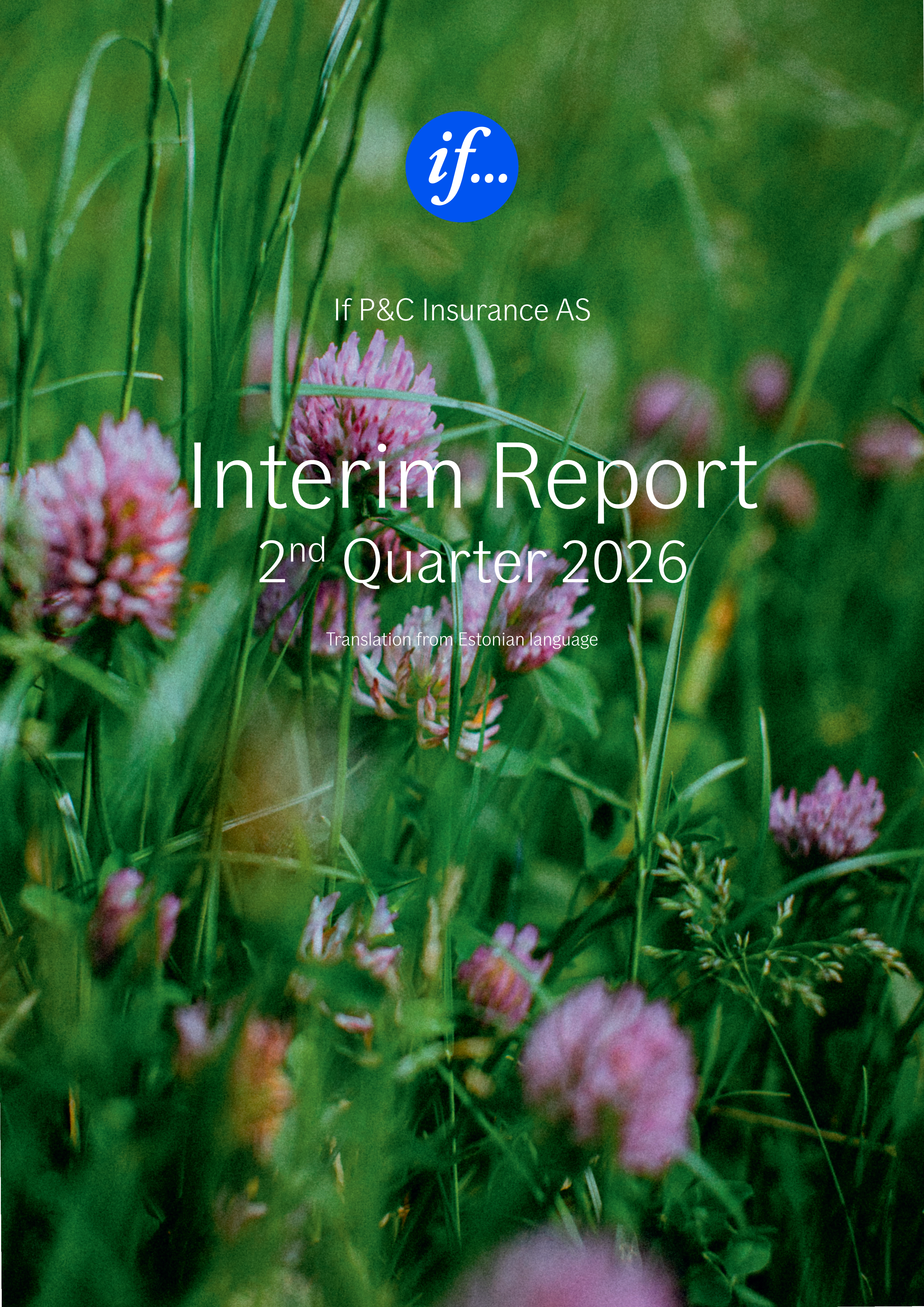

If P&C Insurance AS

Interim Report

2nd Quarter 2026

Translation from Estonian language

Contacts and signatures

If P&C Insurance AS main field of activity is non-life insurance services.

Business name:	If P&C Insurance AS
Registry code:	10100168
Address:	Lõõtsa 8a, 11415 Tallinn
Telephone:	777 1211
E-mail:	info@if.ee
Web page:	if.ee
Beginning of reporting period:	1 January 2026
End of reporting period:	30 June 2026
Chairman of the Management Board:	Andris Morozovs
Auditor:	Sirius Audit OÜ

If P&C Insurance AS management board has compiled 2nd quarter 2026 interim report which is presented on pages 8-14.

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Explanatory note

If P&C Insurance AS (the Company, If) is a wholly owned subsidiary of the If P&C Insurance Holding Ltd (publ), the parent company of the leading Nordic property and casualty insurance group, which in turn is owned by the Finnish company Sampo plc. Sampo plc is listed on the Helsinki, Stockholm and Copenhagen Stock Exchange. The Sampo Group consists of the parent company Sampo plc and its wholly owned subsidiaries If P&C Insurance Holding Ltd (publ) and Hastings Group Ltd.

If has been offering property and casualty insurance to private individuals and corporate customers in the Baltic markets since 1992. Across the Baltic countries, If has approximately 399,000 policyholders and is one of the leading P&C companies in Estonia and is among top 5 companies in Latvia and Lithuania. If's products include Property, Liability, Motor, Marine & Transport and Accident & Health insurance.

The Company is registered in Estonia and operates in Latvia and Lithuania through branches. The current corporate structure enables efficient operations with some shared business functions across all three Baltic countries.

This interim report includes the financial indicators of the Estonian unit operated by If P&C Insurance AS and the Latvian and Lithuanian branches.

Results from operations January-June 2026

Net profit for the period has showed significant decrease compared to preceding year and amounted to 17,8 million (€22,0 million in 6 months 2025). Profit from Insurance Service was €21,4 million (€23,3 million in 6 months 2025), corresponding to a combined ratio of 82.2% (80.6% in 6 months 2025).

Insurance revenue, gross

Insurance revenue gross for the period decreased slightly by ca. 0.1% reaching €123,4 million (€123,5 million in 6 months 2025).

Insurance Service expense

Insurance Service expense, claims incurred, including claims handling cost, amounted to €65,9 million (€72,8 million in 6 months 2025), corresponding to a loss ratio of 59,1% (57.8% in 6 months 2025). The change was primarily attributable to lower large claims cost.

Continuous efficiency improvements and tight cost control, supported by digitalization and automation of customer integration processes, helped us keep the expense ratio stable at 23.1% (22,8% in 6 months 2025).

Total operating expenses, excluding claims handling expenses, stayed close to last year's level, at €27,6 million (€27,3 million in 6 months 2025).

Investment result

The value of financial investments was €361,2 million at the end of Q2 2026 (€369,0 million at the end of 2025).

The second quarter of 2026 remained volatile, but credit markets recovered strongly from the weakness seen towards the end of the first quarter. During April, sentiment improved on hopes of easing tensions in the Middle East, although uncertainty around the conflict, oil prices and inflation continued to drive volatility in interest rates. Underlying EUR rates remained volatile but moved lower overall during the quarter, supporting fixed-income returns. Credit markets remained resilient through May and June, with investment-grade spreads moving in narrow ranges and gradually tightening. Strong investor demand and solid corporate fundamentals provided support, while primary markets remained very active and new issuance was absorbed well. Towards quarter-end, geopolitical tensions eased and oil prices declined, while credit spreads remained close to multi-year tights.

In Q2, we added €8.0 million of investment-grade bonds to the portfolio, at an average yield of 3.69% and an average maturity of 6.0 years. Bond sales of €6.8 million and redemptions of €10.5 million resulted in net bond outflows of €9.4 million for the quarter. We also maintained our €10 million allocation to short-term discount papers by rolling the existing position as it matured. During the quarter, we received €2.3 million in coupon income, while there were no allocations from insurance operations. The cash position decreased by €19.8 million during the quarter, reducing the portfolio's cash weight to 3.3% from 8.1% at the end of Q1.

This was in line with our liquidity planning and mainly reflected the €31.5 million dividend payment to If Holding at the end of April.

The portfolio's duration increased to 3.5 years at the end of Q2, from 3.3 years at the end of Q1. Running yield increased to 3.2% from 3.0%, while the mark-to-market yield declined slightly to 3.3% from 3.4%. The fixed income portfolio delivered a strong return of +1.9% during the quarter, supported by lower underlying interest rates and resilient credit spreads. In absolute terms, the fixed income result for the quarter was +€7.2 milion. After accounting for -€0.1 million in other investment expenses, the portfolio's total result was +€7.1 million, corresponding to a return of +1.9%.

Our investment strategy remains focused on high-quality issuers and a balanced risk profile. Credit spreads have recovered from the March widening and are again close to historically tight levels, supported by solid fundamentals and strong investor demand. We therefore remain selective when adding exposure, while attractive all-in yields continue to provide opportunities in high-quality bonds. Geopolitical developments, inflation and changing central bank expectations may continue to drive volatility, and we maintain flexibility to add selectively during periods of market weakness.

Insurance finance income/expense

The insurance finance income/expense (-) net result is mostly affected by the change in discount rate.

Number of employees

As at 30 June 2026, the number of full-time employees was 599 (31.12.2025 593).

Key activities of If P&C Insurance AS and its branches

During the second quarter of 2026, If continued to strengthen its digital services and customer-focused insurance solutions across the Baltics. Several initiatives launched during the quarter support everyday safety, well-being, and sustainability. Activities throughout the period reflected a continued commitment to contributing to local communities and addressing broader societal needs.

Product development remained a key focus during the quarter, highlighted by the launch of a redesigned, unified Baltic pet insurance product. Built on customer feedback and extensive claims insights, the updated solution simplifies the digital customer journey and offering structure. Key enhancements include lifetime medical coverage with no age limits for pets insured at an early age, three flexible deductible options, and expanded default protection across Europe for trips up to 60 days. Beyond strengthening market competitiveness and risk management, this initiative sets the foundation for further product standardisation across the Baltics.

To further enhance customer support, If established a partnership in Estonia with Viking Assistance, a Sampo Group company specializing in roadside services. Following more than a year of preparation, the collaboration launched in early June and has already successfully handled over 250 roadside cases. Building on this foundation, plans are underway to expand the assistance model to Latvia and Lithuania, alongside introducing home assistance and replacement vehicle services in Estonia.

Expanding its commercial footprint, If acquired Gjensidige's carriers' liability insurance (CMR) portfolio in Lithuania. Executed following a decision by the Lithuanian Competition Council in connection with the ERGO–Gjensidige merger, the targeted transaction welcomed several hundred small and medium-sized enterprise (SME) clients to the company. Beyond adding a well-priced, profitable portfolio, this addition presents a valuable opportunity to build broader, long-term relationships within the Baltic SME segment.

In parallel, community engagement remained a central priority. In cooperation with the Estonian Museum of Natural History, If launched a new education fund aimed at improving access to nature and environmental education across Estonia. As the first private sponsor, it will support the participation of 6,000 schoolchildren in museum programmes over the next three years. Additionally, a regional cat microchipping initiative in Võrumaa was supported in cooperation with the Estonian Animal Shelters NGO as part of a long-term partnership.

During the quarter, If backed the Vilnius Half Marathon through engagement initiatives aimed at increasing brand visibility and strengthening its presence among participants and the wider community. The company also initiated a partnership with the Baltics' largest padel center, FV Padel in Tallinn, to promote accident and health insurance, establishing a branded court at the venue. Furthermore, its experts presented health insurance solutions at the PARE HR conference in Tallinn and hosted a dedicated podcast stage.

Demonstrating a strong commitment to sustainable mobility, If participated in the Ignitis ON electric vehicle rally, one of the largest such events in the region. Its team secured 2nd place in the business category, which focuses on efficient and timely route completion.

Regarding employee-related initiatives, If continued to advance pay transparency across the Baltics, focusing on improving salary data quality, ensuring consistency in compensation practices, and preparing for upcoming regulatory requirements. In addition, If joined the "Vägivallavabaks" (Violence-Free) employer initiative in Estonia, reinforcing its commitment to employee wellbeing and a supportive workplace culture. Through the initiative, If contributes to raising awareness of domestic violence and promotes early support, training and a work environment where employees feel safe to seek help and support others.

As the year progresses, If remains focused on innovation, customer experience, and sustainable solutions that support customers' evolving everyday needs.evolving everyday needs.

Outlook

The Baltic P&C insurance market has remained broadly flat during the first half of 2026, with slower premium growth reflecting increased competition and a more challenging pricing environment. While economic activity in the Baltic countries is expected to improve gradually during the remainder of the year, insurance market growth is likely to remain moderate.

At the same time, the environment remains inherently volatile, shaped by ongoing geopolitical uncertainty and potential energy market shocks. Although inflationary pressures have moderated compared to recent years, wage growth remains elevated and continues to contribute to higher claims and operating costs.

Maintaining profitability will, however, require continued underwriting discipline, active portfolio steering, and pricing agility in an increasingly competitive market. Demand growth is expected to remain gradual, alongside rising customer expectations for simple, digital and reliable insurance solutions.

In this environment, If is well positioned to deliver sustainable and profitable growth, supported by strong technical capabilities, disciplined risk selection and a continued focus on operational efficiency. The company remains committed to maintaining resilient performance and high customer satisfaction while adapting proactively to an evolving risk landscape.

Key figures

Thousand EUR	2026 Jan-Jun	2025 Jan-Jun	2025 Jan - Dec
Earnings and expenses related information			
Insurance revenue, gross	123,432	123,546	250,583
Reinsurance premium expense	-3,760	-3,529	-7,377
Insurance service expense, claims incurred	-65,892	-72,836	-150,955
Insurance service expense, operating expenses	-27,593	-27,321	-56,632
Reinsurer's share of claims incurred	-4,812	3,489	4,332
Insurance service result	**21,375**	**23,349**	**39,951**
Investment result	4,940	7,371	12,354
Insurance finance income or expense (-), net	-1,859	-456	-953
Net financial result	**3,080**	**6,915**	**11,401**
Net profit for the period	**17,762**	**22,033**	**41,877**
Information regarding financial position			
Investment assets	361,173	350,676	369,016
Insurance liabilities	221,518	225,636	232,813
Own funds	153,452	147,444	167,288
Key data			
Loss ratio[1]	59.1%	57.8%	60.3%
Expense ratio[2]	23.1%	22.8%	23.3%
Combined ratio[3]	82.2%	80.6%	83.6%
Total investment return[4]	2.7%	4.2%	3.5%

Formulas

[1] Loss ratio

$$\frac{\text{Claims incurred (incl. Claims handling costs), net of reinsurance}}{\text{Insurance revenue, net of reinsurance}}$$

[2] Expense ratio

$$\frac{\text{Insurance service expense, operating expenses}}{\text{Insurance revenue, net of reinsurance}}$$

[3] Combined ratio

Claims ratio + Expense ratio

[4] Return on investments (yearly basis)

$$\frac{\text{Investment result}}{\text{Weighted average volume of financial investments in the period}}$$

Statement of profit and loss Q2

Thousand EUR	**2026 Q2**	**2025 Q2**
Insurance revenue, gross	62,017	62,736
Reinsurance premium expense	-1,842	-1,899
Insurance service expense	-41,827	-48,978
Claims incurred	-27,499	-34,852
Operating expenses	-14,328	-14,126
Reinsurer's share of claims incurred	-3,535	1,166
Insurance service result	**14,813**	**13,025**
Other income / expense	9	22
Result from other services	**9**	**22**
Investment result	**7,052**	**5,405**
Direct investment income	3,038	2,743
Changes in value	4,113	2,768
Management costs	-99	-106
Insurance finance income or expense, net	**-1,764**	**-1,121**
Insurance contracts	-1,841	-1,184
Reinsurance contracts held	77	63
Net financial result	**5,287**	**4,284**
Result before income taxes	**20,109**	**17,331**
Taxes	-6,108	-6,903
Net profit for the period	**14,002**	**10,428**

Statement of profit and loss January - June

Thousand EUR	2026 Jan-Jun	2025 Jan-Jun
Insurance revenue, gross	123,432	123,546
Reinsurance premium expense	-3,760	-3,529
Insurance service expense	-93,486	-100,157
Claims incurred	-65,892	-72,836
Operating expenses	-27,593	-27,321
Reinsurer's share of claims incurred	-4,812	3,489
Insurance service result	**21,375**	**23,349**
Other income / expense	20	38
Result from other services	**20**	**38**
Investment result	**4,940**	**7,371**
Direct investment income	5,995	5,484
Changes in value	-852	2,096
Management costs	-204	-210
Insurance finance income or expense, net	**-1,859**	**-456**
Insurance contracts	-1,939	-540
Reinsurance contracts held	80	84
Net financial result	**3,080**	**6,915**
Result before income taxes	**24,476**	**30,302**
Taxes	-6,714	-8,269
Net profit for the period	**17,762**	**22,033**

Statement of financial position

Thousand EUR	Note	2026 30 June	2025 31 Dec
ASSETS			
Cash and bank balances		26,227	42,977
Investment assets		**361,173**	**369,016**
Other financial investment assets	2	356,118	363,276
Accurred interest		5,055	5,741
Debtors		**4,533**	**4,190**
Prepayments and accrued income		**1,356**	**1,288**
Reinsurance assets		**2,863**	**7,632**
Asset for remaining coverage		-2,297	-2,315
Asset for incurred claims		5,160	9,948
Other assets		**2,106**	**2,659**
Tangible assets		2,106	2,659
Total assets		**398,258**	**427,763**
LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY			
Creditors		**16,055**	**19,641**
Other creditors		14,704	17,836
Lease liabilities		1,351	1,806
Deferred tax liability		**110**	**96**
Accruals and deferred income		**7,124**	**7,924**
Insurance liabilities		**221,518**	**232,813**
Liability for remaining coverage and acquisition cashflow asset		52,392	50,386
Liability for incurred claims		169,126	182,426
Shareholders' equity		**153,452**	**167,288**
Share capital		6,391	6,391
Premium reserve		3,679	3,679
Statutory reserve		2,362	2,362
Profit brought forward		123,258	112,979
Net profit for the period		17,762	41,877
Total liabilities, provisions and shareholders' equity		**398,258**	**427,763**

Changes in shareholders´ equity

	Restricted equity				Unrestricted equity	
Thousand EUR	Share capital	Premium Reserve	Statutory Reserves	Profit Brought Forward	Net Profit for the Year	**Total Equity**
Equity at beginning of 2025	**6,391**	**3,679**	**2,362**	**143,319**	**-**	**155,751**
Dividends paid	-	-	-	-30,340	-	-30,340
Net profit for the year	-	-	-	-	41,877	41,877
Equity at end of Dec 2025	**6,391**	**3,679**	**2,362**	**112,979**	**41,877**	**167,288**
Equity at beginning of 2026	**6,391**	**3,679**	**2,362**	**154,856**	**-**	**167,288**
Dividends paid	-	-	-	-31,598	-	-31,598
Net profit for the year	-	-	-	-	17,762	17,762
Equity at end of June 2026	**6,391**	**3,679**	**2,362**	**123,258**	**17,762**	**153,452**

Statement of Cash flows

Thousand EUR	2026 Jan-Jun	2025 Jan-Jun
CASH FLOW FROM OPERATING ACTIVITIES		
Cash flow from insurance operations		
Premium flows, direct insurance	122,452	128,117
Premiums ceded	-4,277	-5,262
Claim payments, direct insurance	-81,140	-75,575
Reinsurance flows	118	1,768
Cost of operations	-26,994	-27,324
Total	**10,159**	**21,724**
Cash flow from asset management		
Interest received	6,540	5,065
Interest paid	-24	-37
Investments in bonds and other interest bearing securities	-56,570	-125,043
Proceeds from disposals of bonds and other interest bearing securities	63,080	122,732
Total	**13,026**	**2,717**
Paid income tax	-7,845	-1,416
CASH FLOW FROM OPERATING ACTIVITIES TOTAL	**-7,845**	**-1,416**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-31,598	-30,340
Repayments of lease liabilities	-492	-461
CASH FLOW FROM FINANCING ACTIVITIES TOTAL	**-32,090**	**-30,801**
Cash flow for the period	**-16,750**	**-7,777**
Cash and bank balances		
Opening cash and bank balances for the period	42,977	42,670
Cash flow for the period	-16,750	-7,777
Closing cash and bank balances for the period	**26,227**	**34,893**

Notes to the interim financial statements

Note 1. Accounting policies

1. Basis of preparation

This interim report has been prepared in conformity with the IAS 34 "Interim Financial Reporting" requirements for condensed interim financial statements.

The If P&C Insurance AS annual report for the financial year ended 31 December 2025 was prepared in conformity with the IFRS and the interpretations issued by IFRIC, which have been approved by the EU. The applied standards and interpretations are described in Company's accounting policies for the financial year 2025. The financial statements are available on Company's website at www.if.ee.

The accounting policies for the Company that have been applied in this Interim report are the same as those applied in the 2025 Annual Report.

The totals in tables and statements in the interim report may not always reconcile due to rounding. The aim is for each line item to correspond to the source and therefore rounding differences may arise in totals.

Note 2 Financial investments IFRS 9

The recognition of financial assets depends on their classification. The classification of assets categorized in accordance with IFRS 9 is shown below.

Thousand EUR	Acquisition value 2026 Jun 30	Fair value 2026 Jun 30	Carrying amount 2026 Jun 30	Acquisition value 2025 Dec 31	Fair value 2025 Dec 31	Carrying amount 2025 Dec 31
Financial assets at fair value through profit or loss						
Bonds and other interest-bearing securities	352,585	361,173	361,173	361,477	369,016	369,016
Total financial assets at fair value through profit or loss	**352,585**	**361,173**	**361,173**	**361,477**	**369,016**	**369,016**

The fair value is only shown for disclosure purposes. Financial instruments with fair value information are classified in three different hierarchy levels depending on their liquidity and valuation methods.

Financial investment assets in fair value hierarchy

	2026 Jun 30			2025 Dec 31		
Thousand EUR	**Level 1**	**Level 2**	**Total fair value**	**Level 1**	**Level 2**	**Total fair value**
Financial assets at fair value through profit or loss						
Bonds and other interest-bearing securities	333,511	27,663	361,173	341,219	27,797	369,016
Total financial assets, at fair value	**333,511**	**27,663**	**361,173**	**341,219**	**27,797**	**369,016**