of delivering high and resilient returns on capital
- ✓ Attractive and reliable capital returns

**The largest pure-play P&C insurer in the Nordics**

## 2 Mandatum

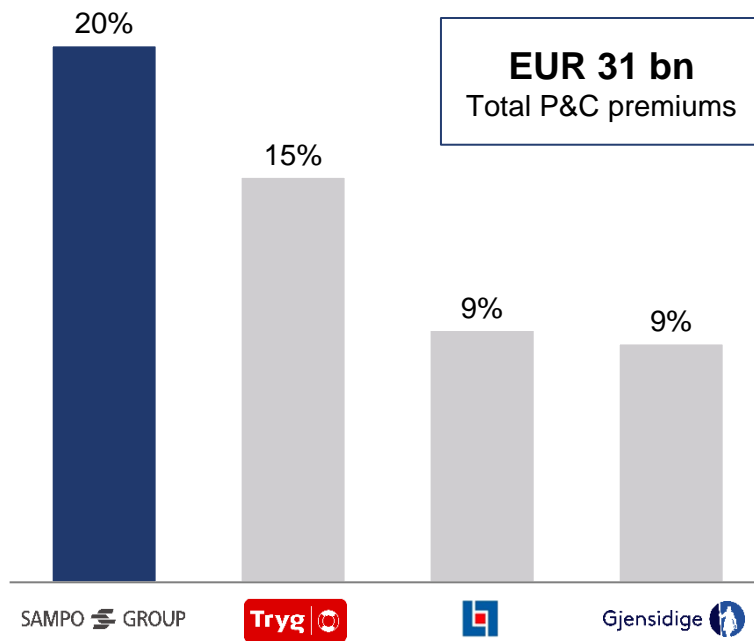
- ✓ Major financial services provider with strong brand and value proposition
- ✓ Capture cross-selling opportunities and further increase customer penetration
- ✓ Gather additional assets under management to further scale investment management operations and expand product offering
- ✓ Manage with-profit portfolio for efficiency and capital generation

**Major Finnish financial services provider**

# 1 Sampo to become the largest pure-play Nordic P&C insurer

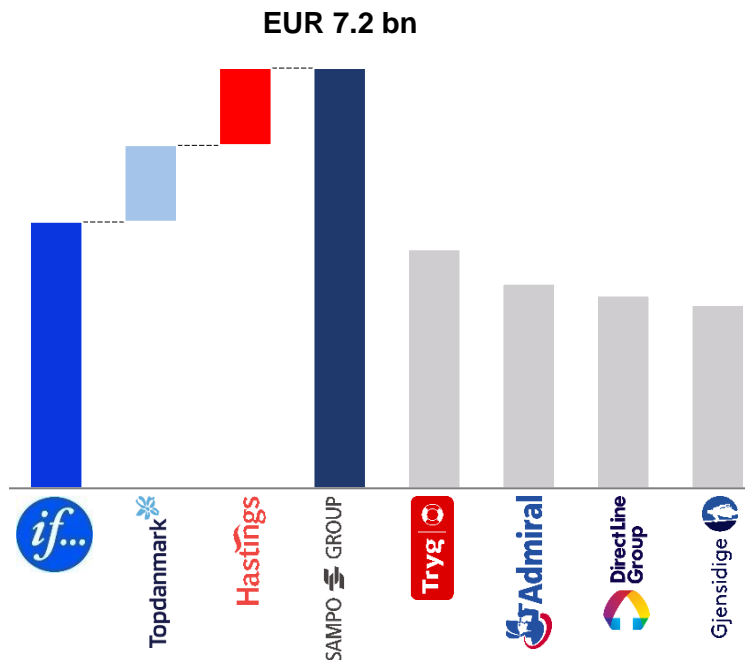
## Largest pure-play Nordic P&C insurer

Nordic P&C market share (%)

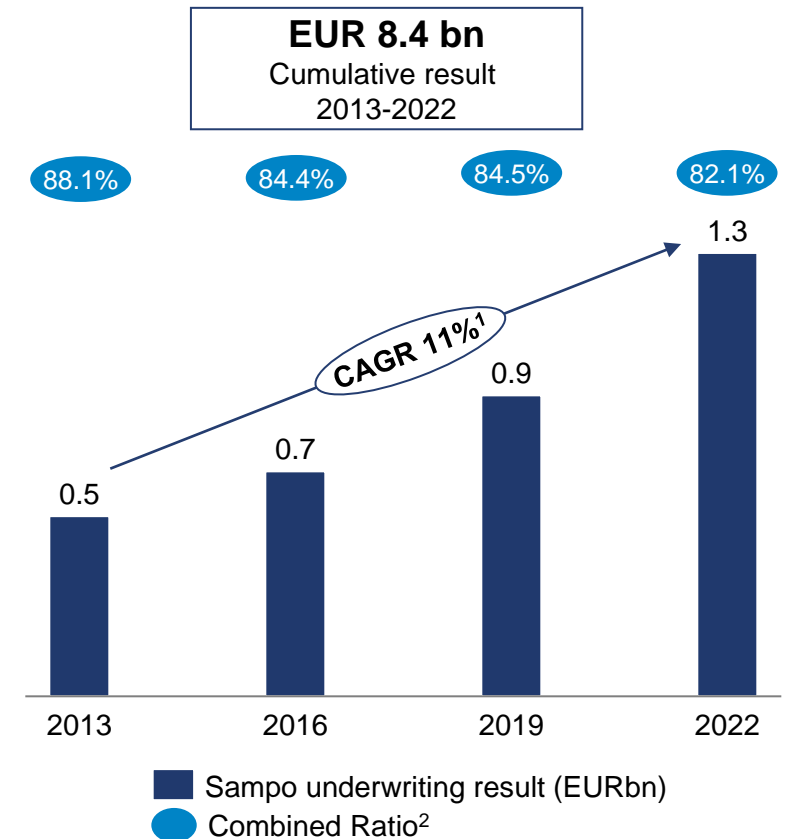


## Focused on Private & SME segments

Private & Commercial premiums (EURbn)



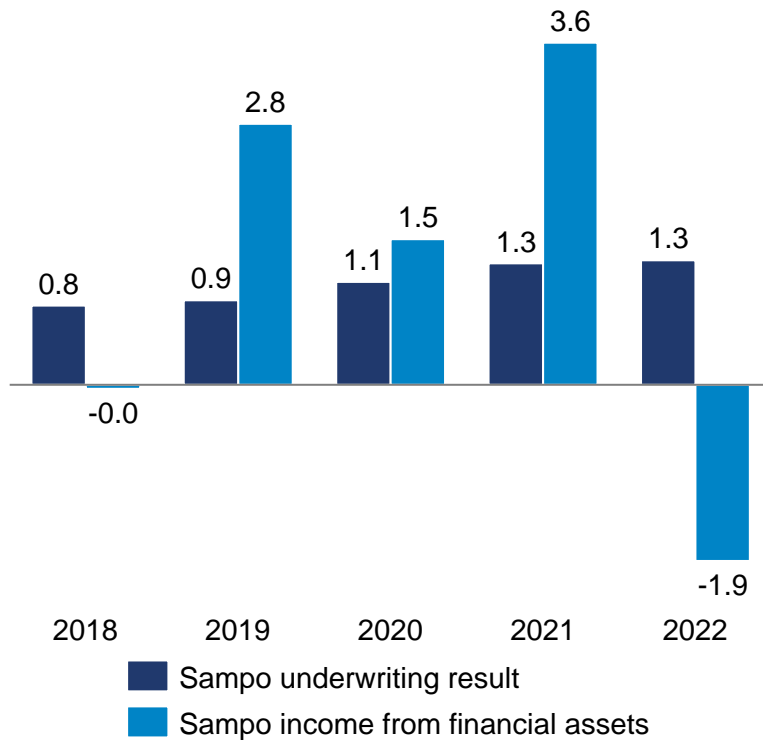
## Outstanding underwriting track record



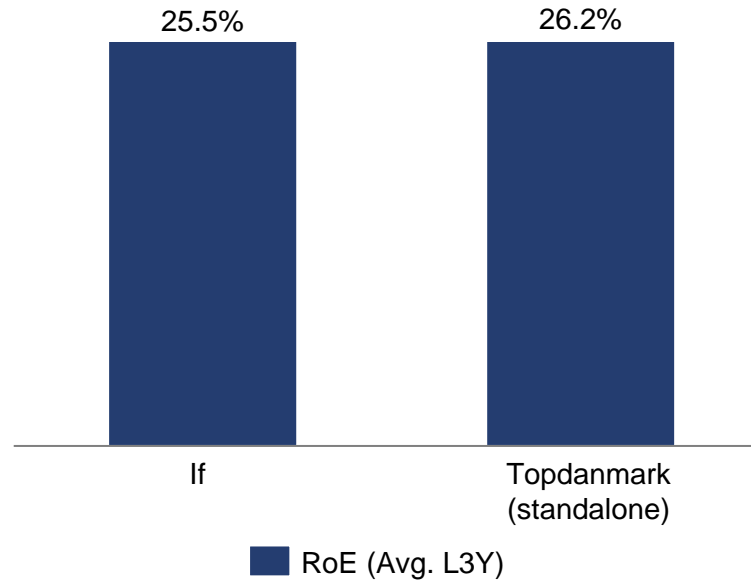
Notes: <sup>1</sup> If underwriting result CAGR 2013-2022 of 7%. <sup>2</sup> Combined ratio 2013 and 2016 for If.

# 1 Pure P&C focus to increase returns and resilience

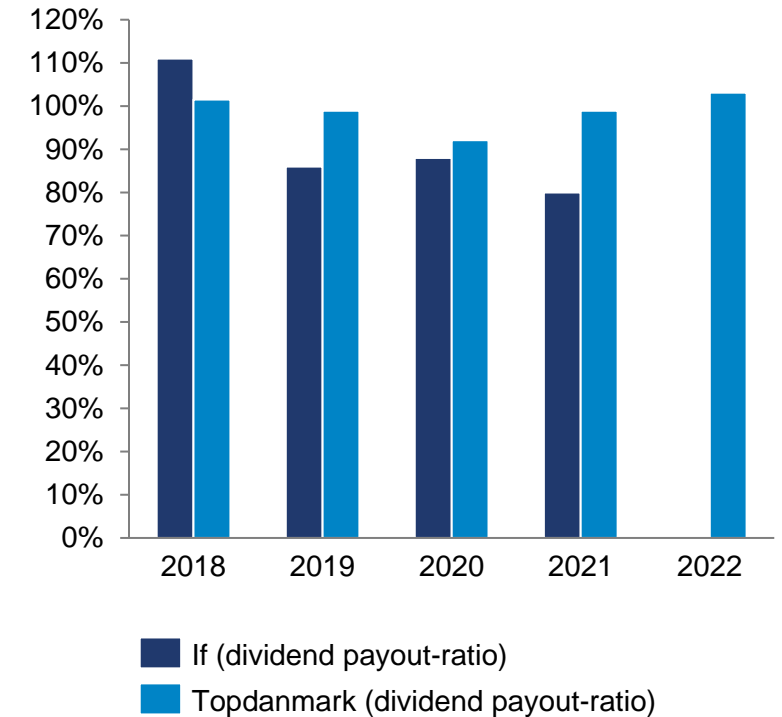
Stable underwriting result (EURbn)



High returns in P&C



Strong dividend track-record<sup>1</sup>

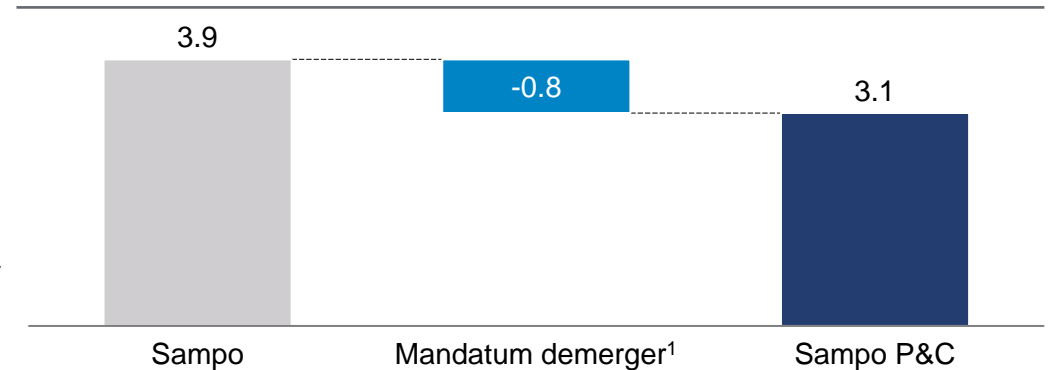


Notes: <sup>1</sup> Dividend payout ratio excluding special dividends and buybacks.

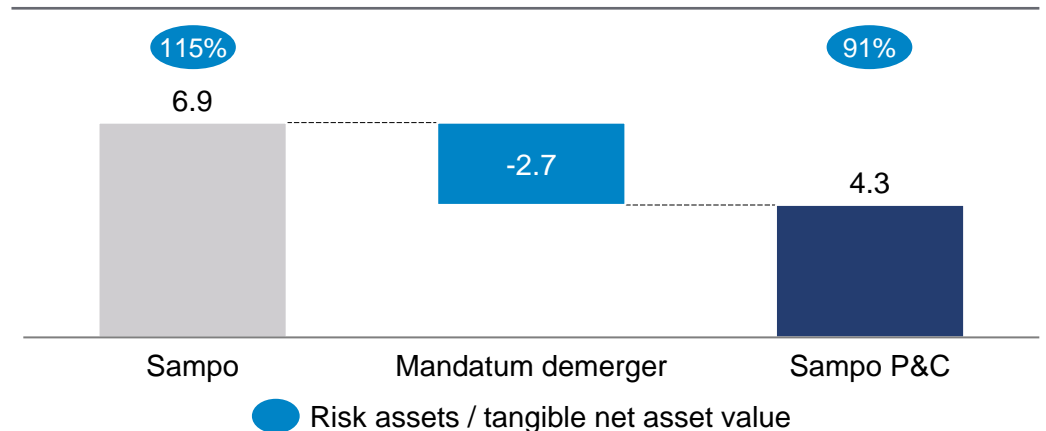
# 1 Potential to enhance capital efficiency

- As a pure-play P&C insurer, Sampo could deliver high returns on capital with reduced exposure to market risk
- Mandatum represented 20% of Sampo’s SCR at year end 2022 while accounting for 14% of Group’s profits before taxes in the year
- The effect of any capital efficiency enhancements in a pure-play P&C insurance group would be expected to be greater
- Separation of Mandatum drives reduction in Sampo’s exposure to market risk due to Mandatum’s risk assets and with-profit liabilities
- With less exposure to capital markets stress events, Sampo could operate with lower financial buffers

SCR impact of demerger (EURbn)<sup>1</sup>



Impact of demerger on risk assets (EURbn)<sup>2</sup>



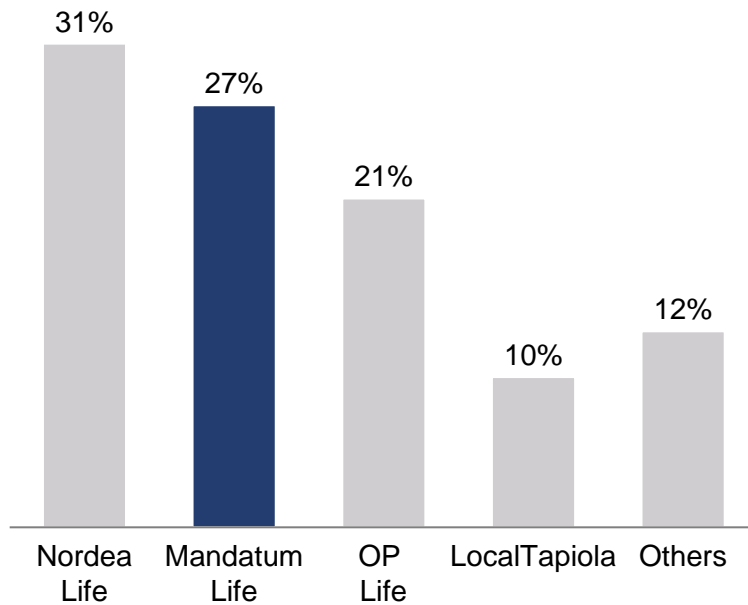
Notes: <sup>1</sup> Proportion of capital allocated to Mandatum determined on the basis of FY 2022 SCR. <sup>2</sup> Based on FY 2022, defined as exposure to high-yield and non-rated fixed income, listed equity, private equity, real estate, and other alternative investments.

## 2 Mandatum – well-established financial services brand in Finland

### Well-established life insurer in Finland<sup>1</sup>

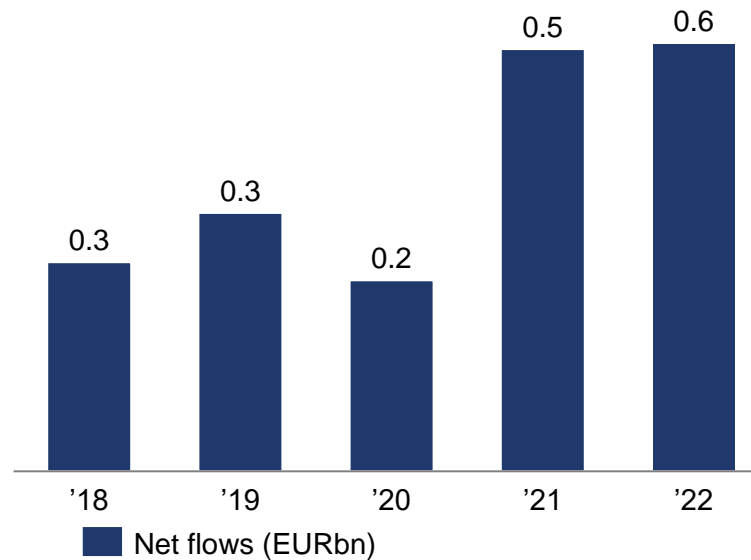
**Market Leader**  
Corporate Customers

**20,000**  
Corporate &  
institutional customers



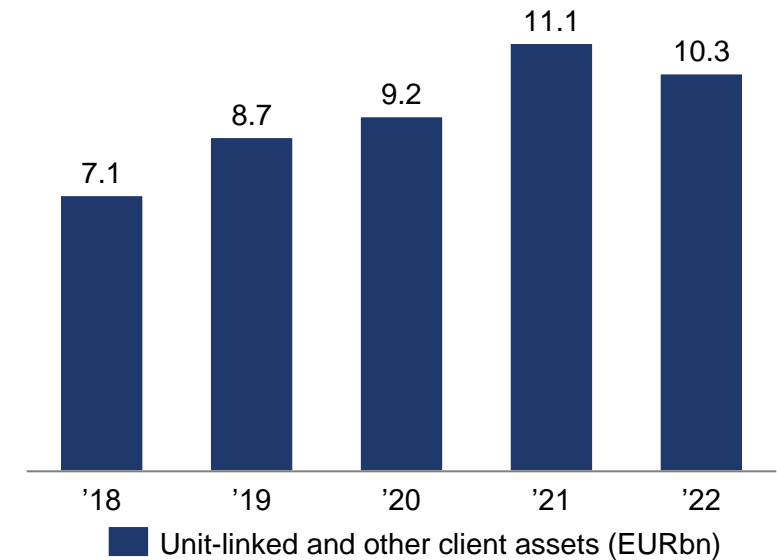
### Resilient net flows

**EUR 2.0 bn**  
Cumulative netflows  
2018-2022



### Robust AuM growth

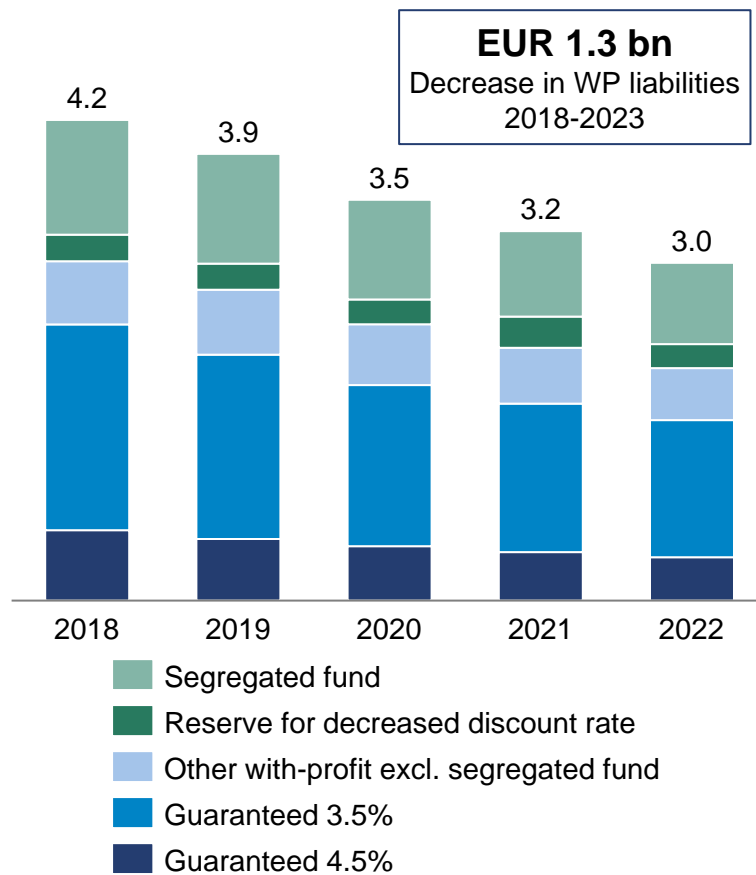
**EUR 16 bn**  
Total AuM  
(YE 2022)



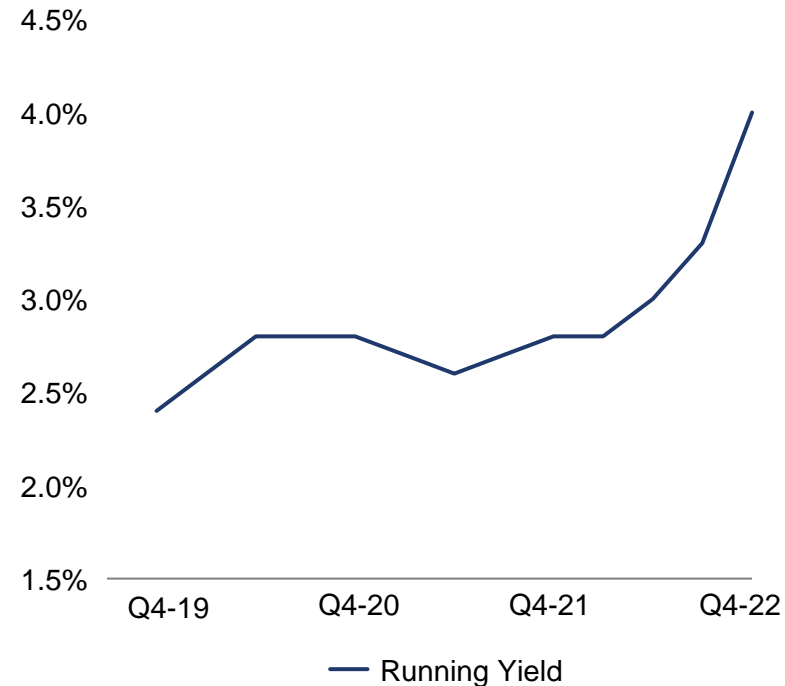


## 2 Mandatum has a strong track-record of cash generation

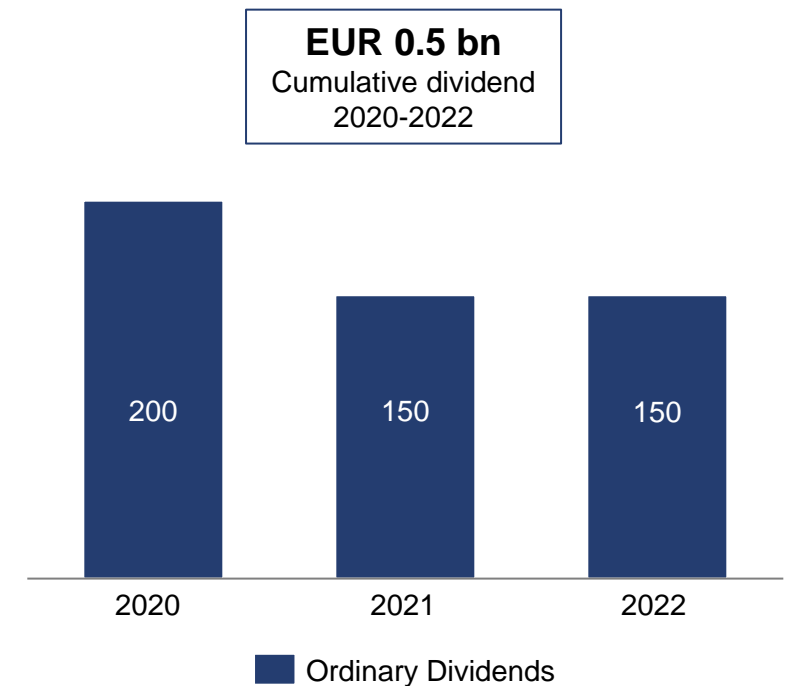
Decline in with-profit liabilities (EURbn)



Mandatum Life fixed income running yield



Mandatum dividend track record (EURm)



## 2 Mandatum can leverage its investment track record to grow

**Strong investment track record and investing expertise** built on investing own balance sheet across Credit, Alternatives and Equity

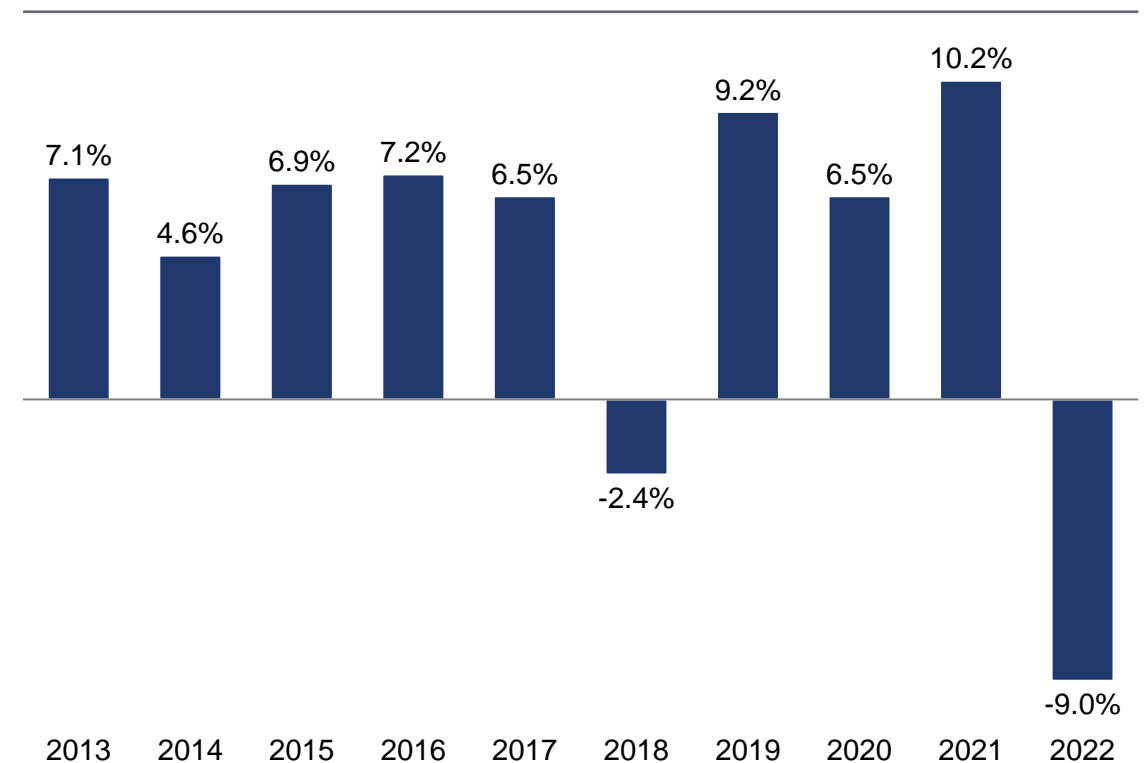
Capture **cross-selling opportunities** & further increase **customer penetration** across insurance and asset management value chain

**Growth in institutional and wealth management** segments to **scale investment management operations** and **expand product offering**

**Continue investments to accelerate expansion** of asset management business since establishment of Mandatum Asset Management

Fragmented Finnish Asset and Wealth Management market providing further **potential for growth and in-market consolidation**

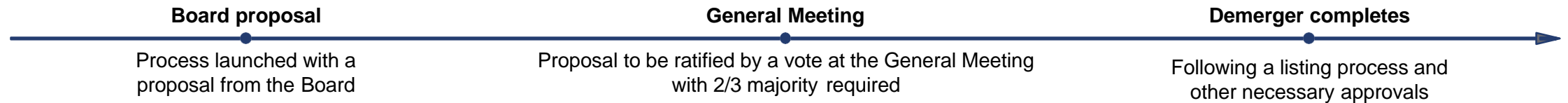
Mandatum mark-to-market investment return<sup>1</sup>



Notes: <sup>1</sup> Excluding unit-linked and segregated assets.

# The demerger process offers procedural and financial efficiency

## Key steps in potential Mandatum demerger process



### Benefits of a demerger

- In a demerger Mandatum would be spun out of Sampo
- The demerger should be tax neutral transaction for Finnish tax purposes given Sampo has obtained a binding tax ruling from the Finnish tax authority
- Partial demerger and subsequent independent listing is a well-established process in Finland
- Demerger gives shareholders control over valuation and a potential redeployment options

### Key components of demerger proposal and plan

- Shares in Mandatum Holding Ltd and related assets and liabilities will transfer to Mandatum plc, a company to be incorporated in the demerger
- As demerger consideration, Sampo shareholders would receive one new share in Mandatum plc for each share in Sampo plc.
- A demerger will be carried out in accordance with the Finnish Companies Act and requires AGM approval
- Shares in Mandatum would be applied to be admitted for trading on Nasdaq Helsinki



Separation achieved in one step



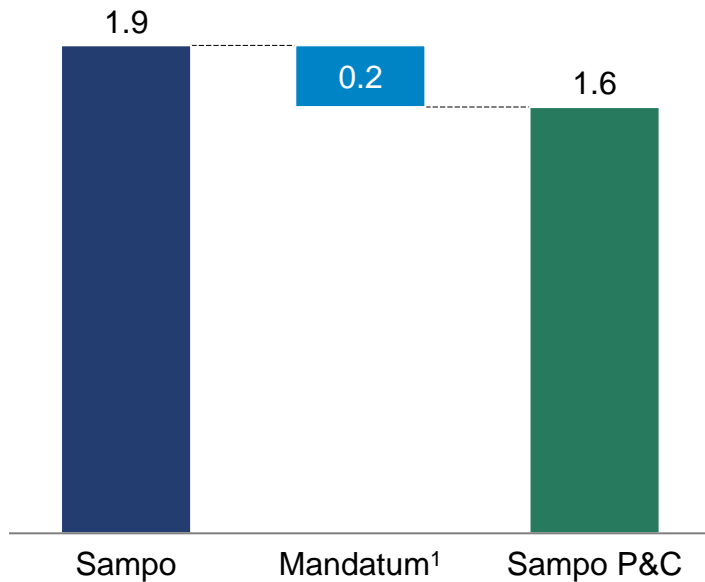
Tax neutral transaction



Shareholder optionality

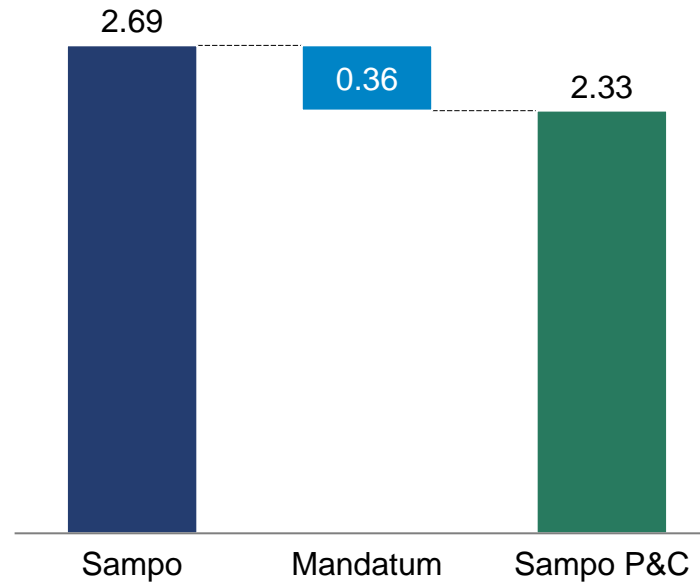
# Review of financial impacts of demerger

Profit before taxes (EUR bn)



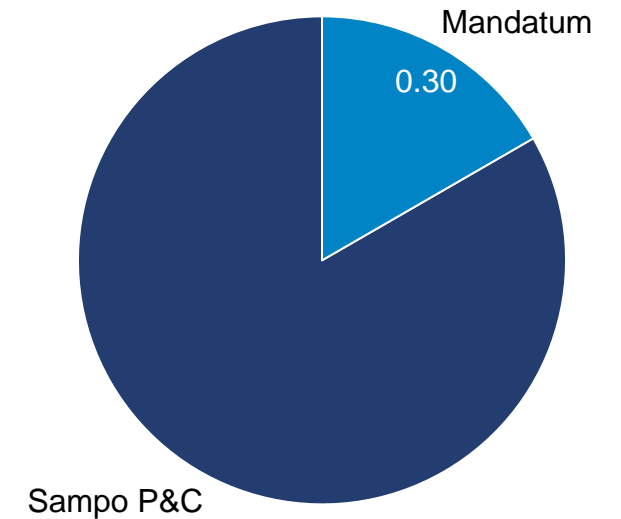
EUR 1.6 bn (2022)

Composition of earnings per share (EUR p/s)



EUR 2.33 p/s (2022)

Composition of regular dividend (EUR p/s)







EUR 1.80 p/s (2022)<sup>2</sup>

Notes: <sup>1</sup> Mandatum profit before taxes before group contribution. <sup>2</sup> Refers to Sampo 2022 regular dividend including Mandatum.

Sampo plc  
Fabianinkatu 27  
00100 Helsinki, Finland

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

 [www.sampo.com](http://www.sampo.com)  
 [@Sampo\\_plc](https://twitter.com/Sampo_plc)  
 [sampo-plc](https://www.linkedin.com/company/sampo-plc)  
 [sampo\\_ojy](https://www.instagram.com/sampo_ojy)