

ANNUAL REPORT 2022



MANDATUM
ASSET MANAGEMENT

CONTENTS

REPORT OF THE BOARD OF DIRECTORS	3	PARENT COMPANY'S FAS FINANCIAL	
IFRS FINANCIAL STATEMENTS 2022	10	STATEMENTS 2022	25
Consolidated Income Statement, IFRS	11	Parent Company's Income Statement	26
Consolidated Balance Sheet, IFRS	11	Parent Company's Balance Sheet	27
Statement of Changes in Equity	12	Parent Company's Statement of Cash Flows	28
Consolidated Statement of Cash Flows, IFRS	13	Notes	30
Notes to the accounts	14	BOARD OF DIRECTORS' SIGNATURES	34
Information on accounting policies	14	AUDITOR'S REPORT	36
Notes to the Income Statement	17		
Notes to the Balance Sheet	19		

1

REPORT OF THE BOARD OF DIRECTORS

MANDATUM ASSET MANAGEMENT GROUP

YEAR 2022

Mandatum Asset Management Limited (MAM) is a significant investor and asset manager in the Nordics. MAM offers discretionary and consultative asset management for institutional and other professional investors and manages a variety of investment products within its core areas of credit, alternatives, and equity selection. MAM leverages the entire Mandatum Group's broad resources, expertise and long heritage for the benefit of its clients.

MAM was established in 2021 when the decision was made to merge Sampo Group's asset management operations into Mandatum Investment Services Ltd. MAM is the subsidiary of Mandatum Holding Ltd, which is a wholly owned subsidiary of Sampo plc, and a sister company of Mandatum Life Insurance Company Limited (Mandatum Life).

Mandatum Asset Management's subsidiaries are Mandatum AM AIFM Ltd and the Luxembourg-based Mandatum Fund Management S.A (transferred from Mandatum Life in 2022). In addition, the Mandatum Asset Management sub-group's fund and other investment operations include

five limited liability companies as general partners. Mandatum Asset Management opened a branch in Sweden in 2022¹.

At the end of 2022, MAM managed a total of EUR 26.5 billion in investment assets, of which EUR 14.2 billion were assets of Mandatum Group, EUR 10.5 billion were other assets of Sampo Group, and EUR 1.8 billion were assets outside the Group. MAM employed 136 professionals in 2022.

MAM provides its clients with market-leading investment operations and products across asset classes. Sampo Group's and Mandatum's investment philosophy leans on the following principles: Investment selection, Opportunism and Patience.

Events during the year

An active investment year

In 2022, MAM launched several new investment strategies in both the corporate bond markets and the private equity fund

segment. MAM's first SFDR Article 9 fund was launched in partnership with Universal Investment. It primarily invests in a diversified portfolio of European, including Nordic, broadly syndicated 1st lien leveraged loans as well as Nordic and Northern European club-style leveraged loans.

Investment activity remained high throughout the year, with both new investments and exits. Together with eEquity, MAM made a private equity investment in a leading pet specialist ZOO.se. The limited partnership company SaKa Hallikiinteistöt was sold to Partners Group, a leading global private markets firm. The special common fund Mandatum AM Finland Properties II signed a loan agreement with a group of Nordic banks, which offers an asset-backed loan to restructure the current loan. The arrangement will enable the fund's future growth and reinforce the status of special common funds in Finland's real estate sector.

The above-mentioned events concerned funds managed by MAM and therefore do not appear in MAM's own financial statements other than as salaries received from them.

MAM's result and business growth are strongly linked to the development of the investment market and the economic situation in general. In 2022, the effects of the war in Ukraine on the world economy, as well as high inflation and the development of interest rates, have reduced assets under management and thus management fees. On the other hand, the company was able to collect funds well from new and existing customers.

Swedish operations expanded

Interest towards the services offered by the company grew, and MAM opened a new office in Stockholm in September 2022. Thanks to the new office, MAM will be able to meet growing demand and provide even better service to its Swedish customers.

Mandatum Fund Management S.A. became part of MAM Group

The integration of Mandatum Group's investment operations into Mandatum Asset Management, which started in 2021, continued in 2022 with the transfer of Mandatum Fund Management S.A. to the ownership of Mandatum Asset Management from Mandatum Life Insurance Company. The transfer took place during the first quarter of 2022. Mandatum Fund Management S.A. is a fund management company, which manages Mandatum Asset Management's UCITS funds registered in Luxembourg. The funds are managed by MAM. The company's revenue was EUR 7.1 million in 2022.

¹ Mandatum Asset Management Ltd, filial i Sverige. Kungsgatan 9, 111 43 Stockholm, Sweden

Other events

On 7 December 2022, Sampo plc announced that it had decided to undertake a strategic review of Mandatum Group.

The review will explore a broad range of options, including whether a separation of Mandatum from Sampo Group, for example through a partial demerger and listing, could be in the best interest of Sampo's shareholders.

In the event that the Board of Sampo Plc opts to propose the partial demerger option as a means to separate Mandatum from Sampo Group, the proposal will be put forward for resolution by Sampo plc's General Meeting to be held in May 2023.

Responsible investment

Mandatum Asset Management has signed the UN Principles for Responsible Investment (UN PRI), complies with them in its own operations and strives to do its part to promote the adoption of the principles in the financial sector and investment markets.

MAM has integrated environmental, social and governance factors into its investment diligence and analysis. Alongside the financial risks related to responsibility, it also aims to assess both the adverse impacts of its investments on the environment and society and the opportunities provided by its investments from the perspective of sustainable development. MAM monitors its investment objects from a responsibility perspective for their entire lifecycle and strives to engage with its

investees if problematic operating methods are observed or international norms are violated. MAM's primary method of influencing responsible practices and rectifying identified problems is to engage in active dialogue with the investee companies.

MAM aims to ensure that our investment personnel always have access to up-to-date information related to responsible investment legislation, as well as other guidelines and tools to take sustainability factors into account.

In 2022, MAM's responsible investment team grew by two people. The team focuses on developing and coordinating responsible investment, developing the competence of personnel in responsibility issues, supporting portfolio managers in the analysis of sustainability factors and providing responsible investment reporting.

In developing responsible investment, the focus was on continuing the implementation of the requirements brought by EU regulation. In autumn 2022, MAM launched, in partnership with Universal Investment, an SFDR Article 9 Senior Secured Loan fund. The fund invests in the European and Nordic credit market and is managed by MAM's leveraged finance team. The fund targets a positive net impact on society.

Thanks to the company's consistent and continuous development work, the investment risks and opportunities related to responsibility and sustainability can be taken into account even better. It also enables

MAM to meet its customers' needs and the requirements of increasing regulation in the field of responsible investment.

Operating result and solvency

Operating result

MAM Group's revenue, i.e. the return on investment services, amounted to EUR 71.5 million (41.2) and was generated mostly from the asset management services sold to Mandatum Life Insurance Company Limited. Profit before taxes for the financial year was EUR 0.7 million (2.9) and after taxes EUR 0.2 million (2.3). The profit for the financial year was reduced by the EUR 29.0 million

(15.0) in group contributions that Mandatum Asset Management Ltd and Mandatum AM AIFM Ltd paid to Sampo plc.

The increase in MAM Group's revenue is due to the business arrangements made in 2021 and 2022. The business arrangements made at the end of 2021 did not start to fully accumulate revenue until 2022. In addition, MAM bought the Mandatum Fund Management company in the first quarter of 2022.

The average number of personnel in MAM Group during the financial period was 117. The total amount of personnel salaries and remuneration during the financial period was 17.6 million euros.

Key figures

Mandatum Asset Management Group	2022	2021	2020
1. Revenue, EUR million	71.5	41.2	11.5
2. Return on equity, % (ROE)	40.8%	44.9%	20.8%
3. Return on assets, % (ROA)	26.8%	31.9%	14.6%
4. Equity/assets ratio, %	60.5%	71.7%	65.8%
5. Cost/income ratio, %	58.5%	56.5%	85.0%

Mandatum Asset Management Parent Company	2022	2021	2020
1. Revenue, EUR million	63.8	38.4	11.5
2. Return on equity, % (ROE)	37.5%	40.8%	20.8%
3. Return on assets, % (ROA)	25.4%	29.4%	14.6%
4. Equity/assets ratio, %	63.1%	72.7%	65.8%
5. Cost/income ratio, %	59.0%	58.5%	85.0%

Mandatum Asset Management Group

Revenue	=	Revenue is reported as the total amount of fee income and other operating income
Return on equity, % (ROE)	=	$\frac{\text{Operating profit/loss* - taxes}}{\text{Equity + voluntary provisions and depreciation difference minus deferred tax (the average at the beginning and end of the year)}}$
Return on assets, % (ROA)	=	$\frac{\text{Operating profit/loss* - taxes}}{\text{Average balance sheet total (average of values on 1 Jan and 31 Dec)}}$
Equity/assets ratio, %	=	$\frac{\text{Equity + voluntary provisions and depreciation difference minus deferred tax}}{\text{Balance sheet total}}$
Cost/income ratio	=	$\frac{\text{Fee and commission expenses + interest expenses + administrative expenses + depreciation + other operating expenses*}}{\text{Income from investment services}}$

*Before Group contribution

MAM's Swedish branch has two full-time employees. The branch's revenue for the financial year was EUR 88.4 thousand and operating loss EUR 390.7 thousand.

Capital adequacy and capital adequacy management

New EU regulation on prudential requirements for investment firms entered into effect in June 2021. In the regulatory framework for investment firms, MAM, Mandatum Fund Management and Mandatum AM AIFM

together form an investment firm group ("MAM Group").

The goal of capital adequacy management is to ensure the adequacy of available capital in relation to the risks associated with the company's business and operating environment. An additional goal is to ensure that items treated as own funds are adequate in terms of the own funds' requirements. Adequacy of own funds is estimated by comparing the amount of own funds with the amount of capital that is needed to bear the risks arising from the

current business and the external operating environment. For MAM Group, the capital adequacy assessment is primarily carried out at the company level.

MAM assesses its capital adequacy position at least once a year in accordance with the Board-approved internal capital adequacy assessment process, and the Board annually sets the targeted level of the capital adequacy ratio and own funds. The capital adequacy assessment process is a combination of business and capital strategy and, at the core of the assessment,

is the conversion of risks to capital needs. The adequacy of own funds is assessed based on MAM's risk appetite and risk profile, and capital targets are set based on the desired risk-taking level. Anticipatory capital adequacy analysis is part of MAM management's strategic planning, and MAM continuously assesses and maintains the required amount and type of capital in order to cover the risks it has been or may be exposed to. MAM's risk-based capital adequacy assessment is based on the Pillar 1 capital requirement, which is used as the basis for assessing the risk-based need for additional capital. The other MAM Group companies apply similar methods where applicable.

MAM Group's own funds as per 31 December 2022 amounted to EUR 23.9 million (24.7), consisting entirely of Common Equity Tier 1 capital. MAM's own funds as per 31 December 2022 amounted to EUR 17.3 million (23.6), consisting entirely of Common Equity Tier 1 capital. Own funds are presented in detail in the table on the following page. MAM's and MAM Group's calculation formula for own funds is presented on the following page.

EUR million	MAM Group		MAM	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Common Equity Tier 1 (CET1) capital before deductions	70.7	71.8	69.7	69.8
Share capital	0.1	0.1	0.1	0.1
Invested unrestricted equity fund	63.3	63.3	63.3	63.3
Retained earnings	7.3	8.4	6.3	6.4
Deductions	-46.8	-47.1	-52.4	-46.2
Common Equity Tier 1 capital after deductions	23.9	24.7	17.3	23.6
Additional Tier 1 (AT1) capital before deductions	0.0	0.0	0.0	0.0
Deductions	0.0	0.0	0.0	0.0
Additional Tier 1 capital after deductions	0.0	0.0	0.0	0.0
Total amount of CET1 and AT1 capital	23.9	24.7	17.3	23.6
Tier 2 capital before deductions	0.0	0.0	0.0	0.0
Deductions	0.0	0.0	0.0	0.0
Tier 2 capital after deductions	0.0	0.0	0.0	0.0
Own funds, total	23.9	24.7	17.3	23.6

Table: Minimum calculation of own funds, MAM Group and MAM, 31 December 2022 and 31 December 2021.

MAM Group's risk-weighted items as per 31 December 2022 totaled EUR 108.2 million (55.9), and the Common Equity Tier 1 capital ratio was 22.1 per cent (44.1). MAM's risk-weighted items as per 31 December 2022 totaled EUR 55.2 million (24.6), and the capital ratio was 31.4 per cent (95.8). The calculation formulas for risk-weighted items and the solvency ratio are presented on the right.

Core capital after deductions = balance sheet equity - intangible assets
- holdings in financial sector subsidiaries
- unconfirmed profit for the financial year

Risk - weighted items = capital requirement × 12,5

Solvency ratio = $\frac{\text{own funds}}{\text{risk-weighted items}}$

Risk management

Risk management principles and organisation

The goal of risk management in all MAM Group companies is to ensure a stable and well-understood risk management culture. In addition, the goal is to ensure that risks are identified, assessed, managed, monitored and reported appropriately and that actions are appropriate in relation to the risks' impact on the short- and long-term financial results. Furthermore, efforts are made to ensure that the companies have adequate buffers for the statutory capital requirements and that they also maintain operational readiness during periods of economic turmoil. Successful risk management guarantees the general efficiency, security and continuity of operations and safeguards MAM Group's reputation, ensuring that clients and other stakeholders maintain confidence in MAM Group. In summary, it can be stated that MAM Group's main goal for risk management is to create further value and retain existing value.

MAM Group companies follow the risk management principles defined by Sampo Group's and Mandatum Group's risk management framework. Each authorised company in MAM Group has its own risk management policy; however, MAM oversees its subsidiaries' risk management and risk monitoring and reporting principles. MAM's risk management function works in close cooperation with its subsidiaries' risk management functions

to ensure that information is exchanged appropriately and that the arrangements, processes and mechanisms are sufficient.

The Boards of Directors of the companies are responsible for the adequacy of risk management and internal control. The Boards annually approve the risk management principles, which is the basis for risk management across the MAM Group companies. The CEO has overall responsibility for the organisation of risk management in accordance with the Boards' guidance.

Every authorised MAM Group company has its own risk management function. The task of the risk management functions is to ensure that risk management is arranged appropriately, and that it is sufficient with respect to the company's operations.

Risk appetite

MAM Group's risk appetite is defined in MAM's risk management policy. MAM Group is prepared to take strategic risks in expanding its business, while at the same time ensuring sufficient liquidity for the companies. MAM is not willing to assume market risk in its own balance sheet, and it does not trade on behalf of its own accounts. MAM Group companies are willing to bear short-term credit risk arising from customer receivables only to a limited extent. MAM Group aims to control operational risks as efficiently as possible. The trust of its clients and other stakeholders is essential for MAM and MAM Group.

Risks related to MAM Group's business activities

Operational risks

Operational risks are the most significant risk area for MAM Group. Operational risk refers to the risk of loss resulting from inadequate or failed processes or systems, from personnel and systems or from external events. This definition includes legal risks but does not include risks resulting from strategic decisions. Risks may materialise as a result of, for example, an internal error, external misconduct, inadequate HR management, a lack of operating policies, damage to physical assets, business interruptions, system failures or operating process failures. Operational risk may materialise as additional expenses, compensations for caused damages, non-compliance with rules and regulations, loss of reputation, false information on risk position and consecutive losses, and interruption of business activities.

The goal of operational risk management is to identify risks ahead of time, manage risks effectively and strive to pre-emptively mitigate the impacts of any realised risks in a cost-effective manner. Business units are responsible for the identification, assessment, monitoring and management of their own operational risks. At the Mandatum Group level, the Operational Risk Committee monitors and coordinates key issues associated with

operational risks, such as operating policies and recommendations.

Operational risks are identified as part of a regular self-assessment process, in which major operational risks are recognised and assessed, and their probability and significance are analysed. The business units regularly report realised operational risk events and near-miss situations in the risk management system maintained by the company. MAM's risk management function regularly reports on operational risks to the CEO and Board of Directors.

Liquidity risk

Liquidity risk is the risk of the company being unable to realise its assets in order to settle its financial obligations when they fall due. Both MAM and MAM Group companies are exposed to liquidity risk due to the nature of their business. The companies' business operations are financed by cash flow that consists of fee income received from clients and co-operation partners. External financing has not been used for the activities and therefore the companies have no risks related to external financing, such as interest rate risk, foreign exchange risk or refinancing risk. MAM manages its liquidity risk by regularly monitoring its liquidity position and maintaining a liquidity buffer. MAM Group also keeps track of its consolidated liquidity position from the perspective of statutory liquidity requirements.

Concentration risk

MAM Group companies are exposed to concentration risk with respect to their clients, as most of their business is linked to Sampo Group's internal customers. Mandatum Life is MAM's largest customer, measured by fee income. Concentration risk is considered to be a minor risk, however, as both Mandatum Life and MAM are a part of Sampo Group.

Corporate structure and ownership

Mandatum Asset Management Ltd is a wholly owned subsidiary of Mandatum Holding Ltd, a wholly owned subsidiary of Sampo plc.

The company's share capital is 125,000 euros and the number of shares is 125. The company has one class of shares. Each share entitles to one vote and an equal dividend.

Mandatum Asset Management Ltd's subsidiaries are Mandatum AM AIFM Ltd and the Luxembourg-based Mandatum Fund Management S.A (transferred from Mandatum Life in 2022). In addition, the Mandatum Asset Management sub-group's fund and other investment operations include five limited liability companies as general partners. Mandatum Asset Management opened a branch in Sweden in 2022 (Mandatum Asset Management Ltd, filial i Sverige).

Changes that took place in the company in 2022:

Ownership of Mandatum Fund Management S.A. transferred from Mandatum

Life Insurance Company Limited to Mandatum Asset Management Limited in the first quarter of 2022. Mandatum Asset Management Limited opened a Swedish branch in Stockholm during the second quarter of 2022.

Post-balance-sheet events

No significant events after the end of the accounting period.

Outlook

MAM's result and business growth are strongly tied to the development of the investment markets and the economic situation generally. In 2023, the impacts of the war in Ukraine on the global economy and high inflation and interest rate development have increased uncertainty in MAM's operating environment in an exceptional way. However, new investment products and services, the establishment of the Swedish branch and very high customer satisfaction create a good starting point for 2023.

Corporate governance

MAM's corporate governance is primarily determined on the basis of the Finnish Act on Investment Services and the Limited Liability Companies Act. More detailed provisions regarding the company's governance can be found in its Articles of Association and in the board-approved System of Governance document, which defines the governance structure and operational responsibilities.

The supreme authority over MAM's business is exercised by the General Meeting of Shareholders. The Annual General Meeting was held on 28 March 2022.

In accordance with its Articles of Association, MAM's Board of Directors comprises no fewer than three and no more than five members. The Board of Directors had four members in 2022. The Board of Directors was chaired by Patrick Lapveteläinen, the Deputy Chair was Petri Niemisvirta and the members were Harri Kiiski and Timo Vuokila. The Board convened 13 times during the financial year.

Lauri Vaittinen was the company's Managing Director and Antti Sorsa was the Deputy Managing Director.

The Auditor elected by the Annual General Meeting was Deloitte Ltd, Authorised Public Accountant Firm (with Reeta Virolainen, APA, as the auditor with principal responsibility).

The Board of Directors' proposal for the distribution of profit

Mandatum Asset Management Ltd's profit in accordance with the Finnish Accounting Standards was EUR 115,592.50 negative. The company's distributable funds were EUR 69,599,955.75. The Board of Directors proposes to the General Meeting of Shareholders that the profit for the financial year be transferred to the profit and loss account of the previous financial years and that no dividend be paid.

2

IFRS FINANCIAL STATEMENTS 2022

CONSOLIDATED INCOME STATEMENT, IFRS

€	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Fee income	1	69,929,401.33	40,927,085.71
Other operating income	2	1,580,407.05	253,471.03
Income from investment services		71,509,808.38	41,180,556.74
Fee and commission expenses	3	-299,651.23	-399,037.93
Interest expenses	4	-57,370.23	-78,194.56
Administrative expenses	5	-20,548,926.10	-12,087,002.72
Depreciation, amortisation and impairment	6	-1,074,245.97	-136,362.76
Other operating expenses	7	-48,884,813.77	-25,553,937.89
Operating profit		653,801.08	2,926,020.88
Income taxes	8	-491,018.21	-632,585.44
Profit for the financial year		162,782.87	2,293,435.44
Non-controlling interests	9	-2,472.17	3,965.14
Total comprehensive income for the financial year		160,310.70	2,297,400.58

CONSOLIDATED BALANCE SHEET, IFRS

€	Note	31 Dec 2022	31 Dec 2021
Assets			
Receivables from credit institutions	10	57,430,941.78	38,634,818.48
Equity securities	11	86.77	12,212.15
Intangible rights	12	46,712,373.95	44,879,105.21
Property, plant and equipment	13	57,621.22	61,093.06
Financial assets	14	770,981.66	873,652.97
Other assets	15	11,076,041.09	15,359,286.78
Accrued income and prepayments	16	1,170,917.30	521,997.30
Total assets		117,218,963.77	100,342,165.95
Equity			
Share capital	17	125,000.00	125,000.00
Reserves		63,300,000.00	63,300,000.02
Retained earnings		7,211,094.79	6,114,647.48
Profit for the financial year		160,310.70	2,289,470.30
Equity attributable to equity holders of the parent company		70,796,405.49	71,829,117.80
Non-controlling interests		117,515.88	102,053.73
Total equity		70,913,921.37	71,931,171.53
Liabilities			
Other liabilities	18	31,089,215.59	17,710,763.09
Accrued expenses and deferred income	19	14,607,940.71	10,463,304.91
Deferred tax liabilities	20	607,886.11	236,926.42
Total liabilities		46,305,042.40	28,410,994.42
Total equity and liabilities		117,218,963.77	100,342,165.95

STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the parent company						
€	Share capital	Invested unrestricted equity fund	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 Jan 2021	125,000.00	2,000,000.00	6,109,970.78	8,234,970.78	0.00	8,234,970.78
Changes in equity						
Profit for the period			2,294,147.00	2,294,147.00	102,053.73	2,396,200.73
Other changes		61,300,000.02		61,300,000.02		61,300,000.02
Equity at 31 Dec 2021	125,000.00	63,300,000.02	8,404,117.78	71,829,117.80	102,053.73	71,931,171.53

Equity attributable to equity holders of the parent company						
€	Share capital	Invested unrestricted equity fund	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 Jan 2022	125,000.00	63,300,000.02	8,404,117.78	71,829,117.80	102,053.73	71,931,171.53
Changes in equity						
Profit for the period			160,310.70	160,310.70	15,462.15	175,772.85
Adjustments			-1,193,022.99			-1,193,022.99
Equity at 31 Dec 2022	125,000.00	63,300,000.02	7,371,405.49	70,796,405.51	117,515.88	70,913,921.39

The acquisition of Mandatum Fund Management S.A. from the sister company caused an adjustment in retained earnings.

CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS

€	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Cash flow from operating activities		
Profit before taxes	653,801.08	2,926,020.88
Adjustments		
Group contribution	29,000,000.00	
Depreciation and amortisation	1,074,245.97	136,362.76
Financial income and expenses	0.00	78,194.56
Adjustments total	30,074,245.97	214,557.32
Change (+/-) in assets of operating activities		
Investments	102,671.31	-871,941.97
Other assets	3,634,325.69	-13,483,805.38
Total	3,736,997.00	-14,355,747.35
Change (+/-) in liabilities of operating activities		
Other liabilities	3,523,088.30	25,309,465.00
Paid interest and taxes	-572,702.50	-853,780.14
Total	2,950,385.80	24,455,684.86
Net cash from operating activities	37,415,429.85	13,240,515.71

€	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Cash flow from investing activities		
Investments in group and associated undertakings	-6,162,813.75	-8,699,933.31
Net investment in equipment and intangible assets	-358,796.90	-36,367,353.93
Net cash from investing activities	-6,521,610.65	-45,067,287.24
Cash flow from financing activities		
Investments in the unrestricted equity fund	0.00	61,300,000.02
Group contribution	-15,000,000.00	-1,600,000.00
Other cash flow	-4,732.21	80,639.35
Net cash from financing activities	-15,004,732.21	59,780,639.37
Total cash flows	15,889,086.99	27,953,867.84
Cash and cash equivalents at 1 Jan	38,634,818.48	10,680,950.64
Cash and cash equivalents of acquired subsidiary at 1 Jan	2,907,036.31	0.00
Cash and cash equivalents at 31 Dec	57,430,941.78	38,634,818.48
Net change in cash and cash equivalents	15,889,086.99	27,953,867.84

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mandatum Asset Management's consolidated financial statements for 2022 have been prepared in compliance with the International Financial Reporting Standards (IFRS). In preparing the financial statements, Mandatum Asset Management has applied all the standards and interpretations relating to its business, adopted by the commission of the EU and effective at 31 December 2022.

In preparing the notes to the consolidated financial statements, attention has also been paid to Finnish accounting and company law and applicable regulatory requirements.

The financial statements have for the most part been prepared under the historical cost convention.

The entries related to the restructuring implemented in 2021 were recorded in the Group's accounts in accordance with the acquisition method applying the IFRS 3 standard, which reflects the economic substance of the transactions. Due to the entries, goodwill was generated in the Group.

Consolidation

Subsidiaries

The consolidated financial statements include the parent company Mandatum Asset Management Ltd and all companies in which the Group has control. The Group has control in a company if it is exposed to its variable returns or is entitled to its variable returns through its involvement in the company and is able to affect those returns by exercising its power in the company. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases. The Group acts as an investor and investment fund manager in various funds in order to gain investment returns and fee income. If the Group is exposed to the fund's variable returns or participates in steering its significant functions and arranging its governance, the fund must be consolidated into the Group. The Group monitors these changes in control quarterly.

The acquisition method of accounting is used for the purchase of subsidiaries. The cost of an acquisition is allocated to the identifiable assets, liabilities and contingent liabilities, which are measured at the fair value of the date of the acquisition. Possible non-controlling interest of the acquired entity is measured either at fair value or at proportionate interest in the acquiree's net assets. The acquisition-specific choice affects both the amount of recognised goodwill and non-controlling interest. The excess of the aggregate of consideration transferred, non-controlling interest and possibly previously held equity interest in the acquiree, over the Group's share of the fair value of the identifiable net assets acquired, is recognised as goodwill.

In February 2022, Mandatum Asset Management Ltd acquired all the shares in Mandatum Fund Management S.A. from its sister company Mandatum Life Insurance Company Limited. Intra-Group sales and purchases were treated applying the IFRS 3 2c method (a transaction in which

all merging entities and businesses are controlled by the same party or the same parties both before and after the combination of businesses). The difference between the acquisition cost and assets and liabilities was recorded to reduce retained earnings.

The accounting policies used throughout the Group for the purposes of consolidation are consistent with respect to similar business activities and other events taking place in similar conditions. All intra-group transactions and balances are eliminated upon consolidation.

Segment reporting

Mandatum Asset Management Group's (MAM Group) highest operative decision maker is its President and CEO. Due to MAM Group's operating model and the nature of its operations and governance structure, the reporting segment is the entire Group. The highest operative decision maker examines the performance of the operations at the entire Group level.

Investment asset management fee

The fee income from the management of Mandatum Asset Management Ltd's investment assets is recorded in accordance with the standard IFRS 15. Fee income consists of asset management fees and other performance-based fees. The key revenue streams based on customer contracts and falling within the scope of the standard are analysed using the five-step approach in

accordance with the model. In accordance with IFRS 15, gains on sales are recorded based on the fulfillment of performance obligations over time or at a point in time.

Intangible assets

Other intangible assets

IT software and other intangible assets, whether procured externally or internally generated, are recognised in the balance sheet as intangible assets with finite useful lives, if it is probable that the expected future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. The cost of internally generated intangible assets is determined as the sum of all costs directly attributable to the assets. Research costs are recognised as expenses in profit or loss as they are incurred. Costs arising from the development of new IT software or from significant improvement of existing software are recognised only to the extent they meet the above-mentioned requirements for being recognised as assets in the balance sheet.

Intangible assets with finite useful lives are measured at historical cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over the estimated useful life of the asset. The estimated useful lives by asset class are as follows:

- IT software 4-10 years
- Other intangible assets 3-10 years

Property, plant and equipment

Property, plant and equipment comprise properties occupied for own activities, office equipment, fixtures and fittings, and furniture. Classification of properties as those occupied for own activities and those for investment activities is based on the square meters in use.

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses.

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful life. In most cases, the residual value is estimated at zero. Land is not depreciated. Estimates of useful life are reviewed at financial year-ends, and the useful life is adjusted if the estimates change significantly. The estimated useful lives by asset class are as follows:

- IT equipment and motor vehicles 3-5 years
- Other equipment 3-10 years

Impairment of intangible assets and property, plant and equipment

At each reporting date, the Group assesses whether there is any indication that an intangible asset or an item of property, plant or equipment may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset. In addition,

goodwill, intangible assets not yet available for use and intangible assets with an indefinite useful life are tested for impairment annually, independent of any indication of impairment. For impairment testing, the goodwill is allocated to the cash-generating units of the Group from the date of acquisition. In the test, the carrying amount of the cash-generating unit, including the goodwill, is compared with its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. The value-in-use is calculated by estimating future net cash flows expected to be derived from an asset or a cash-generating unit, and by discounting them to their present value using a pre-tax discount rate. If the carrying amount of an asset is higher than its recoverable amount, an impairment loss is recognised in profit or loss. In conjunction with this, the impaired asset's useful life will be re-determined.

If there is any indication that an impairment loss recognised for an asset in prior periods may no longer exist or may have decreased, the recoverable amount of the asset will be estimated. If the recoverable amount of the asset exceeds the carrying amount, the impairment loss is reversed, but no more than to the carrying amount which it would have been without recognition of the impairment loss. Impairment losses recognised for goodwill are not reversed.

Although there was no indication of impairment of acquired intangible

assets in the Group, an impairment test in accordance with the IAS 36 standard was carried out at the end of 2022. MAM Group has been identified as the lowest cash-generating unit to be tested, monitored by management. It includes all the assets to be tested for impairment. An acquired intangible asset is treated as one cash-generating unit. The testing takes into account external and internal information sources that have possibly influenced the asset's value. The test evaluates the result expected by management for the first five years after taxes. From the fifth year on, the result after taxes is expected to develop in line with the inflation assumption. When calculating the current value of the results, an 8.71 per cent discount rate is used, consisting of the ten-year interest rate of the Finnish government bond, plus a risk premium. Uncertainty is linked to both the expected earnings forecasts and the selection of the discount rate. The current value of the earnings expectations clearly exceeds the value of the intangible assets, and there is no need for an impairment.

Financial assets

In the Group, financial assets are classified according to the IFRS 9 Financial Instruments standard into the following groups: amortised cost, fair value through profit or loss, and fair value through other comprehensive income. The classification is based on the business model's objective and the

contractual cash flows of the investments or by applying the fair value option at initial acquisition. All purchases and sales of financial assets are recognised on the transaction date. An estimate of the Group's credit loss reserve is based on the expected credit losses for the entire period of validity in accordance with the IFRS 9 standard.

Employee benefits

Post-employment benefits

Post-employment benefits include pensions and life insurance.

MAM Group has defined contribution plans. The most significant defined contribution plan is that arranged through the Employees' Pensions Act (TyEL) in Finland.

In defined contribution plans, the Group pays fixed contributions to a pension insurance company and has no legal or constructive obligation to pay further contributions. The obligations arising from a defined contribution plan are recognised as an expense in the period that the obligation relates to.

The Group also has certain voluntary defined benefit plans. These are intra-Group, included in the insurance liabilities of Mandatum Life and have no material significance.

Termination benefits

An obligation based on termination of employment is recognised as a liability

when the Group is verifiably committed to terminate the employment of one or more persons before the normal retirement date or to grant benefits payable upon termination as a result of an offer to promote voluntary redundancy. As no economic benefit is expected to flow to the employer from these benefits in the future, they are recognised immediately as an expense. Obligations maturing more than 12 months later than the balance sheet date are discounted. The benefits payable upon termination are the monetary and pension packages related to redundancy.

Share-based payments

During the financial year, Sampo Group had four valid share-based incentive schemes settled in cash (Sampo Group's incentive schemes for key persons 2017:1, 2017:1/2, 2020:1 and 2020:1/2). In Mandatum Group, around 20 persons were included in the schemes in 2022.

The schemes have been measured at fair value at the grant date and at every reporting date thereafter.

In the schemes settled in cash, the valuation is recognised as a liability and changes are recognised through profit or loss.

In the schemes settled in shares, the strike amounts received on the exercise of the options are recognised in shareholder's equity.

The fair value of the schemes has been determined using the Black-Scholes pricing

model. The fair value of the market-based part of the incentive takes into consideration the model's forecast concerning the number of incentive units to be paid as a reward. The effects of non-market-based terms are not included in the fair value of the incentive; instead, they are taken into account in the number of those incentive units that are expected to be exercised during the vesting period. In this respect, the Group will update the assumption on the estimated final number of incentive units at every interim or annual balance sheet date.

Income taxes

The item 'Tax expenses' in the income statement comprises current and deferred tax. Tax expenses are recognised through profit or loss, except for items recognised directly in equity or other comprehensive income, in which case the tax effect will also be recognised in those items. Current tax is calculated based on the valid tax rate of each country. Tax is adjusted by any tax related to previous periods.

Deferred tax is calculated on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax is not recognised on non-deductible goodwill impairment, nor is it recognised on the undistributed profits of subsidiaries to the extent that it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated by using the enacted tax rates prior to the balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which a temporary difference can be utilised.

Equity

Dividends are recognised in equity in the period when they are approved by the Annual General Meeting.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits (3 months).

Mandatum Asset Management presents cash flows from operating activities using the indirect method in which the profit (loss) before taxes is adjusted for the effects of transactions of a non-cash nature, deferrals and accruals, and income and expenses associated with investing or financing cash flows.

In the cash flow statement, interest received and paid is presented in cash flows from operating activities. In addition, the dividends received are included in cash flows from operating activities.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

1. Fee income

€	2022	2021
Fee income from asset management	69,929,401.33	40,861,030.60
Other fee income	0.00	66,055.11
Total fee income	69,929,401.33	40,927,085.71

2. Other operating income

€	2022	2021
Other operating income	1,580,407.05	253,471.03
Total other operating income	1,580,407.05	253,471.03

3. Fee and commission expenses

€	2022	2021
Asset management fees	290,651.23	398,909.21
Other expenses	0.00	128.72
Total fee and commission expenses	290,651.23	399,037.93

4. Interest expenses

€	2022	2021
Other interest expenses	57,370.23	78,194.56
Total interest expenses	57,370.23	78,194.56

5. Administrative expenses

€	2022	2021
Staff costs		
Wages and salaries	17,579,781.13	10,486,148.10
Social security costs	596,508.23	1,379,378.92
Pension expenses	2,372,636.74	221,475.70
Total staff costs	20,548,926.10	12,087,002.72

Number of employees

	2022	2021
Number of employees	130	105

6. Depreciation, amortisation and impairment

€	2022	2021
On fixed assets, machinery and equipment	19,207.07	19,599.79
On intangible assets	1,055,038.90	116,762.97
Total depreciation, amortisation and impairment on intangible assets and on property, plant and equipment	1,074,245.97	136,362.76

7. Other operating expenses

€	2022	2021
Telecommunication expenses	3,124,631.16	1,548,213.04
Marketing expenses	378,933.07	238,384.82
Rental expenses	734,320.37	298,276.24
Optional staff expenses	903,446.01	566,430.08
Other operating expenses	17,443,483.16	7,902,633.71
Group contribution	29,000,000.00	15,000,000.00
Total other operating expenses	51,584,813.77	25,553,937.89
Auditors' fees		
Auditing fees	362,031.00	147,290.00
Other fees	22,220.00	8,050.00

Audit firm Deloitte Oy.

8. Income taxes

€	2022	2021
Tax based on the taxable income for the financial period	60,951.14	467,467.49
Taxes from previous years	72,949.74	1,469.65
Deferred taxes	357,117.33	163,648.30
Total income taxes	491,018.21	632,585.44

9. Share of the result of the non-controlling company

€	2022	2021
Mandatum Life Private Equity GP Oy	2,472.17	3,965.14
Total	2,472.17	3,965.14

NOTES TO THE CONSOLIDATED BALANCE SHEET

10. Receivables from credit institutions

€	2022	2021
Cash at bank	57,430,941.78	38,634,818.48
Total	57,430,941.78	38,634,818.48

11. Equity securities

€	2022	2021
Net carrying amount at 1 Jan	12,212.15	0.00
Additions	0.00	12,212.15
Reductions	-12,125.39	0.00
Carrying amount at 31 Dec	86.77	12,212.15

12. Intangible assets

€	Advance payments and investments in progress	2022			2021		
		Goodwill	Customer relations	Total	Goodwill	Customer relations	Total
Acquisition cost at 1 Jan	0.00	39,924,729.89	5,071,138.29	44,995,868.18	0.00	0.00	0.00
Additions	134,966.94	1,295,541.90	1,457,798.80	2,888,307.64	39,924,729.89	5,071,138.29	44,995,868.18
Acquisition cost at 31 Dec	134,966.94	41,220,271.79	6,528,937.09	47,884,175.82	39,924,729.89	5,071,138.29	44,995,868.18
Accumulated depreciation at 1 Jan	0.00	0.00	-116,762.97	-116,762.97	0.00	0.00	0.00
Depreciation for the financial year	0.00	0.00	-1,055,038.90	-1,055,038.90	0.00	-116,762.97	-116,762.97
Accumulated depreciation at 31 Dec	0.00	0.00	-1,171,801.87	-1,171,801.87	0.00	-116,762.97	-116,762.97
Carrying amount at 31 Dec	134,966.94	41,220,271.79	5,357,135.22	46,712,373.95	39,924,729.89	4,954,375.32	44,879,105.21

13. Property, plant and equipment

€	2022	2021
	Equipment and furniture	Equipment and furniture
Acquisition cost at 1 Jan	128,864.16	56,680.54
Additions	15,735.23	72,183.62
Acquisition cost at 31 Dec	144,599.39	128,864.16
Accumulated depreciation at 1 Jan	-67,771.10	-47,406.75
Depreciation for the financial year	-19,207.07	-20,364.35
Accumulated depreciation at 31 Dec	-86,978.17	-67,771.10
Carrying amount at 31 Dec	57,621.22	61,093.06

14. Financial assets

€	2022	2021
Other equity securities	770,981.66	873,652.97
Total	770,981.66	873,652.97

15. Other assets

€	2022	2021
Other receivables	11,076,041.09	15,359,286.78
Total	11,076,041.09	15,359,286.78

The item Other receivables consists of, e.g. fee and commission receivables from cooperation companies.

16. Accrued income and prepayments

€	2022	2021
Accrued income and prepayments	1,104,042.47	2,227.82
Tax receivables	66,874.83	519,769.48
Total	1,170,917.30	521,997.30

17. Equity

Share capital

The number of shares at the end of the financial year and the previous financial year was 125. There was no change in the company's share capital of EUR 125,000 during the financial year. At the end of the financial year, the Group companies held no shares in the parent company.

Invested unrestricted equity fund

The fund is based on a decision made by the company's Board of Directors.

Changes in the reserves and retained earnings are presented in the consolidated statement of changes in equity.

18. Other liabilities

€	2022	2021
Group contribution	29,000,000.00	15,000,000.00
Other liabilities	2,089,215.59	2,710,763.09
Total	31,089,215.59	17,710,763.09

The item Other liabilities includes e.g. liabilities arising from withholding taxes and social security costs, liabilities to creditors and insurance premium advances.

19. Accrued expenses and deferred income

€	2022	2021
Accrued expenses and deferred income	14,607,940.71	10,463,304.94
Total	14,607,940.71	10,463,304.94

The item Accrued expenses and deferred income includes, e.g. holiday pay debt and other salary debts, including social security costs.

20. Deferred tax liabilities

Changes in deferred tax during the 2022 financial period

€	2022 Items recognised in profit or loss	2021 Items recognised in profit or loss
Deferred tax liabilities 1 Jan	236,926.42	0.00
Provisions and appropriations	365,395.12	166,090.90
Other differences	5,564.50	70,835.52
Total deferred tax liabilities in total 31 Dec	607,886.04	236,926.42

21. Pension obligations

Pension benefits

In addition to statutory retirement pension insurance, the Group has certain voluntary defined benefit pension plans. The pension plans are intra-Group and included in the insurance liabilities of Mandatum Life. The amount is negligible and they have no material impact on the Group's profit or loss or equity.

Other short-term employee benefits

There are other short-term staff incentive schemes in Mandatum Group, the terms of which vary each year. Most of the schemes are tied to Mandatum Group's annual performance indicators. Performance bonuses are recognised in profit or loss for the year in which they arise. The estimated amount of these performance bonuses for 2022 is EUR 4.5 million.

22. Related-party disclosures

Key management personnel

The Group has complied with the IAS 24 Related Party Disclosures standard. Key persons belonging to MAM Group's management are the members of the boards of Mandatum Asset Management Ltd, Mandatum AM AIFM Ltd, Mandatum Private Equity GP Ltd, Mandatum Life Vuokratontit I GP Ltd, SaKa Hallikiinteistöt GP Ltd and Mandatum Fund Management S.A.

Compensation paid to key management

€	2022	2021
Short-term employee benefits	282,237.00	457,927.96
Post-employment benefits	58,744.00	51,776.93
Other long-term benefits	237,073.00	156,643.75
Total	578,054.00	666,348.64

Short-term employee benefits comprise salaries and other short-term benefits, including profit-sharing bonuses accounted for the year, and social security costs.

Post-employment benefits include pension benefits under the Employees' Pensions Act (TyEL) in Finland and voluntary supplementary pension benefits.

Other long-term benefits consist of the benefits under long-term incentive schemes accounted for the year. The benefits are determined by terms at the Group level. Mandatum pays the benefits allocated to its key management (note 26).

Related party transactions of key management

Key management do not have any loans from the Group companies.

Transactions of related-party companies

Mandatum Asset Management's profit was reduced by a EUR 29 million group contribution paid to Sampo plc.

23. Off-balance sheet commitments

€	2022	2021
Leasing and rental contracts	356,301.23	331,909.32
Other liabilities	5,442,707.41	5,186,836.00
Total	5,799,008.64	5,518,745.32

24. Investments in subsidiaries

Name	Country	Holding (%)	Book value Eur
Mandatum AM AIFM Oy	Finland	100	1,679,091
CO2 Avoid1 Oy	Finland	100	2,500
Mandatum AM Finland Properties II GP Oy	Finland	100	1,500
Mandatum Growth Equity II GP Oy	Finland	85	0
Mandatum Life Vuokratontit I GP Oy	Finland	100	1,412
Private Equity GP Oy	Finland	88	860,718
SaKa Hallikiinteistöt GP Oy	Finland	100	21,408
Mandatum Fund Management S.A.	Luxemburg	100	5,985,630

Mandatum Asset Management Oy has a branch office in Sweden, Mandatum Asset Management Ltd, filial I Sverige. Kungsgatan 9, 111 43 Stockholm, Sweden.

25. Participations in non-consolidated structured entities

Mandatum Fund Management S.A and Mandatum AM AIFM Ltd, which are part of Mandatum Group, manage Mandatum's funds; and Mandatum Private Equity GP, SaKa Hallikiinteistöt GP and Mandatum Life Vuokratontit I GP, the latter two of which concern real estate investment, manage Mandatum's limited partnership investments. In the funds and limited partnerships they manage, Mandatum Fund Management S.A. and the GP companies use Mandatum Asset Management Ltd as their portfolio manager, and Mandatum AM AIFM Ltd itself handles the portfolio management and other administrative duties related to its funds. On the non-con-

solidated funds and limited partnerships, Mandatum Group receives management fee income, which is included in the income statement under fee income. In addition, Mandatum Group receives profits from non-consolidated funds and limited partnerships as an investor, and these profits are recognised as income from investments based on the item under which the investments have been entered in the balance sheet. Mandatum Group's investments in the funds managed by Mandatum Fund Management S.A. and Mandatum AM AIFM Ltd and in the limited partnerships managed by the GP companies totaled EUR 1,766 million at 31 December 2022. The investments are recognised as investment assets in the balance sheet.

26. Long-term incentive schemes for management and experts

The Board of Directors of Sampo plc has decided on the long-term incentive schemes 2017:1 and 2020:1 for Sampo Group's key personnel. The Board has authorised the Group CEO to decide on the distribution of bonus units used in determining the amount of the performance-related bonus. Similar decisions concerning the Group CEO and members of Sampo Group's Executive Committee are made by the Board of Directors of Sampo plc. In MAM Group, approximately 20 people were included in the long-term incentive schemes at the end of 2022.

The amount of the performance-related bonus is based on the performance of Sampo's A share, on If P&C Insurance's insurance margin and/or on Sampo Group's return on the risk-adjusted capital. The value of one calculated bonus unit is the volume-weighted average price of Sampo's A-share at the time specified in the terms of the incentive scheme, minus the dividend-adjusted starting price. The incentive schemes' starting prices vary between EUR 32.94 and EUR 44.74. The maximum value of one bonus unit varies between EUR 56.94 and EUR 68.74. In the 2017:1 scheme, the bonus calculation additionally takes into account two performance indicators. If the insurance margin is at least 6 per cent, a 60 per cent incentive bonus is paid. If the insurance margin is 4–5.99 per cent, a 30 per cent incentive bonus is paid. If the return on risk-adjusted capital is at least the risk-free return + 4 per cent, a 40 per cent incentive bonus is paid. If the return on risk-adjusted capital is at least the risk-free return + 2 per cent, but less than the risk-free return + 4 per cent, a 20 per cent incentive bonus is paid. In the 2020:1 scheme, the bonus calculation additionally takes into account the return on risk-adjusted capital. If the return on risk-adjusted capital is at least the risk-free return + 5 per cent, the incentive bonus is paid out in full. If the return on risk-adjusted capital is at least the risk-free return + 3 per cent, but less than the risk-free return + 5 per cent, half of the incentive bonus is paid. If the return on risk-adjusted capital is less than the risk-free return + 3 per cent, no bonus is paid out.

Each scheme has three performance periods, and bonuses are settled in cash in three installments. Specified persons must purchase Sampo A shares with 50 per cent of the amount they receive after the deduction of income tax and similar charges. The shares are subject to a

transfer restriction for three years from the day of payout. A premature payment of the bonuses may occur in the event of changes in the group structure. The fair values of the schemes are estimated using the Black-Scholes pricing model.

	2017:1	2017:1/2	2020:1	2020:1/2	2020:1/3
Terms approved*	14.9.2017	14.9.2017	5.8.2020	5.8.2020	5.8.2020
Granted (1,000) 31 December 2019	558	10	-	-	-
Granted (1,000) 31 December 2020	390	20	580	-	-
Granted (1,000) 31 December 2021	249	14	790	20	-
Granted (1,000) 31 December 2022	-	7	790	20	50
End of performance period I 30%	Q2-2020	Q2-2021	Q2-2023	Q2-2024	Q2-2025
End of performance period II 35%	Q2-2021	Q2-2022	Q2-2024	Q2-2025	Q2-2026
End of performance period III 35%	Q2-2022	Q2-2023	Q2-2025	Q2-2026	Q2-2027
Payment I 30%	9-2020	9-2021	9-2023	9-2024	9-2025
Payment II 35%	9-2021	9-2022	9-2024	9-2025	9-2026
Payment III 35%	9-2022	9-2023	9-2025	9-2026	9-2027
Price of Sampo A at terms approval date*	44.02	44.02	30.30	30.30	30.30
Starting price EUR**	43.81	44.10	32.94	43.49	44.74
Dividend-adjusted starting price at 31 December 2022	30.49	33.38	27.14	39.39	44.74
Sampo A - closing price at 31 December 2022	48.82				
Total intrinsic value, EUR million		0.1	9.8	0.1	0.0
Liability, total EUR million	10.0				
Total cost for the financial period, EUR million	8.3				

*Grant dates vary

**In the 2017:1 incentive scheme, the volume-weighted average price of the Sampo A share over 10 trading days after the start of the scheme; and in the 2020:1 incentive scheme, the volume weighted average price over 25 trading days after Sampo plc has published its half-year 2020 report.

27. Financial risks

Liquidity risk is the most relevant financial risk for MAM Group. MAM Group's business is financed with commission income from clients, funds and partners. MAM Group's business is not financed through external financing and therefore the Companies are not exposed to risks related to external financing such as interest rate risk, currency risk or refinancing risk.

MAM has a branch office in Sweden but the currency risk arising from it is considered small due to the scale of the branch's operations.

Liquidity risk is the risk of the company being unable to realise its assets or access funds in order to settle its financial obligations when they fall due. Both MAM and MAM Group are exposed to liquidity risk due to the nature of their operations. In MAM Group, liquidity risk is primarily managed at the company level. MAM manages liquidity risk by regularly monitoring its liquidity position and maintaining a liquidity buffer. MAM and MAM Group monitor the liquidity position and consolidated liquidity position also with respect to regulatory liquidity requirements.

Credit risk refers to the risk that a counterparty is unable to meet its contractual obligations causing financial losses to the Company. MAM Group is exposed to credit risk through, for example, receivables related to asset management fees. However, credit risk is not considered significant since MAM Group Companies do not trade on their own account and do not grant credits to their clients. Credit risk is primarily managed by carefully choosing counterparties and partners.

3

PARENT COMPANY'S FAS FINANCIAL STATEMENTS 2022

PARENT COMPANY'S INCOME STATEMENT

€	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Fee income		63,780,342.67	38,345,474.75
Other operating income		55,158.74	253,471.03
INCOME FROM INVESTMENT SERVICES	1	63,835,501.41	38,598,945.78
Fee and commission expenses	2	-290,651.23	-399,037.93
Interest expenses	3	-48,251.69	-78,343.61
Administrative expenses			
Staff costs			
Wages and salaries		-16,771,722.14	-10,025,625.04
Social security expenses			
Pension expenses		-2,274,955.49	-1,297,824.53
Other social security expenses		-575,100.59	-213,902.21
Total staff costs		-19,621,778.22	-11,537,351.78
Depreciation, amortisation and impairment			
Depreciation according to plan	4	-2,512,486.09	-826,940.69
Other operating expenses	5	-15,154,725.83	-10,354,571.12
OPERATING PROFIT		26,207,608.35	15,402,700.65
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		26,207,608.35	15,402,700.65
Group contribution		-26,300,000.00	-15,000,000.00
Income taxes		-23,200.85	-97,123.18
PROFIT FOR THE FINANCIAL YEAR		-115,592.50	305,577.47

PARENT COMPANY'S BALANCE SHEET

€	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Receivables from credit institutions			
Cash and cash equivalents		48,957,846.74	36,760,558.47
Investments			
Equity securities	8	18,681,932.10	11,144,393.77
Intangible assets			
Intangible assets	9	34,602,046.45	35,489,358.53
Property, plant and equipment			
Equipment and furniture	10	57,621.22	61,093.06
Current receivables			
Other receivables	11	7,570,016.21	12,050,648.17
Accrued income and prepayments		649,821.71	453,058.71
Total		8,219,837.92	12,503,706.88
TOTAL ASSETS		110,519,284.43	95,959,110.71

€	Note	31 Dec 2022	31 Dec 2021
LIABILITIES			
EQUITY			
Restricted equity			
Share capital	12	125,000.00	125,000.00
Unrestricted equity			
Other reserves			
Invested unrestricted equity fund		63,300,000.00	63,300,000.00
Retained earnings		6,415,548.25	6,109,970.78
Profit for the financial year		-115,592.50	305,577.47
Total		69,599,955.75	69,715,548.25
TOTAL EQUITY		69,724,955.75	69,840,548.25
LIABILITIES			
Current liabilities			
Other liabilities	13	27,798,604.11	16,449,413.01
Accrued expenses and deferred income and advances received		12,995,724.57	9,669,149.45
Total		40,794,328.68	26,118,562.46
TOTAL LIABILITIES		40,794,328.68	26,118,562.46
TOTAL LIABILITIES		110,519,284.43	95,959,110.71

PARENT COMPANY'S STATEMENT OF CASH FLOWS

€	31 Dec 2022	31 Dec 2021
Cash flow from operating activities (A)		
Profit (loss) before appropriations	26,497,414.60	15,191,238.01
Adjustments:		
Depreciation according to plan	2,222,679.84	1,116,746.94
Financial income and expenses	0.00	-78,343.61
Cash flow before changes in working capital	28,720,094.44	16,229,641.34
Change in working capital		
Increase (-)/decrease (+) in non-interest-bearing current trade and other receivables	4,342,672.43	-10,342,948.32
Increase (+)/decrease (-) in non-interest-bearing current liabilities	3,375,766.22	8,577,426.55
Cash flow from operating activities before financial items and taxes	7,718,438.65	-1,765,521.77
Direct taxes paid	-82,004.32	-488,815.76
Cash flow before appropriations	7,636,434.33	-2,254,337.53
Cash flow from operating activities (A)	36,356,528.77	13,975,303.81

€	31 Dec 2022	31 Dec 2021
Cash flow from investing activities (B)		
Investments in other investments	-7,537,538.33	-2,522,484.44
Investments in intangible assets and in property, plant and equipment	-1,621,702.17	-45,062,305.94
Cash flow from investing activities (B)	-9,159,240.50	-47,584,790.38
Cash flow from financing activities (C)	27,197,288.27	-33,609,486.57
Group contribution	-15,000,000.00	-1,600,000.00
Investments in the unrestricted equity fund	0.00	61,300,000.00
Cash flow from financing activities (C)	-15,000,000.00	59,700,000.00
Net change (+/-) in cash and cash equivalents (A+B+C)	12,197,288.27	26,090,513.43
Cash and cash equivalents at 1 Jan	36,760,558.47	10,670,045.04
Cash and cash equivalents at 31 Dec	48,957,846.74	36,760,558.47

PREPARATION OF THE FINANCIAL STATEMENTS AND VALUATION PRINCIPLES

The financial statements of Mandatum Asset Management Ltd have been prepared in compliance with the Finnish Accounting Act and the special regulations concerning investment service companies.

Voluntary staff costs are included in other operating expenses.

In the balance sheet, fixed assets are measured at direct acquisition cost less depreciation according to plan. Depreciation is based on the useful lives of the assets and calculated on a straight-line basis or on the basis of the maximum declining-balance depreciation permitted by the Act on the Taxation of Business Income. The depreciation/amortisation period for goodwill follows the company's long-term business strategy.

Depreciation and amortisation periods:

- Equipment and furniture 25% declining balance depreciation
- Goodwill 15 years

The pension insurance of the company's staff is handled through insurance in external pension insurance companies. Pension expenses are recognised as expenses in the year in which they are incurred.

Deferred tax is calculated for temporary differences between taxation and the financial statement using the valid tax rate for future years at the balance sheet date. The balance sheet includes a deferred tax asset in the estimated amount that is likely to be received.

The company's domicile is in Helsinki, and copies of the financial statements are available from Mandatum's head office, at Bulevardi 56, 00120 Helsinki, Finland.

The company belongs to Mandatum Group's subgroup, Mandatum Asset Management Group. Mandatum Asset Management Group is a subgroup of Mandatum Group. The parent company of Mandatum Group is Mandatum Holding Ltd, registered office Helsinki. Mandatum's consolidated financial statements are available on the website www.mandatumlife.fi/en. Mandatum Holding Ltd is a wholly owned subsidiary of Sampo plc and the consolidated financial statements are available on the website www.sampo.com.

The number of the company's shares is 125. The shares have no nominal value.

NOTES TO THE INCOME STATEMENT

1. Income from investment services

€	2022	2021
Asset management fee, sale of services to Group companies	63,122,237.67	38,279,419.64
Asset management fee, sale of services to others	658,105.00	66,055.11
Other operating income, sale of services to Group companies	0.00	163,471.00
Other operating income, sale of services to others	55,158.74	90,000.03
Total	63,835,501.41	38,598,945.78

2. Fee and commission expenses

€	2022	2021
Asset management fees	290,651.23	398,909.21
Asset management fees	0.00	128.72
Total	290,651.23	399,037.93

3. Interest expenses

€	2022	2021
Other interest expenses	48,251.69	78,343.61
Total	48,251.69	78,343.61

4. Depreciation and amortisation

€	2022	2021
On intangible assets	2,493,279.02	806,576.34
On property, plant and equipment	19,207.07	20,364.35
Total	2,512,486.09	826,940.69

5. Other operating expenses

€	2022	2021
Rental expenses	625,690.75	298,276.24
Telecommunication expenses	3,124,631.16	1,548,213.04
External services	2,375,969.84	1,450,943.31
Telephone and office expenses	124,019.48	49,876.76
Travel expenses	37,294.04	8,499.40
Representation expenses	57,653.80	151,133.99
Other operating expenses	8,809,466.76	6,847,628.38
Total	15,154,725.83	10,354,571.12
Auditors' fee		
Auditing fees	57,823.00	47,290.00
Other fees	22,220.00	8,050.00

Audit firm Deloitte Oy.

6. Average number of personnel

	2022	2021
Salaried employees	115	97

7. Salaries and remuneration paid to management

One member of the Board was paid a board fee of EUR 20,000. Other members of the Board did not receive any salary or remuneration.

NOTES TO THE BALANCE SHEET

8. Investments

€	2022	2021
Subsidiary shares	18,680,932.10	11,143,393.77
Funds, others	1,000.00	1,000.00
Total	18,681,932.10	11,144,393.77

9. Intangible assets

€	2022			2021
	Advance payments and investments in progress	Goodwill	Total	Goodwill
Acquisition cost at 1 Jan	0.00	36,295,934.87	36,295,934.87	0.00
Additions	134,966.94	1,471,000.00	1,605,966.94	36,295,934.87
Acquisition cost at 31 Dec	134,966.94	37,766,934.87	37,901,901.81	36,295,934.87
Accumulated depreciation at 1 Jan	0.00	-806,576.34	-806,576.34	0.00
Depreciation for the financial year	0.00	-2,493,279.03	-2,493,279.03	-806,576.34
Accumulated depreciation at 31 Dec	0.00	-3,299,855.37	-3,299,855.37	-806,576.34
Carrying amount at 31 Dec	134,966.94	34,467,079.51	34,602,046.45	35,489,358.53

10. Property, plant and equipment

€	2022 Equipment and furniture	2021 Equipment and furniture
Acquisition cost at 1 Jan	128,864.16	56,680.54
Additions	15,735.23	72,183.62
Acquisition cost at 31 Dec	144,599.39	128,864.16
Accumulated depreciation at 1 Jan	-67,771.10	-47,406.75
Depreciation for the financial year	-19,207.07	-20,364.35
Accumulated depreciation at 31 Dec	-86,978.17	-67,771.10
Carrying amount at 31 Dec	57,621.22	61,093.06

11. Current receivables

€	2022	2021
Receivables from other companies		
Trade receivables	102,616.94	999,828.00
Other receivables	2,005,781.61	329,482.10
Accrued income	649,821.71	453,058.71
Total	2,758,220.26	1,782,368.81
Receivables from Group companies		
Other receivables	5,461,617.66	10,721,338.07
Total	8,219,837.92	12,503,706.88
Material amounts under receivables from Group companies		
Asset management fee	5,417,221.83	9,171,544.65
Performance fee	0.00	1,217,364.17
Management fee	39,576.00	315,176.68
Others	4,819.83	17,252.57
Total	5,461,617.66	10,721,338.07

12. Equity

€	2022	2021
Restricted equity		
Share capital at 1 Jan.	125,000.00	125,000.00
Share capital at 31 Dec	125,000.00	125,000.00
Total restricted equity	125,000.00	125,000.00
Unrestricted equity		
Invested unrestricted equity fund at 1 Jan	63,300,000.00	2,000,000.00
Additions	0.00	61,300,000.00
Invested unrestricted equity fund at 31 Dec	63,300,000.00	63,300,000.00
Retained earnings	6,415,548.25	6,109,970.78
Profit for the financial year	-115,592.50	305,577.47
Total unrestricted equity	69,599,955.75	69,715,548.25
Total equity	69,724,955.75	69,840,548.25
Distributable funds		
Invested unrestricted equity fund	63,300,000.00	63,300,000.00
Retained earnings	6,415,548.25	6,109,970.78
Profit for the financial year	-115,592.50	305,577.47
Total distributable funds	69,599,955.75	69,715,548.25

13. Current liabilities

€	2022	2021
Payables to other companies		
Accounts payable	92,310.97	233,731.24
Other liabilities	27,014,290.19	399,374.21
Accrued expenses and deferred income	12,995,724.57	9,669,149.45
Total	40,102,325.73	10,302,254.90
Payables to Group companies		
Other liabilities	692,002.95	15,816,307.56
Total	40,794,328.68	26,118,562.46
Material amounts under accrued expenses and deferred income		
Holiday pay debt	2,164,208.74	1,821,733.29
Remuneration, including social security costs	10,455,795.62	7,646,527.03
Others	375,720.21	200,889.13
Total	12,995,724.57	9,669,149.45

14. Liabilities

€	2022	2021
Leasing and rental liabilities falling due		
Within one year	297,138.01	282,654.90
Later	54,981.22	49,254.42
Total	352,119.23	331,909.32
Other liabilities		
Total amount associated with collective registration for value-added taxation	5,447,221.68	4,078,403.74
Additional transaction price liability	0.00	1,341,140.80
Total	5,447,221.68	5,419,544.54

4

BOARD OF DIRECTORS' SIGNATURES

SIGNATURES OF THE REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

Helsinki, 27 February 2023
Mandatum Asset Management Ltd

Patrick Lapveteläinen
Chairman of the Board

Petri Niemisvirta
Member of the Board

Timo Vuokila
Member of the Board

Harri Kiiski
Member of the Board

Lauri Vaittinen
President and CEO

Audit Statement

The auditor's report has been issued today.

Helsinki, 27 February 2023

Deloitte Oy
Authorised Public Accountant Firm

Reeta Virolainen
Authorised Public Accountant

5

AUDITOR'S REPORT

AUDITOR'S REPORT

(Translation of the Finnish Original)

To the Annual General Meeting of
Mandatum Asset Management Oy

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Mandatum Asset Management Oy (business identity code 2608438-8) for the year ended 31 December, 2022. The financial statements comprise the consolidated balance sheet, the statement of comprehensive income, statement of changes in equity, cash flow statements and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis

of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities in the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with good auditing practice, we exercise professional judge-

ment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and, based on the audit

evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 27 February 2023

Deloitte Oy
Audit Firm

Reeta Virolainen
APA



MANDATUM
ASSET MANAGEMENT

Mandatum Asset Management Ltd

Postal address P.O. box 1221, 00101 Helsinki, Finland

Registered domicile and address

Bulevardi 56, FI-00120 Helsinki, Finland

Business ID 2608438-8

www.mandatumam.com