

TAALERI

Q3

Taaleri Plc Interim Statement

1 January–30 September 2021

# Taaleri Plc Interim Statement 1 January–30 September 2021

Taaleri's continuing earnings grew and operating profit was 37% of income in the third quarter

On April 30, 2021, Taaleri completed the sale of its wealth management operations to Aktia and recognized a tax-free gain of EUR 111.1 million on the transaction. Taaleri applies the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in the classification, presentation, and recognition of sale of the wealth management operations.

On 25 October 2021, Taaleri Plc announced that the Group's CEO Robin Lindahl had left his post immediately and the Board of Directors has appointed Peter Ramsay, M.Sc. (Econ.), as the new CEO as of 1 December 2021. As of 25 October, Karri Haaparinne, former Deputy CEO of Taaleri and one of the founders of the company, was appointed as Taaleri's interim CEO.

## July–September 2021, segment reporting, continuing operations

- The income according to the segment reporting grew by 0.9% to EUR 12.3 (12.2) million.
- Continuing earnings grew by 4.2% to EUR 9.2 (8.8) million. The continuing earnings of the Private Asset Management segment grew by 6.3% to EUR 4.8 (4.6) million, and the continuing earnings of the Strategic Investments segment decreased by 0.1% to EUR 3.9 (3.9) million.
- Performance fees were EUR 0.0 (0.1) million and investment operations generated EUR 3.1 (3.3) million.
- According to segment reporting, operating profit was EUR 4.6 (5.0) million, corresponding to 37.3% (40.7) of income.
- The AUM in the Private Asset Management segment grew by 27.4% to EUR 2.1 (1.7) billion.

## January–September 2021, segment reporting, continuing operations

- The income according to the segment reporting grew by 65.4% to EUR 40.3 (24.4) million, mostly due to changes in the fair value of investment operations.
- Continuing earnings grew by 12.4% to EUR 29.3 (26.1) million. The continuing earnings of the Private Asset Management segment grew by 11.1% to EUR 14.7 (13.2) million, and the continuing earnings of the Strategic Investments segment by 11.3% to EUR 12.1 (10.8) million.
- Performance fees were EUR 0.8 (0.1) million and investment operations generated EUR 10.2 (-1.8) million.
- According to segment reporting, operating profit was EUR 14.1 (3.3) million, corresponding to 35.0% of income.
- The operating profit of discontinued operations for January–April was EUR 3.3 (1–9 2020: 5.1) million, including EUR 1.6 million in costs related to divestment of the wealth management operations.

## July–September 2021, IFRS reporting, continuing operations

- Income from continuing operations in accordance with IFRS grew by 28.7% to EUR 13.2 (10.3) million.
- Operating profit was EUR 4.6 (3.7) million and profit for the period in accordance with IFRS was EUR 3.2 (4.7) million, taking into account discontinued operations.
- Earnings per share were EUR 0.11 (0.10) for continuing operations, EUR 0.00 (0.08) for discontinued operations and EUR 0.11 (0.17) for the result of the period.

## January–September 2021, IFRS reporting, continuing operations

- Income from continuing operations in accordance with IFRS amounted to EUR 42.4 (20.2) million and operating profit to EUR 12.0 (1.2) million. A total of EUR 2.1 million in non-recurring expenses were attributed to the divestment of the wealth management operations.
- The operating profit of discontinued operations totalled EUR 116.1 (7.6) million, which consists of a profit of EUR 111.1 million from the sale of the wealth management operations and EUR 5.0 million of net operating profit from the wealth management operations in January–April.
- Earnings per share were EUR 0.33 (-0.02) for continuing operations, EUR 4.06 (0.24) for discontinued operations and EUR 4.38 (0.22) for the result of the period.
- The Extraordinary General Meeting decided on 28 May 2021 to pay an additional distribution of assets of EUR 1.00 per share.

There are differences in the figures in the Group's consolidated income statement and segment reporting due to the application of IFRS 5. In the consolidated income statement (p. 24), intra-group income and expenses between discontinued and continuing operations have been eliminated. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. The earnings figures in the explanatory section in this interim statement represents the Group's continuing operations according to segment reporting, unless otherwise stated. The chosen presentation will improve the comparability of segment reporting in the coming years.

The IAS 34 standard was not observed in the preparation of this interim statement. The information in the interim statement has not been audited. See page 20 for further information of the accounting policies of this interim statement.

## Key figures

### Group key figures, continuing operations in segment reporting

	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
<b>Earnings key figures</b>							
Continuing earnings, MEUR	9.2	8.8	4.2	29.3	26.1	12.4	35.9
Income, MEUR	12.3	12.2	0.9	40.3	24.4	65.4	40.0
Operating profit, MEUR	4.6	5.0	-7.6	14.1	3.3	>100.0	9.1
Operating profit, %	37.3	40.7		35.0	13.5		22.8
Profit for the period in consolidated income statement, MEUR	3.2	4.7	-33.0	124.1	6.2	>100.0	13.1
Return on equity*, %	5.8	15.5		93.7	6.6		10.1
<b>Balance sheet key figures</b>							
Equity ratio, %	67.5	48.5		67.5	48.5		49.7
Group's capital adequacy ratio, %	378.7	170.4		378.7	170.4		181.5
<b>Other key figures</b>							
Cost/income ratio excluding investment operations	84.0	80.5		85.1	80.1		83.6
Cost/income ratio	62.9	58.7		63.5	85.9		77.0
Full-time personnel in continuing operations, at the end of the period	105	90	16.7	105	90	16.7	92
Assets under management in Private Asset Management segment, BEUR	2.1	1.6		2.1	1.6		1.7
Guaranty insurance portfolio, BEUR	1.7	1.8		1.7	1.8		1.8

\* Annualised

# Q3

Growth in continuing earnings, %

**4.2**

Operating profit, %

**37.3**

(Q3 2020: 40.7)

Income, EUR million

**12.3**

(Q3 2020: 12.2)

Assets under management, BEUR

**2.1**

(31.12.2020: 1.7)

## Review by CEO Karri Haaparinne

After the major strategic changes in early 2021, we focused on our core business and advancing our strategy in the third quarter. No significant single events related to the private asset management business took place in the quarter, the effects of which would be reflected in the quarter's financial indicators.

Continuing earnings for the third quarter grew by 4%. The income from continuing operations was EUR 12.3 million, and operating profit was EUR 4.6 million, representing 37% of income. The amount of assets under management was EUR 2.1 billion.

In the Private Asset Management segment, we prepared and launched new funds and promoted projects for private equity funds in the investment phase. The investment in business growth and development is reflected in the segment's third quarter results. The ramp-up of the new and developing operations will affect the segment's result throughout the strategy period due to the nature of private asset management business.

The largest business of Private Asset Management, i.e. renewable energy, focused on projects in the construction phase and project proposals of the Taaleri SolarWind II fund, which held its final closing in June, and on advancing its in-house development projects. The operation and construction projects of the fund proceeded according to plan in the third quarter, and the project pipeline looks promising.

During the early part of the year, the real estate business conducted an extensive international tender for the sale of Taaleri Housing Fund VI, which was completed very successfully in July for the purchase price of approximately EUR 145 million. The fund almost doubled the capital invested by its investors. The performance fee for Taaleri from the fund will be fully recognised after the final purchase price has been confirmed in the last quarter of the year. During the review period, the real estate business also concluded its first international management agreement. In addition, the retail sale of Taaleri Housing Fund VIII started in Aktia at the end of the review period.

The preparation of the first private equity fund for the bioindustry business is progressing as planned. We are a pioneer in private asset management business in investments focused on bioindustry, and we believe that the fund will attract a lot of interest. The biocoal plant to be built in Joensuu is also progressing as expected, and the sale of the co-investment to institutional customers started at the end of the third quarter.

In the third quarter, we continued to launch joint fund products with Aktia, and we will continue to develop active cooperation.

In our Strategic Investments segment, Garantia continued its strong business operations in accordance with its own strategy. Net income from guaranty insurance operations remained at the level of the comparison period. The sale of new residential mortgage guarantees has continued to grow as a result of an expanded distribution channel and a buoyant housing market. The net income from investment operations was EUR 1.8 million, and the combined ratio describing the profit development of insurance operations was 36.8% in the third quarter, as claims incurred remained very low.

The cost reduction effects of financial, personnel and corporate arrangements made earlier in the year began to show as expected in the third quarter. In the Other group, fixed personnel costs fell by over 30% and finance costs by 65%. The divestments of non-strategic investments are proceeding as planned.

## Outlook and financial targets

Taaleri does not publish a short-term outlook. However, the company has set itself targets related to growth, profitability and return on invested capital.

Taaleri's long-term targets include:

- Continuing earnings growth at least 15 per cent
- Operating profit at least 25 per cent of income
- Return on equity at least 15 per cent.

The company's goal is to distribute to its shareholders at least 50 per cent of the profit for the financial year as well as the capital that the company does not need for growth investments or to fulfil its targets for solvency.

## Operating environment and market prospects

The operating environment of Taaleri's continuing operations developed positively during the third quarter of 2021. As vaccination progresses, restrictions caused by the COVID-19 pandemic have been lifted, although the Delta variant, which is more contagious than previous variants of COVID-19, has caused an increase in infection rates around the world. The economic outlook is strong both in Europe and in the United States, although uncertainty has increased as a result of the pandemic.

The operating environment of renewable energy remained attractive during the review period. This is supported by the global transition to renewable energy and the general increase in energy prices. In particular, we expect the wind and solar market to continue to grow. Due to the global increase in the cost of raw materials and delays in supply chains, there may be delays in the existing and development projects. This is considered to be a result of the COVID-19 pandemic and therefore a temporary occurrence.

The operating environment of the real estate business has returned close to the state prior to the COVID-19 pandemic. Real estate investments attract capital, thanks to low interest rates, and the availability of real estate financing has also been facilitated compared to the situation a year ago. Housing real estate continues to be in a strong position, while office and business premises are subject to more uncertainties and risks. The supply of rental homes has increased, especially in the Helsinki Metropolitan Area. Increased supply and slumped demand due to the COVID-19 have slightly decreased the occupancy rates of rental homes and slowed down the increase in rents. Despite this, a large amount of new capital is expected to flow into housing investments also in the near future.

**Responsibility and ESG priorities are increasingly becoming the default in operations and a decisive point in investment discussions.**

In bioindustry, the business environment offers significant opportunities, and the industry has been very much in the public eye. As a result, there are indications of increased competition in the investment landscape of bioindustry companies. Sustainability and ESG priorities are increasingly becoming the default in operations and a prerequisite in investment discussions.

The operating environment of Taaleri's new infrastructure business has developed in line with the growing alternative investment market in recent years. Lifting the restrictions related to the COVID-19 pandemic will improve the business environment as the economy grows and activity increases. The global recovery measures caused by the pandemic will support the development of the operating environment in Finland as well, and the number of both operators and investment opportunities is expected to grow further.

The operating environment and market situation of Garantia Insurance Company Ltd remained steady during the review period, and the housing market situation has even further improved. The credit standing of both consumers and corporate customers has remained good despite the COVID-19 pandemic, and no significant changes have occurred in the risk position of our guaranty insurance portfolio. The positive development of the housing market is expected to continue.

## The sale of wealth management operations

Taaleri announced on 10 March 2021 to sell its wealth management operations to Aktia Bank Plc by the agreement signed at the same date. As part of the transaction, the companies agreed to a cooperation that supports the strategies of both companies, in which Aktia will sell Taaleri's alternative investment products to its customers. In the transaction Taaleri's wealth management operations were transferred to Aktia, including Taaleri Wealth Management Ltd, Taaleri Fund Management Company Ltd, Taaleri Tax Services Ltd and Evervest Ltd. Approximately 100 employees of Taaleri transferred to Aktia, and five employees of Aktia's real estate and infrastructure business shifted to Taaleri. Taaleri also acquired business operations for the portfolio management of Aktia's special investment fund investing in real estate as well as the Aktia Infra I Ky fund. The agreement also stipulates that Taaleri will act as the portfolio manager for Aktia's special investment funds investing in real estate in the future.

On 30 April 2021 Taaleri Plc completed the sale of its wealth management operations to Aktia. The divested business was sold at its enterprise value (excluding liabilities and cash) of EUR 120 million. Aktia paid EUR 10 million of the purchase price by directing 974,563 new Aktia shares to Taaleri, changes in fair value of which are reported in segment reporting under Strategic Investments segment. In addition, Taaleri received the net cash of the divested operations, EUR 3.7 million, and dividends paid by Taaleri Wealth Management Ltd to Taaleri Plc during the beginning of the year, totaling EUR 7.2 million. Taaleri recognized a gain of EUR 111.1 million on the sale in the second quarter of 2021. The transaction involved in January-September non-recurring expenses of EUR 2.1 million, presented in accordance with IFRS as part of continuing operations in consolidated income statement. Liabilities related to the transaction are described in more detail in the note Discontinued operations and the sale of the subsidiary.

The sale of the wealth management business will have significant effects on the strategy, regulation, administration and earnings development of the entire Taaleri Group. Taaleri renewed its strategy in the spring and will focus on private equity funds focusing on renewable energy and other alternative investments. Taaleri's regulatory framework will change significantly with the sale of the investment services business.

## Financial result

### Continuing earnings, income, and operating profit

Group's continuing operations in segment reporting, EUR million	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
<b>Continuing earnings</b>	<b>9.2</b>	<b>8.8</b>	<b>4.2%</b>	<b>29.3</b>	<b>26.1</b>	<b>12.4%</b>	<b>35.9</b>
Private Asset Management	4.8	4.6	6.3%	14.7	13.2	11.1%	18.5
Strategic Investments	3.9	3.9	-0.1%	12.1	10.8	11.3%	14.6
Other	0.5	0.4	24.2%	2.5	2.0	27.3%	2.7
<b>Income</b>	<b>12.3</b>	<b>12.2</b>	<b>0.9%</b>	<b>40.3</b>	<b>24.4</b>	<b>65.4%</b>	<b>40.0</b>
Private Asset Management	4.3	5.4	-19.7%	14.8	15.0	-1.0%	21.9
Strategic Investments	6.6	6.1	7.3%	20.9	9.7	115.6%	17.2
Other	1.4	0.7	103.0%	4.6	-0.3	n/a	0.9
<b>Operating profit</b>	<b>4.6</b>	<b>5.0</b>	<b>-7.6%</b>	<b>14.1</b>	<b>3.3</b>	<b>&gt;100.0%</b>	<b>9.1</b>
Private Asset Management	-0.8	0.5	n/a	-1.5	1.8	n/a	3.7
Strategic Investments	4.5	4.6	-0.5%	15.8	5.4	>100.0%	10.2
Other	0.8	-0.1	n/a	-0.1	-3.9	96.9%	-4.8

The Group's share of the result of associated companies is taken into account in the segment income. Segment information is presented on pages 29-31.

#### July-September 2021

The Group's income from continuing operations grew by 0.9% to EUR 12.3 (12.2) million in the review period. Continuing earnings grew by 4.2% to EUR 9.2 (8.8) million. Continuing earnings grew by 6.3% in the Private Asset Management segment and decreased by 0.1% in the Strategic Investments segment. Performance fees of continuing operations were EUR 0.0 (0.1) million and earnings from investment operations were EUR 3.1 (3.3) million.

The Group's operating profit from continuing operations was EUR 4.6 (5.0) million, corresponding to 37.3% (40.7) of the income from continuing operations. The Group's operating expenses of continuing operations were EUR 7.4 (6.4) million, of which personnel costs amounted to EUR 3.6 (3.4) million. The increase in personnel costs was mainly due to investments in the private asset management business, and thus to the increase in fixed personnel costs.

In the consolidated income statement, which applies the IFRS 5 standard, the income from continuing operations grew by 28.7% to EUR 13.2 (10.3) million. The net income from insurance operations totalled EUR 5.7 (6.1) million, consisting of net

income from guaranty insurance operations of EUR 3.9 (3.9) million and net income from investment operations of EUR 1.8 (2.2) million. The return on investment of insurance operations at fair value was 1.1% (2.5). In the consolidated income statement, the income of continuing operations was EUR 3.2 (2.6) million, the income of discontinued operations was EUR 0.0 (2.2) million, the result of the period was EUR 3.2 (4.7) million and the Group's comprehensive income was EUR 3.1 (5.8) million.

### January–September 2021

The Group's income from continuing operations grew by 65.4% to EUR 40.3 (24.4) million in the review period. Continuing earnings grew by 12.4% to EUR 29.3 (26.1) million. Performance fees of continuing operations were EUR 0.8 (0.1) million and earnings from investment operations were EUR 10.2 (-1.8) million.

The Group's operating profit from continuing operations was EUR 14.1 (3.3) million, corresponding to 35.0% of the income from continuing operations. The Group's operating expenses of continuing operations were EUR 24.1 (18.6) million, of which personnel costs amounted to EUR 12.0 (8.3) million.

In the consolidated income statement, which applies the IFRS 5 standard, the income from continuing operations totalled EUR 42.4 (20.2) million. The net income from insurance operations totalled EUR 19.5 (9.7) million, consisting of net income from guaranty insurance operations of EUR 12.0 (10.8) million and net income from investment operations of EUR 7.5 (-1.2) million. The return on investment of insurance operations at fair value was 5.2% (-2.0). In the consolidated income statement, the income from continuing operations was EUR 9.2 (-0.7) million, the income from discontinued operations was EUR 114.9 (6.9) million, the profit for the review period was EUR 124.1 (6.2) million and the Group's comprehensive income was EUR 124.9 (4.4) million.

## Balance sheet, investments, and financing

The balance sheet structure of Taaleri Group changed significantly as a result of the divestment of the wealth management operations. Taaleri's equity strengthened to EUR 219.9 million. Taaleri distributed a total of EUR 37.4 million to shareholders during the second quarter and reorganized its financing in May.

The Group's cash and cash equivalents totalled EUR 74.4 (25.8) million, and Taaleri Group's balance sheet total was EUR 325.7 (268.0) million at the end of September. Investments were EUR 215.6 (194.8) million, corresponding to 66.2% (72.7) of the Group's balance sheet total. Group liabilities totalled EUR 105.8 (134.8) million. Interest-bearing liabilities amounted to EUR 14.9 (64.7) million, which consisted of EUR 14.9 (14.8) million of Taaleri Plc's Tier 2 bond. The bond of EUR 35.0 million due in December was redeemed on 28 May 2021, and debts to credit institutions of EUR 12.4 million were repaid in May.

Profit attributable to parent company shareholders totalled EUR 124.1 million, and assets returned to the shareholders of the parent company totalled EUR 37.4 million in January–September. Equity at end of September was EUR 219.9 (133.2) million, with an equity ratio of 67.5% (49.7). The return on equity for the Group was 93.7% in January–September, which was significantly affected by the divestment of the wealth management operations.

## Business segments, continuing operations

Taaleri's continuing operations include two reported segments: Private Asset Management, which is divided to Renewable energy and Other private asset management, and Strategic Investments, which includes Garantia. The group Other presents Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments.

### Private Asset Management

In reporting, the Private Asset Management segment is divided into Renewable energy and Other private asset management. Renewable energy includes Taaleri Energia, which develops and invests in industrial-scale wind and solar power projects. It also manages investments throughout their lifecycle. The other areas within Private Asset Management include Taaleri's real estate, bioindustry and infrastructure businesses. Group investments that support the core business and the development of the businesses reported under the Private Asset Management segment are reported under the segment.

Private Asset Management, EUR million	7–9/2021	7–9/2020	Change, %	1–9/2021	1–9/2020	Change, %	2020
Continuing earnings	4.8	4.6	6.3%	14.7	13.2	11.1%	18.5
Performance fees	0.0	0.1	-100.0%	0.8	0.1	>100.0%	1.0
Investment operations	-0.5	0.8	n/a	-0.7	1.6	n/a	2.4
<b>Income</b>	<b>4.3</b>	<b>5.4</b>	<b>-19.7%</b>	<b>14.8</b>	<b>15.0</b>	<b>-1.0%</b>	<b>21.9</b>
<b>Operating profit before the financing expenses</b>	<b>-0.2</b>	<b>1.2</b>	<b>n/a</b>	<b>0.1</b>	<b>3.6</b>	<b>-97.0%</b>	<b>6.2</b>
Allocation of financing expenses	-0.6	-0.6	-7.4%	-1.6	-1.8	-11.8%	-2.5
<b>Operating profit</b>	<b>-0.8</b>	<b>0.5</b>	<b>n/a</b>	<b>-1.5</b>	<b>1.8</b>	<b>n/a</b>	<b>3.7</b>
Full-time personnel, at the end of the period	67	43	55.8%	67	43	55.8%	47

Private Asset Management segment's investments, EUR million	30.9.2021	31.12.2020	Change, %
<b>Investments and receivables, fair value</b>	<b>26.8</b>	<b>23.6</b>	<b>13.6%</b>
Real estate	7.2	9.0	-20.5%
Bioindustry	6.2	4.0	53.4%
Infrastructure	2.0	0.0	100.0%
Renewable energy	10.8	10.1	7.4%
Other investments	0.7	0.5	43.7%

Group investments supporting the core business and the development of the businesses reported under Private Asset Management segment are reported under the segment. Such investments include, for example, seed investments in new funds. Group investments are presented in further detail under segment information on page 31.

## Renewable energy

Renewable energy, EUR million	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Continuing earnings	3.6	3.5	2.0%	11.1	10.2	9.0%	14.3
Performance fees	0.0	0.1	-100.0%	0.8	0.1	>100.0%	1.0
Investment operations	0.0	0.8	-100.5%	0.0	1.6	-100.5%	2.1
<b>Income</b>	<b>3.6</b>	<b>4.3</b>	<b>-17.1%</b>	<b>11.9</b>	<b>11.9</b>	<b>0.1%</b>	<b>17.4</b>
<b>Operating profit before the financing expenses</b>	<b>0.8</b>	<b>1.3</b>	<b>-36.1%</b>	<b>2.3</b>	<b>3.8</b>	<b>-41.1%</b>	<b>6.6</b>
Allocation of financing expenses	-0.4	-0.4	-11.4%	-1.1	-1.2	-11.0%	-1.7
<b>Operating profit</b>	<b>0.4</b>	<b>0.8</b>	<b>-49.1%</b>	<b>1.2</b>	<b>2.6</b>	<b>-55.6%</b>	<b>4.9</b>
Full-time personnel, at the end of the period	36	28	28.6%	36	28	28.6%	32
Assets under management, EUR billion	1.1	1.0		1.1	1.0		1.1

### July–September 2021

The continuing earnings of renewable energy business grew by 2.0% to EUR 3.6 (3.5) million, but income decreased to EUR 3.6 million as the investment operations of the review period were less profitable than during the comparison period. Operating expenses totalled EUR 2.8 (3.1) million, of which fee and commission expenses were EUR 1.0 (1.1) million and personnel costs EUR 1.2 (1.5) million. Fixed personnel costs were EUR 0.8 (0.5) million and variable personnel costs EUR 0.4 (1.0) million. The comparison period reserves for variable personnel costs were affected by the COVID-19 pandemic in the early part of the year. Operating profit of renewable energy business before allocation of financial expenses was EUR 0.8 (1.3) million, corresponding to 22.4% of income, and operating profit was EUR 0.4 (0.8) million.

During the review period, the renewable energy business focused on the Taaleri SolarWind II fund's existing investments as well as the development of projects. Projects in the construction phase of the fund in Finland, Norway, Poland, and the United States proceeded as planned during the review period. In addition, Taaleri Energia's in-house development projects proceeded as planned during the review period.

In addition, the renewable energy business arranged the refinancing of the Taaleri Wind II and Taaleri Wind III funds, which was completed in October. As a result of the refinancing, the return potential of the funds increased significantly, and the funds will be able to return a significant portion of the investors' original capital invested. Additionally, Taaleri's estimate for the funds' performance fee potential under the current market conditions increased to approximately EUR 20 million. Following the capital distributions, the performance fee will be partly amortised to Taaleri's result starting in October 2021.

### January–September 2021

The continuing earnings of renewable energy grew in January–September 2021 by 9.0% to EUR 11.1 (10.2) million, and the income remained at the level of the comparison period at EUR 11.9 (11.9) million. Operating expenses totalled EUR 9.6 (8.0) million, of which fee and commission expenses were EUR 3.1 (3.1) million and personnel costs EUR 4.4 (3.2) million. The increase in personnel costs is due to both the increase in the number of employees and variable remunerations, of which EUR 0.4 million is allocated to the previous financial period. The operating expenses for the second quarter also include a write-down of the advance payment of EUR 0.5 million. Operating profit of renewable energy before allocation of financial expenses was EUR 2.3 (3.8) million, corresponding to 19.1% of income, and operating profit was EUR 1.2 (2.6) million.

Taaleri SolarWind II fund reached an investment commitment of EUR 354 million in the last fundraising round that ended in June. During the first half of the year, the fund invested with Masdar in two wind farms in Poland and independently in two wind farms in Finland. Projects of the Taaleri SolarWind II fund in the construction phase proceeded as planned during the review period.

## Other private asset management

Other private asset management, EUR million	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Continuing earnings	1.3	1.1	20.3%	3.6	3.1	17.8%	4.2
Performance fees	0.0	0.0	-100.0%	0.0	0.0	-30.3%	0.0
Investment operations	-0.5	0.0	-100.0%	-0.7	0.0	-100.0%	0.3
<b>Income</b>	<b>0.7</b>	<b>1.1</b>	<b>-30.4%</b>	<b>2.9</b>	<b>3.1</b>	<b>-4.8%</b>	<b>4.5</b>
<b>Operating profit before the financing expenses</b>	<b>-1.0</b>	<b>-0.1</b>	<b>-1,207.2%</b>	<b>-2.2</b>	<b>-0.2</b>	<b>-877.0%</b>	<b>-0.4</b>
Allocation of financing expenses	-0.2	-0.2	1.1%	-0.5	-0.6	-13.6%	-0.8
<b>Operating profit</b>	<b>-1.2</b>	<b>-0.3</b>	<b>-332.4%</b>	<b>-2.7</b>	<b>-0.8</b>	<b>-228.8%</b>	<b>-1.2</b>
Full-time personnel, at the end of the period	32	15	133.3%	32	15	133.3%	15
Assets under management, EUR billion	1.0	0.5		1.0	0.5		0.6

### July–September 2021

The continuing earnings from Taaleri's real estate, bioindustry and infrastructure businesses grew in July–September 2021 by 20.3% to EUR 1.3 (1.1) million, and the income decreased to 0.7 (1.1) million due to a negative investment performance. Taaleri is investing in the growth of the private asset management business in accordance with its strategy, and this is reflected in the increase in the number of employees and personnel costs. The operating expenses of Other private asset management totalled EUR 1.7 (1.1) million, of which personnel costs amounted to EUR 0.8 (0.3) million and fee and commission expenses to EUR 0.6 (0.7) million. Operating profit before allocation of financial expenses was EUR -1.0 (-0.1) million and operating result -1.2 (-0.3) million.

In July, the real estate business very successfully completed the sale of Taaleri Housing Fund VI for the purchase price of approximately EUR 145 million. The fund clearly exceeded its profit target and almost doubled the capital invested by its investors. The performance fee for Taaleri from the fund will be fully recognised after the final purchase price has been confirmed in the last quarter of the year. During the review period, the real estate business also concluded its first international management agreement. In addition, the retail sale of Taaleri Housing Fund VIII, launched by the real estate business and investing in rental home sites to be developed, started in Aktia at the end of the review period.

During the review period, the bioindustry business focused on developing new business. At the end of the review period, the bioindustry business started the sale of the Biocoal co-investment project and continued to prepare its first fund and to identify subjects of investment.

During the review period, Taaleri's infrastructure business developed according to plan and continued to identify subjects of investment of its first Taaleri Infra I fund.

### January–September 2021

The continuing earnings from Taaleri's real estate, bioindustry and infrastructure businesses grew in January–September 2021 by 17.8% to EUR 3.6 (3.1) million, but the income decreased by 4.8% to EUR 2.9 (3.1) million due to a negative investment performance. Operating expenses totalled EUR 5.1 (3.3) million, of which fee and commission expenses were EUR 2.0 (2.0) million and personnel costs EUR 2.1 (0.7) million. Operating profit before allocation of financial expenses was EUR -2.2 (-0.2) million and operating result -2.7 (-0.8) million.

The real estate business expanded to external portfolio management mandates during the review period in connection with the wealth management operations transaction with Aktia. In July, the real estate business completed very successfully the sale of Taaleri Housing Fund VI for the purchase price of approximately EUR 145 million and, in the same connection, the real estate business concluded its first international management agreement. During the review period, the real estate business continued to grow funds in the investment phase and, during the first half of the year, a total of ten new properties were acquired for three closed private equity funds and Aktia Asumnot+ special investment fund. Furthermore, in the period under review, other closed private equity funds in the divestment phase sold their real estate holdings.

During the review period, the bioindustry business focused on launching and developing its operations, identifying subjects of investment and marketing for its first fund as well as on launching the Biocoal co-investment project. The core team of the bioindustry business was recruited during the first half of the year. Taaleri's investment of EUR 2.0 million in Tracegrow Ltd, made in summer, will accelerate the launch of the bioindustry business by offering a potential investment for the first bioindustry fund. In addition, Taaleri's Biorefinery co-investment's investment and Taaleri's associated company Fintoil secured EUR 80 million in debt financing in June.

Taaleri's infrastructure business was launched in May 2021 after the implementation of Taaleri's wealth management operations transaction, when Aktia's infrastructure business team was transferred to Taaleri. Taaleri Infra I, the first fund of the

infrastructure business, started its investment operations during the review period and made its first investment in a local energy company.

## Strategic Investments

The Strategic Investments segment includes Garantia Insurance Company Ltd., an insurance company specializing in guaranty insurance, and the shares in Aktia Bank Plc, which Taaleri received as part of the transaction amount as a result of the sale of the wealth management operations.

Strategic investments, EUR million	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Continuing earnings	3.9	3.9	-0.1%	12.1	10.8	11.3%	14.6
Performance fees	-	-	-	-	-	-	-
Investment operations	2.7	2.2	20.5%	8.8	-1.2	n/a	2.5
<b>Income</b>	<b>6.6</b>	<b>6.1</b>	<b>7.3%</b>	<b>20.9</b>	<b>9.7</b>	<b>115.6%</b>	<b>17.2</b>
<b>Operating profit before the financing expenses</b>	<b>5.2</b>	<b>5.0</b>	<b>3.5%</b>	<b>17.1</b>	<b>6.7</b>	<b>154.3%</b>	<b>11.9</b>
Allocation of financing expenses	-0.6	-0.4	45.8%	-1.3	-1.3	-2.5%	-1.7
<b>Operating profit</b>	<b>4.5</b>	<b>4.6</b>	<b>-0.5%</b>	<b>15.8</b>	<b>5.4</b>	<b>193.1%</b>	<b>10.2</b>
Full-time personnel, at the end of the period	22	21	4.8%	22	21	4.8%	22

## Garantia

The objective of Garantia is to modernize collateral practices and provide customers with easy and cost-effective guaranty solutions and new business opportunities through digital channels. The company's business is divided into guaranty insurance and investment operations.

Garantia, EUR million	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Net income from guaranty insurance operations	3.9	3.9	-0.2%	12.0	10.8	11.3%	14.6
- of which Earned premiums, net	4.0	4.0	-0.6%	12.2	11.1	9.9%	14.9
- of which Claims incurred, net	-0.1	-0.1	-24.1%	-0.1	-0.3	-49.6%	-0.3
Net income from investment operations	1.8	2.2	-16.7%	7.5	-1.2	n/a	2.5
Other income	0.0	0.0	26.2%	0.0	0.0	13.1%	0.0
<b>Revenue</b>	<b>5.7</b>	<b>6.1</b>	<b>-6.1%</b>	<b>19.5</b>	<b>9.7</b>	<b>&gt;100.0%</b>	<b>17.2</b>
Operating expenses	-1.4	-1.1	24.0%	-3.8	-3.0	28.3%	-5.3
<b>Operating profit before the financing expenses</b>	<b>4.3</b>	<b>5.0</b>	<b>-12.9%</b>	<b>15.7</b>	<b>6.7</b>	<b>&gt;100.0%</b>	<b>11.9</b>
Allocation of financing expenses	-0.6	-0.4	45.8%	-1.3	-1.3	-2.5%	-1.7
<b>Operating profit before valuations</b>	<b>3.7</b>	<b>4.6</b>	<b>-18.5%</b>	<b>14.4</b>	<b>5.4</b>	<b>&gt;100.0%</b>	<b>10.2</b>
Return on investments at fair value, %	-0.1	1.4	n/a	0.5	-1.7	n/a	0.2
Result at fair value before tax	3.6	6.0	-39.2%	14.9	3.7	>100.0%	10.4

Garantia, EUR million <sup>1</sup>	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Claims ratio, %	1.4%	1.8%	-0.4%-p.	1.1%	2.3%	-1.2%-p.	1.8%
Expense ratio, %	35.4%	28.4%	7.0%-p.	31.3%	26.8%	4.5%-p.	35.5%
Combined ratio, %	36.8%	30.2%	6.6%-p.	32.4%	29.1%	3.3%-p.	37.3%
Return on investments at fair value, %	1.1%	2.5%	-1.4%-p.	5.2%	-2.0%	7.2%-p.	1.8%

Garantia, EUR million	30.9.2021	31.12.2020	Change, %
Investment portfolio, fair value, MEUR	166	159	4.0%
Guaranty insurance portfolio, MEUR	1,707	1,817	-6.1%
Solvency ratio, %	248.4%	229.4%	19.0%-p.
Credit rating (S&P)	A-	A-	-

## July-September 2021

Garantia's revenue in July-September 2021 was EUR 5.7 (6.1) million. The net income from insurance operations remained at the level seen in the period of comparison and amounted to EUR 3.9 (3.9) million. Net income from investment operations

<sup>1</sup> The calculation formulas for the claims ratio and the expense ratio have been amended, and the figures for the periods of comparison have been restated accordingly. The calculation formulas for the financial ratios are presented on page 23.

decreased by 16.7 per cent to EUR 1.8 (2.2) million. The net income from investment operations was significantly higher in the period of comparison as the market recovered from the fall caused by the COVID-19 pandemic.

Operating expenses were EUR 1.4 (1.1) million, of which personnel expenses were EUR 0.9 (0.7) million. The operating profit before valuations was EUR 3.7 (4.6) million. The result at fair value before tax was EUR 3.6 (6.0) million. The combined ratio stood at 36.8 (30.2) per cent.

#### **January–September 2021**

Garantia's revenue in January–September 2021 reached EUR 19.5 (9.7) million. The net income from guaranty insurance operations grew by 11.3 per cent to EUR 12.0 (10.8) million. Net income from investment operations grew to EUR 7.5 (-2.1) million. The growth in net income from guaranty insurance operations was especially attributable to an increase in earned premiums and decreased claims expenses. The net income from investment operations grew significantly, as in the period of comparison net income from investment was heavily affected by the market reactions caused by the COVID-19 pandemic.

Operating expenses were EUR 3.8 (3.0) million, of which personnel expenses were EUR 2.5 (1.8) million. The operating profit before valuations was EUR 14.4 (5.4) million. The result at fair value before tax was EUR 14.9 (3.7) million. The combined ratio stood at 32.4 (29.1) per cent.

#### **Insurance operations**

Garantia's earned premiums grew 9.9 per cent in January-September 2021 compared to the corresponding period last year and amounted to EUR 12.2 (11.1) million. The increase in earned premiums has mainly been attributable to the growth in residential mortgage guaranty operations. The growth in residential mortgage guaranty volume has been significantly affected by an expanded distribution channel and a buoyant housing market. Earned premiums from corporate exposure decreased from the corresponding period last year, as the demand for corporate financing was particularly strong in the period of comparison due to the uncertainty brought in by the COVID-19 pandemic.

Gross guaranty insurance exposure contracted 6.1 per cent in the first nine months of the year and amounted to EUR 1,707 (1,817) million at the end of September 2021. The contraction in gross exposure has mainly been the result of the company's strategic decision to cease underwriting new construction sector related commercial bonds as of 1 January 2020. The commercial bonds form a part of the corporate exposures. Also, exposure volumes of other corporate exposure types have decreased. The development of consumer exposures was favourable in the reporting period, and the volume of these exposures grew.

Claims incurred in January-September amounted to EUR 0.1 (0.3) million. Claims ratio was 1.1 (2.3) per cent, and the ratio of claims incurred in the nine months of the year, as a percentage of the guaranty insurance exposure<sup>2</sup>, was 0.01 (0.01) per cent. The level of claims incurred in the review period remained low.

The expense ratio increased in January-September to 31.3 (26.8) per cent and the combined ratio stood at 32.4 (29.1) per cent.

#### **Investment operations**

Net income from investment operations in January-September was EUR 7.5 (-1.2) million and it mainly consisted of interest income and fair value changes. In addition, the change in the fair value of investment assets recognized in comprehensive income before taxes was EUR 0.5 (-1.7) million. Hence, investment income at fair value totalled EUR 7.9 (-2.9) million, resulting in a return of 5.2 (-2.0) per cent. During the period of comparison, investment return was significantly affected by the market reactions caused by the spreading of the COVID-19 pandemic. The investment portfolio was valued at EUR 166 (159) million at the end of September.

#### **Risk position**

The principal risks associated with Garantia's operations are the credit risks arising from insurance operations, and the market risks incurred in investment operations.

The risk position of Garantia's insurance operations has remained stable. Of the company's gross guaranty insurance exposure of EUR 1,707 (1,817) million in the end of September, EUR 1 083 (972) million, or 63 (54) percent, was made up of consumer exposures, and EUR 623 (844), or 37 (46) percent, of corporate exposures. The consumer exposures mainly include residential mortgage guaranties and rent guaranties, where underwriting risk relates to the credit risk of households. The corporate exposures are made up of corporate loan guaranties, commercial bonds, and other business-related guaranties, where underwriting risk relates to the credit risk of companies and other organizations.

Regarding the risk position of the consumer exposures, the company's residential mortgage guaranty portfolio plays a central part. No significant changes concerning the risk position of the residential mortgage guaranty portfolio took place during the

---

<sup>2</sup> The ratio of claims as a percentage of total guaranty insurance exposure has been reported based on claims incurred in January-September. The total guaranty insurance exposure amount used is the exposure amount outstanding at the end of the reporting period.

first half of the year. The portfolio is well diversified by counterparty, geographical location of collateral property and underwriting year. The counterparties in the residential mortgage guaranty portfolio have on average very good creditworthiness. In addition, the credit risks of the portfolio are managed through an excess of loss portfolio reinsurance arrangement, that came in to force on 1 January 2021.

At the end of September, the share of corporate exposures with investment grade ratings of AAA...BBB- was 20.0 (15.6) per cent. Exposures rated BB- or better made up 76.2 (73.2) per cent of corporate exposures. The share of exposures with weak ratings of C+ or lower increased somewhat and stood at 4.9 (3.7) per cent. The principal industry sectors in the corporate portfolio were construction at 28.8 (35.4) per cent, and manufacturing at 27.6 (24.7) per cent. Moreover, 44.2 (48.8) per cent of the construction sector exposure is reinsured. The creditworthiness of the corporate exposures has on average remained good despite the COVID-19 pandemic.

Garantia has in 2017 received information that a matter concerning a potential insurance event and a related claim has become pending in the Helsinki District Court. The amount of the claim is EUR 5 million, with added penalty interest and legal expenses. The claim concerns a pension fund, a guaranty insurance customer of Garantia, that was placed in liquidation in 2011, and subsequently declared bankrupt in 2018. The court proceedings are currently ongoing in the district court. Garantia considers the claim unfounded, and hence no provision for an outstanding claim has been booked.

As a part of Taaleri Group, Garantia falls within the sphere of regulation of large customer exposures determined in the EU Capital Requirements Regulation. On 30<sup>th</sup> September 2021 Garantia's largest single customer exposure amounted to 12.4 (31 Dec. 2020: 21.5) per cent of Taaleri Group's own funds.

The risk level of investment operations was kept low, as in previous years. At the end of September, fixed income investments made up 83.9 (86.4) per cent, equity & private equity investments 15.1 (12.5) per cent and real estate investments 1.0 (1.1) per cent of the investment portfolio (incl. cash and bank balances). Fixed income investments mainly consist of investments in bonds of Finnish and Nordic companies and credit institutions with strong creditworthiness. The proportion of investment grade rated fixed income investments was 63.7 (61.4) per cent. The modified duration of bond investments was 3.5 (3.5).

### Credit rating

After the end of the review period, on 11st October 2021, the credit rating agency Standard & Poor's (S&P) confirmed Garantia Insurance Company Ltd.'s credit rating at A- with stable outlook<sup>3</sup>. Neither the credit rating nor the rating outlook changed from the previous.

### Shareholding in Aktia Bank Plc

In addition to Garantia, the Strategic Investments segment includes the shares in Aktia Bank Plc, which Taaleri received as part of the transaction amount as a result of the sale of the wealth management operations.

Shareholding in Aktia Bank Plc, EUR million	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Continuing earnings	-	-	-	-	-	-	-
Performance fees	-	-	-	-	-	-	-
Investment operations	0.8	-	n/a	1.3	-	n/a	-
<b>Income</b>	<b>0.8</b>	-	<b>n/a</b>	<b>1.3</b>	-	<b>n/a</b>	-
<b>Operating profit before the financing expenses</b>	<b>0.8</b>	-	<b>n/a</b>	<b>1.3</b>	-	<b>n/a</b>	-
<b>Operating profit</b>	<b>0.8</b>	-	<b>n/a</b>	<b>1.3</b>	-	<b>n/a</b>	-
Full-time personnel, average	-	-	-	-	-	-	-

### April-September 2021

Taaleri's shareholding in Aktia Bank Plc was received on 30 April 2021 as part of the transaction amount as a result of the sale of the wealth management operations. The shareholding produced EUR 0.8 (0.0) million in July-September and EUR 1.3 (0.0) million in April-September of change in fair value.

### Other

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. On 30 September 2021, Taaleri's non-strategic investments totalled EUR 27.5 (30.5) million. The Group investments are presented in further detail under segment information on page 31.

<sup>3</sup> The credit rating concerns the company's Issuer Credit Rating (ICR), Financial Strength Rating (FSR) and Financial Enhancement Rating (FER).

Other, EUR million	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Continuing earnings	0.5	0.4	24.2%	2.5	2.0	27.3%	2.7
Performance fees	-	-	-	-	-	-	-
Investment operations	1.0	0.3	188.7%	2.1	-2.2	n/a	-1.8
<b>Income</b>	<b>1.4</b>	<b>0.7</b>	<b>103.0%</b>	<b>4.6</b>	<b>-0.3</b>	<b>n/a</b>	<b>0.9</b>
Operating profit before the financing expenses	-0.1	-0.4	73.8%	-1.0	-4.6	78.0%	-5.8
<b>Operating profit</b>	<b>0.8</b>	<b>-0.1</b>	<b>n/a</b>	<b>-0.1</b>	<b>-3.9</b>	<b>96.9%</b>	<b>-4.8</b>
Full-time personnel, at the end of the period	16	26	-38.5%	16	26	-38.5%	28

Non-strategic investments, EUR million	30.9.2021	31.12.2020	Change, %
<b>Investments and receivables, fair value</b>	<b>27.5</b>	<b>30.5</b>	<b>-9.8%</b>
Real estate	12.4	11.3	9.8%
Other investments	15.0	19.1	-21.4%

### July–September 2021

In July–September 2021, the income of the Other group totalled EUR 1.4 (0.7) million, consisting of continuing earnings of EUR 0.5 (0.4) million and earnings from investment operations of EUR 1.0 (0.3) million. During the review period, Taaleri decreased its ownership of Inderes, belonging to non-strategic investments, in connection with the company's listing and recorded a total of EUR 2.3 million of realised capital gain and change in fair value.

The operating expenses were EUR 1.5 (1.1) million, of which personnel costs amounted to EUR 0.7 (0.9) million. As a result of the reorganisation, fixed personnel costs fell by one third from the comparison period of last year. The result of the review period was burdened by the Group's new ICT system projects. Comparability is affected by the project costs, activated during the comparison period, of the businesses in the initial phase. External interest and finance costs decreased to EUR 0.3 (0.8) million with the funding reorganisation. The Other group's operating profit in the review period was EUR 0.8 (-0.1) million.

### January–September 2021

In January–September 2021, the income of the Other group totalled EUR 4.6 (-0.3) million, consisting of continuing earnings of EUR 2.5 (2.0) million and earnings from investment operations of EUR 2.1 (-2.2) million. The operating expenses were EUR 5.6 (4.3) million, of which personnel costs amounted to EUR 3.0 (2.6) million. External interest and finance costs were EUR 2.0 million (2.5). The operating result of the Other group in January–September was EUR -0.1 (-3.9) million.

In May, Taaleri prematurely redeemed its bond maturing in December and repaid its bank loans, and in June, Taaleri announced the new share incentive scheme to the Group's key personnel.

During the review period, Mobify Invoices Oy, a subsidiary of Taaleri, was completely divested, which reduced the number of employees in the group by 6 persons from the beginning of June. The Group recorded a total loss of EUR 0.6 million from the divestment. In connection with the listing of Inderes, Taaleri recorded a total of EUR 2.3 million in realised capital gain and change in fair value.

## Discontinued operations

The wealth management operations were sold to Aktia on 30 April 2021. Wealth management operations are assets classified as held for sale, and Taaleri reports the business as discontinued operations in accordance with IFRS 5. Wealth management operations provide wealth management services and a wide range of investment products for private individuals and corporate customers.

Discontinued operations, EUR million	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Wealth management fees	0.0	6.1	-100.0%	10.7	20.9	-48.8%	29.3
Performance fees	0.0	1.9	-100.0%	4.5	4.1	9.5%	6.1
Investment operations	0.0	0.0	-100.0%	0.4	0.0	100.0%	0.0
<b>Income</b>	<b>0.0</b>	<b>8.0</b>	<b>-100.0%</b>	<b>15.6</b>	<b>24.9</b>	<b>-37.5%</b>	<b>35.5</b>
<b>Operating profit of the business</b>	<b>0.0</b>	<b>1.1</b>	<b>-100.0%</b>	<b>3.3</b>	<b>5.1</b>	<b>-35.6%</b>	<b>8.5</b>
Group's gain on the sale	0.0	0.0	-100.0%	111.1	0.0	100.0%	0.0
<b>Operating profit the discontinued operations</b>	<b>0.0</b>	<b>1.1</b>	<b>-100.0%</b>	<b>114.4</b>	<b>5.1</b>	<b>&gt;100.0%</b>	<b>8.5</b>
Full-time personnel, at the end of the period	-	103	-100.0%	-	103	-100.0%	103

The periods presented in the table are not fully comparable with each other because the wealth management operations were consolidated in the Taaleri Group until 30 April 2021. In the table, the January-September 2021 period includes four months and the corresponding period nine months.

### January-September 2021

The income of wealth management operations classified as discontinued operations in January-April 2021 was EUR 15.6 (January-September 2020 24.9) million. The continuing earnings of wealth management were EUR 10.7 (January-September 2020 20.9) million. The performance of Taaleri's investment funds was excellent, and performance fees accrued from several funds in January-April totalled EUR 4.5 (January-September 2020 4.1) million. Operating expenses of discontinued operations in January-April totalled EUR 12.3 (January-September 2020 19.8) million, of which fee and commission expenses amounted to EUR 1.9 (January-September 2020 2.9) million and personnel costs to EUR 7.1 (January-September 2020 8.5) million. The operating expenses of discontinued operations include direct costs related to the divestment of wealth management operations in the January-April period amounting to EUR 1.6 (January-September 2020 1.3) million. The operating profit for January-April was EUR 3.3 (January-September 2020 5.1) million.

## Sustainability

We continued to develop our sustainability work, both at the Group level and in individual business areas. The work is based on an extensive analysis we made earlier in 2021 of the responsibility themes relevant to our renewed strategy and of the increasing obligations imposed by legislation.

In accordance with our sustainability roadmap, in our sustainability work we focused on, among other things, the development of Group- and business-specific policies, principles and guidelines, product-specific information to be provided on private equity funds as well as on the development of key performance indicators and remuneration metrics. We promoted our climate work by preparing our Net Zero Asset Managers (NZAM) commitment which supports the Paris Agreement. In financing our projects, we focused on meeting the green loan criteria. For example, an independent Second Party Opinion against the Green Loan Principles was carried out for a loan of our solar energy project. We also continued to work actively with stakeholders and closely followed developments in the EU's sustainable finance regulation.

We strengthened the resourcing and capabilities of our sustainability work by recruiting an ESG manager who is in charge of the development of the Group's corporate responsibility and supports business areas in implementing the principles of responsible investment. Taaleri Group's ESG Committee continued its monthly meetings and knowledge sharing. We also involved Taaleri employees more widely in the planning and implementation of our sustainability work.

# Annual General Meetings 2021

Taaleri Plc's Annual General Meeting was held on 25 March 2021 and Extraordinary General Meeting on 28 May 2021 in Helsinki.

## Decisions of Taaleri Plc's Annual General Meeting

The General Meeting adopted the financial statements for the 2020 financial period, granted the members of the Board of Directors and the CEO discharge from liability and approved the Remuneration Report for governing bodies.

### Deciding on dividend distribution

The General Meeting decided according to the proposal of the Board of Directors that a dividend of EUR 0.32 per share be paid based on the balance sheet adopted for the financial year ended 31 December 2020. The dividend will be paid to shareholders who on the dividend record date of 29 March 2021 are entered as shareholders in the company's shareholder register held by Euroclear Finland Ltd. The dividend was paid on 7 April 2021.

### Deciding on the remuneration of members of the Board of Directors

The General Meeting decided that the members of the Board of Directors be paid annual remuneration as follows:

- Chairman of the Board EUR 55,000 per year
- Deputy Chairman of the Board EUR 41,000 per year
- Chairman of the Audit Committee EUR 41,000 per year
- Member of the Board EUR 35,000 per year

The General Meeting decided that the members of the Audit Committee will be paid a meeting-specific fee of EUR 1,000 to the Chairman of the Audit Committee and EUR 500 to each other member of the Audit Committee.

The annual remuneration will cover the entire term of office and Committee work.

The Annual General Meeting decided additionally that travel, and accommodation expenses of the members are paid against invoices when the meeting of the Board of Directors and the Committees takes place outside members' domicile.

### Deciding on the number of members and the members of the Board of Directors

The General Meeting decided that the number of the members of the Board of Directors be set as seven (7). The current members of Board of Directors, Elina Björklund, Petri Castrén, Juhani Elomaa, Juha Laaksonen, Hanna Maria Sievinen and Tuomas Syrjänen, were re-elected to the Board of Directors. Further, Peter Ramsay was elected as a new member of the Board. The members of the Board of Directors were elected for a term ending at the end of the next Annual General Meeting.

### Election of the chairman and deputy chairman of the Board of Directors

The General Meeting decided to elect Juhani Elomaa as the chairman of the Board of Directors and Juha Laaksonen as a deputy chairman.

### Selecting the auditor and deciding on the auditor's remuneration

The General Meeting decided that Ernst & Young Oy, a firm of authorised public accounts, be re-elected as the company's auditor for a term ending at the close of the next Annual General Meeting. Ernst & Young Oy has announced that Ulla Nykky, Authorised Public Accountant, continues as the auditor with principal responsibility.

The General Meeting decided that the auditor's remuneration be paid based on invoices approved by the company.

### Authorising the Board of Directors to decide on the purchase of the company's own shares

The General Meeting decided to authorize the Board of Directors' to decide on the repurchase of the company's own shares using assets belonging to unrestricted equity on the following conditions:

Up to 2,000,000 shares may be repurchased, corresponding to 7.05% of all the company's shares. The repurchase may be made in one or more instalments.

The purchase price per share shall be the price given on the Helsinki Stock Exchange or another market-based price.

The shares may be repurchased to develop the company's capital structure, to finance or implement corporate acquisitions, investments or other arrangements related to the company's business operations, to be used as part of the company's incentive scheme, or to be cancelled if justified from the point of view of the company and its shareholders.

The authorisation issued includes the right to decide whether the shares will be repurchased in a private placement or in proportion to the shares owned by shareholders. The repurchase may take place through private placement only if there is a weighty financial reason for it from the company's perspective.

The Board of Directors has the right to decide on other matters concerning the repurchase of shares.

This authorisation is valid for 18 months from the date of the close of the Annual General Meeting.

This authorisation cancels the authorisation to purchase the company's own shares issued at the General Meeting of 18 May 2020.

#### **Authorising the Board of Directors to decide on share issue**

The General Meeting decided to authorise the Board of Directors to decide on the issue of new shares and the assignment of treasury shares in the possession of the company on the following terms:

The Board of Directors may issue new shares and assign treasury shares in the possession of the company up to a maximum of 2,500,000 shares, corresponding to 8.82% of all the company's shares.

The new shares may be issued and the treasury shares possessed by the company may be assigned to the company's shareholders in proportion to their ownership of shares or deviating from the shareholder's pre-emptive subscription right in a private placement, if there is a weighty financial reason for it from the point of view of the company, such as using the shares as consideration in potential corporate acquisitions or other arrangements that are part of the company's business operations, or to finance investments or as part of the company's incentive scheme.

The Board of Directors may also decide on a free-of-charge share issue to the company itself.

The new shares may be issued and the shares possessed by the company may be assigned either against payment or without payment. A private placement may only be without payment if there is an especially weighty financial reason for it from the point of view of the company and taking into account the benefit of all its shareholders.

The Board of Directors will decide on all other factors related to share issues and the assignment of shares.

The authorisation is valid until the end of the next Annual General Meeting, however no longer than 30 June 2022.

This authorisation cancels the authorisation issued at the General Meeting on 18 May 2020.

#### **Decisions regarding the organisation of Taaleri Plc's Board of Directors**

Hanna Maria Sievinen, Juhani Elomaa, Petri Castrén and Peter Ramsay were elected as members of the Board of Directors' Audit Committee. The Board of Directors elected Hanna Maria Sievinen as Chairman of the Audit Committee.

Juhani Elomaa, Tuomas Syrjänen and Elina Björklund were elected as members of the Board of Directors' Remuneration Committee. The Board elected Juhani Elomaa as Chairman of the Remuneration Committee.

### **Decisions of Taaleri Plc's Extraordinary General Meeting**

The Extraordinary General Meeting decided according to the proposal of the Board of Directors that a dividend of EUR 0.40 per share be paid out and an equity repayment of EUR 0.60 per share be paid out from the reserve of invested unrestricted equity. The dividend and equity repayment were paid on June 8, 2021, to the registered shareholders in Taaleri Plc's shareholder register maintained by Euroclear Finland Ltd on the record date 1 June 2021.

## **Taaleri's personnel**

The continuing operations of the Group employed 105 (90) full-time personnel at the end of the review period. There were 67 (43) full-time employees in the Private Asset Management segment and 22 (21) in Strategic Investments segment. The full-time personnel in the Other group were 16 (26) at the end of the period. Of the personnel, 96 (97) per cent were employed in Finland.

During July-September, the personnel costs of the continuing operations of the Group totalled EUR 3.6 (3.4) million, of which fixed personnel costs totalled EUR 2.5 (1.8) million. Personnel costs for Taaleri Group's continuing operations in January-September were EUR 12.0 (8.3) million, of which fixed personnel expenses were EUR 8.7 (6.7) million.

# Shares and share capital

## Taaleri's share on Nasdaq Helsinki

1-9/2021	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	6,774,925	68,073,256	12.50	7.80	10.05	9.90

\* Volume weighted average

Taaleri's share has been listed on Nasdaq Helsinki, among mid-cap companies, since 2016. The trading code is TAALA. On 30 September 2021, the company possessed 45,000 (45,000) treasury shares.

On 30 September 2021, Taaleri Plc's shareholders' equity was EUR 125,000.00 and the company had 28,350,620 registered shares.

## Flaggings during January-September 2021

On 7 May 2021 Taaleri Plc received an announcement under Chapter 9, Section 5 of the Finnish Securities Market Act, according to which the total number of Taaleri Plc shares owned by Swiss Life (Luxembourg) S.A. and its funds decreased below five (5) per cent of the share capital of Taaleri Plc on 3 May 2021.

## Capital adequacy

### Capital adequacy under the Act on the Supervision of Financial and Insurance Conglomerates

Taaleri Group formed until 29 October 2021 a financing and insurance conglomerate, according to the Act on the Supervision of Financial and Insurance Conglomerates (RaVa) (2004/699).

As a RaVa conglomerate, Taaleri Group discloses for the last time in this interim statement its own funds and capital adequacy in accordance with the capital adequacy regulations for financial and insurance conglomerates. At the end of September 2021 Taaleri RaVa conglomerate's Tier 1 capital amounted EUR 197.0 (97.1) million, Tier 2 capital amounted EUR 14.8 (14.8) million and own funds amounted EUR 211.9 (111.9) million, with the minimum requirement being EUR 55.9 (61.7) million. The conglomerate's capital adequacy was EUR 155.9 (50.3) million ja the capital adequacy ratio was 378.7 (181.5) per cent, with the minimum requirement being 100 per cent.

Within the Taaleri Group, the regulatory capital according to Solvency II is determined and reported not only for Garantia Insurance Company Ltd but also for Taaleri Plc as a part of the RaVa conglomerate. The total solvency capital requirement (SCR) of the parent company Taaleri Plc and the subsidiary Garantia Insurance Company Ltd was EUR 55.9 (49.9) million.

Taaleri's own funds fully comprise its own unrestricted Tier 1 basic funds and a 10-year EUR 15 million Tier 2 bond issued by Taaleri Plc.

Capital adequacy of RaVa conglomerate, EUR 1,000	30.6.2021	31.12.2020
<b>Shareholders' equity of the Taaleri Group</b>	<b>219,940</b>	<b>133,209</b>
Goodwill and other intangible assets	-1,016	-6,778
Non-controlling interests	769	1,134
Dividend for 2020	-	-9,072
Financing sector's profit of the period	-3,440	-
Own funds attributable only to insurance sector	-19,229	-21,387
Tier 1 capital	197,024	97,105
Tier 2 capital	14,850	14,839
<b>Conglomerate's own funds, total</b>	<b>211,874</b>	<b>111,945</b>
Financing business' requirement for own funds	-	11,783
Insurance business' requirement for own funds	55,949	49,900
<b>Minimum amount of own funds of the conglomerate, total</b>	<b>55,949</b>	<b>61,683</b>
<b>Conglomerate's capital adequacy</b>	<b>155,925</b>	<b>50,261</b>
<b>Conglomerate's capital adequacy ratio</b>	<b>378.7%</b>	<b>181.5%</b>

## Solvency according to the Insurance Companies Act (Solvency II)

Garantia's solvency strengthened during the first nine months of the year. The company's basic own funds amounted to EUR 128.0 (114.1) million at the end of September. Solvency capital requirement was EUR 51.5 (49.7) million. The solvency ratio, or the ratio of basic own funds to the solvency capital requirement, was 248.4 per cent (229.4).

In the first nine months of the year, basic own funds grew due to accumulated profits and the increases in the fair values of investment assets. The solvency capital requirement grew as a result of increased capital requirement for market risks. The growth in the capital requirement for market risks was mainly attributable to increased market valuation of the investment portfolio.

During the reporting period, Garantia changed its Solvency 2 calculation principles regarding the definition of foreseeable dividends. According to the new definition, and the company's dividend policy, the company only considers dividends foreseeable when the dividend distribution criteria related to solvency, credit rating and financial results can be estimated to be satisfied with certainty. Hence, the company no longer deducts foreseeable dividends from basic own funds before the end of the financial year.

Solvency II capital adequacy regulations do not fall within the sphere of statutory audit, and hence the Solvency 2 figures have not been audited.

## Short term risks and concerns

The COVID-19 pandemic continues to cause uncertainty in 2021, and the Delta variant, which is more contagious than previous variants of COVID-19, has caused an increase in infection rates around the world. The economic response to the pandemic has contributed to a significant degree of uncertainty about the development of capital markets and the economy. However, the global economy is likely to recover as the containment measures can be lifted as the COVID-19 vaccinations progress. The most significant external uncertainties affecting the Group's operating profit are changes in the operating and regulatory environment and the development of the global and especially the Finnish economy.

The result of Private Asset Management segment is influenced by the development of assets under management, which depends among other things on the progress of private equity fund projects, the development of capital markets and the success of the cooperation with Aktia. Profit development is also influenced by the realization of performance fees and the success of own investment projects.

Garantia's guaranty insurance business and investment activities have a major impact on Taaleri's operational income and capital adequacy. Garantia's risk position is described in more detail on pages 11–12.

The Other group's returns consist of the market value changes in investments and of sales profits/losses gained as well as returns of loans granted. The earnings and results of the Other group may thus vary significantly between periods under review.

Taaleri's risks and risk management are described in more detail in Note 38 on pages 56–71 of the 2020 financial statements.

## Material events after the review period

On 25 October 2021, Taaleri Plc announced that the Group's CEO Robin Lindahl had left his post and the Board of Directors has appointed Peter Ramsay, M.Sc. (Econ.), as the new CEO as of 1 December 2021. Lindahl left the company's operational management immediately. As of 25 October, Karri Haaparinne, former Deputy CEO of Taaleri and one of the founders of the company, was appointed as Taaleri's interim CEO. Ramsay has been a member of Taaleri's Board of Directors since March 2021, and he resigned from this position immediately after the appointment.

On 29 October 2021, the Finnish Financial Supervisory Authority decided that Taaleri Group is no longer covered by the Act on the Supervision of Financial and Insurance Conglomerates (RaVa). Following the sale of Taaleri Wealth Management Ltd, Taaleri Group no longer includes a holding company of an investment firm, which is a prerequisite for the formation of a financial and insurance conglomerate according to the Act on the Supervision of Financial and Insurance Conglomerates.

Helsinki, 5 November 2021  
Taaleri Plc  
Board of Directors

## Additional info

CEO Karri Haaparinne, +358 40 519 0441, [karri.haaparinne@taaleri.com](mailto:karri.haaparinne@taaleri.com)

CFO Minna Smedsten, +358 40 700 1738, [minna.smedsten@taaleri.com](mailto:minna.smedsten@taaleri.com)

Head of Communications and IR Siri Markula, +358 40 743 2177, [siri.markula@taaleri.com](mailto:siri.markula@taaleri.com)

## Webcast presentation for analysts and media

A live webcast for analysts and the media will be held on November 11, 2021, at 11 a.m. The event is in Finnish. The webcast can be followed online at <https://taaleri.videosync.fi/2021-11-05-taaleriosavuositraporttiq32021>. The event will be recorded and will be available later on Taaleri's investor pages at [www.taaleri.com/investors/reports-and-presentations](http://www.taaleri.com/investors/reports-and-presentations).

## Taaleri in brief

Taaleri is a Nordic investment and asset manager with an emphasis on renewable energy and other alternative investments. We channel capital towards economically profitable undertakings that have a lasting positive impact on the environment and society. We are a signatory of the UN Principles for Responsible Investment (UNPRI) since 2010. Taaleri's vision is to be a Nordic forerunner in alternative investments focusing on sustainability.

Taaleri has two business segments: Private Asset Management and Strategic Investments. Private Asset Management consists of renewable energy, real estate, bioindustry and infrastructure businesses. The Strategic Investments segment includes Garantia Insurance Company Ltd.

Taaleri has EUR 2.1 bn of assets under management in its private equity funds and co-investments. The company has approximately 120 employees. Taaleri Plc is listed on Nasdaq Helsinki.

[www.taaleri.com](http://www.taaleri.com)

## Accounting policies of the Interim Statement

Taaleri's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This interim statement has not been prepared in accordance with IAS 34. The interim statement is unaudited. The interim statement has been published in Finnish and English. The Finnish interim statement is official and is used if there is a discrepancy between the language versions.

The accounting policies of the interim statement are substantially the same as those presented in Taaleri's financial statements for 2020, except for the amendments listed below and the amendments to IFRS standards that came into force on 1 January 2021. The revised standards and interpretations do not have a material impact on the reported result or financial position.

In April 2021, the IFRS Interpretation Committee (IFRIC) adopted a final agenda decision on the treatment of development expenses related to purchased cloud services (IAS 38 Intangible assets). The agenda includes clarifications of the type of development expenses that can be activated as an intangible asset. According to the new interpretation, the expenses for developing systems that a company does not own or manage, such as cloud services, must not be activated. During the latter part of 2021, Taaleri will analyse whether the agenda decision will affect the Group's already capitalized development costs.

### Discontinued operations

On March 10, 2021, Taaleri announced the sale of the wealth management operations to Aktia and on 30 April 2021, that it has completed the sale. Taaleri applies the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in the classification, presentation, and recognition of sale of the wealth management operations. Taaleri reports the wealth management operations as discontinued operations as of the Q1 2021 interim statement. The result of discontinued operations is reported separately from income and expenses from continuing operations in the consolidated income statement, and the comparison period has been adjusted accordingly. Intra-group income and expenses between continuing and discontinued operations have been eliminated. The balance sheet has not been adjusted for previous periods.

### Segment reporting

Taaleri only reports continuing operations in its segment reporting, so as a result of the sale of the wealth management operations, the wealth management operations will no longer be reported as part of segment reporting. On March 16, 2021, Taaleri announced its renewed strategy, and according to this, from 2021, Taaleri's continuing operations will include two reportable segments: Private Asset Management, which is divided into Renewable energy and Other private asset management, and Strategic Investments, which includes Garantia and Taaleri's shareholdings in Aktia Bank Plc. The Other group presents the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. Previous periods have been adjusted in the segment figures to reflect changes in management reporting.

There are differences in the figures in the Group's consolidated income statement and segment reporting due to the application of IFRS 5. In the consolidated income statement (p. 24), intra-group income and expenses between discontinued and continuing operations have been eliminated. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. In addition, the consolidated income statement in the period from 1 January to 30 September 2021 includes EUR 2.1 million (in the period from 1 January to 30 September 2020 EUR 1.3 million) direct costs related to the sale of the discontinued operations, which are presented in the segment reporting as part of the discontinued operations. The earnings figures in the explanatory section in this interim statement represents the Group's continuing operations according to segment reporting, unless otherwise stated. The chosen presentation will improve the comparability of segment reporting in the coming years.

### Change in presentation of consolidated income statement

Following the sale of the wealth management operations, Taaleri's business no longer includes the investment services business. Due to the change in the Group's business, Taaleri has decided to change the order of the consolidated income statement items so that the item "Interest expenses" has been moved down the income statement and the item has been renamed "Interest and other financial expenses". The content of the financial statement line item and thus the size of the item has not changed. Interest and other financial expenses for continuing operations in the period from 1 January to 30 September 2021 were EUR -2,090 thousand, in the period from 1 January to 30 September 2020 EUR -2,518 thousand and in the period from 1 January to 31 December 2020 EUR -3,294 thousand. The change in presentation does not affect the subtotals presented in the consolidated income statement or the result for the financial year. The presentation of data for the comparison period has been adjusted accordingly.

# Key figures

## The Group

The key figures regarding the consolidated income statement presented in the table below have been calculated based on the Group's consolidated income statement, which applies IFRS 5, and the result of discontinued operations is reported separately from income and expenses from continuing operations. The key figures for the comparison periods have been adjusted accordingly. The key figures regarding the consolidated income statement presented in the explanatory part of this interim statement have been calculated based on the Group's segment reporting, unless otherwise stated.

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Income, EUR 1,000	13,221	10,271	42,384	20,156	33,950
Operating profit (-loss), EUR 1,000	4,579	3,651	12,029	1,206	6,532
- as percentage of income	34.6%	35.5%	28.4%	6.0%	19.2%
Net profit for the period, EUR 1,000	3,165	4,728	124,071	6,171	13,102
- as percentage of income	23.9%	46.0%	292.7%	30.6%	38.6%
Basic earnings per share, EUR	0.11	0.17	4.38	0.22	0.46
Diluted earnings per share, EUR	0.11	0.17	4.29	0.21	0.45
Return on equity % (ROE) <sup>1)</sup>	5.8%	15.5%	93.7%	6.6%	10.1%
Return on equity at fair value % (ROE) <sup>1)</sup>	5.7%	19.0%	94.3%	4.7%	10.0%
Return on assets % (ROA) <sup>1)</sup>	4.1%	7.3%	55.7%	3.1%	4.9%
Cost/income ratio	64.0%	63.5%	64.0%	93.2%	80.5%
Cost/income ratio excluding investment operations	84.7%	83.7%	91.2%	79.0%	83.9%
Price/earnings (P/E) <sup>1)</sup>	21.6	10.1	1.7	24.1	17.7
Full-time employees, at the end of the period	105	190	105	190	192
Equity ratio -%	67.5%	48.5%	67.5%	48.5%	49.7%
Net gearing -%	-27.1%	32.6%	-27.1%	32.6%	29.2%
Equity/share, EUR	7.80	4.46	7.80	4.46	4.75
Dividend or distribution of funds /share, EUR	-	-	1.00	-	0.32
Dividend or distribution of funds / earnings, %	-	-	22.8%	-	69.6%
Effective dividend yield, %	-	-	10.1%	-	3.9%
Loan receivables, EUR 1,000	5,491	7,531	5,491	7,531	6,699
Conglomerate's capital adequacy ratio, %	378.7%	170.4%	378.7%	170.4%	181.5%
Financing sector capital adequacy ratio, % <sup>2)</sup>	-	36.1%	-	36.1%	37.9%
Number of shares at the end of period <sup>3)</sup>	28,305,620	28,305,620	28,305,620	28,305,620	28,305,620
Average number of shares <sup>3)</sup>	28,305,620	28,305,620	28,305,620	28,305,620	28,305,620
Share average price, EUR	10.75	6.98	10.05	7.31	7.26
- highest price, EUR	11.80	7.40	12.50	9.76	9.76
- lowest price, EUR	9.76	6.52	7.80	5.82	5.82
- closing price, EUR	9.90	7.02	9.90	7.02	8.12
Market capitalization, EUR 1,000 <sup>3)</sup>	280,226	198,705	280,226	198,705	229,842
Shares traded, thousands	1,378	1,088	6,775	2,936	4,104
Shares traded, %	5%	4%	24%	10%	14%

1) Annualized

2) Investment services business is no longer part of Taaleri Group starting 1.5.2021 and therefore Taaleri does not report its financing sector capital adequacy anymore.

3) Reduced by own shares acquired.

## Insurance operations key figures

Taaleri's insurance business operations consist entirely of Garantia Insurance Company Ltd. Garantia Insurance Company Ltd has been consolidated from 1 April 2015.

EUR 1,000	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
<b>Net income from insurance</b>	<b>3,903</b>	<b>3,910</b>	<b>12,042</b>	<b>10,820</b>	<b>14,614</b>
Earned premiums, net	3,959	3,983	12,171	11,076	14,885
Claims incurred, net	-55	-73	-129	-256	-270
<b>Other income</b>	<b>5</b>	<b>4</b>	<b>32</b>	<b>28</b>	<b>33</b>
<b>Net income from investment operations</b>	<b>1,833</b>	<b>2,200</b>	<b>7,471</b>	<b>-1,170</b>	<b>2,534</b>
Operating expenses	-1,401	-1,130	-3,811	-2,969	-5,281
Allocation of financing expenses	-633	-434	-1,300	-1,333	-1,738
<b>Operating profit before valuations</b>	<b>3,707</b>	<b>4,550</b>	<b>14,434</b>	<b>5,376</b>	<b>10,163</b>
<b>Change in fair value of investments</b>	<b>-81</b>	<b>1,414</b>	<b>458</b>	<b>-1,710</b>	<b>195</b>
<b>Profit before taxes and non-controlling interests</b>	<b>3,626</b>	<b>5,964</b>	<b>14,892</b>	<b>3,666</b>	<b>10,359</b>
Combined ratio, %	36.8%	30.2%	32.4%	29.1%	37.3%
Claims ratio, %	1.4%	1.8%	1.1%	2.3%	1.8%
Expense ratio, %	35.4%	28.4%	31.3%	26.8%	35.5%
Return on investments at fair value, %	1.1%	2.5%	5.2%	-2.0%	1.8%
Solvency ratio (S2), % <sup>1)</sup>	248.4%	236.7%	248.4%	236.7%	229.4%
Insurance exposure, EUR billion	1.7	1.8	1.7	1.8	1.8

<sup>1)</sup> The Solvency II figures do not fall within the sphere of statutory auditing under the Insurance Companies Act. The Solvency II figures have not been audited.

## Key figures accounting principles

Basic earnings per share, EUR

$$\frac{\text{Profit or loss attributable to ordinary shareholders of the parent company}}{\text{Weighted average number of ordinary shares outstanding - repurchased own shares}}$$

Diluted earnings per share, EUR

$$\frac{\text{Profit or loss attributable to ordinary shareholders of the parent company}}{\text{Weighted average number of ordinary shares outstanding + dilutive potential ordinary shares - repurchased own shares}}$$

## Alternative performance measures

The Alternative Performance Measures (APMs) are presented to illustrate the financial performance of business operations and to improve comparability between reporting periods. They should not be replacements for the performance measures defined in IFRS standards.

Return on equity (ROE), %

$$\frac{\text{Profit for the period} \times 100}{\text{Total equity (average of the beginning and end of the year)}}$$

Return on equity at fair value %, (ROE)

$$\frac{\text{Total comprehensive income for the period} \times 100}{\text{Total equity (average of the beginning and end of the year)}}$$

Return on assets (ROA), %

$$\frac{\text{Profit for the period} \times 100}{\text{Balance sheet total (average of the beginning and end of the year)}}$$

Cost/income ratio, %

$$\frac{\text{Fee and commission expense} + \text{interest expense} + \text{administrative expenses} + \text{depreciation} + \text{other operating expenses}}{\text{Total income} + \text{share of associates' profit or loss}}$$

Cost/income ratio, % excluding investment operations

$$\frac{\text{Fee and commission expense} + \text{interest expense} + \text{administrative expenses} + \text{depreciation} + \text{other operating expenses}}{\text{Fee and commission income} + \text{net income from guaranty insurance operations} + \text{interest income} + \text{other operating income}}$$

Price/Earnings (P/E)	$\frac{\text{Price of share at the end of the period}}{\text{Earnings/share}}$
Equity ratio, %	$\frac{\text{Total equity} \times 100}{\text{Balance sheet total}}$
Gearing ratio, %	$\frac{(\text{Interest-bearing liabilities} - \text{cash and cash equivalents}) \times 100}{\text{Total equity}}$
Equity/share, EUR	$\frac{\text{Equity attributable to ordinary shareholders of the parent company}}{\text{Number of shares at end of period} - \text{repurchased own shares}}$
Dividend/share, EUR	$\frac{\text{Dividend payable for the financial period} \times 100}{\text{Weighted average number of ordinary shares outstanding} - \text{repurchased own shares}}$
Dividend/earnings, %	$\frac{\text{Dividend/share} \times 100}{\text{Basic earnings per share}}$
Effective dividend yield, %	$\frac{\text{Dividend/share} \times 100}{\text{Price of share at the end of the period}}$
Conglomerate's capital adequacy ratio, %	$\frac{\text{Conglomerate's total capital base}}{\text{Conglomerate's minimum requirement of total capital base}}$
Total capital in relation to risk-weighted items	$\frac{\text{Total Capital (TC)}}{\text{Risk-weighted items (Total risk)}}$
Common equity tier in relation to risk-weighted items	$\frac{\text{Common Equity Tier (CET1)}}{\text{Risk-weighted items (Total risk)}}$
Market capitalization	Number of shares at end of financial period, less repurchased own shares, multiplied by stock exchange price at end of financial period
Shares traded, %	$\frac{\text{Shares traded during the financial period} \times 100}{\text{Weighted average number of ordinary shares outstanding}}$

## Key figures for insurance operations

Combined ratio, %	Claims ratio, % + Expense ratio, %
Claims ratio, %	$\frac{\text{Claims incurred, net} \times 100}{\text{Earned premiums, net}}$ This key figure is calculated after the share of the reinsurers.
Expense ratio, %	$\frac{\text{Operating expenses} \times 100}{\text{Earned premiums, net}}$ This key figure is calculated after the share of the reinsurers.
Solvency ratio (S2), %	$\frac{\text{Basic own funds} \times 100}{\text{Solvency capital requirement (SCR)}}$

## Consolidated income statement

EUR 1,000	1.7.-30.9.2021	1.7.-30.9.2020	1.1.-30.9.2021	1.1.-30.9.2020
Fee and commission income	5,355	2,676	15,568	9,795
Net income from insurance	5,736	6,110	19,512	9,650
From guaranty insurance operations	3,903	3,910	12,042	10,820
From investment operations	1,833	2,200	7,471	-1,170
Net gains or net losses on trading in securities and foreign currencies	3,157	-103	4,193	45
Income from equity investments	-1,361	443	1,578	-2,204
Interest income	309	386	1,087	1,163
Other operating income	26	758	446	1,707
<b>Total income</b>	<b>13,221</b>	<b>10,271</b>	<b>42,384</b>	<b>20,156</b>
Fee and commission expense	-2,052	-341	-4,058	-946
Administrative expenses				
Personnel costs	-3,676	-3,524	-13,447	-8,739
Other administrative expenses	-1,209	-923	-3,318	-3,096
Depreciation, amortisation and impairment of tangible and intangible assets	-240	-189	-659	-588
Other operating expenses	-642	-654	-3,019	-2,677
Interest and other financing expenses	-304	-838	-2,090	-2,518
Expected credit losses from financial assets measured at amortised cost	16	-70	-2,260	-141
Impairment losses on loans and other receivables	-	-	-638	-
Share of associates' profit or loss	-536	-82	-866	-244
<b>Operating profit</b>	<b>4,579</b>	<b>3,651</b>	<b>12,029</b>	<b>1,206</b>
Income tax expense	-1,414	-1,083	-2,860	-1,890
<b>Profit from continuing operations</b>	<b>3,165</b>	<b>2,568</b>	<b>9,169</b>	<b>-684</b>
<b>Discontinued operations</b>				
Profit from discontinued operations (attributable to owners of the parent company)	-	2,160	114,902	6,855
<b>Profit for the period</b>	<b>3,165</b>	<b>4,728</b>	<b>124,071</b>	<b>6,171</b>
<b>Consolidated statement of comprehensive income</b>	<b>1.7.-30.9.2021</b>	<b>1.7.-30.9.2020</b>	<b>1.1.-30.9.2021</b>	<b>1.1.-30.9.2020</b>
<b>Profit for the period</b>	<b>3,165</b>	<b>4,728</b>	<b>124,071</b>	<b>6,171</b>
<b>Items that may be reclassified to profit or loss</b>				
Translation differences	24	-27	47	-293
Changes in the fair value reserve	-81	1,414	458	-1,710
Income tax	16	-283	-92	230
<b>Items that may be reclassified to profit or loss in total</b>	<b>-41</b>	<b>1,105</b>	<b>413</b>	<b>-1,772</b>
<b>Items that may not be reclassified to profit or loss</b>				
Changes in the fair value reserve	-	-25	481	10
Income tax	-	5	-96	-3
<b>Items that may not be reclassified to profit or loss in total</b>	<b>-</b>	<b>-20</b>	<b>385</b>	<b>7</b>
<b>Total comprehensive income for the period</b>	<b>3,125</b>	<b>5,812</b>	<b>124,869</b>	<b>4,406</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent company	3,239	4,938	124,107	6,171
Non-controlling interests	-74	-211	-36	-
<b>Total</b>	<b>3,165</b>	<b>4,728</b>	<b>124,071</b>	<b>6,171</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent company	3,199	6,023	124,905	4,406
Non-controlling interests	-74	-211	-36	-
<b>Total</b>	<b>3,125</b>	<b>5,812</b>	<b>124,869</b>	<b>4,406</b>

Income is presented as gross figures, except for gains or losses on trading in securities and foreign currencies, which are presented as net figures to give a fair presentation of the operations.

<b>Earnings per share for profit attributable to the shareholders of the parent company</b>	<b>1.7.-30.9.2021</b>	<b>1.7.-30.9.2020</b>	<b>1.1.-30.9.2021</b>	<b>1.1.-30.9.2020</b>
Basic earnings per share, continuing operations	0.11	0.10	0.33	-0.02
Diluted earnings per share, continuing operations	0.11	0.10	0.32	-0.02
Basic earnings per share, discontinued operations	0.00	0.08	4.06	0.24
Diluted earnings per share, discontinued operations	0.00	0.07	3.97	0.24
Basic earnings per share, profit for the period	0.11	0.17	4.38	0.22
Diluted earnings per share, profit for the period	0.11	0.17	4.29	0.21

## Consolidated balance sheet

<b>Assets, EUR 1,000</b>	<b>30.9.2021</b>	<b>31.12.2020</b>
Receivables from credit institutions	74,368	25,786
Receivables from the public and general government	5,491	6,699
Debt securities	-	1,498
Shares and units	39,425	21,971
Assets classified as held for sale	5,080	5,357
Participating interests	8,666	9,248
Insurance assets	164,522	160,410
Insurance assets	2,114	3,705
Investments	162,408	156,705
Intangible assets	1,013	6,775
Goodwill	646	5,097
Other intangible assets	368	1,679
Tangible assets	1,339	2,944
Owner-occupied properties	914	2,427
Other tangible assets	425	517
Other assets	12,571	14,455
Accrued income and prepayments	10,857	11,237
Deferred tax assets	2,359	1,611
	<b>325,692</b>	<b>267,990</b>
<b>Liabilities, EUR 1,000</b>	<b>30.9.2021</b>	<b>31.12.2020</b>
<b>Liabilities</b>	<b>105,751</b>	<b>134,781</b>
Liabilities to credit institutions	-	14,939
Debt securities issued to the public	-	34,937
Insurance liabilities	38,360	34,676
Other liabilities	25,591	5,401
Accrued expenses and deferred income	10,947	14,623
Deferred tax liabilities	16,004	15,366
Subordinated debt	14,850	14,839
<b>Equity Capital</b>	<b>219,940</b>	<b>133,209</b>
Share capital	125	125
Reserve for invested non-restricted equity	18,831	35,814
Fair value reserve	-113	-864
Translation difference	-42	-89
Retained earnings or loss	77,801	86,344
Profit or loss for the period	124,107	13,012
Non-controlling interest	-769	-1,134
	<b>325,692</b>	<b>267,990</b>

## Consolidated statement of cash flows

EUR 1,000	1.1.-30.9.2021	1.1.-30.9.2020
<b>Cash flow from operating activities:</b>		
Operating profit (loss)	12,029	1,206
Depreciation	659	588
Other adjustments		
Changes in fair value of investments	-7,689	7,469
Other adjustments	68	-512
Cash flow before change in working capital	5,068	8,751
Change in working capital		
Increase (-)/decrease (+) in loan receivables	1,022	905
Increase (-)/decrease (+) in current interest-free receivables	93	7,630
Increase (+)/decrease (-) in current interest-free liabilities	24,759	-2,644
Cash flow from operating activities before financial items and taxes	30,942	14,642
Direct taxes paid (-)	-2,847	-1,166
<b>Cash flow from operating activities from continuing operations</b>	<b>28,094</b>	<b>13,477</b>
Cash flow from operating activities from discontinued operations	115,339	8,671
<b>Cash flow from operating activities (A)</b>	<b>143,433</b>	<b>22,148</b>
<b>Cash flow from investing activities:</b>		
Investments in tangible and intangible assets	-612	510
Investments in subsidiaries and associated companies net of cash acquired	-668	-2,750
Other investments	-4,441	-7,829
<b>Cash flow from investing activities from continuing operations</b>	<b>-5,721</b>	<b>-10,069</b>
Cash flow from investing activities from discontinued operations	-382	-1,437
<b>Cash flow from investing activities (B)</b>	<b>-6,103</b>	<b>-11,506</b>
<b>Cash flow from financing activities:</b>		
Changes in synthetic options	-1,157	725
Decrease in debt securities issued to the public	-35,000	-
Increase in non-current liabilities	-	20,000
Decrease in non-current liabilities	-15,000	-28,500
Dividends paid and other distribution of profit		
To parent company shareholders	-37,363	-4,529
To non-controlling shareholders	-228	-1,017
<b>Cash flow from financing activities from continuing operations</b>	<b>-88,749</b>	<b>-13,321</b>
Cash flow from financing activities from discontinued operations	-	-
<b>Cash flow from financing activities (C)</b>	<b>-88,749</b>	<b>-13,321</b>
<b>Increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>48,581</b>	<b>-2,679</b>
Cash and cash equivalents at beginning of period	25,786	29,102
Cash and cash equivalents at end of period / Group	74,368	26,423
<b>Net change in cash and cash equivalents</b>	<b>48,581</b>	<b>-2,679</b>

## Changes in group equity capital

	Share capital	Fair value reserve	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
<b>2021, EUR 1,000</b>								
<b>1.1.2021</b>	<b>125</b>	<b>-864</b>	<b>35,814</b>	<b>-89</b>	<b>99,357</b>	<b>134,343</b>	<b>-1,134</b>	<b>133,209</b>
Total comprehensive income for the financial period		751		47	124,107	124,905	-36	124,869
Earnings for the period					124,107	124,107	-36	124,071
Other comprehensive income items		751		47		798		798
Distribution of profit			-16,983		-20,380	-37,363	-228	-37,591
Dividend EUR 0.72/share					-20,380	-20,380		-20,380
Return of capital EUR 0.60/share			-16,983			-16,983		-16,983
Distribution of profit for subgroup						-	-228	-228
Share-based payments payable as equity					-1,177	-1,177		-1,177
Transactions with non-controlling interests							635	635
Other					1	1	-5	-4
<b>30.9.2021</b>	<b>125</b>	<b>-113</b>	<b>18,831</b>	<b>-42</b>	<b>201,908</b>	<b>220,709</b>	<b>-769</b>	<b>219,940</b>
<b>2020, EUR 1,000</b>								
<b>1.1.2020</b>	<b>125</b>	<b>-935</b>	<b>35,814</b>	<b>236</b>	<b>90,671</b>	<b>125,911</b>	<b>-182</b>	<b>125,729</b>
Total comprehensive income for the financial period		-1,472		-293	6,171	4,406		4,406
Earnings for the period					6,171	6,171		6,171
Other comprehensive income items		-1,472		-293		-1,765		-1,765
Distribution of profit					-4,529	-4,529	-1,017	-5,546
Dividend EUR 0.16/share					-4,529	-4,529		-4,529
Distribution of profit for subgroup						-	-1,017	-1,017
Share-based payments payable as equity					725	725		725
Other					-132	-132	19	-113
<b>30.9.2020</b>	<b>125</b>	<b>-2,408</b>	<b>35,814</b>	<b>-57</b>	<b>92,906</b>	<b>126,381</b>	<b>-1,180</b>	<b>125,201</b>

## Segment information, earnings 1.7.-30.9.2021

1.7.-30.9.2021, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	4,846	3,578	1,267	3,909	456	9,210
Performance fees	-	-	-	-	-	-
Investment operations	-537	-4	-533	2,651	977	3,092
<b>Total income</b>	<b>4,309</b>	<b>3,574</b>	<b>735</b>	<b>6,560</b>	<b>1,433</b>	<b>12,302</b>
Fee and commission expense	-1,598	-1,016	-583	-100	-121	-1,820
Personnel costs	-1,985	-1,220	-765	-905	-720	-3,610
Direct expenses	-880	-525	-354	-393	-700	-1,973
Depreciation, amortisation and impairment	-38	-14	-24	-3	-8	-48
Impairment losses on loans and other receivables	-	-	-	-	16	16
<b>Operating profit before the financing expenses</b>	<b>-192</b>	<b>799</b>	<b>-991</b>	<b>5,159</b>	<b>-99</b>	<b>4,868</b>
Interest expenses	-1	-1	-	-	-284	-284
Allocation of financing expenses	-583	-380	-203	-633	1,217	-
<b>Operating profit</b>	<b>-776</b>	<b>418</b>	<b>-1,194</b>	<b>4,526</b>	<b>833</b>	<b>4,583</b>
Operating profit, %	neg	11.7%	neg	69.0 %	58.2%	37.3%
Change in fair value of investments	-	-	-	-81	-	-81
<b>Profit before taxes and NCI</b>	<b>-776</b>	<b>418</b>	<b>-1,194</b>	<b>4,445</b>	<b>834</b>	<b>4,503</b>

### 1.7.-30.9.2020, EUR 1,000

Continuing earnings	4,561	3,507	1,054	3,914	367	8,842
Performance fees	55	55	-	-	-	55
Investment operations	752	750	2	2,200	338	3,291
<b>Total income</b>	<b>5,368</b>	<b>4,312</b>	<b>1,056</b>	<b>6,115</b>	<b>706</b>	<b>12,188</b>
Fee and commission expense	-1,761	-1,102	-659	-	-61	-1,822
Personnel costs	-1,772	-1,518	-254	-742	-863	-3,377
Direct expenses	-645	-432	-213	-379	-83	-1,107
Depreciation, amortisation and impairment	-14	-9	-5	-9	-8	-32
Impairment losses on loans and other receivables	-	-	-	-	-70	-70
<b>Operating profit before the financing expenses</b>	<b>1,176</b>	<b>1,251</b>	<b>-76</b>	<b>4,985</b>	<b>-379</b>	<b>5,781</b>
Interest expenses	-	-1	-	-	-822	-822
Allocation of financing expenses	-630	-429	-201	-434	1,064	-
<b>Operating profit</b>	<b>546</b>	<b>822</b>	<b>-276</b>	<b>4,550</b>	<b>-137</b>	<b>4,959</b>
Operating profit, %	10.2 %	19.1 %	neg	74.4 %	neg	40.7%
Change in fair value of investments	-	-	-	1,414	-25	1,389
<b>Profit before taxes and NCI</b>	<b>546</b>	<b>822</b>	<b>-276</b>	<b>5,964</b>	<b>-163</b>	<b>6,347</b>

### Reconciliations

Reconciliation of total income	1.7.-30.9.2021	1.7.-30.9.2020
Total income of segments	12,302	12,188
Share of associates' profit or loss allocated to total income of segments	536	82
Transactions between continuing and discontinued operations <sup>1)</sup>	-	-1,999
Transit items eliminated in segment reporting	383	-
Transfer of impairments to investment operations	-	-
<b>Consolidated total income</b>	<b>13,221</b>	<b>10,271</b>

Reconciliation of operating profit	1.7.-30.9.2021	1.7.-30.9.2020
Total earnings of segments before taxes and NCI	4,503	6,347
Change in fair value of investments	81	-1,389
IFRS 16 Leases <sup>2)</sup>	-4	-
Transactions between continuing and discontinued operations <sup>1)</sup>	-	-869
Direct costs related to the sale of the discontinued operations <sup>3)</sup>	-	-440
<b>Consolidated operating profit</b>	<b>4,579</b>	<b>3,651</b>

<sup>1)</sup> Intra-group income and expenses between discontinued and continuing operations have been eliminated in the consolidated income statement. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. The chosen presentation will improve the comparability of segment reporting in the coming years.

<sup>2)</sup> The division of lease expense to depreciation and interest expense according to IFRS 16 Leases -standard is not applied in the segment reporting.

<sup>3)</sup> Direct costs related to the sale of the discontinued operations have been allocated to discontinued operations in segment reporting.

## Segment information, earnings 1.1.-30.9.2021

1.1.-30.9.2021, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	14,706	11,081	3,625	12,074	2,496	29,276
Performance fees	811	797	14	-	-	811
Investment operations	-703	-9	-694	8,795	2,129	10,221
<b>Total income</b>	<b>14,814</b>	<b>11,869</b>	<b>2,945</b>	<b>20,869</b>	<b>4,625</b>	<b>40,307</b>
Fee and commission expense	-5,148	-3,147	-2,001	-100	-299	-5,546
Personnel costs	-6,505	-4,360	-2,145	-2,488	-2,977	-11,970
Direct expenses	-2,416	-1,525	-891	-1,206	-2,291	-5,914
Depreciation, amortisation and impairment	-102	-37	-65	-16	-17	-135
Impairment losses on loans and other receivables	-534	-535	-	-	-45	-579
<b>Operating profit before the financing expenses</b>	<b>108</b>	<b>2,265</b>	<b>-2,157</b>	<b>17,058</b>	<b>-1,004</b>	<b>16,163</b>
Interest expenses	-2	-2	-	-	-2,035	-2,038
Allocation of financing expenses	-1,620	-1,110	-510	-1,300	2,920	-
<b>Operating profit</b>	<b>-1,514</b>	<b>1,153</b>	<b>-2,667</b>	<b>15,758</b>	<b>-119</b>	<b>14,125</b>
Operating profit, %	neg	9.7%	neg	75.5%	neg	35.0%
Change in fair value of investments	-	13	-13	458	481	939
<b>Profit before taxes and NCI</b>	<b>-1,514</b>	<b>1,165</b>	<b>-2,680</b>	<b>16,216</b>	<b>362</b>	<b>15,064</b>

1.1.-30.9.2020, EUR 1,000						
Continuing earnings	13,242	10,165	3,077	10,848	1,961	26,051
Performance fees	75	55	20	-	-	75
Investment operations	1,640	1,642	-2	-1,170	-2,227	-1,758
<b>Total income</b>	<b>14,956</b>	<b>11,862</b>	<b>3,094</b>	<b>9,678</b>	<b>-267</b>	<b>24,368</b>
Fee and commission expense	-5,131	-3,133	-1,998	-	-727	-5,858
Personnel costs	-3,899	-3,158	-741	-1,793	-2,607	-8,299
Direct expenses	-2,260	-1,699	-560	-1,149	-800	-4,208
Depreciation, amortisation and impairment	-43	-27	-16	-27	-25	-96
Impairment losses on loans and other receivables	-	-	-	-	-141	-141
<b>Operating profit before the financing expenses</b>	<b>3,624</b>	<b>3,844</b>	<b>-221</b>	<b>6,709</b>	<b>-4,566</b>	<b>5,767</b>
Interest expenses	-1	-1	-	-	-2,464	-2,466
Allocation of financing expenses	-1,837	-1,247	-590	-1,333	3,170	-
<b>Operating profit</b>	<b>1,785</b>	<b>2,596</b>	<b>-811</b>	<b>5,376</b>	<b>-3,860</b>	<b>3,301</b>
Operating profit, %	11.9%	21.9%	neg	55.5%	neg	13.5%
Change in fair value of investments	1	-	1	-1,710	-25	-1,734
<b>Profit before taxes and NCI</b>	<b>1,786</b>	<b>2,596</b>	<b>-810</b>	<b>3,666</b>	<b>-3,886</b>	<b>1,567</b>

### Reconciliations

Reconciliation of total income	1.1.-30.9.2021	1.1.-30.9.2020
Total income of segments	40,307	24,368
Share of associates' profit or loss allocated to total income of segments	866	244
Transactions between continuing and discontinued operations <sup>1)</sup>	-2,061	-4,456
Transit items eliminated in segment reporting	954	-
Transfer of impairments to investment operations	2,318	-
<b>Consolidated total income</b>	<b>42,384</b>	<b>20,156</b>

Reconciliation of operating profit	1.1.-30.9.2021	1.1.-30.9.2020
Total earnings of segments before taxes and NCI	15,064	1,567
Change in fair value of investments	-939	1,734
IFRS 16 Leases <sup>2)</sup>	-9	-11
Transactions between continuing and discontinued operations <sup>1)</sup>	23	-811
Direct costs related to the sale of the discontinued operations <sup>3)</sup>	-2,109	-1,273
<b>Consolidated operating profit</b>	<b>12,029</b>	<b>1,206</b>

<sup>1)</sup> Intra-group income and expenses between discontinued and continuing operations have been eliminated in the consolidated income statement. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. The chosen presentation will improve the comparability of segment reporting in the coming years.

<sup>2)</sup> The division of lease expense to depreciation and interest expense according to IFRS 16 Leases -standard is not applied in the segment reporting.

<sup>3)</sup> Direct costs related to the sale of the discontinued operations have been allocated to discontinued operations in segment reporting.

Further information is provided below on Taaleri Group's own balance sheet investments, the fair value of which exceeds EUR 1,000 thousand at the balance sheet date. Taaleri Group's investments that support the core business and development of the private asset management, are reported under Private Asset Management segment. Taaleri's shareholding in Aktia Bank Plc is strategic for Taaleri's business and is presented as part of Strategic Investments segment together with Garantia. Non-strategic investments are presented as part of the Other group.

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 30.9.2021	Fair value 30.9.2021	Holding 30.9.2021
<b>Renewable energy investments</b>				
Truscott Gililand East Wind	Shares and participations	9,524	9,524	7.0%
<b>Real estate investments</b>				
Sepos Oy	Shares and participations	2,500	2,377	30.0%
Sepos Oy	Loan	1,675	1,750	-
Turun Toriparkki Oy	Shares and participations	3,502	2,088	48.2%
<b>Infrastructure investments</b>				
Taaleri Infra I Ky	Shares and participations	1,950	1,950	50.0%
<b>Bioindustry investments</b>				
Fintoil Oy	Shares and participations	3,425	3,425	27.4%
Tracegrow Oy	Shares and participations	1,992	1,992	5.5%

Strategic investments, EUR 1,000	Investment type	Purchase price 30.9.2021	Fair value 30.9.2021	Holding 30.9.2021
Aktia Bank Plc	Shares and participations	10,000	11,324	1.4%

Non-strategic investments EUR 1,000	Investment type	Purchase price 30.9.2021	Fair value 30.9.2021	Holding 30.9.2021
<b>Real estate investments</b>				
Taaleri Datacenter Ky (Ficolo)	Shares and participations	2,900	2,910	29.5%
TT Canada RE Holdings Corporation	Loan	6,729	8,764	-
<b>Other investments</b>				
Inderes Oy	Shares and participations	300	2,518	7.2%
Fellow Finance Plc	Shares and participations	2,974	5,080	25.7%
Taaleri Telakka Ky	Shares and participations	3,430	3,254	16.1%

Investments in the non-strategic investment portfolio have a project-specific exit plan. Taaleri's own co-investment projects will be divested at the same pace as other co-investors.

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 31.12.2020	Fair value 31.12.2020	Holding 31.12.2020
<b>Renewable energy investments</b>				
Truscott Gililand East Wind	Shares and participations	8,872	8,872	7.0%
<b>Real estate investments</b>				
Sepos Oy	Shares and participations	2,500	2,439	30.0%
Turun Toriparkki Oy	Shares and participations	3,502	3,026	48.2%
Munkkiniemi Group Oy	Shares and participations	5	303	47.0%
Munkkiniemi Group Oy	Loan	2,360	2,409	-
<b>Bioindustry investments</b>				
Fintoil Oy	Shares and participations	3,425	3,425	27.4%
<b>Non-strategic investments, EUR 1,000</b>				
<b>Real estate investments</b>				
Taaleri Datacenter Ky (Ficolo)	Shares and participations	2,900	2,908	29.5%
TT Canada RE Holdings Corporation	Loan	6,729	7,687	-
<b>Other investments</b>				
Inderes Oy	Shares and participations	448	1,463	10.8%
Fellow Finance Plc	Shares and participations	2,974	5,357	25.9%
Fellow Finance Plc	Loan	1,500	1,508	-
Taaleri Telakka Ky	Shares and participations	3,430	3,293	16.1%

## Discontinued operations and sale of the subsidiary

### Description of the sale of discontinued operations

On March 10, 2021, Taaleri announced the sale of the Wealth Management business to Aktia. Taaleri applies the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in the classification, presentation, and recognition of sale of the wealth management operations. In March 2021 Taaleri classified the wealth management operations as held-for-sale assets and reports them as discontinued operations. The transaction was completed on April 30, 2021, and the discontinued operations have been consolidated into the Group until April 30, 2021. After the completion of the transaction and the recognition of the capital gain, all the Group's transactions are transactions of continuing operations.

### Profit from discontinued operations

Profit from discontinued operations, EUR 1,000	1.1.-30.9.2021	1.1.-30.9.2020
Income	15,578	24,935
Expenses	-10,603	-17,302
<b>Operating profit</b>	<b>4,975</b>	<b>7,633</b>
Income tax expense	-1,205	-778
<b>Profit after income tax of discontinued operations</b>	<b>3,769</b>	<b>6,855</b>
Gain on sale of the subsidiary after income tax	111,133	-
<b>Profit from discontinued operations</b>	<b>114,902</b>	<b>6,855</b>

The discontinued operations cashflows are presented together with Group's cashflow statement.

### Details of the sale of the subsidiary

Sale of the subsidiary, EUR 1,000	1.1.-30.9.2021	1.1.-30.9.2020
Consideration received in cash	113,680	-
Consideration received in shares	10,000	-
<b>Total disposal consideration</b>	<b>123,680</b>	-
Carrying amount of net assets sold	12,548	-
<b>Gain on sale before income tax</b>	<b>111,133</b>	-
Income tax expense on gain	-	-
<b>Gain on sale after income tax</b>	<b>111,133</b>	-

The disposal consideration will depend in part on the business of the coming years. Taaleri is committed to supplying new alternative investment products to Aktia, which Aktia can offer to its customers if it so wishes. If Taaleri does not offer a certain amount of new alternative investments, Taaleri may in certain circumstances have to reimburse part of the purchase price to Aktia. Similarly, Aktia is committed to selling a certain number of products offered by Taaleri.

The deed of sale related to the sale of the wealth management operations includes special business-related liabilities to Taaleri of up to EUR 36 million, as well as industry-related general and compliance responsibilities.

No contingent receivable or liability has been recognized for the contingent consideration, as Taaleri does not consider it probable that the contingent consideration will be realized.

Carrying amounts of assets and liabilities as at the date of sale, EUR 1,000	30.4.2021
Receivables from credit institutions	9,509
Goodwill	4,750
Other assets	6,733
<b>Total assets</b>	<b>20,992</b>
Other liabilities	2,937
Accrued expenses and deferred income	5,508
<b>Total liabilities</b>	<b>8,444</b>
<b>Total net assets</b>	<b>12,548</b>

# TAALERI

Taaleri Plc  
Kasarmikatu 21 B  
00130 Helsinki