TAALERI

Annual Report

2024

Investments Powering the Change

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Investments Powering the Change

Taaleri is a Nordic investment and asset manager that focuses on businesses with industrial-scale opportunities within bioindustry and renewable energy.

Table of contents

Taaleri in 2024

Business with an impact

Governance and sustainability

Board of Directors' report

Financial Statements

Taaleri in 2024

Taaleri in brief

Taaleri is a Nordic investment and asset manager that focuses on businesses with industrial-scale opportunities within bioindustry and renewable energy. We create value through both funds under management and direct investments by combining extensive know-how, deep expertise, entrepreneurship and capital.

Through investments in renewable energy, Taaleri develops utility-scale clean energy solutions. In bioindustry, Taaleri utilises renewable and recyclable raw materials to create sustainable products through industrial innovations and technologies. Taaleri's real estate funds construct reasonably priced and energy efficient housing.

We have been a signatory of the UN-supported Principles for Responsible Investment (PRI) since 2010, and we joined the Net Zero Asset Managers (NZAM) initiative in 2021. Taaleri's vision is to become a leading investment manager operating internationally in bioindustry and renewable energy.

Taaleri has two business segments: Private Asset Management Garantia. The Private Asset Management segment consists of bioindustry, renewable energy and real estate businesses.

TAALERI

Private Asset Management

- TAALERI Bioindustry
- TAALERI Energia
- TAALERI Real Estate

Garantia

- GARANTIA

Key figures in 2024

(2023 figures in parentheses)

Income
70.5 MEUR
(66.3 MEUR)

Operating profit
53.9 %
(48.1%)

Growth in continuing income
1.6 %
(8.4%)

Assets under management (AUM)
2.7 BEUR
31.12.2024
(2.6 BEUR)

Share of AUM classified as EU SFDR Article 9 or 8*
88 %
(85%)

Employees (FTE)
129
(118)

Renewable energy produced in investments
2.7 TWh
(2.2 TWh)
Corresponds to the average annual electricity consumption of 403,102 households

* Excluding managed accounts

Taaleris development and sustainability journey

2007
Taaleri is founded

2009
Taaleri establishes Taaleri Private Equity Funds Ltd and launches the first housing fund

2010
Taaleri signs the PRI – Principles for Responsible Investment initiative

2011
Taaleri launches its first wind power fund

2015
Taaleri acquires Garantia Insurance Company Ltd

2016
Taaleri transitions to Nasdaq Helsinki Main Market from the Nasdaq First North Finland -marketplace

2019
Taaleri establishes the first international renewable energy fund in Finland

2020
Taaleri launches an impact fund and a digital impact investing asset management service

2021
Taaleri launches a bioindustry fund

Taaleri sells its asset management business

2021
Taaleri launches SFDR Article 9 and 8 compliant funds among the first in Finland

Taaleri joins the international Net Zero Asset Managers (NZAM) initiative and sets its climate targets

2023
Taaleri receives a five-star PRI rating for overall policies, governance model and strategy, infrastructure and real estate sections, and four stars for the other private equity investments and for confidence building measures

2024
Approx. 88% of Taaleri's AUM is in accordance with Articles 9 and 8 of the SFDR and approx. 72% is in EU taxonomy-aligned investments

2024
Taaleri implements a double materiality analysis to assess material sustainability impacts

Highlights in 2024

1 January
Taaleri's real estate business strategy will be updated under the leadership of the new Managing Director Mikko Krootila.

12 January
Taaleri announces the appointment of Ilkka Laurila as CFO and member of the Executive Management Team.

7 May
Taaleri publishes its interim report for the period 1 January–31 March 2024: Taaleri's recurring revenues increased and investment activities delivered a strong result, with operating profit margin of 56% in the first quarter.

23 May
Taaleri's Bioindustry Fund I invests in mycoprotein producer Enifer.

7 August
Taaleri announces a change in its segment reporting and publishes comparative segment information for 2023. Going forward, the company's segments are Private Asset Management and Garantia.

20 August
Taaleri publishes its half-year results for the period 1 January–30 June 2024: Taaleri's continuing income increased and profitability remained good in the second quarter of the year.

10 September
Taaleri announces that it has strengthened its liquidity by agreeing on a long-term credit line of EUR 30 million.

19 September
Taaleri announces the redemption of its EUR 15 million Tier 2 bond.

23 September
Taaleri SolarWind III Fund invests in a 154 MW wind power project in Serbia.

26 September
Taaleri announces the recognition of a capital gain of EUR 8.3 million on the sale of its renewable energy project development portfolio last year.

5 November
Taaleri publishes its interim report for the period 1 January–30 September 2024: Taaleri's financial result was strong in the third quarter of the year.

13 November
Taaleri Bioindustry Fund I invests in C2CA, a company upcycling waste concrete.

31 December
Taaleri SolarWind III Fund increased to EUR 481 million in commitments in 2024.

2025

9 January
Ilkka Laurila is appointed CEO.

Climate-conscious and profitable action

The year 2024 was a year of strategic initiatives for Taaleri. Our business units carried out key fundraising and internationalisation projects, which provided the company with enhanced capabilities to promote sustainable investments in the years to come.

Efforts to mitigate climate change create attractive investment opportunities aligned with our core expertise and long-term vision.

In 2024, we advanced our strategy based on renewable energy, bioindustry and internationalisation, and increased our assets under management despite challenging fundraising conditions. This highlights our proven ability to deliver results and underscores our potential as the fundraising market stabilises. However, rather than being remembered for the momentary challenges in raising new capital, the past year will go down in history due to accelerated climate change. The year 2024 was the first calendar year in recorded history when the average global surface temperature exceeded the 1.5 °C threshold set in the Paris Agreement. Every effort is now required to prevent catastrophic outcomes for the environment and society. This is why there will be an even greater need for the solutions offered by our businesses focusing on renewable energy and bioindustry in the future.

Finland's largest renewable energy fund

We are mitigating climate change by directing assets under management towards sustainable investments. The highlight of 2024 was the growth of our SolarWind III Fund, which invests in renewable energy. The fund continues the successful approach of its predecessors, the SolarWind funds, enabling us to further expand investments in solar and wind power as well as battery storage assets in Europe and the United States. The fund has attracted significant interest from institutional investors supporting the green transition. By the end of 2024, the fund had raised more than 480 million in commitments, with over half of this capital originating internationally. It is the largest renewable energy fund managed in Finland and also Taaleri Energia's third international private equity fund. The fund's considerable size reinforces our position as one of the leading players in the renewable energy infrastructure asset class in Europe.

From fossil-based to bio-based economy

In addition to renewable energy, we also advanced our bioindustry projects. Bioindustry is a key strategic focus area for Taaleri, with significant growth potential. The business seeks to identify and leverage new opportunities in bioeconomy and to support the development and scaling of innovative bio-based or circular-economy materials, products and technologies that facilitate the transition away from a fossil-based economy. Our expanded team made investments and explored potential new targets for the Taaleri Bioindustry Fund I last year.

Geopolitical tensions and inflation are temporarily affecting our operating environment. The political climate has become more critical towards regulations promoting sustainable development compared to previous years. Nonetheless, we remain optimistic about the long-term outlook. Climate change must be addressed globally by transitioning to renewable energy, low-carbon products and production methods. This creates attractive investment opportunities aligned with our core expertise and long-term vision.

I started as CEO of Taaleri in January 2025. Having become familiar with the company during my nearly year-long tenure as CFO, I am delighted to lead this expert group of professionals towards our shared goals. Through the dedication and expertise of our employees, we are building a stronger Taaleri. I also wish to thank our investors, clients and shareholders for their trust and support as we take the next steps towards sustainable energy production, fossil-free industry and value creation in our other business units.

Ilkka Laurila
CEO
Taaleri Plc

Business with an impact

The strategy pursues international growth

Taaleri advanced its strategy, which was updated at the end of 2023. In addition to the private equity funds business, the strategy emphasises making direct investments and pursuing strong international growth.

At the core of the strategy are private equity funds business and significant industrial investments, particularly in bioindustry.

Strategic goals

Our goal is to increase the assets under management to EUR 4 billion and the Group's direct industrial investments to at least EUR 100 million by the end of 2026.

Taaleri's vision

Taaleri's vision is to become a leading investment manager operating internationally in bioindustry and renewable energy.

Taaleri's strategy is based on our competitive advantages: our end-to-end expertise throughout the lifecycle of our investments and projects, the commercialisation of ideas, and our ability to combine ideas with capital.

Below is an outline of how we advanced the objectives of the 2024–2026 strategy period during the past year.

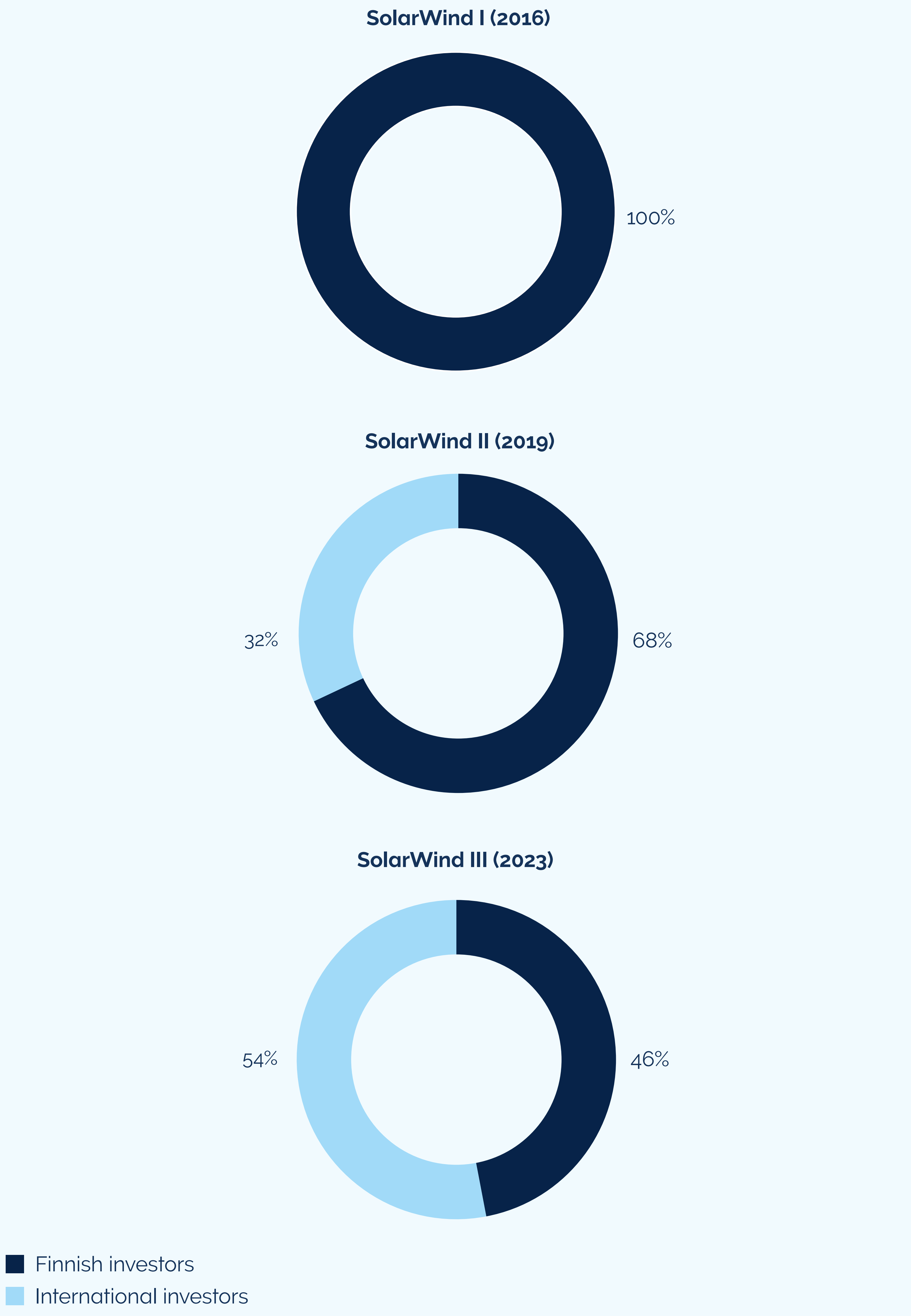
1. Grow within our business areas through both funds under management and direct investments.
Assets under Taaleri's management increased during 2024 from EUR 2.6 billion to EUR 2.7 billion. During the year, we raised funds for Taaleri's latest SolarWind III renewable energy fund. By the end of 2024, EUR 481 million had been raised for the fund, exceeding the size of the previous Taaleri SolarWind II Fund, which is fully invested, by 36%. The fund's fundraising was supported by a project development portfolio that already included 60 projects at the end of the financial year.

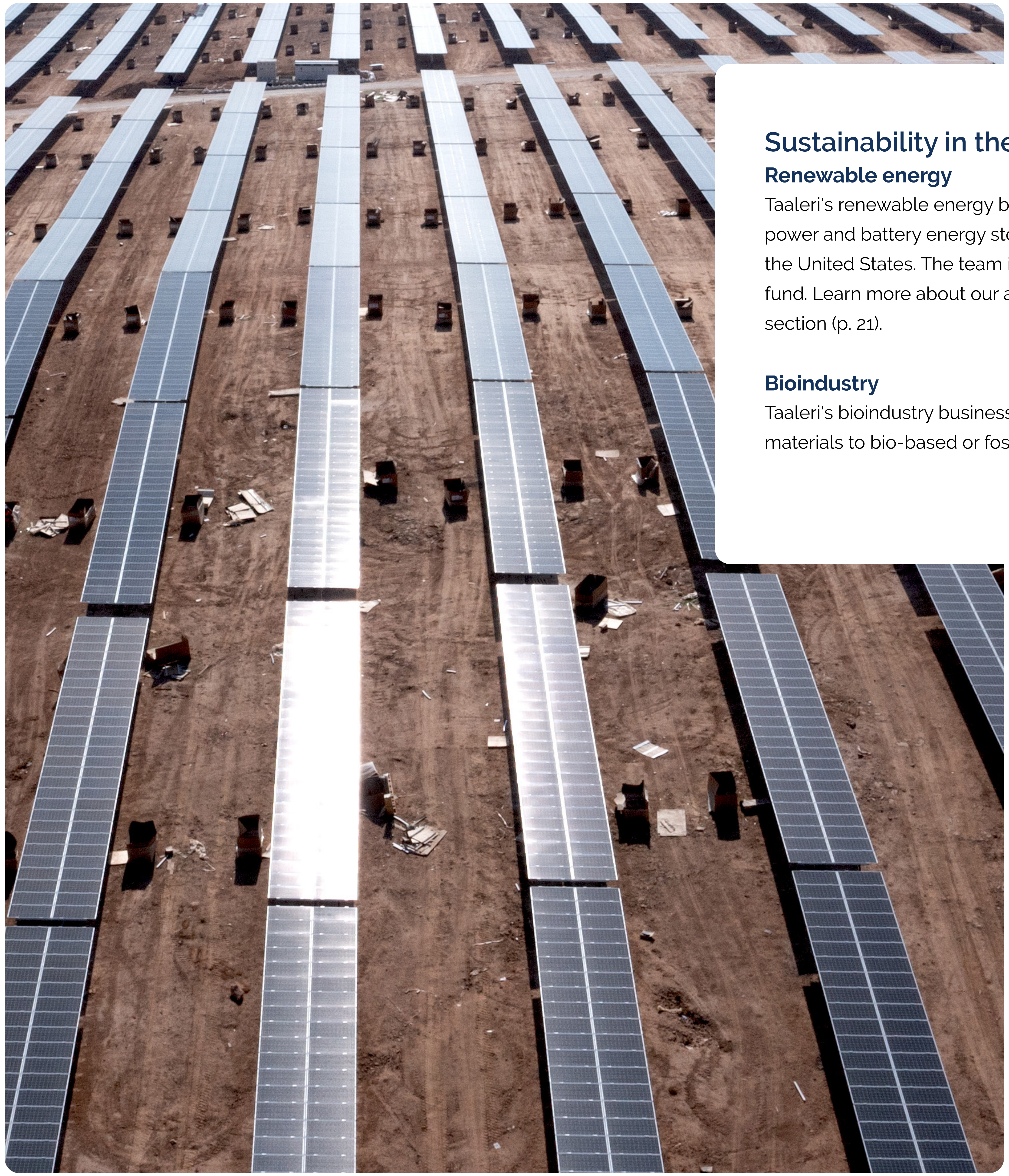
2. Make substantial industrial investments and co-operate with industrial partners especially in the bioindustry ecosystem.
Over the year, we advanced several projects within the bioindustry ecosystem. We completed the torrefied biomass plant in Joensuu during the past year, and production is set to commence in early 2025. Taaleri is an investor in the project. We also made an additional investment in the Fintoil biorefinery, which is an associated company of Taaleri. Fintoil's financial situation and operating environment improved in the final quarter of 2024. Furthermore, we promoted a potential international project for torrefied biomass production, facilitated through a project development company established in Canada and dedicated resources committed to the initiative. Throughout 2024, we explored potential direct investments, but no new significant investments have yet been made.

3. Expand our investor base outside of Finland and partner with international organisations on investments.
In 2024, our fundraising efforts focused on international markets. Of the SolarWind III Fund's current capital, 54% is raised outside Finland. In 2024, we strengthened relationships within international networks and with potential partners.

4. Develop impact and sustainability in all investments throughout their lifecycle.
We develop and raise private equity funds that seek not only economic returns but also measurable benefits for the environment and society. In 2024, we managed nine private equity funds classified as Articles 9 or 8 of the EU Sustainable Finance Disclosure Regulation (SFDR) (2019/2088). These funds either make sustainable investments, such as those contributing significantly to mitigating climate change, or promote selected sustainability characteristics. At the end of 2024, 88% of the assets under management (AUM) in Taaleri's funds were in SFDR Article 9 or 8 funds while 72% were in investments under the EU Taxonomy Regulation (2020/852).

Development of capital from international investors





Sustainability in the business units

Renewable energy

Taaleri's renewable energy business develops and invests in onshore wind, solar power and battery energy storage system (BESS) solutions, primarily in Europe and the United States. The team is currently investing from its sixth renewable energy fund. Learn more about our activities and their impact in the "Renewable energy" section (p. 21).

Bioindustry

Taaleri's bioindustry business aims to accelerate the transition from fossil-based materials to bio-based or fossil-free solutions by enabling the market adoption of new technologies and scaling bio-business processes. In addition to investments made through managed funds, the team develops and invests in industrial-scale facilities. Bioindustry seeks to replace fossil fuels and raw materials in industrial processes and production. Learn more in the "Bioindustry" section (p. 24).

Real estate

Taaleri's real estate business specialises in real estate investments, asset management and real estate funds. Energy efficiency and housing accessibility are the key sustainability features promoted by real estate funds classified as SFDR Article 8. Learn more in the "Real estate" section (p. 26).

Taaleri's long-term targets

	Targets	Achieved 2024
Growth in the Group's continuing earnings and performance fees	at least 15%	2.4%
Return on equity	at least 15%	15.3%
Dividend policy: Our goal is to distribute to shareholders at least 50% of the profit for the financial year		50% (The Board of Directors' proposal to the 2025 Annual General Meeting is to distribute 0.50 cents per share)

Urgency of climate change calls for an accelerated green transition

The green transition and the development of alternative investments have a material impact on Taaleri's operating environment. Growing demand and climate targets accelerated the transition to renewable energy and the development of industrial processes replacing fossil fuels in 2024. However, the operating environment remains highly uncertain.

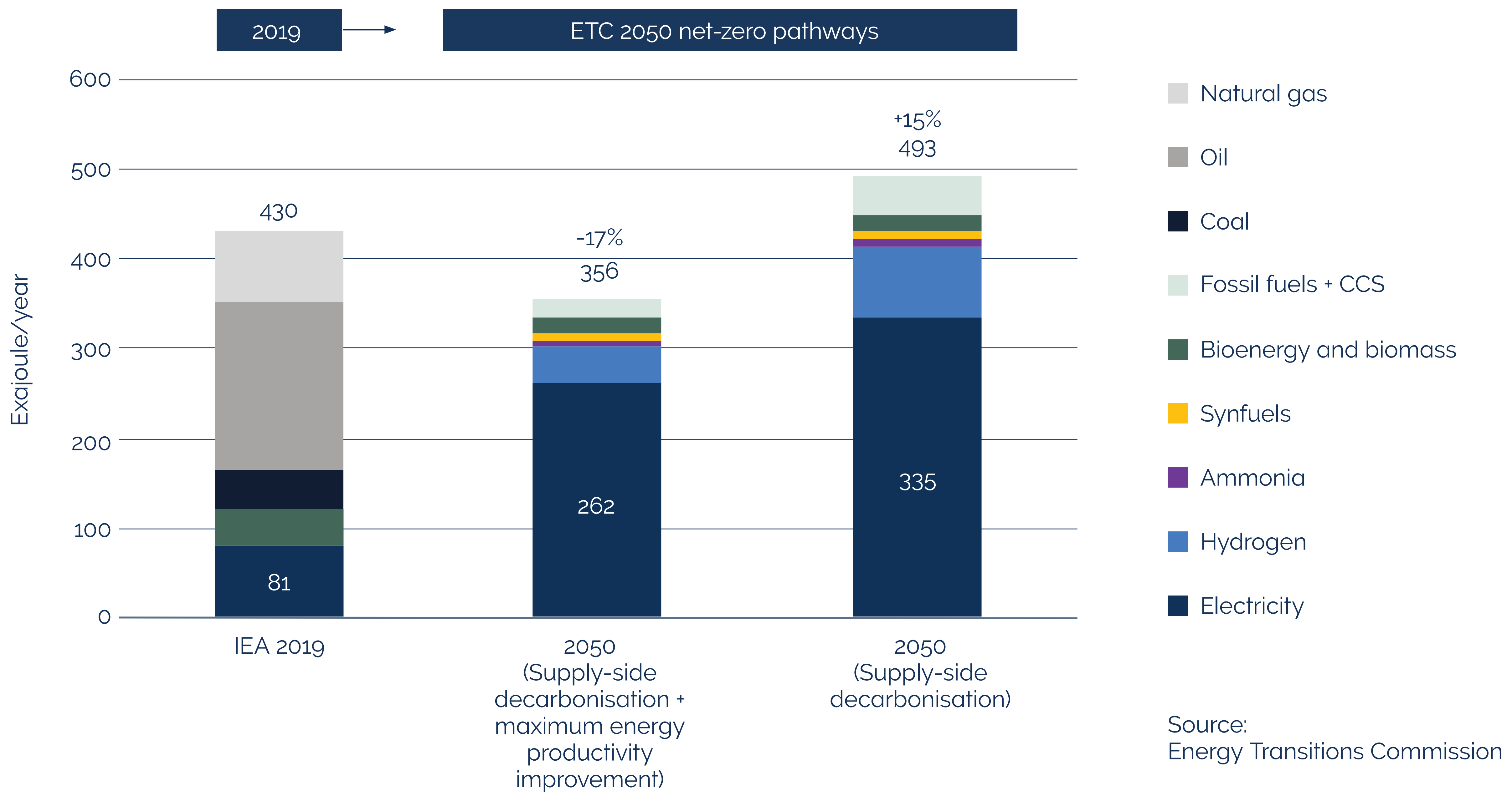
Taaleri's operating environment has been persistently challenging and the complex geopolitical landscape affects Taaleri's operations on multiple levels. Global economic prospects remaining uncertain: in 2024, declining interest rates facilitated infrastructure investments, while geopolitical tensions, supply chain disruptions and inflation dampened activity. At the same time, the growth of alternative investments decelerated and competition intensified in the fundraising market. Nevertheless, institutional investors continue to view infrastructure as a vital asset class for diversifying risk and stabilising returns. The green transition still attracts significant private capital.

The green transition requires capital

Ensuring energy supply security has become increasingly critical due to geopolitical instability. The EU aims to triple its renewable energy capacity by 2030. The EU's Green Deal and targeted subsidies are facilitating the widespread adoption of renewable energy sources. The falling prices of solar panels and political support are accelerating investments in solar energy. At the same time, the wind power sector is recovering from the challenges of financing and permitting processes.

In 2024, renewable energy capacity reached record levels, with solar and wind power accounting for an increasing share of Europe's electricity generation. Battery energy storage systems (BESS) play a crucial role in integrating renewable energy sources, while AI and digitalisation are driving demand for green energy, particularly for data centres and the general electrification of society.

Indicative energy mix in a decarbonised economy



Source:
Energy Transitions Commission

Intensifying impact of climate change

The accelerating effects of climate change became more evident in 2024, as the Earth's average temperature surpassed the preferred 1.5 °C threshold set by the Paris Agreement, to keep temperature increase moderate from to pre-industrial levels (https://climate.copernicus.eu/). Research highlights that limiting long-term warming to 1.5 °C is crucial to mitigating the risks of catastrophic impacts from climate change. This underscores the urgency of accelerating emissions reductions and sustainable energy investments.

The EU sustainable finance framework supports this transition by steering investments towards green projects. Private capital will play a central role in achieving climate targets, energy self-sufficiency and advancing the circular economy. Solutions to global challenges provided investment opportunities in 2024. There will also be a need for these investments in the future. The impact-oriented investment products that Taaleri offers meet this demand.

Business-specific operating environments are challenging short-term

Electricity price volatility increased across Europe in 2024. Prices in the Nordic region were, on average, below the peak levels of 2022, while prices in Central and Southern Europe remained high.

The operating environment for the bioindustry business became more challenging in 2024. Elevated costs and limited raw material availability weakened the outlook of portfolio companies and delayed project completion.

The real estate market has yet to see a significant recovery, although some promising signs emerged. Transaction volumes were picking up during 2024 but were still below volumes obtained in 2023 and remaining far below peak levels. Declining interest rates provide substantial relief to the market, making the stable returns of real estate investments attractive once again. Oversupply in the residential property sector has slightly subsided and demand for logistics properties has remained resilient, but demand for office properties remains weak.

In Garantia Insurance Company Ltd's operating environment, stabilised interest rate expectations and easing inflation contributed to improved consumer confidence. Despite slight improvements, the number of new housing loans remained low compared to previous years, impacting the sale of residential mortgage guarantees. However, the creditworthiness of the company's warranty customers remained good, and no significant changes occurred in the risk position of the guaranty insurance portfolio. Markets affecting Garantia's balance sheet investments performed favourably, and aligning equity weighting with target allocation contributed to positive investment returns in 2024.

Megatrends guiding Taaleri's operating environment

Climate change

The global average temperature has risen by slightly over 1 °C in just over a century, and even significantly higher in individual years. The international community is trying to limit global warming to 1.5 °C in order to keep the effects bearable and to avoid catastrophic changes. Reducing greenhouse gas emissions, facilitated by renewable energy and bioindustry solutions, is key to achieving this goal. In addition, the EU strives to steer funding and investments more strongly towards sustainable investments through its sustainable finance programme.

Electrification

Electricity has a key role to play as the world moves towards zero emissions. Electrification of energy systems can significantly reduce CO_2 emissions and help meet climate targets, but at the same time electricity needs will increase significantly. To achieve the desired emission reductions, electricity must be generated with low emissions, its storage must be feasible, and the emissions from its production must not be outsourced. Renewable energy solutions are essential to enabling electrification at the necessary scale.

Resource efficiency and planetary boundaries

As the world's population grows and becomes wealthier, the need for energy, raw materials, water and arable land continues to grow strongly. The current consumption already exceeds the carrying capacity of the Earth. Resource efficiency is essential to reduce the environmental impact of products and services, from the extraction of raw materials through final consumption to re-circulation and disposal. This means, among other things, the use of recycled and renewable raw materials and by-products, optimising the use of materials, avoiding and reducing waste, and continuously improving the efficiency of processes. Biodiversity loss can be mitigated by reducing pressures on nature, restoring habitats and protecting sensitive ecosystems.

Urbanisation and demographic changes

Populations are ageing, becoming more diverse and becoming concentrated in growth centres. Birth rates are rapidly declining in developed countries. Migration from the countryside to cities continues worldwide. By 2050, up to 80% of the world's population will live in cities. In Finland, population concentration in growth centres persists. Urbanisation increases the need for new housing and also supports the popularity of renting. In the construction of urban areas, more account must be taken of emissions from construction, the energy efficiency of buildings, sustainable modes of transport, recycling and urban nature, climate change adaptation and people's everyday needs. The ageing population also drives demand for housing and services tailored to their needs.

Changing values

While awareness of, for example, climate change, nature loss and human inequality has been increasing, people's attitudes and values have also undergone a change. Sustainability and responsibility are becoming increasingly important selection criteria for consumers, which is guiding companies to seek new solutions, for example from bio-based and recycled materials produced by bioindustry to replace fossil and virgin raw materials.

Taaleri's value chain
Investments Powering the Change
Climate change
Biodiversity and ecosystems
Natural resources and raw materials
Business travel and logistics
Innovations and companies
Business partners
Electricity
Capital markets
ICT
Functioning institutions
REAL ESTATE INVESTOR AND ASSET MANAGER
PORTFOLIO COMPANY GROWTH PARTNER
DEVELOPER AND OPERATOR OF RENEWABLE ENERGY PROJECTS
Climate change mitigation
Renewable energy consumption
Energy security
Bio-based products
High-quality housing and home ownership
Returns
Tax footprint
Taaleri fund life cycle
Fundraising
Development
Due diligence
Investing
Active value creation
Exit
GARANTIA
Direct investments
Supply chain workers
Skilled workforce
Talent management
Employee experience
Workplace well-being
Corporate culture and business conduct
Meaningful jobs
UPSTREAM
OWN OPERATIONS
DOWNSTREAM

Taaleri's value chain and stakeholders

Upstream value chain

The upstream section of our value chain encompasses the prerequisites for our operations. These include tangible and intangible resources and services essential for creating value for our clients and society. At the upstream end of our value chain are intangible natural resources, such as wind and sunlight, as well as tangible natural resources, such as raw materials. Both kinds are necessary for the construction, operation and maintenance of physical assets related to our business activities. A skilled workforce is also required for the processing and distribution of tangible natural resources.

Taaleri and its subsidiaries primarily procure expert services and ICT solutions directly. The value chains of the portfolio companies and projects within our funds under management are considerably more extensive.

Our value chain indirectly encompasses a wide range of inputs, industries and geographical areas. We aim to secure critical inputs through contractual arrangements, comprehensive risk management and partner engagement. Cooperation with suppliers is also guided by industry regulations.

Own operations

In our private asset management business, we manage assets to develop industrial-scale onshore wind farms, photovoltaic solar parks and battery energy storage system assets, industrial-scale bio-based production facilities using new technologies, and real estate. Key operational stages are fundraising, fund establishment and fund management, which includes investment, due diligence, development, operation and ultimately exit of projects and assets.

Garantia offers guarantee and credit risk insurance solutions for consumers, corporates and lenders through its partners. The majority of Garantia's guarantee insurance products are residential mortgage guarantees, but the company also offers corporate loan guarantees and rental guarantees. In addition, Garantia engages in investment activities typical of the insurance business.

Taaleri also makes direct investments from its own balance sheet. Taaleri's direct investments can be either fund investments in Taaleri's own private equity funds or other investments. In addition, Taaleri's subsidiaries provide services related to corporate financing and wind farm operations.

Taaleri's employees predominantly perform knowledge-intensive work, contributing to financial and other value creation through asset management, asset development and insurance activities.

Downstream value chain

The downstream section of our value chain includes our customers as well as a broad spectrum of individuals and societal actors that benefit from our business activities or are impacted by them. Taaleri's investment products and guarantee insurance products are distributed through professional intermediaries, such as banks and credit institutions. Our operations with clients and distributors are governed by comprehensive contracts and industry regulations.

The investors of the funds we manage are mainly institutional investors. Private customers are mainly professional investors. Indirect beneficiaries also include pensioners whose assets are invested in our funds by pension companies. Guarantee insurance clients are mainly Finnish mortgage borrowers and corporates.

End users of products from Taaleri's portfolio companies include individuals, companies and organisations that use electricity, occupy real estate as tenants or users, or utilise bio-based products. Through our activities, we enhance energy self-sufficiency, stabilise housing markets and boost economic growth by developing portfolio companies.

Nature and climate are also part of our downstream value chain. We influence these through initiatives such as replacing fossil-based energy production with renewable energy solutions and managing the entire lifecycle and recycling rates of investees of our funds under management.

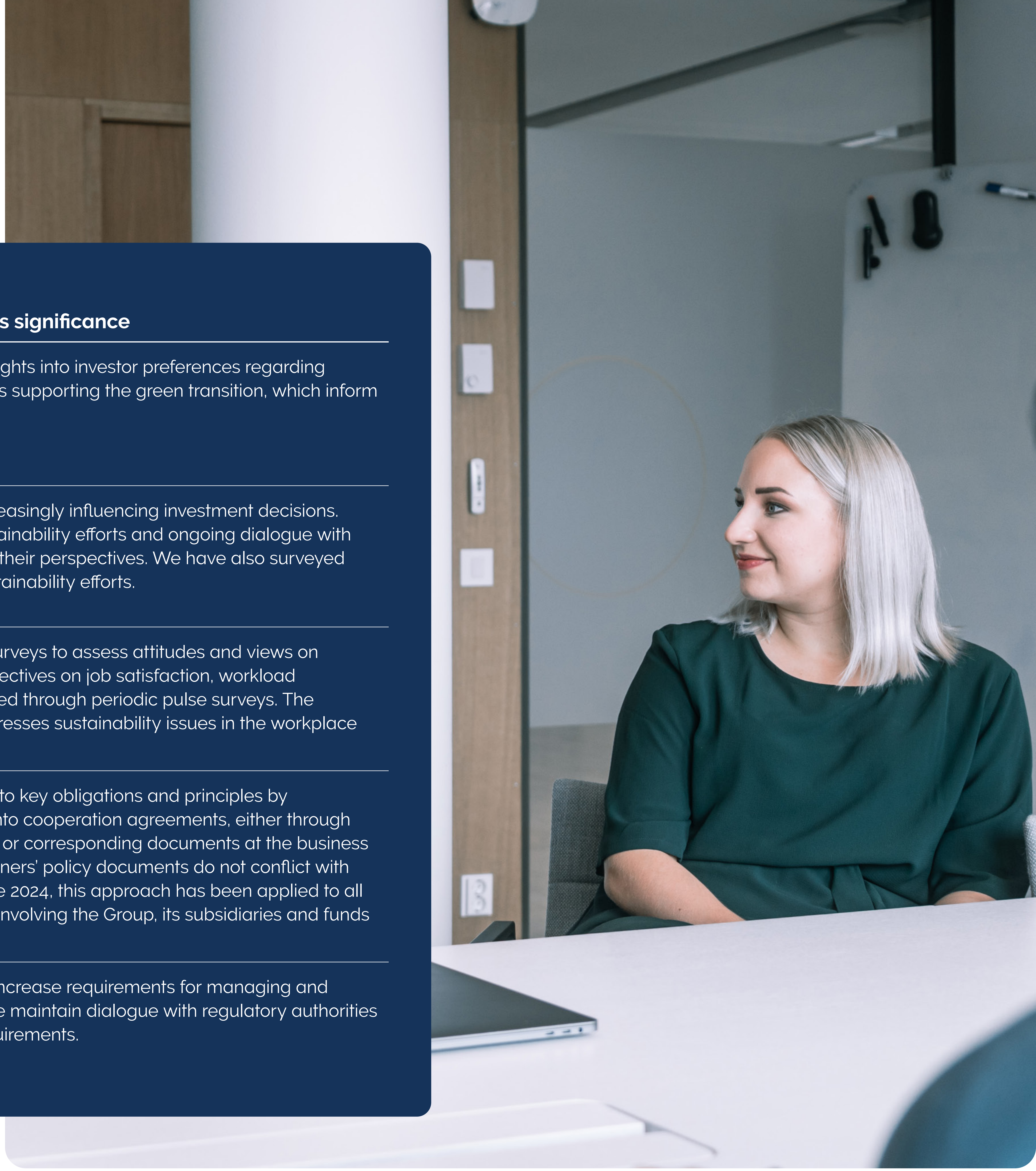
Stakeholder engagement in operations

Taaleri incorporates stakeholder interests and perspectives into its strategy and business model. Stakeholder engagement has been focused on the most essential stakeholders and interaction methods, as detailed in the accompanying table. Stakeholder engagement is evolving and our priorities and methods are developing to align with the updated sustainability legislation.

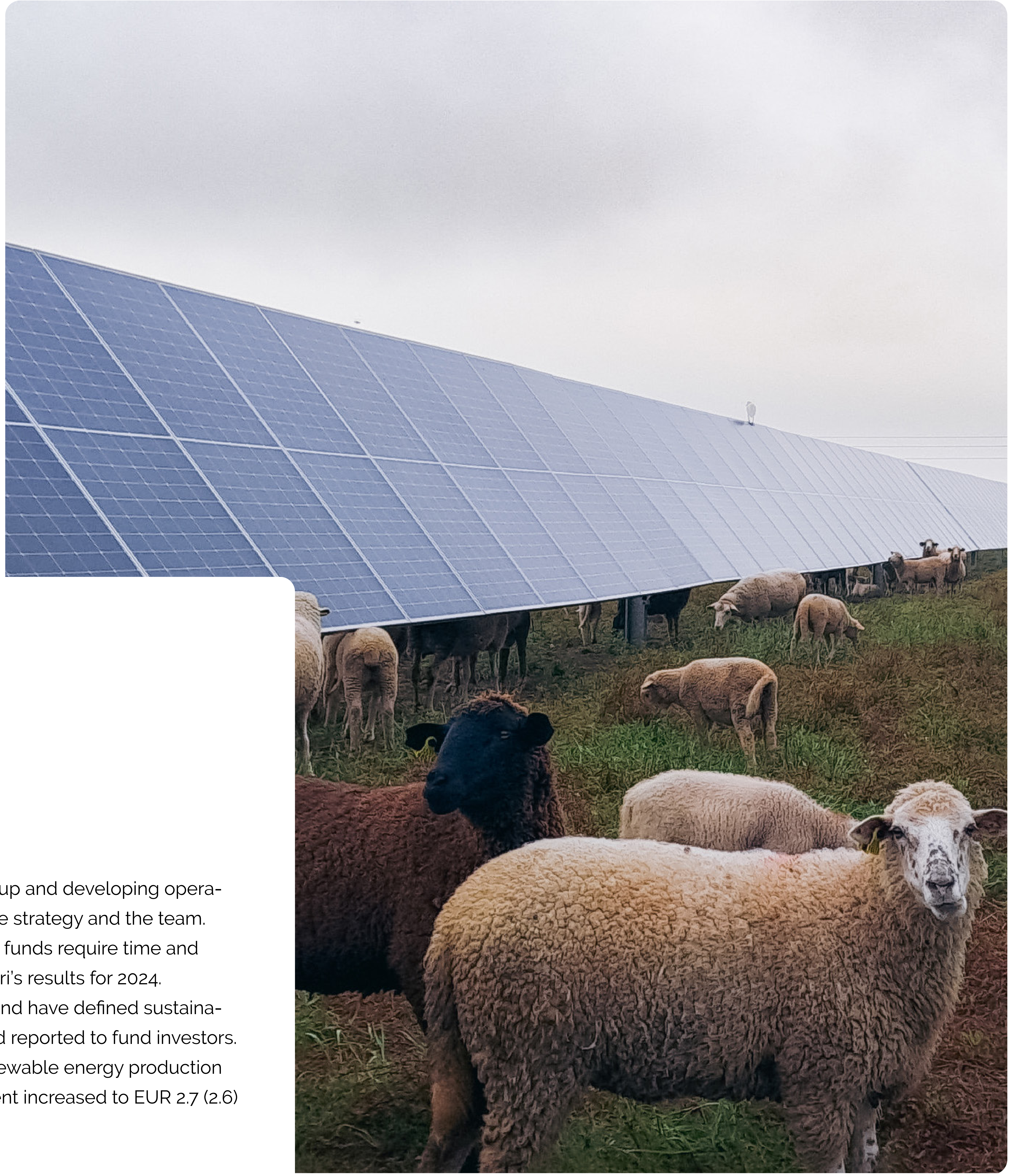
The process to assess material sustainability topics has engaged stakeholders through a phased, prioritised approach that utilises existing information. More information about the process of assessing material sustainability impacts can be found in the section "Material sustainability impacts, risks and opportunities."

Taaleri's key stakeholders and engagement

Stakeholder	Interaction methods	Description of interaction and its significance
Limited Partners (fund Investors)	• Due diligence surveys • Data room • Periodic reporting • Investor meetings • Investor days and other events	By maintaining dialogue, we gain insights into investor preferences regarding sustainable investments and solutions supporting the green transition, which inform our product development.
Shareholders	• General meetings • Annual and interim reporting • Investor events • Trust & Reputation surveys	Sustainability considerations are increasingly influencing investment decisions. Open communication about our sustainability efforts and ongoing dialogue with shareholders allow us to incorporate their perspectives. We have also surveyed retail investors' views on Taaleri's sustainability efforts.
Personnel	• Personnel survey • Development discussions and pulse surveys • Occupational Safety Committee • Internal events	Taaleri conducts annual personnel surveys to assess attitudes and views on sustainability topics. Employee perspectives on job satisfaction, workload and related matters are also measured through periodic pulse surveys. The Occupational Safety Committee addresses sustainability issues in the workplace with employee representatives.
Partners	• Partner Code of Conduct • Solar Stewardship Initiative (since 2025)	We ensure that our partners commit to key obligations and principles by incorporating sustainability clauses into cooperation agreements, either through the Group's Partner Code of Conduct or corresponding documents at the business level. Alternatively, we verify that partners' policy documents do not conflict with Taaleri's corresponding policies. Since 2024, this approach has been applied to all significant and ongoing agreements involving the Group, its subsidiaries and funds classified as Article 9 of the EU SFDR.
Authorities	• Influencing and monitoring regulatory developments through industry associations • Regulatory supervision by FIN-FSA	Stricter regulations on sustainability increase requirements for managing and disclosing sustainability practices. We maintain dialogue with regulatory authorities to ensure compliance with these requirements.



Increasing assets under management strengthens positive societal impact



In 2024, Taaleri focused on growing its private asset management business, advancing its impact initiatives and developing new business areas while driving internationalisation. During the year, we expanded the size of the Taaleri SolarWind III Fund. Similar to SolarWind III, all our latest funds are guided by sustainability objectives, which we actively measure and report to investors.

In 2024, we continued to implement our strategy, which focuses on renewable energy, bioindustry and real estate, by increasing assets under management and enhancing the value creation and impact of our funds.

In renewable energy, our business raised its sixth fund, Taaleri SolarWind III, the largest renewable energy fund managed from Finland. At the end of 2024, the fund has invested in two projects. The fund also holds a development portfolio of 60 solar, wind and energy storage projects.

In the bioindustry business, we focused on scaling up and developing operations. In the real estate business, we revamped both the strategy and the team. The development and expansion of new private equity funds require time and front-loaded investments, which was reflected in Taaleri's results for 2024.

All new funds promote sustainable development and have defined sustainability objectives, the progress of which is measured and reported to fund investors. These funds are classified as SFDR Articles 9 or 8. Renewable energy production aligns with the EU Taxonomy. Assets under management increased to EUR 2.7 (2.6) billion in 2024.

The earnings of the Private Asset Management segment are based on assets under management.

EUR 2.7 billion
Assets under management

EUR 27.0 million
Continuing earnings and performance fees

At the end of 2024, assets under management in the Private Asset Management segment totalled EUR 2.7 billion, generating fees of EUR 27.0 million during the year. Of these, the majority – EUR 25.2 million – were continuing earnings, with the remainder being performance fees.

Different funds have slightly different earning models, which consist of management and performance fees. Typically, all or a large part of a fund's performance fee is realised on exit.

In new private equity funds, the management fee is usually earned for the first years based on the amount of the fund's investment commitments and, after the investment period, on the invested capital under management. Exits carried out after the fund's investment period reduce the assets under management. Where a fund exceeds its hurdle rate, it may distribute carried interest in accordance with the fund's rules. Taaleri assesses performance fees and their realisation quarterly, at which time performance fees are recognised as income if specific conditions are met. The final amount of the performance fee will be determined in connection with the exit of the fund or co-investment, at which point the performance fee is generally paid out.

In addition, Taaleri holds direct investments in companies operating in the bioindustry sector, where it can influence development through growth investments.

88% of Taaleri's assets under management were in funds promoting sustainability by the end of 2024

Article 8 funds

The fund promotes environmental and/or social sustainability factors

- Taaleri Housing Fund VIII
- Taaleri Rental Home Fund

Article 9 funds

The aim of the fund is to make sustainable investments. All investments must make a significant contribution to an environmental objective and must not cause significant harm to other objectives

- Taaleri SolarWind III
- Taaleri SolarWind II
- Taaleri SolarWind I
- Taaleri Wind IV
- Taaleri Wind III
- Taaleri Wind II
- Taaleri Bioindustry I

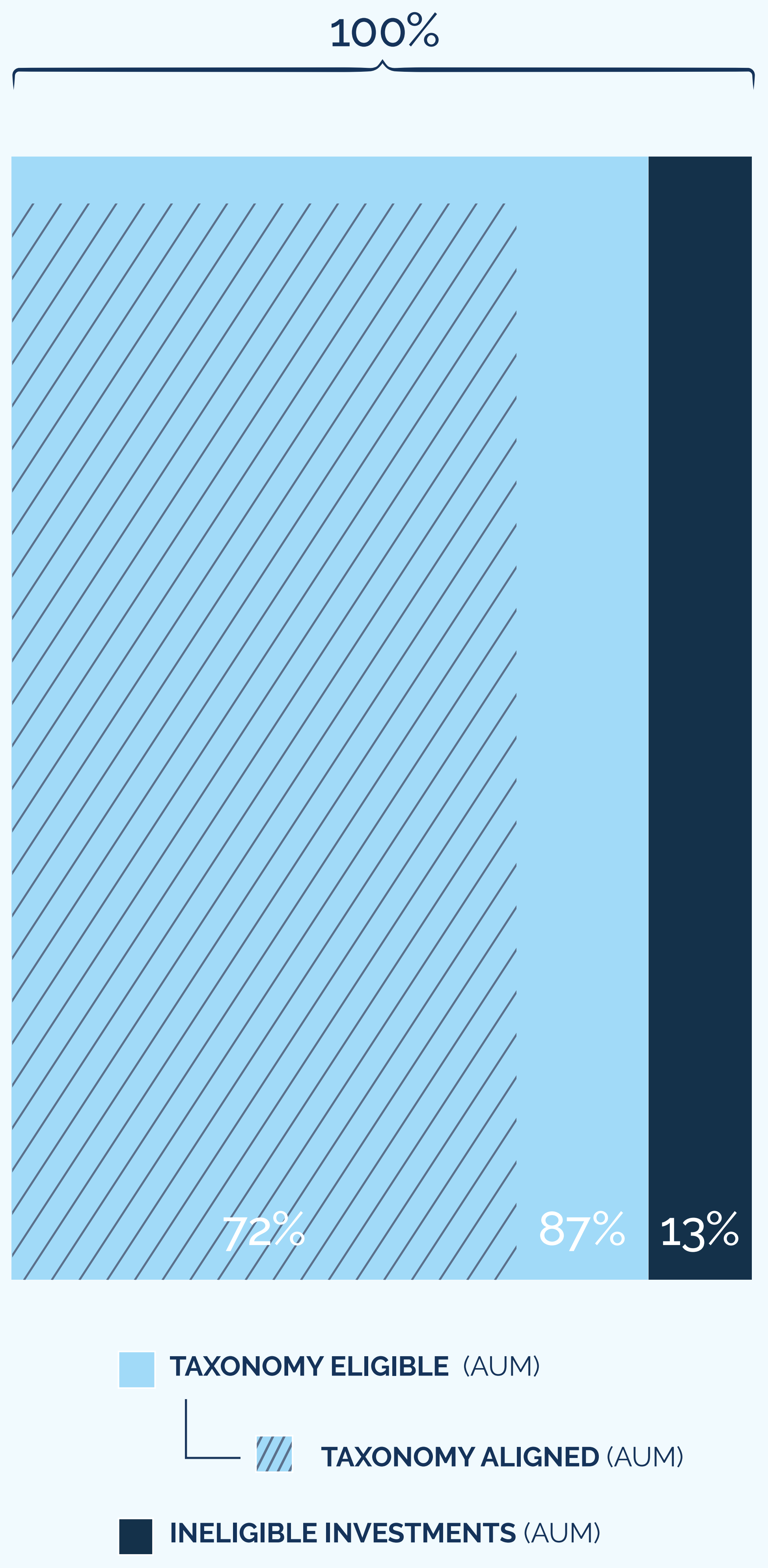
~88%

of Taaleri's AUM consists of financial products that are classified as Article 9 or 8 products under EU SFDR (excl. managed accounts)

100%

of Taaleri's new funds will be either Article 9 or 8 funds

Classification of Taaleri's investment products*



*EU taxonomy-aligned include funds in which, in line with their sustainability objective, minimum 90% of investments made are allocated to taxonomy-aligned investments. The eligibility assessment is indicative.

Our business relies on our key strenghts

Our operations build on three key pillars:

1) Integrated way of working: Strong track record in connecting capital, ideas, talent and entrepreneurship
2) End-to-end expertise: Professionals from engineers to financial experts with expertise across our entire value chain from developing, building and managing investments to exiting them
3) Diverse offering in impact and renewables: Unique product offering across multiple asset classes

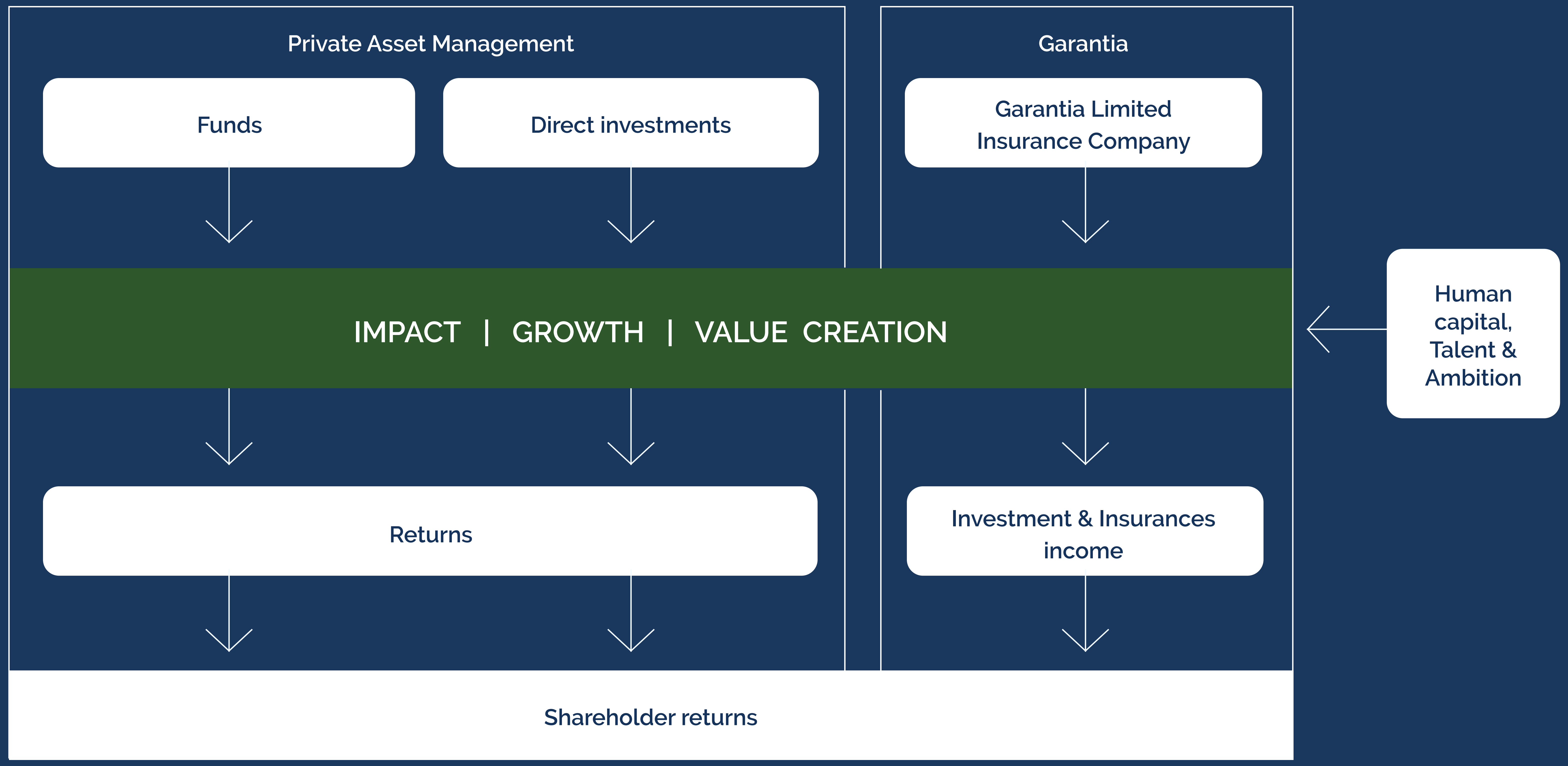
By combining our integrated way of working with our extensive expertise, we can have a positive impact on both the environment and society.

Sustainability throughout the fund lifecycle

Taaleri examines the sustainability risks and impacts of investments made by its funds over the entire lifecycle of the fund. Before establishing a fund, we assess its environmental and societal impacts, assign it a sustainability classification and define precise sustainability metrics. Before making an investment decision, we conduct an initial assessment of the fund's potential investment targets. If the potential targets pass the initial assessment, they advance to the due diligence stage. Taaleri also evaluates the sustainability impacts of its direct investments from its balance sheet before making an investment decision.

Sustainability considerations are incorporated into agreements, which shall align with our policies and comply with global conventions and agreements. We monitor the sustainability impacts and risks of investment targets, guiding their operations through active ownership, such as participating in renewable energy construction projects or influencing company boards. In addition, we commit investees to Taaleri's net-zero targets and Code of Conduct.

Taaleri's business model



Growth from the new fund

Taaleri Energia manages renewable energy private equity funds and a portfolio of wind, solar and battery energy storage system projects totalling 9.3 gigawatts across Europe and the United States.

During the year, the renewable energy business concentrated on fundraising for the Taaleri SolarWind III Fund and advancing its projects. By the end of the year, SolarWind III had raised EUR 481 million, surpassing the size of the earlier fully invested SolarWind II fund by 36%. Investors in the fund include the European Investment Fund, the European Bank for Reconstruction and Development (EBRD), Belgian KBC Verzekeringen (in collaboration with the European Investment Fund), an Austrian pension fund, a Swiss asset manager, Mutual Pension Insurance Company Varma, Finnish pension funds, foundations, family businesses and private individuals investing via Aktia, as well as Taaleri and the Taaleri Energia team.

Project development as the core of value creation

The investment strategy of Taaleri SolarWind III is to acquire, develop, construct and operate a portfolio of industrial-scale onshore wind farms, photovoltaic solar parks and battery energy storage systems (BESS). The fund's target markets are the Nordic countries, the Baltic countries, Poland, Southeast Europe, Spain and Texas. The fund's value creation partly stems from project portfolio development. The fund owns a project portfolio that at the end of 2024 included 60 projects that were mainly in the development phase. The net electricity production capacity of these projects is about 6 GW, which is roughly four times as much as the fund needs to invest its capital.

In addition to fundraising and project development for the newest fund, the renewable energy business focused on advancing projects under construction within the Taaleri SolarWind II and SolarWind III funds, operating completed projects across all funds and promoting exits from the older Wind II and Wind III funds.

Impact

Sustainability objectives:
Replacing fossil energy production, mitigating climate change

Avoided emissions:
Projects funded by Taaleri's renewable energy funds in 2024 avoided emissions of 673,779 tonnes of CO_2 equivalent (tCO_2e)*

Renewable energy production:
Generated 2.7 terawatt-hours of renewable energy, equivalent to the average annual energy consumption of 403,102 Finnish households

SFDR Article 9 funds:
Taaleri SolarWind III, Taaleri SolarWind II, Taaleri SolarWind I, Taaleri Wind Fund III, Taaleri Wind Fund II and Taaleri Wind Fund IV

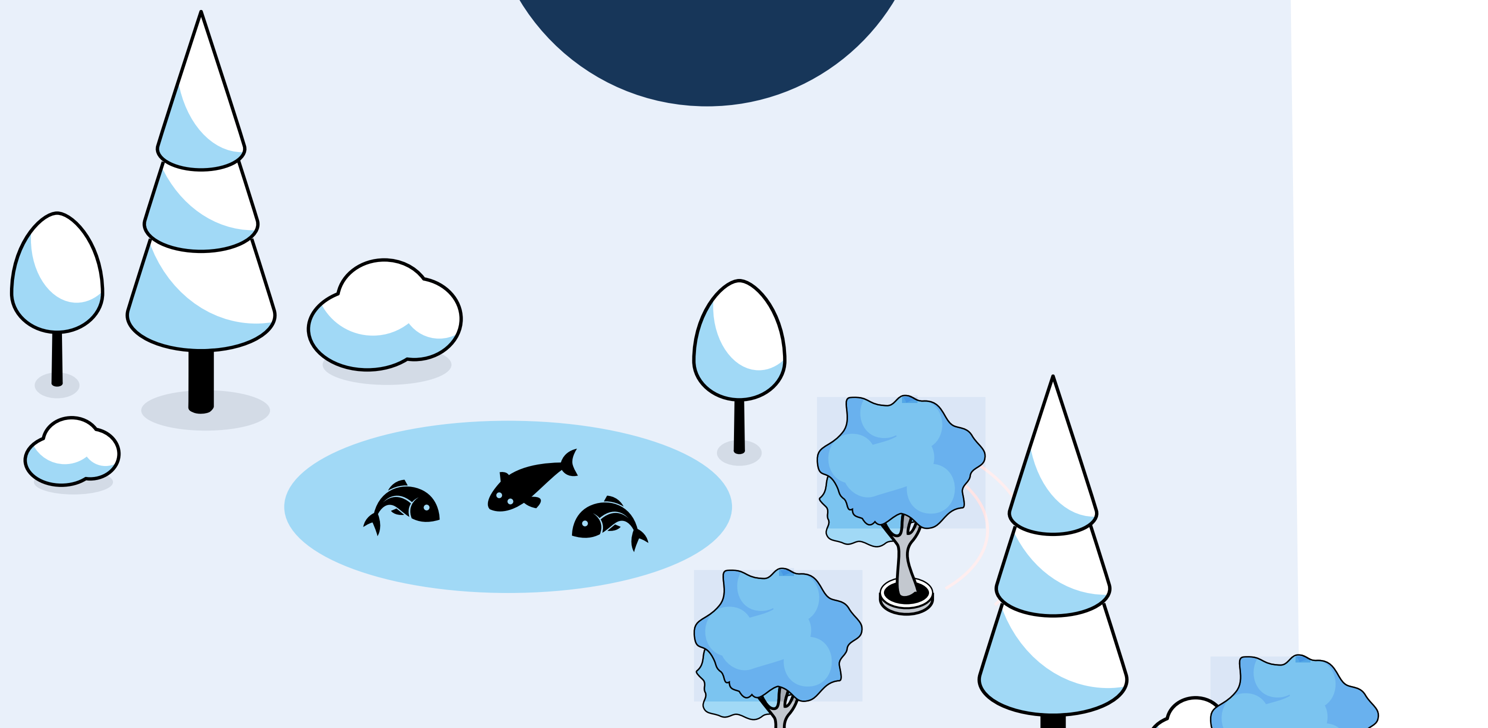
*The calculations are derived from project-specific data and follow the methodology established by the European Investment Bank.

**Includes Taaleri Energia funds' share of their investments' Scope 1–3 emissions.

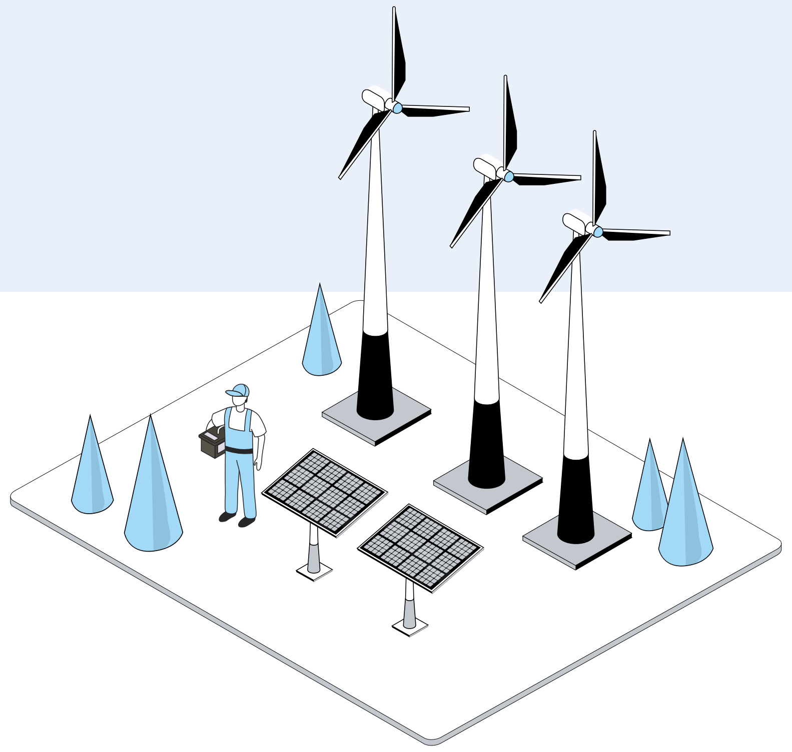
Impact metrics for Taaleri Energia's managed funds in 2024

673,779
tCO_2e estimated avoided emissions*

9,405
tCO_2e carbon footprint**

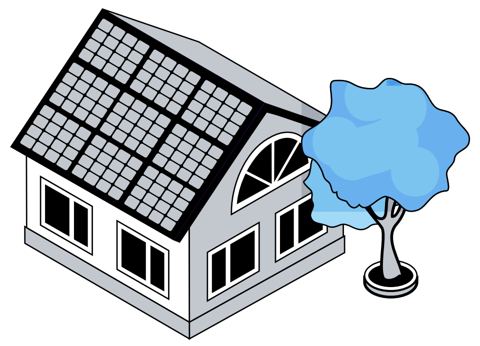


0%
of projects are located in biodiversity-sensitive areas



1.1
GW energy production capacity

2.7
TWh renewable energy produced



403,102
equivalent to the annual energy consumption of households

Case

Taaleri's first battery energy storage system commences operations

Taaleri Energia's first battery energy storage system began operations in November 2024. The Paistinkulma energy storage system is located in Lempäälä. It is a 30 MW/36 MWh energy storage system with capacity that can be doubled in the future.

The Paistinkulma energy storage system operates in the day-ahead and intraday electricity markets and provides several frequency reserve products on Fingrid's reserve markets. With its commissioning, Paistinkulma became Finland's largest battery energy storage system operating in the frequency reserve market. The energy storage system is based on lithium iron phosphate battery technology. The storage is charged when wind power is abundant and electricity prices are low. Energy is discharged into the electricity market when supply is limited, securing better prices for the electricity sold than at the time of charging. The batteries help stabilise electricity prices in the electricity exchange and reduce electricity production from non-renewable energy sources. They also ensure that electricity production and consumption remain balanced on the grid and that the grid frequency stays at 50 hertz.

"Battery energy storage systems are an essential part of the green transition in the energy system. The more wind power is built, the greater the need for batteries," says Ville Rimali, Investment Director for Energy Storage at Taaleri Energia.

Paistinkulma is an investment of the Taaleri SolarWind III fund, which is Taaleri Energia's sixth renewable energy fund and third international fund. The fund's investment strategy is to acquire, develop, construct, operate and exit a portfolio of utility scale onshore wind farms, photovoltaic solar parks and battery storage assets across the fund's target markets in Europe and the United States. Battery energy storage systems are a natural extension of renewable energy investments. They enable funds to stabilise returns and diversify risks.

Key figures for Paistinkulma battery energy storage system

30MW/36 MWh, capacity

39,936 battery cells

11,000 MWh, estimated annual production at full capacity

28,000 total working hours at the construction site*

0 lost time incidents*

*During the entire construction period

Advancements in bioindustry

In 2024, the bioindustry business concentrated on identifying new portfolio companies for its first fund, Taaleri Bioindustry I, advancing due diligence processes and executing investments. The fund invested in Enifer, a producer of fungi-based protein, and C2CA Technology B.V., a Dutch company upcycling waste concrete. The investments were the fund's fourth and fifth. About half of the fund's capital has now been invested.

The bioindustry business made progress with value creation initiatives within Taaleri Bioindustry I's portfolio companies. Nordic Bioproducts Group signed an extensive letter of intent with a Japanese industrial conglomerate. Colombier Group, in turn, continued the project to expand the production of biodegradable packaging materials at its plant in Pyhtää.

Over the course of the year, the team recruited four new professionals, further enhancing its investment capabilities and its capacity to commercialise international projects.

The bioindustry business prioritised completing a bioindustry plant in Joensuu producing torrefied biomass (biocoal). The facility was completed in December, with production ramping up thereafter. Additionally, the business explored launching biocoal production in Canada, where the conditions for production are deemed favourable.

The Fintoil biorefinery in Hamina, which processes crude tall oil, increased its production volumes. In 2024, the plant processed 36,960 tonnes of crude tall oil. Further refining of Fintoil's products provides raw materials for various products and applications, including biofuels, adhesives, binders, health and wellness products, fragrances and tyres.

Impact of Taaleri Bioindustry I

Sustainability objectives:
Promoting circular economy, replacing fossil and virgin raw materials, mitigating climate change

Carbon handprint:
Avoided emissions by replacing fossil-based materials or offering fossil-free solutions → 302 tCO_2e

Renewable raw materials:
75% of raw materials used were renewable → 75 %

Article 9 funds (SFDR):
Taaleri Bioindustry I → 107 MEUR AUM

Inclusion of biodiversity considerations:
Taaleri Bioindustry adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework, becoming one of the first to implement this reporting initiative

Case

Enifer builds new production facility with support of Taaleri's fund

The Taaleri Bioindustry I Fund is enabling Enifer to build its first industrial-scale production facility for manufacturing fungi-based protein i.e., mycoprotein, in Kantvik, Finland. The disused premises of a former sugar factory are being repurposed for Enifer's use. In autumn 2024, the building was prepared for equipment installation. Taaleri Bioindustry has been actively supporting Enifer during the design and procurement phases.

"We have, among other things, recommended equipment suppliers, supported the optimisation of the facility's investment costs, proposed human resources for the company and identified solutions for addressing production bottlenecks," says Iiro Tiilikainen, Project Director at Taaleri Bioindustry.

Taaleri Bioindustry's technical expertise and support helped find solutions that enabled Enifer to achieve significant cost savings.

"It is exceptional to find an investor that has as much experience in industrial-scale investment as Taaleri Bioindustry does. When we at Enifer were selecting anchor investors for the construction of our new production facility, it was essential to find an investor skilled in executing and scaling industrial projects," says Simo Ellilä, CEO and Founder of Enifer.

"In addition to capital, Taaleri Bioindustry has brought valuable expertise and networks to the project," Ellilä says.

The PEKILO® mycoprotein produced by Enifer has several applications. It can be used, for example, as a raw material in the food industry, in animal feed and aquafeed, and in pet food production. The Kantvik production facility is set to manufacture protein from the lactose by-product (milk sugar) of Valio's dairy production for use as a raw material in the food industry.

The Taaleri Bioindustry I was one of the first private equity funds in Finland classified as an Article 9 fund under the EU's Sustainable Finance Disclosure Regulation, meaning the fund makes only sustainable investments. The fund invests in industrial-scale production facilities and companies that can accelerate the scaling of bioindustry production, replace fossil-based raw materials and products, and promote the circular economy.

Key figures for the Enifer investment 2024

EUR 33 million, total investment in Enifer's production facility*

3,000 tonnes, production capacity of the facility

2.8 kg CO_2e, carbon footprint of PEKILO® mycoprotein per kg of protein produced**

3.2 kgCO_2e , carbon handprint of PEKILO® mycoprotein per kg of protein produced**

*Total investment of the plant; the investment of the Taaleri Bioindustry I Fund was not specified.
**The values presented are based on third-party verified LCA calculations from which the data has been adjusted to the annual production volumes. The numbers presented have not been modified to account for the fund's share of the carbon footprint or carbon handprint, but they represent the total emissions. The carbon footprint of PEKILO® mycoprotein is compared to soy protein.

A new chapter for real estate

In 2024, Taaleri's real estate business focused on developing a new strategy and strengthening its team under the leadership of a new managing director. The restructured organisation approached the development of investment products with a fresh perspective, aiming to capitalise on transformations in the real estate market and the prevailing market cycle. With a revised mission and new expertise, the business was well-positioned to identify and advance attractive investment opportunities across various sectors. Additionally, the team successfully completed refinancing initiatives in multiple funds.

Property management activities were dynamic, involving renegotiation and renewal of leases as well as further property enhancements through renovations and energy efficiency projects. Examples of proactive measures include modernising building automation systems and upgrading ventilation units, which improve energy efficiency and create value.

Taaleri's real estate business continued to provide high-quality rental housing in growth centres. In November 2024, a new residential building was completed in the Sitadelli neighbourhood of Vuosaari, Helsinki, under the latest Taaleri Housing Fund VIII. The building combines effortless, energy-efficient rental living with a natural setting and excellent transport links.

Impact

Promoted sustainability factors:
E.g. energy efficiency and accessibility of housing

Built housing:
At the end of 2024, 874 affordable rental apartments had been built (Taaleri Rental Home Fund). Taaleri's real estate funds had built a total of 1,097 rental apartments by the end of 2024

→ 1,097 rental apartments

Article 8 funds (SFDR):
Taaleri Housing Fund VIII, Taaleri Rental Home Fund

→ 265 MEUR AUM

Case

61 new affordable rental homes built for the Rental Home Fund

In 2024, 61 new rental homes were completed for the Taaleri Rental Home Fund when the fund's final construction project was completed early in the year. By the end of 2024, the fund had developed 16 investment properties providing affordable rental homes in Finland's growth centres. The homes are located in the Helsinki Metropolitan Area and its surrounding municipalities, in Tampere and its surrounding municipalities, as well as in Turku, Jyväskylä and Oulu. The investment properties include homes of various sizes, ranging from studios to family apartments. Some properties are government-subsidised (ARA) rentals, while others are privately financed. ARA rental homes have income limits in accordance with ARA regulations.

Taaleri designed and established the fund in 2017 based on investor preferences to address societal challenges. The fund's investors include trade unions, and it has facilitated the production of new, high-quality and affordable rental homes in desirable locations, meeting the housing needs of low-income sectors. It is a low-risk fund centred on impact.

The fund has also developed properties in areas where new rental homes have not been built for some time. For instance, in Ylöjärvi near Tampere, there has been significant demand for high-quality and comfortable rental homes. According to the Fund Manager, Jan Hellman, when the Rental Home Fund's property in Ylöjärvi was completed in 2020, the homes were rented out immediately. Although tenant turnover in the rental housing market has increased significantly in the past couple of years, Hellman notes that turnover in the Rental Home Fund's properties has remained unchanged.

Key figures for the Taaleri Rental Home Fund 2024

874 affordable homes with EPC rating A or B

10–15% lower rent level*

96% occupancy rate

35% annual tenant turnover

+51 resident satisfaction, NPS**

*Target level. Rental level relative to properties of the same age in the same area.

** Net promoter score in move-in survey. NPS scale -100 to +100.

Profitable insurance business

Garantia Insurance Company specialises in credit risk insurance, providing efficient and cost-effective guarantee solutions for consumers, businesses and financiers.

In 2024, Garantia focused on developing its mortgage guarantee business. On the corporate side, the company strengthened its offering for medium-sized and large enterprises and developed new structured guarantee products, particularly targeting international credit insurance markets.

Challenging conditions in the housing market significantly impacted the number of new mortgage guarantees issued in 2024. Nevertheless, Garantia's insurance business maintained positive development, supported by stable premium income and low claims incurred. The combined ratio describing the profitability of insurance operations remained at a solid level of 24.9%. The insurance service result improved from the previous year by 4.8%.

Garantia achieved excellent net income from investment operations in 2024, with return on investments at fair value of 10.3%. Contributing factors included declining market interest rates during the year and successful portfolio reallocation, which increased the weighting of equity investments and extended the duration of fixed-income investments. The international credit rating agency Standard & Poor's affirmed Garantia's A- credit rating with a stable outlook in December 2024, reflecting the company's reliability and strong capital adequacy.

Impact

Objectives:
Accessibility of housing

New homes:
In 2024, Garantia's guarantee insurance operations facilitated the creation of approximately 7,500 new homes in Finland → 7,500 homes

Governance and sustainability

Responsible management of the business

Roles of governance, leadership and oversight bodies

Taaleri's highest governance, leadership and oversight bodies comprise the Executive Management Team and the Board of Directors, along with its committees. The Executive Management Team is responsible for operational management, while the Board is non-executive. Members of the Board form the Audit Committee and the Remuneration Committee. Additionally, in 2019 the General Meeting resolved to establish a Shareholders' Nomination Committee. Employees do not have representation on the Executive Management Team or the Board of Directions. Information regarding the number, diversity and independence of members of the Executive Management Team and the Board of Directions is presented in the "Sustainability reporting and key figures" section.

The composition of the Executive Management Team and the Board of Directions reflects experience and diversity relevant to Taaleri's business sectors, offerings and geographical presence. For example, the Executive Management Team includes representatives from major businesses and Group functions. The Nomination Committee evaluates the competence of Board members and nominees and prepares the principles governing Board diversity.

The Executive Management Team, Audit Committee and Board of Directions are responsible for monitoring, managing and overseeing the impacts, risks and opportunities through governance processes, controls and procedures, in accordance with general duties and the Code of Conduct. Responsibilities are described in the Charter of the Board of Directors and other operational principles, including the Corporate Governance Statement and the Sustainability Policy.

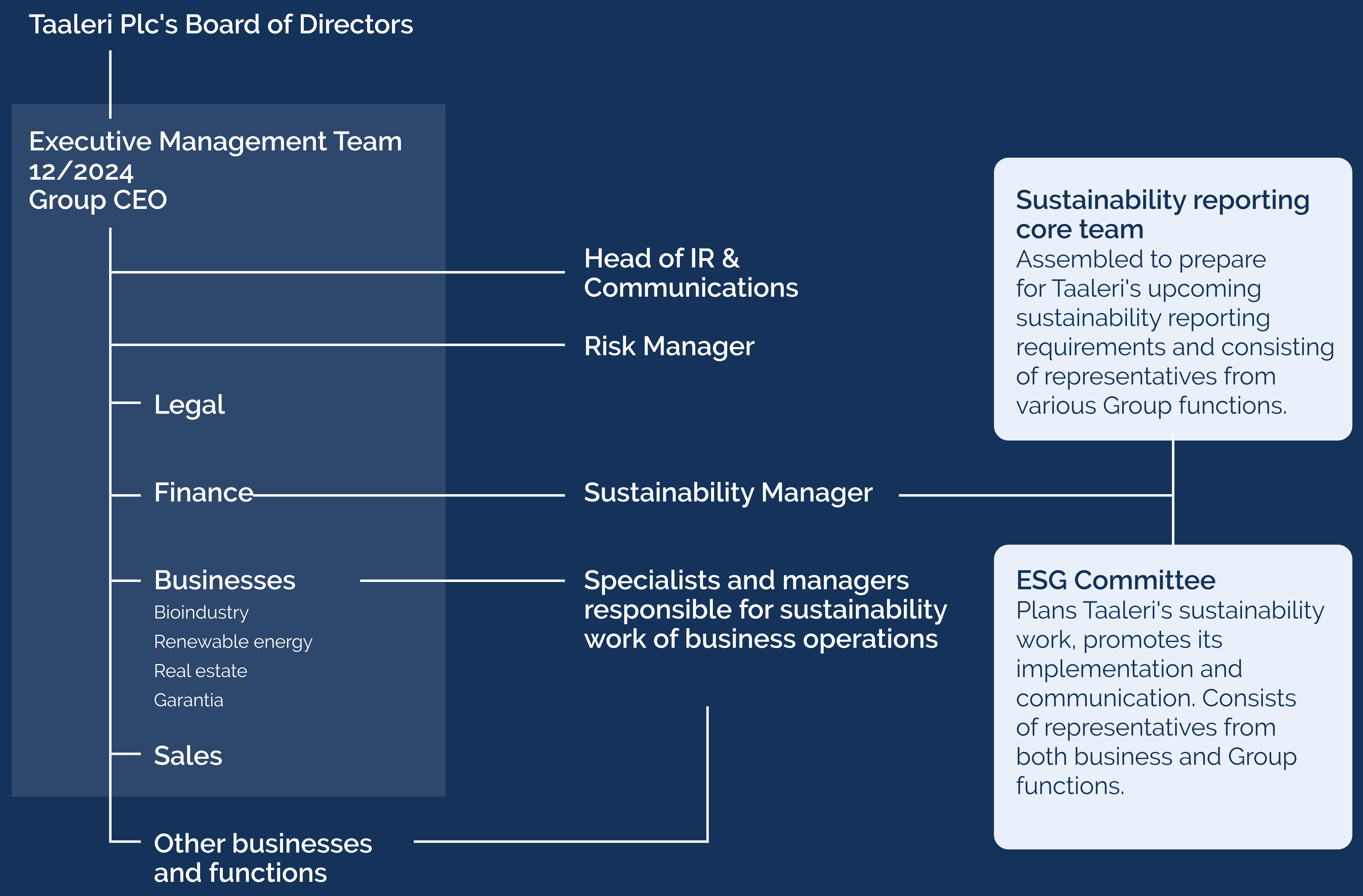
The Board of Directors and its committees contribute to guiding and ensuring Taaleri's sustainability work. The Audit Committee monitors and oversees the development and procedures of the company's sustainability efforts, providing information to the Board as needed. For example, top-level policies are discussed by the Audit Committee and approved by the Board of Directors.

The management is committed to leading, developing, resourcing and monitoring the progress of Taaleri's sustainability work. Within the Executive Management Team, a designated member is responsible for sustainability and ensures regular and appropriate communication on sustainability matters to the Executive Management Team and the Board of Directions. The business directors and alternative investment fund managers (AIFMs) ensure that internal and external obligations are met in their business and manage its sustainability work. They facilitate regular and appropriate communication on sustainability matters to the Executive Management Team and/or the Board of Directions, which approves principle-level documents for specific businesses or AIFMs.

Every Taaleri employee is responsible for adhering to the practices described in the Group's policies and the sustainability policies and principles of their respective business units, as well as completing mandatory training.

Details of the experience of members of the Executive Management Team and Board of Directions are presented in the "Board of Directors" and "Executive Management Team" sections, the Corporate Governance Statement 2024 and on our website.

Sustainability management



Purpose and vision

Taaleri's purpose is to integrate deep industrial and financial expertise with capital to deliver strong returns for stakeholders and build a better future. Taaleri's vision is to become one of the leading international investors in bioindustry and renewable energy.

Values

Taaleri's values are: "With know-how, skills and will", "Dare to succeed" and "Support each other." Our values form the foundation of our work, guiding Taaleri employees to act with integrity and showing how we aspire to treat one another. A detailed description of these values is available on our website.

Code of Conduct

Taaleri's Code of Conduct complements our values, outlining the ethical principles that guide our actions. The Code of Conduct forms the basis for all Taaleri Group's operations. It is available in the document archive of our website.

Policies, guidelines and training

The implementation of sustainability and responsibility is supported by Group-level and business-specific policies and guidelines, as well as process descriptions. Taaleri Plc's Board of Directors has approved key policies, including the Sustainability Policy, Sustainability Risk Policy and Personnel Policy. These, along with other key policy and principle documents and the Code of Conduct, are available in the document archive on our website.

At Taaleri, competence development solutions are based on the strategy and business-specific goals. In addition to these, the aim is to provide guidance based on individual learning pathways and requirements. Training related to business operations in 2024, including its audience, frequency and scope, is described in the "Personnel and social responsibility" and "Sustainability reporting and key figures" sections. Principles regarding training and competence of personnel are further detailed in Taaleri's Personnel Policy.

Board of Directors 31.12.2024

Juhani Elomaa

Born: 1960
Main occupation: Taaleri Plc, Chair of the Board
Education: MSc (Pol.), eMBA

Chairperson of the Board, member of the Board since 2019.
Independent of the company and its major shareholders
Shares in Taaleri Plc on 31 December 2024: 1,681,190 pcs

Key work experience:
Taaleri Plc 2007–2019, CEO
Sampo Bank Plc, Member of the Management Board 2006–2007, Head of Mandatum Private Bank 2005–2007
3C Asset Management 2000–2005, Managing Director and Partner
OKO Bank Plc 1997–2000, Member of the Board 1998–2000, Head of Capital Markets 1997–2000
Erik Selin Finance Ltd 1995–1997, Managing Director
Erik Selin Bankers Ltd 1990–1995, Managing Director

Other positions of trust:
Projekti GH Oy 2024–, Member of the Board
Fintoil Oy 2020–, Member of the Board
SRV Plc 2017–2019, Member of the Board, Member of the Audit Committee
Garantia Incurance Company Ltd 2015–2018, Vice Chair of the Board
Finsilva Ltd 2014–2015, Member of the Board

Elina Björklund

Born: 1970
Main occupation: Ebit Oy, Managing Director
Education: M.Sc. (Econ), IDBM pro (International Design Business Management -program)

Member of the Board since 2019
Independent of the company and its major shareholders
Shares in Taaleri Plc on 31 December 2024: 12,000 pcs

Key work experience:
Reima Group Ltd 2012–2023, CEO
BletBI Advisors Shanghai China 2011–2012, Partner & Director Management Consultancy
Ebit Ltd 2010–, Managing Director, Founding Partner
Fiskars Home 2009–2010, VP, Head of Marketing
Iittala Ltd 2004–2009, various leadership roles
Merita Securities (current Nordea bank) 1994–1999, Equity Analyst 1994–1997, Chief Equity Analyst 1997–1999

Other positions of trust:
Nokian Tyres Plc 2024–, Member of the Board, Chair of the People and Sustainability Committee
Reima Group Ltd 2024–, Chair of the Board
LSR - Foundation for Economic Education 2019–, Chair of the Commission
Urlus Foundation 2018–, Member of the Board
EVA - The Finnish Business and Policy Forum 2016–, Member of the Commission
Aalto University, Helsinki School of Economics Foundation Corporate Advisory Member of the Board 2013–, Vice Chair 2018–
Infinited Fiber Company Ltd 2022–2024, Member of the Board
Marimekko Plc 2011–2022, Member of the Board 2011–2015, Vice Chair 2015–2022
Business Finland 2018–2021, Member of the Management Board
Finnair Plc 2009–2012, Member of the Board

Juhani Bonsdorff

Born: 1972
Main occupation: Investor, Stretta Capital Oy, Managing Director
Education: Ph.D. (Mathematics), University of Oxford

Member of the Board since 2024
Independent of the company and its major shareholders
Shares in Taaleri Plc on 31 December 2024: 0 pcs

Key work experience:
EQT Partners 2008–2015, Global Co-head of Core Infrastructure, Head of Infrastructure, Finland
Mandatum & Co 2004–2008, Executive Director, Senior Partner
McKinsey & Company 1996–1999 & 2002–2004, Engagement Manager

Other positions of trust
Taaleri Energia group companies, Member of the Board 2021–, Independent member of the Investment Committee 2017–
Vaaka Partners Oy 2017–2022, Member of the Board

Petri Castrén

Born: 1962
Main occupation: Kemira Plc, CFO
Education: LL.M., MBA (University of Connecticut, USA)

Member of the Board since 2020
Independent of the company and its major shareholders
Shares in Taaleri Plc on 31 December 2024: 4,000 pcs

Key work experience:
Kemira Plc 2013–, Chief Financial Officer 2013–, Interim President & CEO 7/2023–2/2024
Nokia Siemens Networks 2007–2013, Head of Corporate Finance 2008–2013, Head of Corporate Development 2007–2008
Nokia Group 1996–2007, various financial management and leadership roles including Vice President and Head of Mergers & Acquisitions (USA, Finland)
Skopbank 1988–1996, various corporate finance positions (Finland, USA)

Other positions of trust:
Vaisala Corporation 2017–, Member of the Board and Member of the Audit Committee
Varma Mutual Pension Fund 2013–, Member of the Supervisory Board
The Chemical Industry Federation of Finland 2015–, Deputy member of the Board
Neliapila Pension Fund 2013–, Chair of the Board

Leif Frilund

Born: 1953
Main occupation: Walki Group, President & CEO
Education: M.Sc. (Chemical engineering)

Member of the Board since 2024
Independent of the company and its major shareholders
Shares in Taaleri Plc on 31 December 2024: 0 pcs

Key work experience:
Walki Group, President & CEO 2007–
BTG Group 2006–2007, President & CEO
Ahlstrom Corporation 2003–2006, Division President / Senior Vice President Specialities – Technical Papers, Member of the Corporate Executive Team
Albany Fennofelt Oy 1995–1998, Managing Director, Dryer fabrics division – Albany Europe, Marketing Director
Ahlstrom Paper 1986–1995, various leadership roles

Other positions of trust:
Walki Group Oy 2018–, Member of the Board 2018–, Chair of the Board 2024–
Pankaboard Oyj 2024–, Member of the Board
Finnish-British Trade Association 2023–, Chairperson
Oy Mini-Maid AB 2022–, Member of the Board
Pyroll Packaging Group Oy 2021–, Member of the Board
Algol Chemicals Oy 2020–, Member of the Board
Åbo Akademi University Foundation 2018–, Delegation member
Indeva Oy 2018–, Member of the Board
Quva Oy 2018–, Member of the Board
Nordtreat Group 2020–, Chair of the Board
4E Antenna Finland Oy 2019–, Chair of the Board

Hanna Maria Sievinen

Born: 1972
Main occupation: Independent Advisor
Education: D.Sc. (Econ.)

Deputy Chairperson of the Board, member of the Board since 2016
Independent of the company and its major shareholders
Shares in Taaleri Plc on 31 December 2024: 7,900 pcs

Key work experience:
Independent Advisor 2014–
A number of management positions in Finland, India and Germany, Nokia 2000–2014
Scandinavia Enskilda Banken 1999–2000
Investment Banking & Corporate Finance, Enskilda Securities 1997–1999

Other positions of trust:
Koskisen Oyj 2015–, Member of the Board 2015–, Vice Chair 2024–
Futurice Oy 2019–2024, Chair of the Board
Member of the Securities Market Association's Takeover Board 2021–
Aalto University 2024–, Member of the Board 2024–
Member of the Listing Committee of Nasdaq Helsinki 2024–
PrivacyAnt Oy 2017–2023, Member of the Board
Veikkaus Oy 2017–2023, Member of the Board 2017–2023, Chair of the Audit and Sustainability Committee 2021–2023
Cinia Oy 2015–2020, Member of the Board, Vice Chair
Demos Helsinki Oy 2018–2019, Member of the Board
Light Cognitive Oy 2015–2019, Member of the Board
Suomen Rahapaja Oy 2012–2015, Member of the Board 2012–2015, Chair of the Board 2015–2018
FRV Oy 2015–2017, Member of the Board

Executive Management Team 31.12.2024

Ilkka Laurila
CEO of Taaleri Plc (since 9 January 2025) & Interim Managing Director, Taaleri Bioindustry

CFO of Taaleri Plc (until 9 January 2025)

Born: 1977
Education: MSc (Economics and BA), MSc (Forestry, Forester)

Employed by Taaleri since 2024
Shares in Taaleri Plc on 31 December 2024: 21,812 pcs

Relevant Work Experience:
Taaleri Plc, CEO, 2025–
Taaleri Plc, CFO, 2024–2025
Plugit Finland Oy, CFO, 2023–2024
Magsort Oy, Interim CFO, 2023
Terveystalo Plc, CFO & various leadership roles, 2012–2022
Inspira Oy, Associate Director, Head of M&A Services, 2010–2012
Ernst & Young Oy, various leadership- & analyst roles, 2006–2010

Henrik Allonen
Managing Director, Garantia Insurance Company Ltd

Born: 1983
Education: MSc (Econ.)

Employed by Taaleri since 2019
Shares in Taaleri Plc on 31 December 2024: 703 pcs

Relevant Work Experience:
Garantia Insurance Company Ltd, Managing Director, 2024–
Garantia Insurance Company Ltd, Deputy Managing Director, 2021–2023
Garantia Insurance Company Ltd, Chief Financial & Risk Officer, 2019–2023
Finnvera Plc, Head of Credit Risk Analysis, 2016–2019
Länsi-Uudenmaan OP Cooperative Bank, Chief Financial & Risk Officer, 2011–2016
Pohjola Bank Plc, Credit Risk Analyst, 2008–2011

Pasi Erlin
General Counsel

Born: 1976
Education: LL. M.

Employed by Taaleri since 2022
Shares in Taaleri Plc on 31 December 2024: 0 pcs

Relevant Work Experience:
Taaleri Plc, General Counsel 2022-
CapMan Plc, Senior Legal Counsel, 2020–2022
CapMan Plc, Interim General Counsel, 2016–2018
CapMan Plc, Legal Counsel, 2011–2016, 2018–2020
Aval Ltd Family Office, Legal Counsel, 2010–2011
Hannes Snellman Attorneys at Law Ltd, Attorney at Law, Associate Lawyer, 2005–2009

Mikko Ervasti
Head of Capital Development & Partnerships

Born: 1982
Education: BA (Finance & Economics)

Employed by Taaleri since 2022
Shares in Taaleri Plc on 31 December 2024: 14,980 pcs

Relevant Work Experience:
Taaleri Plc, Head of Capital Development & Partnerships, 2022–
SEB, Fundamental Senior Nordic Equity Sales, 2018–2022
Nordea, Senior Equity Research Analyst, 2017–2018
DNB Bank, Senior Equity Research Analyst, 2015–2017
EVLI Bank, Equity & Credit Analyst, 2007–2009, 2011–2015
Third Bridge, Research Manager, 2010–2011
Morgan Stanley & Co International, Equity Research Associate, 2009–2010
Goldman Sachs International, Analyst, 2005, 2006–2007

Mikko Krootila
Managing Director, Real Estate

Born: 1987
Education: MSc (Tech.)

Employed by Taaleri since 2024
Shares in Taaleri Plc on 31 December 2024: 499 pcs

Relevant Work Experience:
Taaleri Real Estate, Managing Director 2024–
Helix Real Estate, Managing Partner, 2021–2023
Logicor, Portfolio Director (Nordics), 2017–2021
Logicor, Investment Manager, 2015–2017
Certeum, Investment Manager, 2014–2015
Sponda, Assistant Fund Manager, 2014
Sponda, Portfolio Analyst, 2012–2013

Peter Ramsay
CEO of Taaleri Plc until 9 January 2025

Born: 1967
Education: MSc (Econ.)

Employed by Taaleri since 2021
Shares in Taaleri Plc on 31 December 2024: 43,478 pcs

Relevant Work Experience:
Taaleri Plc, CEO 2021–2025
Veikko Laine Oy, Chief Investment Officer and Chief Financial Officer 2014–2021
Fim Oyj, Group CIO 2013–2014
Fim Oyj, Group CEO 2011–2013
Avenir Fund Management LCC, Founder and CEO 2000–2011
Enskilda Securities (SEB AB), Global Head of Trading 1999–2000
Enskilda Securities (SEB AB), Head of Equities, Helsinki 1997–2000
Enskilda Securities (SEB AB), Head of Trading, Helsinki 1995–1997
Alfred Berg Pankkiiriliike Oy ja Alfred Berg Fondkommission AB, Derivatives and equity sales, Stockholm 1992–1995
Alfred Berg Pankkiiriliike Oy and Alfred Berg Fondkommission AB, Options and equity sales, Helsinki 1991–1992
Opstock Pankkiiriliike Oy, Analyst and derivatives sales 1990–1991

Kai Rintala
Managing Director, Renewable Energy

Born: 1975
Education: PhD Construction Management

Employed by Taaleri since 2016
Shares in Taaleri Plc on 31 December 2024: 0 pcs

Relevant Work Experience:
Taaleri Energia, Managing Director 2016–
KPMG, Helsinki, Finland, Director, Infrastructure and Projects Group 2010–2016
KPMG London, United Kingdom, Associate Director, Infrastructure and Projects Group, 2008–2010
KPMG London, United Kingdom, Manager, Infrastructure and Projects Group 2005–2010
University of Cape Town, South Africa, Postdoctoral researcher, 2004–2005
University College London, United Kingdom, Assistant, 2002–2004

Tero Saarno
Director (Investments and Projects), Bioindustry

Syntynyt: 1981
Education: M.Sc. (Tech) Energy Technology, B.Sc. Geothermal Engineering

Employed by Taaleri since 2021
Shares in Taaleri Plc on 31 December 2024: 1,763 pcs

Relevant Work Experience:
Taaleri Bioindustry, Director 2021–
St1, Production Director 2014–2020
Flow Energy Experts, Entrepreneur 2017–
Fundacon, Project Director, 2013–2015
Jyväskylän Energia -yhtiöt (currently Alva-Yhtiöt), Production Director 2009–2013
Enprima / ÅF Consult (currently AFRY), various roles, among others project engineer and commissioning manager, 2004–2009

Assessment of Taaleri's material sustainability topics

In 2024, Taaleri updated its materiality assessment, identifying climate change, own workforce-related matters and business conduct as the most material sustainability topics. Taaleri's operations have a direct and indirect impact on the environment or people and these sustainability topics present risks or opportunities for Taaleri's business. Taaleri's sustainability work and reporting focus on these topics, however the Group also considers and evaluates sustainability matters more broadly.

Sustainability topics assessed and presented in a matrix format

Taaleri's materiality matrix describes materiality from the perspective of the sustainability risks and opportunities related to Taaleri Plc (financial materiality), and from the perspective of the environmental and social impacts of our operations (impact materiality). The impacts may be negative or positive and actual or potential. Impacts, risks and opportunities may relate directly to Taaleri's operations or indirectly to our value chain over the short or long term. The symbols in the matrix (circles and squares) indicate the primary perspective, though other types of impacts may also be associated with the topic at various stages of the value chain.

The assessment of material sustainability topics updated in 2024 aims to consider the double materiality principle as outlined in the European Sustainability Reporting Standard (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). Taaleri will review and refine its materiality assessment annually.

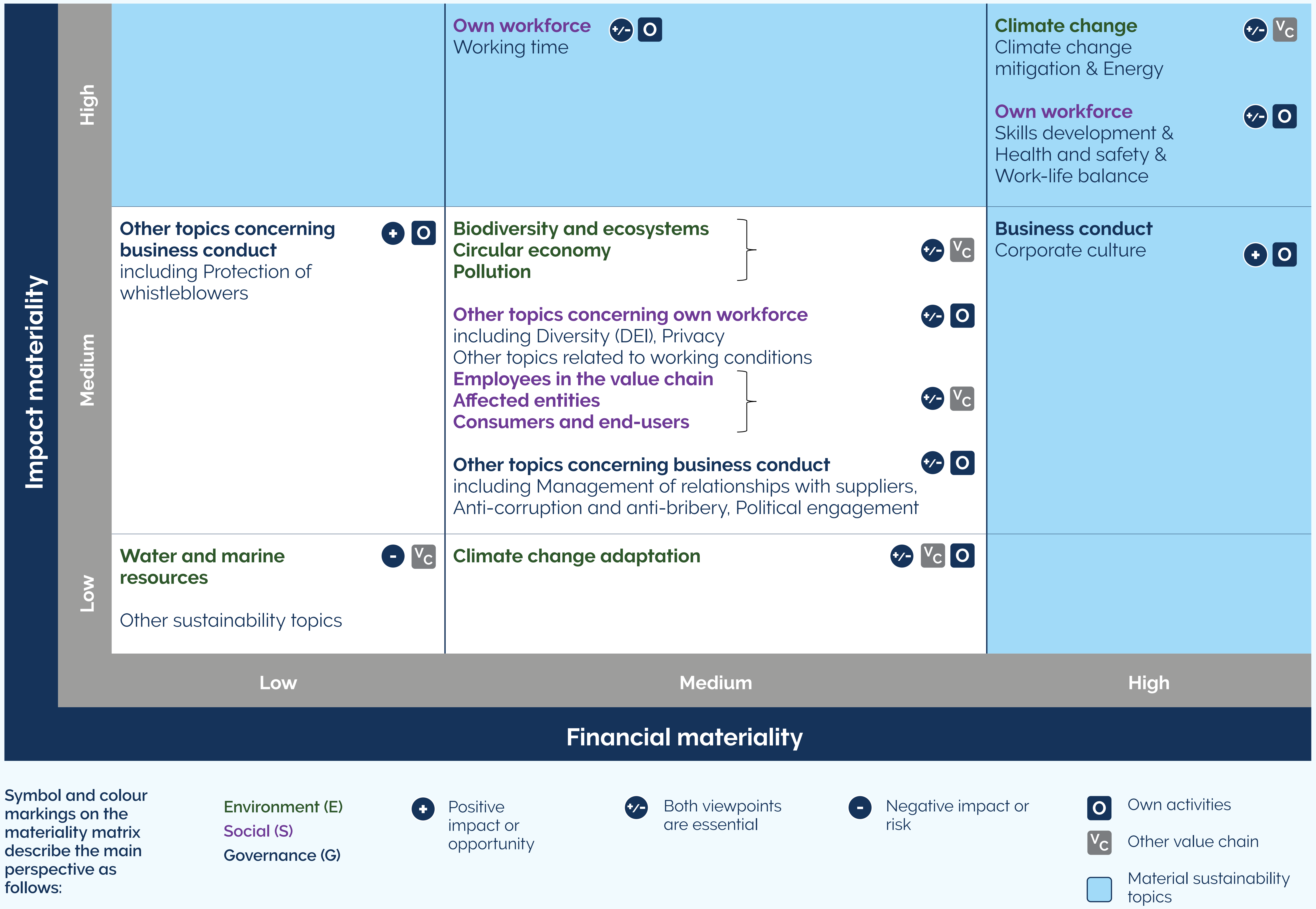
Process for the assessment of material sustainability topics in 2024

In 2024, the process to assess material sustainability topics involved an internal evaluation through comprehensive workshops and a personnel survey, complemented by an external science-based data analysis conducted by Upright. The findings from these methods were consolidated by internal subject matter experts and approved by the Executive Management Team. The process leveraged prior assessments of sustainability impacts, risks and opportunities at the Group, business, fund, investment, and guarantee insurance exposure levels.

While the scope and terminology of identified material sustainability topics have evolved, they still include themes previously deemed material. The materiality assessment will be updated during 2025.

For further details on material sustainability impacts, risks and opportunities, refer to the accompanying table, subsequent sections and the Note 35 to the Financial Statements (Group's internal control and risk management principles).

Taaleri's materiality matrix



Taaleri's sustainability impacts, opportunities and risks

	Material topics	Positive impacts	Negative impacts	Opportunities	Risks
E	**Climate change mitigation and energy production in the value chain**	**Achieving emission reductions and avoidance and improving energy efficiency in investments** • Replacing conventional energy production with renewable energy • Replacing conventional materials with less emission-intensive alternatives • Adoption of energy efficiency solutions **General impacts** Renewable energy contributes to electrification. Renewable and resource-efficient solutions and electrification are needed in a circular economy that aims to strengthen nature and the stability of societies. We influence these topics along the value chain, for example through partners and customers.	**Greenhouse gas emissions and energy consumption** • Emissions and energy consumption throughout the value chain **General impacts** Climate change caused by emissions and changes in the environment caused by energy production affect, for example, biodiversity, ecosystems and people, and through them the state of nature and the stability of societies.	**Green transition** • Programmes and objectives of public actors • Increased awareness and expectations of customers, financiers, consumers and employees **Financial impacts** Opportunities created through participation in the Green Transition can lead to, for example, increased demand for products, improved valuation of investment opportunities, and reduced cost of capital and recruitment costs.	**Physical risks** • Acute and chronic weather-related risks damage and accidents to investment and guarantee objects **Transition risks** • Erroneous or uncertain forecasts relating to, for example, regulatory and technological developments, customer preferences, availability of resources and other market changes • Failed investments in new technologies • Failure to prepare and implement to meet data and climate targets • Failure to adapt to climate change mitigation **Financial impacts** Physical and transition risks can cause, for example, difficulties in raising funds for Taaleri, slowing down the production and depreciation of investment assets, and increasing costs through the value chain.
S	**Skills & competence development, health & safety, work-life balance, working time**	**Developing skills and promoting well-being** • The growing potential of employees to create value for customers and society and to develop personally • Motivated and engaged employees **General impacts** Employers can influence their employees by creating a corporate culture that supports skills development, provides meaningful and flexible work and enables them to contribute to their daily work. These factors contribute to employee well-being and job satisfaction. In addition, skills development increases the potential of employees to create added value.	**Workload** • Poor work-life balance, absence and disability due to heavy workload **General impacts** Demanding, specialist work can increase the mental strain of the job, leading to poor work-life balance an increased risk for stress-related illnesses.	**Competitiveness and attractiveness of the workplace** • Realising the full potential of employees • Positive employee experience and job satisfaction **Financial impacts** Skills development enables employees to reach their full potential within the company. Skilled employees increase the productivity of labour. Satisfied employees stay with the company and recommend it as a place to work. A strong employer brand helps attract the best talent and reduces recruitment costs, which strengthens the competitive advantage.	**Risks related to skills shortages and employee experience** • Poor labour productivity due to lack of skills • Lack of employee commitment • Reputational risks **Risks related to employer obligations** • Increased dissatisfaction, absenteeism, employee turnover and sanctions due to negligence • Sick leave due to workload **Financial impacts** Poor skills reduce productivity. Dissatisfaction increases employee turnover, which can lead to a loss of knowledge and skills. Failure to comply with employer obligations can lead to regulatory action and sanctions. A poor employee experience and employer image and the resulting reputational risks make recruitment more difficult and increase recruitment costs. Specialist work can increase mental stress, which increases the risk of stress-related illness and absenteeism. These may result in additional costs for the company.
G	**Corporate culture**	**Products and practices that promote sustainable development** • Sustainable regulation and value chain-wide policies and codes of conduct • Sustainable consumption patterns, needs and stakeholder values **General impacts** The integration of sustainability considerations into policies, codes of conduct and guidance to partners helps to integrate sustainability considerations into decision-making throughout the value chain. This will prevent environmental and human rights violations. Prominent and transparent reporting on sustainability issues can increase their relevance in investment decisions, consumption choices and the value base of stakeholders in general.	**Practices that harm the environment, people and society** No identified negative impacts.	**Demand for effective sustainable development solutions and value-based practices** • Regulations that promote sustainable development and enable new products to be introduced to the market • Consumption patterns, needs and values of stakeholders that favour sustainable development **Financial impacts** The inclusion of sustainability factors in regulation supports investment products with a sustainability objective or that promote environmental or social factors. Compliance with laws and regulations and clear policies and processes help prevent fines, sanctions and reputational damage. A corporate culture that emphasises sustainability and transparent reporting will reduce the risk of greenwashing and the reputational damage it can cause.	**Risks related to the promotion of corporate culture** • Insufficient resources and skills to collect, analyse and disseminate information • Uncertainty about the evolution of regulations and practices • Reputational risks associated with greenwashing **Compliance risks** • Regulatory reprimands, fines, sanctions or reputational damage for non-compliance **Financial impacts** Lack of necessary resources and skills may increase employment costs. Uncertainty about the development of regulations and practices may reduce the value creation of existing products and make it difficult to launch new ones. Failure to comply with laws and regulations can lead to fines, sanctions or reputational damage. The realisation of reputational risk associated with greenwashing can undermine credibility and make it more difficult to operate in the future.

Taaleri Group sustainability programme

Taaleri Group's sustainability programme was defined based on the materiality assessment conducted in 2024. The programme focuses on the topics identified as most material and on perspectives broadly relevant to our operations. It serves as a guiding framework, with further refinement and development planned.

Taaleri Group's sustainability programme

Material Topics		Primary actions and goals	Vision and long-term objectives
E	Climate change mitigation & energy production in the value chain	• Increasing renewable energy production • Improving energy and resource efficiency • Avoiding and reducing greenhouse gas emissions • Refining greenhouse gas emissions data • Refining and validating climate targets • Exploring long-term carbon removal solutions	Climate neutrality (NZAM 2050*) Managing nature-related impacts Promoting circular economy
S	Employee skill development, work-life balance, health and safety & working time	• Developing training and recruitment practices • Developing working life solutions to enhance employee wellbeing • Regularly gathering employee insights • Conducting human rights and labour rights assessments and implementing corrective actions as needed	Competitive skills and competences Excellent employee experience Respect for human and labour rights
G	Taaleri's corporate culture	• Increasing products and investments aligned with sustainability criteria (EU SFDR & taxonomy, PRI*) • Managing sustainability impacts, risks and opportunities • Ensuring compliance with laws and commitments	Building a better tomorrow Value-based policies

*EU SFDR = EU Sustainable Finance Disclosure Regulation
*EU taxonomy = EU taxonomy for sustainable activities
*PRI = Principles for Responsible Investment
*NZAM = International climate initiative for asset managers and voluntary commitment (Net Zero Asset Managers)

Advancing the green transition at the core of our operations

Taaleri has significant positive environmental impacts through its carbon handprint. However, managing environmental impacts, risks and opportunities requires continuous development efforts.

Estimate of Taaleri’s carbon footprint and handprint 2024

11,012 tCO_2e*

674,081 tCO_2e*

*Indicative image. For details on calculation boundaries and methodology, refer to the “Sustainability reporting and key figures” section. Carbon footprint consists of available GHG emissions (Scope 1–3).

Climate impacts, risks and opportunities

Taaleri's activities affect the climate by both generating and avoiding greenhouse gas emissions. These impacts relate to energy use, efficiency improvements and renewable energy production. In terms of climate change, Taaleri's operations involve both physical and transition risks. The need for solutions that mitigate climate change opens up significant business opportunities for Taaleri.

The scope and scale of Taaleri's funds, investments and business relationships make them central to the company's climate-related impact. The most significant climate-related impacts, opportunities and risks are related to investments in funds under Article 9 or 8 of the EU Sustainable Finance Disclosure Regulation (SFDR). These are, to a large extent, renewable energy projects.

For further details, refer to the "Material sustainability impacts, risks and opportunities" section of the Annual Report and Note 35 to the Financial Statements (Group's internal control and risk management principles).

Climate targets

Taaleri is committed to achieving climate neutrality. Its current commitment under the NZAM initiative covers direct and purchased energy emissions (Scopes 1 and 2) and, where feasible, significant indirect emissions (Scope 3) from its funds' portfolio companies, direct investments and Taaleri's own operations by 2050.

Taaleri signed the NZAM commitment in autumn 2021, pledging to support the global effort to limit warming to 1.5 °C by reducing greenhouse gas emissions. This includes developing investment products and supporting investments aligned with net-zero targets by 2050. According to the commitment, emissions must be reduced quickly enough in the coming years, in line with the Paris Climate Agreement. Long-term decarbonisation investments can be used to offset emissions where their removal is not technologically and/or economically viable.

Since 2022, 55% of Taaleri's assets under management have been aligned with the NZAM initiative. We aim to have 75% of the assets under management committed by 2030 and 100% by 2050. Interim targets and baseline years have been set for renewable energy, bioindustry and other portfolio company funds, as well as for Taaleri's own operations.

For the renewable energy funds' investments and our own operations, the target is to reduce greenhouse gas emissions by at least 50% by 2030 compared with 2022 levels. For renewable energy, the target is linked to an intensity figure proportional to energy production. The objective of the bioindustry and other funds that invest in portfolio companies is related to influencing investments. For these funds, the goal is for all of their investments to have science-based climate targets by 2030. These targets utilise methods recommended by the Science-Based Targets initiative (SBTi), though they have not yet been validated under the SBTi process. The sub-targets described above have not yet been validated in accordance with the SBTi process.

Future actions

In addition to SBTi validation, we are also exploring possible ways to tighten our climate targets and expand their coverage to include also other asset classes. For example, the setting of climate targets for the investment objects of real estate funds is still pending. However, Taaleri Real Estate has been committed to improving portfolio energy efficiency through national energy efficiency agreements for many years now. Taaleri also plans to refine and clarify its transition plan related to these targets.

Broader management of environmental themes

In addition to climate change mitigation and energy-related topics, other environmental themes are also closely linked to Taaleri's operations. Taaleri presents these themes in its materiality matrix categorised into climate change adaptation, biodiversity and ecosystems, circular economy, pollution, water and marine resources.

Regarding other environmental themes, Taaleri has the most comprehensive understanding of key impacts, risks and opportunities within its EU SFDR Article 9 funds and its renewable energy and bioindustry businesses that manage these funds. These renewable energy and bioindustry funds significantly contribute to climate change mitigation without causing material harm to other EU environmental objectives. They also aim for high compliance with the EU taxonomy. Furthermore, the Taaleri Bioindustry Fund I and its investments may significantly advance other EU environmental objectives. Environmental themes are also central to the Taaleri Real Estate business. Taaleri Real Estate manages SFDR Article 8 funds that promote environmental and social characteristics, some of which include properties aligned with the EU taxonomy's climate change mitigation objectives.

More details on the environmental perspectives of our funds and direct bioindustry investments can be found in the business-specific reports for Taaleri Energia and Taaleri Bioindustry on our website. These reports are prepared following the frameworks of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), as well as the EU SFDR disclosures. Further information is available in the document archive on our website and within the sustainability disclosures accompanying our fund descriptions.

The principles guiding Taaleri's environmental approach are outlined in Taaleri's Code of Conduct, Sustainability Policy and Sustainability Risk Policy, as well as complementary business-specific policies and guiding documents addressing sustainability issues. These are accessible in the document archive on our website.

Linking climate and environmental themes to incentives

Our short-term incentive scheme (STI) for 2024 includes climate-related criteria at all employee levels. Climate considerations influence business incentives through compliance with EU SFDR requirements. All employees have individual goals tied to adhering to Taaleri's policies, including climate policies and role-specific responsibilities.

For more information about our incentive scheme, refer to the "Personnel and social responsibility" section.

Taaleri provides a meaningful employee experience

Throughout 2024, we continued our determined investment in our work community. We believe that skills development and workplace well-being support each other, strengthening a sense of community and laying the foundation for a more sustainable and successful organisation. We will continue promoting these themes in the coming year and aim to elevate employee satisfaction to new levels.

Training and skills enhancement are valued

Taaleri's competitiveness relies on our experts and their ability to meet evolving demands in the business. Most Taaleri employees perform demanding specialist work in a rapidly changing and complex operational environment. Employees complete regulatory and internally mandated e-learning courses during and after their onboarding process. In addition to the general training sessions, each business determines the training needs of its team annually and arranges what is needed. Over the past year, Taaleri offered a company-wide training session on the potential of artificial intelligence and practical tips for using it, alongside several business-specific training sessions.

Evaluating employee development and tracking goals were key focus areas during the year. Taaleri uses a performance management tool to facilitate regular discussions about wellbeing, development and goals between employees and their supervisors. The tool also helps consolidate feedback on topics such as engagement, wellbeing and other current topics. Additionally, supervisor training continued with a revised two-hour targeted model held every six weeks, which proved highly effective.

Skills development is vital for Taaleri's business and has positive impacts both on personnel and on society at large. Learning and work engagement are at their best when there is a balance between work and personal life.

Wellbeing enhances job satisfaction

All Taaleri employees have access to occupational health services, training and development programmes. To promote wellbeing, Taaleri, in collaboration with its occupational health partner, launched a mental health maintenance service in 2024 that offers employees low-threshold access to consultations with a psychologist. This service has supported employees in finding new perspectives and addressing challenging situations.

Our annual personnel survey helps us monitor employee perspectives on working conditions, equality and opportunities, as well as other work-related rights. The survey is conducted anonymously using an external provider's platform. It provides insights into employee experiences, job engagement and potential risks related to work ability.

The response rate for the autumn personnel survey rose to an impressive 93%. Strengths identified included responsibility, supervisory experience, community spirit and collaboration. The company's eNPS score remained high at 30 (decreased from 38 the previous year).

The sense of community within the workplace was further strengthened by internal events, such as after-work gatherings, May Day and Halloween parties, a Christmas breakfast and an autumn outing. Taaleri also supported employees' recreational activities, including golf, indoor climbing, running, yoga, pottery and painting. These activities and events fostered a sense of belonging and strengthened the company culture.

New Taaleri employees on new continents

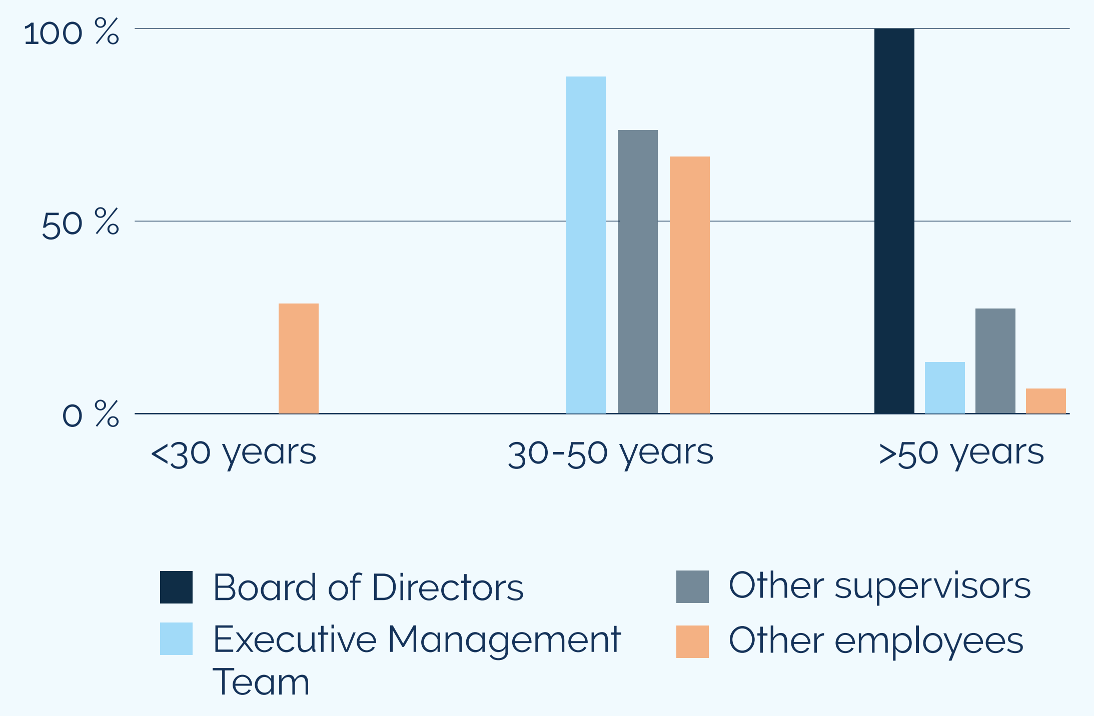
The year 2024 was highly successful in terms of recruitment. Over 30 new employment contracts were signed, including several senior management positions. Most hires were replacement recruitments. Our investments in the bioindustry business also led to new hires. A significant milestone in internationalisation was achieved when, for the first time, an employee began an assignment in Canada.

Incorporating sustainability into incentive criteria

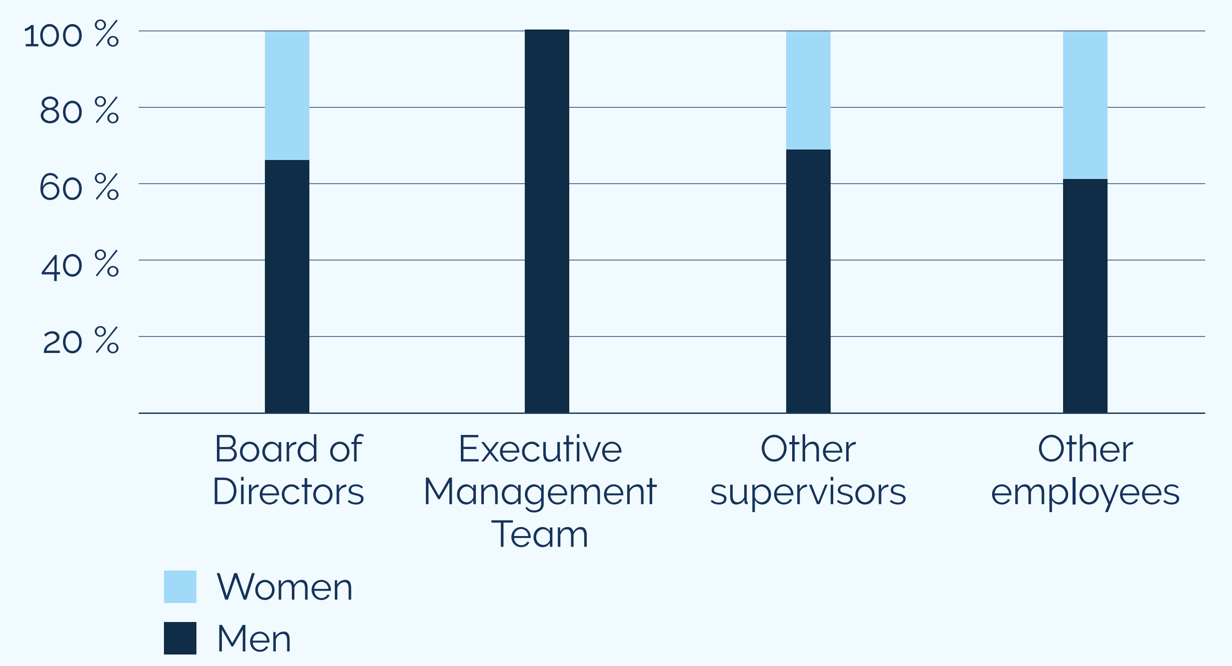
Remuneration at Taaleri primarily comprises a fixed total salary and variable short-term and long-term remuneration. In accordance with our personnel policy, we strive to acknowledge and reward our employees with more than just financial recognition and rewards. Compensation supports our strategic growth, fosters long-term commitment among key personnel and recognises outstanding performance. We particularly reward the achievement and surpassing of targets, exceptional performance and the promotion of our corporate culture. Our remuneration principles also take sustainability into account. Completion of mandatory training is a prerequisite for short-term incentives.

In 2024, Taaleri established two new share-based incentive schemes for personnel. These include the Performance Share Plan for 2025–2029 and the Short-Term Incentive (STI) Share Conversion Plan for 2025–2026. The purpose of these plans is to align employee and owner objectives by fostering long-term share ownership among employees and management. The plans aim to support the company's long-term value creation, enhance employee and management performance, foster commitment and provide competitive performance-based compensation.

Employee groups and Board of Directors by age



Employee groups and Board of Directors by gender



> Among other things, skills development, work-life balance and working time are matrial topics for both our employees and society.

Material sustainability topics, principles and processes related to personnel

Capable personnel is the most critical asset for business development and continuity. Safeguarding their wellbeing must be ensured in all aspects of operations. Below, we describe the key themes, principles and processes for managing sustainability topics related to personnel.

We assess that the most material toipics related to personnel include skills development, work-life balance, occupational health and safety and working hours.

Carrying out knowledge-intensive work necessitates ongoing development of skills and expertise. Such demanding work can also extend working hours or lead to overwork, which may affect wellbeing at work or disturb work-life balance. Situations that pose risks to health and safety, causing physical and mental harm, have negative impacts on employees, their families and society at large. For Taaleri, these issues can result in additional costs, such as lost working days and related necessary arrangements.

Taaleri's operations have a material impact on employment relationships with employees. Additionally, Taaleri works with independent professionals performing specialist work under consultancy agreements.

More information about the process of assessing material sustainability topics can be found in the section "Material sustainability impacts, risks and opportunities."

Skills and competence development	Taaleri has a work community development plan that has been created in collaboration with employee representatives and approved by the Executive Management Team. The purpose of the development plan is to serve as a tool for dialogue with employees and for improving the work community. Additionally, the plan aims to promote skills development and wellbeing at Taaleri. The development plan is maintained and monitored annually and updated as necessary. Each year, we also prepare strategy-based operational plans at the business level, through which we assess, among other things, the personnel and skills development needs of various units. At Taaleri, recruitment decisions are based on the skills required for the position and the candidate's suitability for the role. We ensure equal opportunities for all employees, regardless of gender or other personal characteristics, to develop themselves and their skills and to advance their careers.
Work-life balance	Taaleri takes into account the needs of employees at different life stages to support their work-life balance. For example, in cases of children falling ill, employees can use childcare services provided by the employer. Family leave is partially paid.
Occupational health and safety	Taaleri evaluates, documents and manages risks related to work at Taaleri in compliance with occupational safety laws. This includes, for example, Taaleri's occupational safety programme and its working capacity management model. The purpose of the occupational safety programme is to enhance proactive occupational safety measures and systematically improve working conditions. The working capacity management model outlines Taaleri's practices for identifying problems related to work ability and necessary actions at the workplace to promote work ability and prevent disability. Taaleri provides comprehensive employee benefits and services, either fully or partially funded by the employer, to support wellbeing and skills development.
Diversity, equity and inclusion (DEI)	Taaleri conducted its first DEI survey at the end of 2023 as an anonymous online survey for personnel. The purpose of the survey was to assess the current state of diversity, equity and inclusion within the organisation, identify strengths and areas for improvement and gather employee suggestions for actions that could make the workplace fairer and more equitable for everyone. The DEI survey complemented the broader annual personnel survey covering various topics. We have developed an equality plan applicable to all Taaleri employees. The purpose of the plan is to assess the state of equality at Taaleri and to outline measures to promote the principles of equality and non-discrimination. Management is committed to creating the conditions necessary for equality to be realised across the Group.
Privacy protection	Taaleri is dedicated to protecting privacy and ensuring the security of employee personal data. Taaleri only processes personal data that is directly necessary for managing the employment relationship, fulfilling the rights and obligations of the parties involved, providing employee benefits or addressing the specific nature of job roles. Personal data is processed only by individuals who, due to their job responsibilities, have a reason and the right to handle such data. The employee register is maintained using a separate tool.
Human and labour rights	To ensure the implementation of human and labour rights, Taaleri has created guidelines and policies for its employees, compliance with which is overseen by supervisors. Supervisors' activities are, in turn, monitored by operational management. Respect for human and labour rights is integrated into Taaleri's operations, processes, employee training, communications and management systems. Based on our assessment, Taaleri's operations do not involve activities, countries or regions where there is a significant risk of forced or compulsory labour or the use of child labour. More information on the management of human and labour rights in our value chain is available on page 45.

Policies and their implementation

Taaleri's key Group-wide principles related to its workforce include the Taaleri Code of Conduct, Personnel Policy, Sustainability Policy and Sustainability Risk Policy, all of which are available in the document archive on Taaleri's website. All employees receive training on the content and requirements of these policies, for example during onboarding and annual sustainability training. In addition to these, Taaleri has several internal plans and guidelines applicable to all employees. Policies and guidelines are regularly reviewed and updated.

Interaction with employees

Taaleri's Executive Management Team takes employee perspectives into account in decision-making and operations. Employee input is solicited through regular surveys and dialogue with employee representatives.

Taaleri has an Occupational Safety Committee that also handles matters related to collaborative activities. The committee operates at the Group level. In 2024, the Occupational Safety Committee consisted of three employee representatives from different functions, as well as the Group General Counsel and the HR/Occupational Safety Manager.

Taaleri maintains an open whistleblowing channel accessible to all. Employees are encouraged to use the channel to report any concerns or suspicions regarding equality violations, harassment, inappropriate behaviour or policy breaches. The channel may also be used to inform supervisors, HR or the occupational safety and health representative, who are all obligated to take corrective action as necessary. More information about the whistleblowing channel is available in the section "Corporate culture and good governance."

Managing broader social themes

In addition to skills development, work-life balance, occupational health and safety and working hours, other social responsibility issues are broadly tied to Taaleri's operations. Taaleri categorises these topics in its materiality matrix, including value-chain workers, affected communities, consumers, end users and other topics related to its own workforce.

Other topics related to Taaleri's own workforce include DEI themes, privacy and respect for human and labour rights, as outlined in the table above. The impacts, risks and opportunities related to other social responsibility topics are particularly relevant to our fund products and their investment targets.

Providing accurate information to Taaleri's investors and Garantia's clients is a prerequisite for ensuring their rights and gaining their trust. Consumers and end users are also connected to our operations, for example through the clients of the investee companies of our funds. Companies in our value chain have a wide range of societal impacts. These may arise for example when physical asset investments are located near residential areas or areas of natural value or when their construction or operation involves labour-intensive or hazardous work.

In line with our commitments, we regularly assess and monitor our human rights impacts and risks. During the reporting period, no human or labour rights violations were identified, so no corrective actions were taken. To strengthen the management of risks in our supply chain, we joined the Solar Stewardship Initiative, which promotes responsibility and transparency in the solar power supply chain.

The principles guiding Taaleri's approach to social responsibility and its value chain are detailed in the Taaleri Code of Conduct, Sustainability Policy and Sustainability Risk Policy, as well as in supplemental policies and guidelines on corporate responsibility topics for various business areas. These documents are available in the document archive on our website.

Regarding social responsibility issues within the value chain, Taaleri has the most comprehensive understanding of key impacts, risks and opportunities within its EU SFDR Article 9 and Article 8 funds and the renewable energy, bioindustry and real estate businesses managing these funds. In these funds, we consider and report on social aspects at a minimum as part of the principal adverse sustainability impacts (PAI). In addition, some of the funds are subject to stricter requirements for managing the social and other impacts of the investees and their value chain. The requirements follow the Do No Significant Harm -principle (DNSH) and ensuring good governance. Similar and other social responsibility measures are implemented at Taaleri's discretion in other investments and operations. For instance, the Taaleri Rental Home Fund aims to increase the availability of affordable rental housing in growth centres, thereby addressing regional imbalances in housing supply and demand and supporting workforce mobility in these areas. More information on our funds' EU SFDR disclosures is available on the private equity fund section of our website.

Case

#TaaleriUnited welcomes new employees

The #TaaleriUnited training sessions, which have been conducted for several years, have proven to be highly successful, according to Merja Kouznetsov, Taaleri's HR Manager. Feedback surveys indicate that the sessions are considered necessary and well-structured.

Taaleri has a long-standing tradition of induction programmes for new employees and, in 2020, systematic general induction sessions were introduced. When a new employee joins Taaleri, a customised induction programme is created based on their role. In addition to job-specific induction, a general #TaaleriUnited training programme is held twice a year, providing a broader introduction to the company's units and functions. The #TaaleriUnited programme consists of approximately 13 sessions, covering topics such as Taaleri's narrative and strategy, business units, sustainability, sales, communication, risk management and Code of Conduct. Individual sessions range from 30 minutes to an hour. The training sessions are generally mandatory for new employees and are also open to other Taaleri staff. The aim is to familiarise employees with Taaleri's operations and facilitate collaboration across teams.

At the end of the programme, new employees celebrate the start of their Taaleri careers, get acquainted with their new colleagues and enjoy a relaxed dinner together.

"This is an excellent way to engage new Taaleri employees. It allows people to get to know their fantastic new colleagues in an informal setting," says Kouznetsov.

Key figures for the #TaaleriUnited training 2024

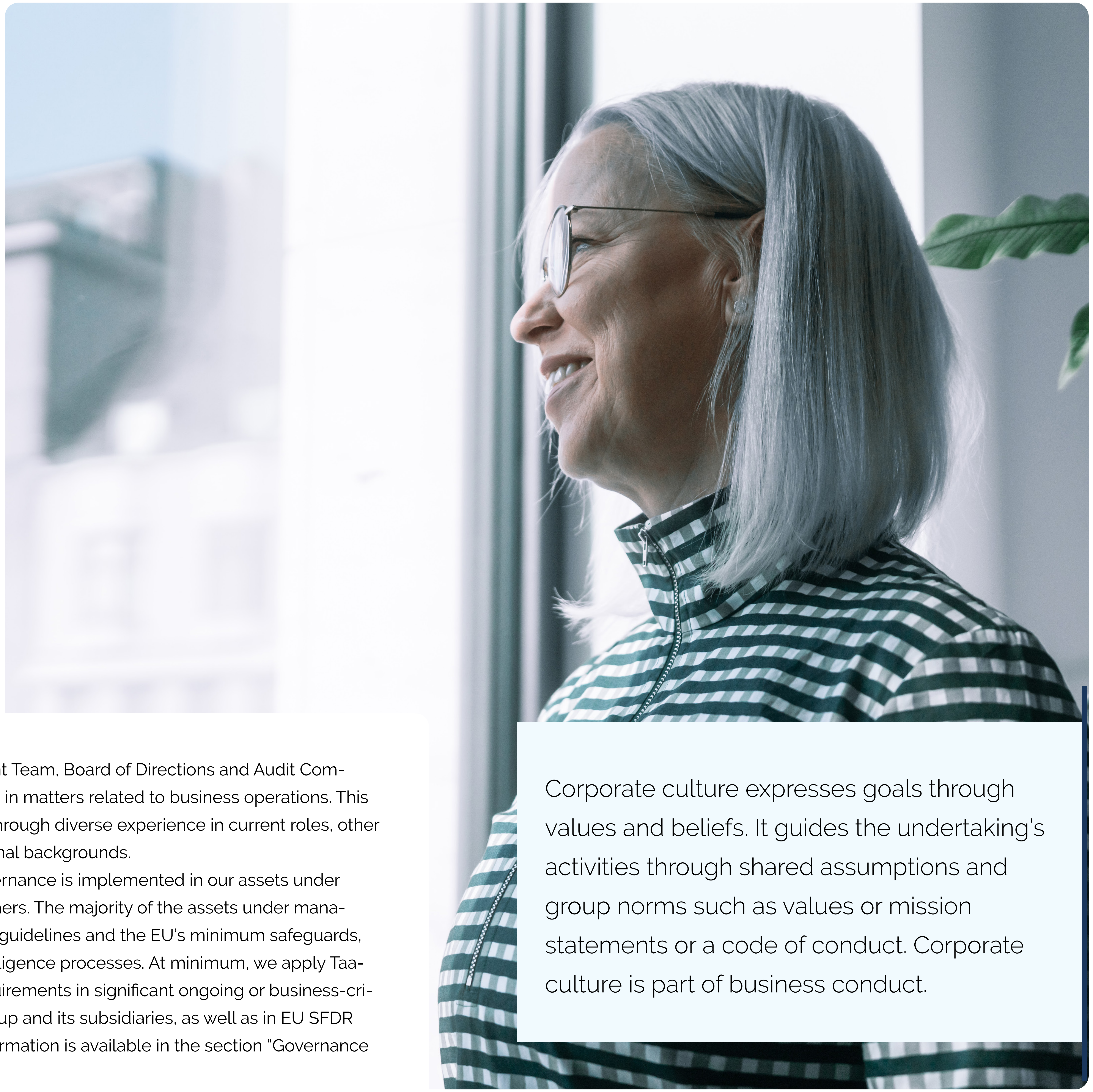
26 participants

2 training programmes

25 training sessions

Strong corporate culture supports business

Taaleri's corporate culture is defined by its strategy, values and Code of Conduct. The impacts of Taaleri's corporate culture and good governance can be assessed through processes related to guiding and verifying operations. These include the opportunity to report irregularities through a confidential whistleblowing channel, anti-corruption and anti-bribery measures.



Embedding corporate culture and ensuring competence

Taaleri regularly organises training sessions for employees on sustainability and other critical themes, either strategically or from a compliance perspective. These include both general and role-specific mandatory and voluntary training programmes.

In addition to training, Taaleri integrates strategic and compliance objectives into incentive schemes. Regular development discussions and personnel surveys, combined with thematic and informal events, communications and the whistleblowing channel, are ways to nurture, create, develop, advance and evaluate our corporate culture. Compliance with laws, as well as responsible and ethical behaviour, are prerequisites for our business operations.

Taaleri's Executive Management Team, Board of Directions and Audit Committee possess extensive expertise in matters related to business operations. This expertise has been accumulated through diverse experience in current roles, other or previous positions and educational backgrounds.

We also assess how good governance is implemented in our assets under management and among our partners. The majority of the assets under management are committed to Taaleri's guidelines and the EU's minimum safeguards, which have undergone ESG due diligence processes. At minimum, we apply Taaleri's Partner Code of Conduct requirements in significant ongoing or business-critical partnerships involving the Group and its subsidiaries, as well as in EU SFDR Article 9 classified funds. More information is available in the section "Governance and management."

Corporate culture expresses goals through values and beliefs. It guides the undertaking's activities through shared assumptions and group norms such as values or mission statements or a code of conduct. Corporate culture is part of business conduct.

Anti-corruption and anti-bribery

Taaleri strictly prohibits any form of corruption, bribery or actions that could give the impression of improperly influencing a business decision, providing undue advantage to any party or individual, or attempting to influence decision-making in any other inappropriate manner.

During 2024, no confirmed cases of corruption occurred. No employees were fired or convicted for corruption, either. Training on corruption, bribery and fair competition is mandatory for all employees as part of a broader good governance online training programme organised by our partner.

We take corruption and bribery risks into account as part of our risk management. In particular, projects within the private equity fund management business involving operations outside Europe have been identified as being at risk of corruption and bribery.

Reporting channels

Anyone can report issues related to Taaleri's business practices or other activities that may violate Taaleri's Code of Conduct, laws or regulations through the electronic whistleblowing channel. Reports made through the channel are brought to the attention of the Group's internal control function. The monitoring function initiates the necessary follow-up measures as a result of reports.

Reports can also be submitted anonymously through the whistleblowing channel. The channel, provided by an external service provider, ensures confidentiality and is encrypted and password-protected. All reports are treated confidentially. The channel is accessible on Taaleri's website in the Governance section.

The whistleblowing channel is the primary channel for representatives of Taaleri's stakeholders to report concerns regarding Taaleri Group and its companies. Taaleri employees are also encouraged to report their observations directly to their supervisor or designated individuals in the control function. Alternatively, the Finnish Chancellor of Justice's centralised external whistleblowing channel can be used if the reporter has reasonable grounds to believe that internal reporting has not led to action within the deadline, that it cannot effectively address the violation, or that the reporter is at risk of retaliation as a result of the report.

In 2024, a total of four suspected misconduct cases were reported in person or through available reporting channels to members of the control function. None of the cases involved confirmed misconduct by Taaleri employees. All reports were addressed, and additional measures, such as process improvements or communications, were planned on their basis.

Good governance in general

In addition to corporate culture, other topics of business conduct, i.e. good governance, are broadly related to Taaleri's operations. These include, but are not limited to, supply chain management, political interaction and whistleblower protection. Taaleri has included these in the materiality matrix under "Other business conduct topics", and the topics are also addressed as part of corporate culture reporting in accordance with Taaleri's assessment of material sustainability topics.

The principles guiding Taaleri's approach to social responsibility and its value chain are detailed in Taaleri's Code of Conduct, Sustainability Policy and Sustainability Risk Policy, as well as in supplemental policies and guidelines on corporate responsibility topics for various business areas. These documents are available in the document archive on our website.

Regarding good governance topics within the value chain, Taaleri has the most comprehensive understanding of key impacts, risks and opportunities in its EU SFDR Article 9 and Article 8 funds and the renewable energy, bioindustry and real estate businesses managing these funds. In these funds, we consider and report on good governance aspects, for example as part of the principal adverse sustainability impacts (PAI). Some of the funds are also subject to specific requirements for managing the impacts of the investees and their value chain and for ensuring good governance. More information on our funds' EU SFDR disclosures is available on the private equity fund section of our website.

Influencing in working groups and organisations

Taaleri participates in the following working groups:

- Finnish Venture Capital Association: ESG, Legal, Tax and Sustainable Finance
- Other working groups: Renewables Finland, Green Building Council Finland

Taaleri is a member of:

- Finance Finland
- FIBS (Finnish Business & Society)
- Finsif – Finland's Sustainable Investment Forum
- Finnish Venture Capital Association
- Renewables Finland
- Finnish Property Owners Rakli
- Green Building Council Finland

Taaleri's commitments:

- PRI (Principles for Responsible Investment)
- NZAM (Net Zero Asset Managers Initiative)

Sustainability reporting and key figures

At Taaleri, sustainability is measured from environmental and social perspectives and the perspective of good governance practices. We use sustainability data to manage the impacts and risks of our operations and to develop business opportunities. Ensuring the availability of sustainability data is essential to prepare for the evolving regulation.

General principles of sustainability reporting in 2024

Taaleri's sustainability report is prepared at for Taaleri Group following the same scope of consolidation as in the financial statements. The disclosures cover Taaleri's own operations (Taaleri Plc and its subsidiaries' own operations). Taaleri's value chain is represented mainly in terms of climate-change-mitigation-related indicators from the investment activities of its private equity funds.

Changes have been made to the preparation and presentation of sustainability data compared to previous reporting periods due to updates to the materiality assessment and updated regulation. The updated metrics and disclosures provide more comparable data in the future and support compliance with upcoming reporting obligations. The reporting of sustainability data voluntarily applies GRI Standards (in reference to) and the Task Force on Climate-Related Financial Disclosures (TCFD) framework. In addition, the content and methodology of the report have been guided by the Corporate Sustainability Reporting Directive (CSRD) and accompanying European Sustainability Reporting Standards (ESRS) that will pose obligations for Taaleri Plc from 2025 onwards.

Taaleri's Executive Management Team has reviewed the Annual Report, and the CEO has approved it before publication. Taaleri's sustainability reporting specialists and representatives from various Group functions have been involved in defining, developing and reviewing the reporting boundaries. The Group's sustainability and communications functions were responsible for compiling the data for the reporting format. Other contributors include, for example, the Group's HR and finance functions and representatives of the business units.

Key figures

The key sustainability figures reported by Taaleri measure our impacts on the environment and society and describe the governance practices of business and sustainability management, focusing on general climate, personnel and governance topics. Unless otherwise stated, the reported key figures cover the entire Taaleri Group. Background information and any limitations regarding the reporting are described below, alongside the key figure tables and in the GRI index section. We have been guided by methodologies defined by the ESRS, which are partially explained in the descriptions for clarity.

Sustainability data supports in-depth value chain analysis and supply chain management. In 2024, we implemented a customised software tool for sustainability data in private equity funds, enabling broader monitoring of sustainability topics beyond the Annual Report, covering various subjects. Fund-specific reporting is based on fund-specific materiality assessments and obligations. The collection and processing of sustainability data is also dependent on other systems, such as those for finance and human resources management.

Key climate change figures

Figures presented in the sections on "Climate change and the environment" and "Greenhouse gas emissions" incorporate indicators related to climate change mitigation as identified in the materiality assessment on sustainability factors for 2024. Additionally, it includes a Taaleri-specific indicator that highlights the volume of renewable energy generated by investments in Taaleri's value chain. These are partially aligned with GRI Standards reporting requirements.

Climate reporting has been partially updated from the previous year following the preparation for upcoming reporting in accordance with ESRS standards. Due to changes in the reporting model, we have not included all comparative data for greenhouse gas emissions figures in this year's report. However, comparative figures and data for some of the information presented can be found in Taaleri's previous annual reports. No significant changes have occurred in the definition of Taaleri's upstream and downstream value chains compared to prior years. Events and changes in conditions that are significant for GHG reporting include completion and commissioning of investments, which increase greenhouse gas emissions. For certain emission classes and categories, the base year has been set as 2022 due to data availability.

Taaleri aims to follow the standards of the Greenhouse Gas Protocol (GHG Protocol). The company applies a financial control approach for consolidation and considers emissions of various greenhouse gases (including CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3) across the relevant sections of its value chain.

The GHG emissions reporting encompasses the parent company, Taaleri Plc and subsidiaries where the parent company has control. Associate companies are excluded from GHG emissions reporting. Otherwise, the consolidation principles and definitions of control follow those in the consolidated financial statements. Read more in Section 2.2, Consolidation principles, in Notes to the Consolidated Financial Statements.

Total GHG emissions are presented, taking into account the limitations described below. The carbon footprint figure for 2024, as reported in the "Climate and environment" section, corresponds to Scope 1–3 GHG emissions as described below. The section also provides information on Taaleri's carbon handprint and climate targets.

Scope 1 and 2

Taaleri's Scope 1 and 2 greenhouse gas (GHG) emissions include emissions related to energy consumption in the company's offices with the longest-term and highest-value lease agreements. These offices are located in Finland and are also the largest in terms of size and number of personnel. Emission calculations are based on data from facility management providers regarding energy consumption and procurement. According to the available data, no energy was locally produced for the company's use or sale and thus no Scope 1 emissions were generated in 2024. Additionally, no biogenic carbon dioxide emissions related to biomass combustion or biological decomposition in Scope 1 or 2 were generated in 2024.

For market-based Scope 2 emission factors, Taaleri used actual emission factors provided by energy suppliers. Location-based Scope 2 emission factors were based on the average emissions intensity of the local power grid. A percentage of Scope 2 market-based GHG emissions corresponds to electricity procured with guarantees of origin or similar renewable energy certificates, amounting to 100%.

Emissions related to international offices, IT equipment used for remote work and company cars are among those excluded from Taaleri's GHG emission reporting due to their estimated minimal impact and the uncertainties associated with data collection and consolidation. The Group's leased assets primarily include office spaces, company cars and IT equipment. The parent company and its subsidiaries primarily operate from the same office locations and share jointly procured equipment. All office spaces are leased. Car benefits are primarily intended for members of the Group's Executive Management Team. The car benefit is primarily a restricted car benefit, but an unrestricted car benefit may be granted to those who require a vehicle to perform their work. Under the restricted car benefit arrangement, employees pay for fuel costs themselves, whereas under the unrestricted car benefit arrangement, Taaleri covers the fuel costs. In 2024, 4.7% of Taaleri's employees worked in offices excluded from the emission reporting. The unrestricted car benefit was provided to 1.5% of Taaleri's employees in 2024.

Scope 3

Taaleri's Scope 3 greenhouse gas emissions (GHG) include indirect emissions from its operations that are not covered under Scope 1 or Scope 2. These emissions are reported only partially, as the materiality assessment of Scope 3 categories and respective data collection is incomplete. Taaleri aims to identify and disclose estimates of emissions associated with significant Scope 3 categories relevant to its operations, in line with the criteria outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. These criteria consider aspects such as financial materiality, impact significance, associated transition risks and opportunities and stakeholder expectations. The company has not yet calculated the percentage of emissions based on primary data received from suppliers or other value chain partners.

In 2024, the partially reported Scope 3 categories included 6) Business Travel and 15) Investments.

For the Business Travel category, Taaleri reports emissions from employee air travel and hotel nights. For business travel emissions, Taaleri relies on data provided by its travel management partner's online platform. According to Taaleri's travel policy, tickets are primarily purchased via this platform. While emissions from flights booked outside the platform are not actively monitored, they are expected to be minimal and occur only under exceptional circumstances, making their exclusion insignificant from a coverage perspective.

The travel partner uses the BEIS/DEFRA method (for direct and indirect emissions) to calculate emissions. This method provides emission factors based on travel class (e.g. economy) and flight type (e.g. short-haul). Direct emissions account for CO_2 released during jet fuel combustion, while indirect emissions include non-CO_2 climate effects, which are greater than CO_2 emissions alone due to higher altitudes' greater warming potential compared to emissions at sea level. Indirect emissions are estimated to be 0.89 times the direct emissions.

For the Investments category, Taaleri reports Scope 1, Scope 2 and Scope 3 emissions from investments within its EU SFDR Article 9 funds and Scope 1 and Scope 2 emissions from investments within its EU SFDR Article 8 funds. For Investment emissions, Taaleri consolidates data reported by its funds using the EU principal adverse impacts (PAI) reporting framework via a partner-managed reporting platform. The reported emissions from the assets cover 88% of the assets managed by Taaleri funds. Investments include wind farms, solar parks, energy storage facilities, bioindustry plants and real estate at different lifecycle stages. These investments are located across different countries and continents, and are mostly under Taaleri's control. Consequently, the calculation of emissions uses various emission factors. For investments, market-based Scope 2 emission factors are prioritised, relying on data from energy suppliers. Scope 1 emissions of investments were primarily calculated using data gathered directly from the project. Emissions related to biomass combustion or biological decomposition (biogenic CO_2) within Scope 3 have not yet been calculated, but the calculation methodology will be developed during 2025. Additional sustainability data for the funds can be accessed in their periodic reports (available on Taaleri's fund-specific web pages).

Taaleri could enhance its current reporting of emissions from investments by including, for example, emissions from the remaining Taaleri funds under management (covering 12% of assets in funds under management), Scope 3 emissions from EU SFDR Article 8 funds, managed accounts, direct investments and Garantia's investments in category 15) Investments. Actual emissions from investments are likely to be significantly higher than currently reported. The significance of emissions reported from investments in 2024 is further heightened by the associated transition risks and opportunities, stakeholder expectations and Taaleri's actual ability to influence them.

An initial assessment indicates that, in addition to the categories already mentioned, Taaleri's operations may also involve emissions in the following Scope 3 categories: 1) Purchased Goods and Services, 5) Waste Generated in Operations and 7) Employee Commuting. Given Taaleri's relatively small size as an expert organisation, emissions from these categories are estimated to be less significant compared to the previously described categories 6) and 15).

Renewable energy produced by investee companies

We report the volume of renewable energy produced by our investees, focusing solely on the output of wind farms and solar parks. At this time, we do not disclose data for other investees, as such information is not currently deemed material, comprehensive, or comparable. For example, certain real estate investees managed by Taaleri also produce renewable energy. Some funds and investees publish this information in their annual reports.

Carbon handprint

In the "Climate change and environment" section, we report on the carbon handprint for 2024, which includes the contribution of our renewable energy and bioindustry fund products to the avoided emissions achieved by their investee companies and projects. Avoided emissions refer to the reduction in greenhouse gas emissions that would have been released into the atmosphere in the absence of the funded activity or in an alternative/substituted product. Calculations and the emission factors used for these estimations are based on the European Investment Bank (EIB) methodology for renewable energy and the IRIS PD2243 methodology for bioindustry products.

Key figures on personnel and governance

The "Key figures on personnel and governance" section includes indicators based on the preliminary materiality assessment on sustainability topics conducted in 2024 related to skills development, occupational health and safety and work-life balance and Taaleri's eNPS indicator. These are partially aligned with reporting requirements for indicators under the GRI Standards.

The reporting of personnel data was updated compared to the previous year due to the expanded influence of ESRS standards. As a result, comparative data on personnel figures is not included in the key figure tables of this Annual Report. However, comparative figures and data for some of the information presented can be found in Taaleri's previous annual reports.

The key figures for personnel describe the latest available information on employees. This corresponds to the situation at the end of the reporting period

on 31.12.2024, unless otherwise stated (such as eNPS or average figures). The headcount figures presented in the sustainability report are calculated using the total number of employees, while the employee figures presented in Taaleri's consolidated financial statements are calculated using full-time equivalents.

Data on specific metrics (such as employees participating in regular performance and career development reviews, those covered by occupational health and safety management systems, or those taking family leave) reflects the percentage (%) of contracted employees relative to the total number of contracted employees, unless otherwise specified.

Gender distribution

Gender categories "Other" and "Not disclosed" are not applied, as the data available for Taaleri is based on national identification numbers.

Country-specific distribution

Only in Finland does Taaleri have at least 50 contracted employees representing at least 10% of Taaleri's total contracted workforce. Therefore, Finland is the only country reported separately in the personnel key figures. The reported "Other" region includes Hungary, Spain, Luxembourg and Canada. In Finland, Taaleri has offices in Helsinki (headquarters), Oulu and Tampere. The Helsinki office employs significantly more staff compared to all other offices combined.

Contract type distribution

The category of employees in the non-guaranteed hours - category includes individuals working under so-called zero-hour contracts.

Employee turnover

Leavers represent the total number of employees who leave voluntarily, whose fixed-term contract expires, whose termination of employment is mutually agreed, who have retired or who die while employed. This number of leavers has been used as the numerator in the calculation of the turnover rate and the average number of employees in employment during the period as the denominator.

Skills development

Regular performance evaluations are defined as assessments based on criteria familiar to both the contracted employee and their supervisor, conducted at least once a year and with prior knowledge of the employee. At Taaleri, this is implemented as bi-annual performance discussions documented in our internal system.

Occupational health and safety

The category of individuals covered by Taaleri's occupational health and safety management system includes employees who are part of a system based on legal requirements and/or recognised standards or guidelines. At Taaleri, this primarily encompasses statutory occupational health care services. The system has not undergone internal audits or external certifications.

In the case of work-related deaths and accidents, we take into account deaths due to work-related injuries and work-related health problems. In 2024, Taaleri will not report on work-related health problems and days lost due to them due to uncertainties in the data collected. Instead, Taaleri will report its own indicator of average number of days of sick leave per employee.

Occupational accidents result from exposure to hazards present in the workplace. Reported incidents during work-related travel are included if they occur while performing tasks that align with the "employer's interests". Accidents and health issues at home during remote work are considered work-related if they directly arise from job tasks rather than the general home environment. In the case of mental illness, it is considered to be work-related if it has been voluntarily reported by the person concerned and is supported by a statement stating the work-related illness, issued by a licensed healthcare professional. Occupational health problems may include acute, recurrent and chronic health problems caused or aggravated by working conditions or practices. The company may be notified through reports provided by people with work-related health problems themselves, compensation offices or healthcare professionals, or the company may be able to identify them through medical monitoring. The information to be reported may include cases of work-related health problems observed during the reporting period in persons who were previously part of the company's workforce.

Family leave

Family leave includes pregnancy leave, parental leave for non-pregnant parents, parental and caregiving leave as defined by national legislation or collective agreements. Employees entitled to family leave are individuals covered by regulations, organisational policies, agreements or collective bargaining agreements that include such rights and who have either informed Taaleri of their entitlement or whose entitlement is otherwise known to Taaleri.

All those entitled to or taking time off are in proportion to the share of that gender in the average number of employees in that group during the period.

Employee net promoter score

The employee net promoter score (eNPS) indicator is derived from the question: "How likely are you to recommend the company to a colleague?" An anonymous personnel survey was conducted in September 2024, with 121 employees participating (indicating a 93% response rate).

Greenhouse gas emissions

	Retrospective				Milestones and target years			
	2022 (Base year)	**2023 (Comparative)**	**2024**	**% 2024/2023**	**2025**	**2030**	**-2050**	**Annual %- target / Base year**
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions ($tCO_2eq.$)	0.0	0.0	0.0	0	-	0.0	0.0	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	0	-	-	-	-	-
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions ($tCO_2eq.$)	-	-	9.9	-	-	-	-	-
Gross market-based Scope 2 GHG emissions ($tCO_2eq.$)	0.1	5.7	0.2	-97.3%	-	0.05	0.0	-
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions ($tCO_2eq.$)	-	-	11,011.6	-	-	-	-	-
1) Purchased goods and services	-	-	-	-	-	-	-	-
Optional sub-category: Cloud computing and data centre services	-	-	-	-	-	-	-	-
2) Capital goods	-	-	-	-	-	-	-	-
3) Fuel and energy-related activities (not included in Scope 1 or Scope 2)	-	-	-	-	-	-	-	-
4) Upstream transportation and distribution	-	-	-	-	-	-	-	-
5) Waste generated in operations	-	-	-	-	-	-	-	-
6) Business traveling	-	-	832.2	-	-	-	-	-
7) Employee commuting	-	-	-	-	-	-	-	-
8) Upstream leased assets	-	-	-	-	-	-	-	-
9) Downstream transportation	-	-	-	-	-	-	-	-
10) Processing of sold products	-	-	-	-	-	-	-	-
11) Use of sold products	-	-	-	-	-	-	-	-
12) End-of-life treatment of sold products	-	-	-	-	-	-	-	-
13) Downstream leased assets	-	-	-	-	-	-	-	-
14) Franchises	-	-	-	-	-	-	-	-
15) Investments	-	-	10,179.4	-	-	-	-	-
Total GHG emissions								
Total GHG emissions (location-based) ($tCO_2eq.$)	-	-	11,021.5	-	-	-	-	-
Total GHG emissions (market-based) ($tCO_2eq.$)	-	-	11,011.8	-	-	-	-	-

The background and boundaries of the figures are described at the beginning of the "Sustainability reporting and key figures" -section. Total GHG emissions represent the sums of the segments reported in the table above.

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2eq./Euro)	0.0001519
Total GHG emissions (market-based) per net revenue (tCO_2eq./Euro)	0.00001517

The background and boundaries of the GHG emission figures are described in the "Sustainability reporting and key figures" section. Due to data availability, the reported GHG emissions are partial.

Production volume of renewable energy of investments	2023 (Comparative)	2024	% 2024/2023
Energy produced by wind farms and solar parks (Taaleri Energia), TWh	2.2	2.7	22.7%

Number of employees by gender

Gender	2024
Men	90
Women	48
Total	138

Figures reported in head count at the end of the reporting period.

Number of employees by country

Country	2024
Finland	132
Others	6
Total	138

Figures reported in head count at the end of the reporting period.

Employees by contract type, broken down by gender

	2024		
	Women	Men	Total
Total	48	90	138
Permanent employees	44	83	127
Temporary employees	4	3	7
Non-guaranteed hours employees	0	4	4
Full-time employees	44	83	127
Part-time employees	4	3	7

Figures reported in head count at the end of the reporting period.

Employees by contract type, broken down by country

	2024		
	Finland	Others	Total
Total	132	6	138
Permanent employees	121	6	127
Temporary employees	7	0	7
Non-guaranteed hours employees	4	0	4
Full-time employees	122	5	127
Part-time employees	10	1	11

Figures reported in head count at the end of the reporting period.

Employee turnover

	2024
Number of employees who have left the undertaking	20
Employee turnover	14.8%

Figures reported in head count at the end of the reporting period.
Employee turnover (%) presented relative to the average number of employees during the period.

Employees participating in regular performance and career development reviews, broken down by gender

Gender	2024
Men	100.0%
Women	100.0%
Total	100.0%

The percentages (%) expressed as the share of all employees within the specified group.

Average number of training hours, broken down by gender

Gender	2024
Men	8.9
Women	12.6
Total	10.3

Percentage of own workforce covered by health and safety management system

	2024
Percentage of employees covered by occupational health and safety management system	100.0%

Incidents associated with work-realted injuries, fatalities of own workforce

	2024
Fatalities	0
Number of recordable work-related accidents	0
Rate of recordable work-related accidents	0
Average number of days of sick leave per employee	3.06

Figures presented as numbers, except for rate of work-related accidents which is presented as a ratio.

Work-life metrics

	2024
Employees entitled to take family-related leave	100%
Number of entitled employees that took family-related leave	11.6%
Entitled employees that took family-related leave, Women	18.5%
Entitled employees that took family-related leave, Men	8.1%

The percentages (%) expressed as the share of all employees within the specified group.

Employee net promoter score

	2023	2024
eNPS	38	30

The composition and diversity of Taaleri Plc's Board of Directors

	2023	2024
Number of board members	6	6
Number of executive members	0	0
Percentage of independent board members, %	100.0%	83.3%
Women, %	33%	33%
Men, %	67%	67%
Average ratio of female to male	0.5	0.5
Under 30 years old, %	0	0
30–50 years old, %	17%	0%
Over 50 years old, %	83%	100%

Employees and other workers do not have representation in the Board of Directors of Taaleri Plc.

The composition and diversity of Taaleri Plc's Executive Management Team and information on integration of sustainability-related performance in incentive schemes of the Executive Management Team

	2023	2024
Number of members	8	8
Women, %	37.5%	0.0%
Men, %	62.5%	100.0 %
Average ratio of female to male	0.6	0.0
Under 30 years old, %	0.0%	0.0%
30–50 years old, %	62.5%	87.5%
Over 50 years old, %	37.5%	12.5%
Share of variable compensation dependent on sustainability-related targets and/or impacts	0.0%–10.0%	100.0%

Employees and other workers do not have representation in the Board of Directors of Taaleri Plc.

GRI Index

Statement of use	Taaleri has reported the information cited in this GRI content index for the period 1.1.2024–31.12.2024 with reference to the GRI Standards. The report was published on 12.3.2025
GRI 1	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location / Additional information	Connetion to ESRS requirements	Connection to TCFD requirements
GRI 2: General Disclosures 2021	2-1 Organizational details	**Annual Report 2024, p. 89** **Taaleri website:** Taaleri Plc Articles of Association		
	2-2 Entities included in the organization's sustainability reporting	**Annual Report 2024, p. 50** Taaleri Plc and its subsidiaries are included in the organization's sustainability reporting.	ESRS 2 BP-1	
	2-3 Reporting period, frequency and contact point	Similarly to the consolidated financial statements of Taaleri Plc, the Annual Report and its sustainability information has been prepared for a 12-month period from 1 January 2024 to 31 December 2024 with a publication date of 12 March 2025. The annual report is published annually. Contact point regarding sustainability information in the Annual Report: Head of IR, Communications and Sustainability Linda Tierala and ESG Manager Karoliina Laine (emails: firstname.lastname@taaleri.com)		
	2-4 Restatements of information	**Corrections to the Annual Report 2023:** The correct unit is kg and not tonne, hence the amount of waste in 2023 was 3 584 kg and in 2022 was 3 606 kg. Waste from own operations is no longer reported based on the materiality assessment. The Scope 2 GHG emissions for 2023 have been recalculated and the market-based scope 2 emissions for 2023 were 5.7 tCO_2e instead of 0.0 tCO_2e. Location-based Scope 2 GHG emissions were not reported in 2023.	ESRS 2 BP-2	
	2-5 External assurance	Sustainability information has not been externally assured.		
	2-6 Activities, value chain and other business relationships	**Annual Report 2024, pp. 15–17**	ESRS 2 SBM-1	Strategy b
	2-7 Employees	**Annual Report 2024, p. 54**	ESRS 2 SBM-1, S1-6	
	2-9 Governance structure and composition	**Annual Report 2024, pp. 30–33, 56** **Document archive on Taaleri's website:** Taaleri Plc Corporate Governance Statement 2024 Taaleri Plc Sustainability Policy 2025 **Taaleri website:** Board of Directors and Committees	ESRS 2 GOV-1, G1 GOV-1, G1-4, G1-5	
	2-10 Nomination and selection of the highest governance body	**Annual Report 2024, pp. 30, 32–33** **Document archive on Taaleri's website:** Taaleri Plc Corporate Governance Statement 2024 **Taaleri website:** Board of Directors and Committees		
	2-11 Chair of the highest governance body	The Chairman of the Board of Directors is not a senior executive in the organization. **Document archive on Taaleri's website:** Corporate Governance Statement 2024 **Taaleri website:** Board of Directors and Committees		

GRI Standard	Disclosure	Location / Additional information	Connetion to ESRS requirements	Connection to TCFD requirements
	2-12 Role of the highest governance body in overseeing the management of impacts	**Annual Report 2024, pp. 30–31** **Document archive on Taaleri's website:** Taaleri Plc Code of Conduct Taaleri Plc Corporate Governance Statement 2024 Taaleri Plc Sustainability Policy 2025, p. 10 Taaleri Bioindustry Sustainability Principles, pp. 1, 4 Taaleri Energia ESG Policy Taaleri Real Estate Sustainability Principles, p. 4 Taaleri Pääomarahastot Oy Sustainable Investing Principles (in Finnish), pp. 4–5 **Taaleri website:** Board of Directors and Committees	ESRS 2 GOV-1, GOV-2, SMB-2, S1-2, G1 GOV-1	Governance a & b
	2-13 Delegation of responsibility for managing impacts	See locations stated in disclosure 2-12, especially in the Annual Report 2024 and Sustainability Policy 2025.	ESRS 2 GOV-1, GOV-2, G1-3	Governance a & b
	2-14 Role of the highest governance body in sustainability reporting	**Annual Report 2024, pp. 30–31**	ESRS 2 GOV-1, GOV-5, IRO-1	Governance a & b
	2-15 Conflicts of interest	**Document archive on Taaleri's website:** Taaleri Plc Code of Conduct Taaleri Plc Corporate Governance Statement 2024 Taaleri Bioindustry Code of Conduct, p. 7 Taaleri Energia Code of Conduct - Business Ethics, p. 2 **Taaleri website:** Remuneration		
	2-16 Communication of critical concerns	**Annual Report 2024, p. 30** **Document archive on Taaleri's website:** Taaleri Plc Corporate Governance Statement 2024 Taaleri Plc Sustainability Policy 2025, p. 10	ESRS 2 GOV-1, GOV-2, G1-1, G1-3	
	2-17 Collective knowledge of the highest governance body	**Annual Report 2024, p. 32**	ESRS 2 GOV-1	
	2-18 Evaluation of the performance of the highest governance body	Document archive on Taaleri's website: Taaleri Plc Corporate Governance Statement 2024 Taaleri Plc Sustainability Policy 2025, p. 10 **Taaleri website:** Board of Directors and Committees Governance Remuneration		
	2-19 Remuneration policies	**Annual Report 2024, pp. 42, 56** **Document archive on Taaleri's website:** Taaleri Plc Corporate Governance Statement 2024 Taaleri Plc Remuneration Policy for Governing Bodies, pp. 3–5 Taaleri Plc Remuneration Report 2024 Taaleri Plc Sustainability Policy 2025, p. 11 **Taaleri website:** Remuneration	ESRS 2 GOV-3, E1.GOV-3	
	2-20 Process to determine remuneration	**Document archive on Taaleri's website:** Taaleri Plc Personnel Policy, p. 4 Taaleri Plc Remuneration Policy for Governing Bodies, pp. 2–4 Taaleri Plc Remuneration Report 2024 Taaleri Plc Sustainability Policy 2025, p. 11 **Taaleri website:** Remuneration General Meetings, Remuneration Report for the Governing Bodies	ESRS 2 GOV-3	

GRI Standard	Disclosure	Location / Additional information	Connetion to ESRS requirements	Connection to TCFD requirements
	2-21 Annual total compensation ratio	The annual total compensation ratio was not reported in 2024.	S1-16	
	2-22 Statement on sustainable development strategy	**Annual Report 2024, p. 7**	ESRS 2 BP-2, SBM-1	
	2-23 Policy commitments	**Annual Report 2024, pp. 30–31, 43–44, 47–48** **Document archive on Taaleri's website:** Taaleri Plc Code of Conduct Taaleri Plc Personnel Policy Taaleri Plc Sustainability Policy 2025 Taaleri Plc Sustainability Risk Policy 2025 Taaleri Bioindustry Code of Conduct Taaleri Bioindustry Sustainability Principles Taaleri Energia Code of Conduct - Business Ethics Taaleri Energia ESG Policy Taaleri Pääomarahastot Oy Sustainable Investing Principles (in Finnish) Taaleri Real Estate Sustainability Principles	S1-1, G1-1	
	2-24 Embedding policy commitments	**Annual Report 2024, pp. 40, 45, 47** **Document archive on Taaleri's website:** Taaleri Plc Code of Conduct Taaleri Plc Personnel Policy Taaleri Plc Sustainability Policy 2025 Taaleri Plc Sustainability Risk Policy 2025 Taaleri Bioindustry Code of Conduct Taaleri Bioindustry Sustainability Principles Taaleri Energia Code of Conduct - Business Ethics Taaleri Energia ESG Policy Taaleri Real Estate Sustainability Principles Taaleri Pääomarahastot Oy Sustainable Investing Principles (in Finnish)	ESRS 2 GOV-2, S1-4, G1-1	
	2-25 Processes to remediate negative impacts	**Document archive on Taaleri's website:** Taaleri Plc Sustainability Policy 2025, pp. 16–20 Taaleri Plc Sustainability Risk Policy 2025, pp. 5–7	S1-1, S1-3, S1-17	
	2-26 Mechanisms for seeking advice and raising concerns	**Annual Report 2024, pp. 44, 48** **Document archive on Taaleri's website:** Taaleri Plc Code of Conduct Taaleri Plc Sustainability Policy 2025, p. 9 **Taaleri website:** Governance	S1-3, G1-1, G1-3	
	2-27 Compliance with laws and regulations	During the reporting period, there were no significant instances of non-compliance with laws and regulations, and for example no fines incurred on Taaleri for violating laws and regulations.	ESRS 2 SBM-3, S1-17, G1-4	
	2-28 Membership associations	**Annual Report 2024, p. 48** **Document archive on Taaleri's website:** Taaleri Plc Code of Conduct Taaleri Plc Sustainability Policy 2025, p. 7 **Taaleri website:** Commitments and memberships		

GRI Standard	Disclosure	Location / Additional information	Connetion to ESRS requirements	Connection to TCFD requirements
	2-29 Approach to stakeholder engagement	**Annual Report 2024, pp. 16–17** **Document archive on Taaleri's website:** Taaleri Plc Code of Conduct Taaleri Plc Sustainability Policy 2025, pp. 8–9 **Taaleri website:** Governance	ESRS 2 SMB-2, S1-1, S1-2	
	2-30 Collective bargaining agreements	11.6% (13.2%) of the Group's employees are covered by collective bargaining agreements. The collective agreements covers Garantia's employees. For all Group employees (including those not covered by collective bargaining agreements), the terms and conditions of employment, such as working hours and salary and working conditions, are determined in the agreements in accordance with the Finnish law.	S1-8	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Taaleri Plc has updated its materiality assessment during 2024 to align with the upcoming mandatory sustainability reporting requirements. **Annual Report 2024, pp. 34–35** **Document archive on Taaleri's website:** Taaleri Plc Sustainability Policy 2025, pp. 12–13	ESRS 2 BP-1, IRO-1	Governace a & b, Risk Management a
	3-2 List of material topics	**Annual Report 2024, pp. 35–36** **Document archive on Taaleri's website:** Taaleri Plc Sustainability Policy 2025, pp. 7–8	ESRS 2 BP-2, SMB-3, G1-1	Strategy a, Metrics and Targets b
	3-3 Management of material topics	**Annual Report 2024, pp. 35–36** **Document archive on Taaleri's website:** Taaleri Plc Code of Conduct Taaleri Plc Personnel Policy Taaleri Plc Sustainability Policy 2025 Taaleri Plc Sustainability Risk Policy 2025	ESRS 2 BP-2, SBM-1, SBM-3, E1-2, E1-4, S1-1, S1-2, S1-3, S1-4, S1-5, S1-17, G1-3, G1-4	Strategy a, Risk Management b & c, Metrics and Targets a & c
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	**Annual Report 2024, pp. 35–36, 100, 127, 132, 134**	ESRS 2 SBM-3, E1.SBM-3, E1-3, E1-9	Strategy b
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	**Annual Report 2024, p. 53**	E1-4, E1-6	Metrics and Targets a & b & c
	305-2 Energy indirect (Scope 2) GHG emissions	**Annual Report 2024, p. 53**	E1-4, E1-6	Metrics and Targets a & b & c
	305-3 Other indirect (Scope 3) GHG emissions	**Annual Report 2024, p. 53**	E1-4, E1-6	Metrics and Targets a & b & c
	305-4 GHG emissions intensity	**Annual Report 2024, p. 54**	E1-6	Metrics and Targets a
Taaleri's own indicator	Production volume of renewable energy of investments	**Annual Report 2024, pp. 22, 54**	Entity-specific disclosure	Metrics and Targets a
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	**Annual Report 2024, pp. 42, 54**	S1-6	
	401-3 Parental leave	**Annual Report 2024, pp. 52, 55**	S1-15	

GRI Standard	Disclosure	Location / Additional information	Connetion to ESRS requirements	Connection to TCFD requirements
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	**Annual Report 2024, pp. 42–43, 52** **Document archive on Taaleri's website:** Taaleri Plc Personnel Policy, p. 5		
	403-8 Workers covered by an occupational health and safety management system	**Annual Report 2024, pp. 52, 55**	S1-14	
	403-9 Work-related injuries	**Annual Report 2024, p. 55**	S1-14	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	**Annual Report 2024, pp. 42, 54, 56** **Document archive on Taaleri's website:** Taaleri Plc Corporate Governance Statement 2024 Taaleri Plc Personnel Policy, pp. 4–5	ESRS 2 GOV-1, S1-12	
Taaleri's own indicator	Employee net promoter score	**Annual Report 2024, p. 55**	Entity-specific disclosure	

Information for investors

In 2024, Taaleri delivered a total return of -1.5% to its shareholders, taking into account share price performance and a dividend of EUR 1.00. Taaleri's share price was EUR 9.05 on the first day of trading and EUR 8.03 on the last day of trading of the year.

During 2024, 6,340,692 Taaleri shares were traded on Nasdaq Helsinki, corresponding to a trading value of EUR 57,530,669 over the period. On average, 25,262 Taaleri shares were traded daily. Taaleri hosted webcast events for all interested parties in conjunction with each earnings release. Taaleri also participated in a number of investor events in Finland aimed at both institutional and private investors. During 2024, the number of Taaleri shareholders increased from 11,400 to approximately 15,800.

Share analysis

As of the end of 2024, the following analysts covered Taaleri:

- Inderes – Kasper Mellas
- Nordea – Jukka-Pekka Pesonen and Joni Sandvall

The reports and the analysts' contact information can be found at https://www.taaleri.com/en/investors/share/analysts.

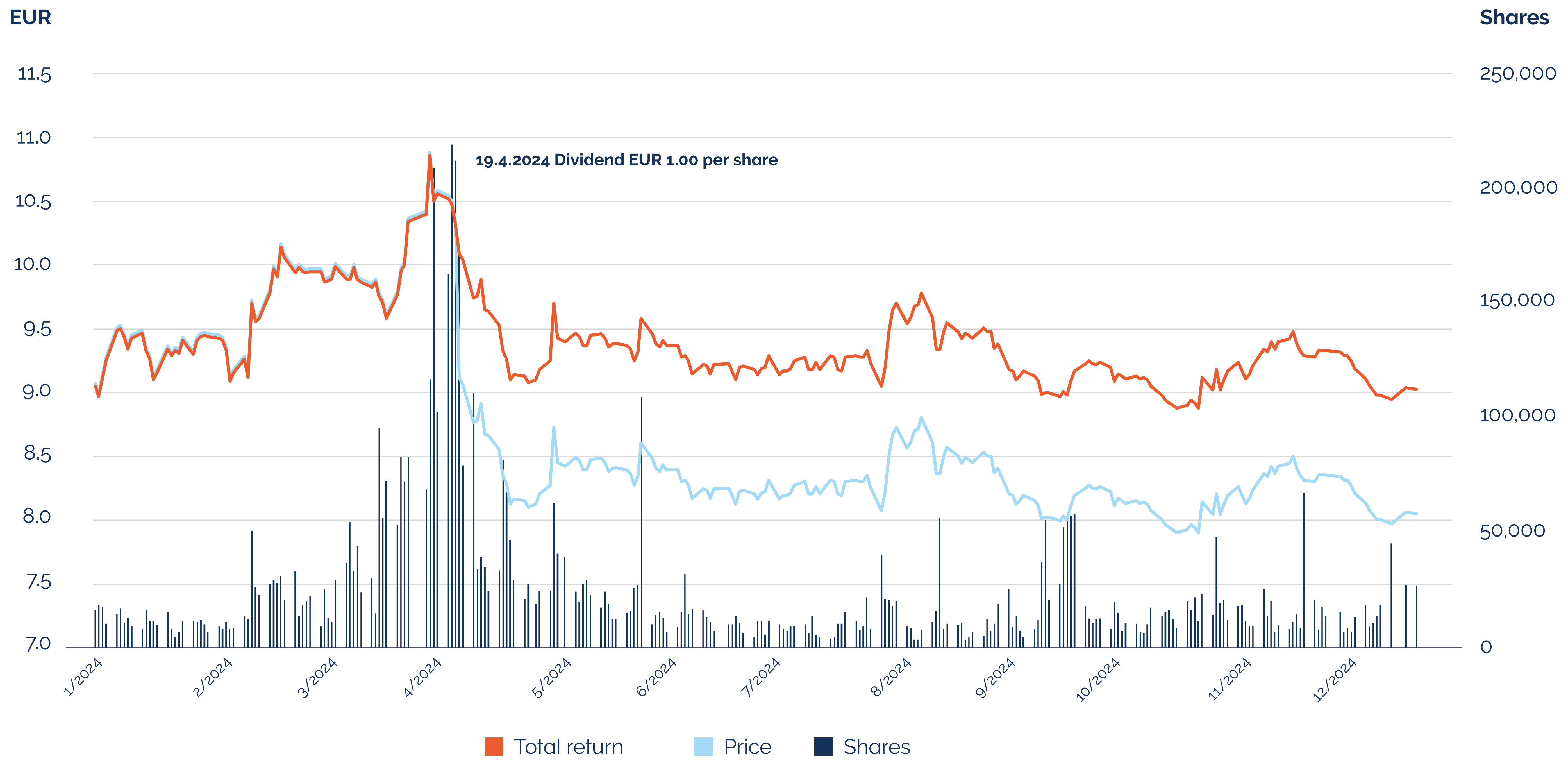
Taaleri's interim financial reporting in 2025

- Interim statement January–March 2025, 29 April 2025
- Half-year financial report January–June 2025, 13 August 2025
- Interim statement January–September 2025, 28 October 2025

Taaleri's Annual General Meeting in 2025

Taaleri's Annual General Meeting will be held on Wednesday, 2 April 2025.

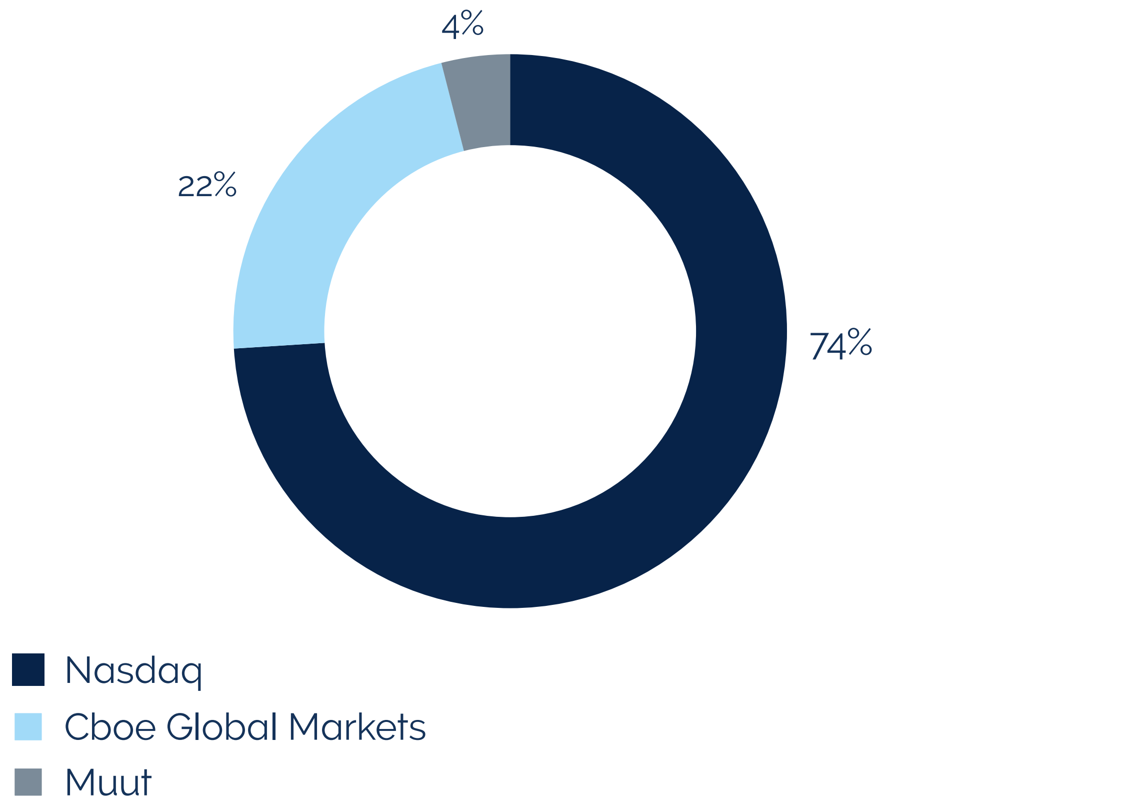
Taaleri's share price development 2.1.2024–31.12.2024



Share information

Listing market: Nasdaq Helsinki
Listing date: 1 April 2016 (Main Market), 24 April 2013 (First North Finland)
Trading currency: Euro
Market capitalisation category: Mid Cap
Trading symbol: TAALA
ISIN code: FI4000062195
LEI code: 743700LSJBDD7TMLAD92
Reuters symbol: TAALA.HE
Bloomberg symbol: TAALA: FH

Trading in Taaleri Plc's shares by marketplace



Source: Modular Finance Monitor

The Board of Directors' Report and Financial Statements 2024

Table of Contents

The Board of Directors' Report 1.1.–31.12.2024

Taaleri in brief

Taaleri is a Nordic investment and asset manager that focuses on businesses with industrial-scale opportunities within bioindustry and renewable energy. We create value through both funds under management and direct investments by combining extensive know-how, deep expertise, entrepreneurship and capital. Taaleri's vision is to become a leading investment manager operating internationally in bioindustry and renewable energy.

Taaleri's growth in the bioindustry and renewable energy ecosystems is supported by sustainability-driven megatrends and a strong demand for novel industrial and energy solutions. Through investments in bioindustry, Taaleri utilises renewable and recyclable raw materials to create sustainable products through industrial innovations and technologies. In renewable energy, Taaleri develops utility-scale clean energy solutions.

Sustainability is a central part of Taaleri's operating methods and principles. We have been a signatory of the UN Principles for Responsible Investment (UNPRI) since 2010, and we joined the Net Zero Asset Managers (NZAM) initiative in 2021.

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

Promoting the strategy

The year 2024 was the first of Taaleri's current strategy period. At the core of the strategy are private asset management business and significant industrial investments, particularly in bioindustry. Taaleri's goal is to increase the assets under management to EUR 4 billion and increase the Group's direct industrial investments to at least EUR 100 million by the end of 2026.

Taaleri has four strategic priorities. Below, we outline how we advanced each of the priorities during 2024.

1. Grow in our business areas through both assets under management and direct investments
Assets under Taaleri's management increased during 2024 from EUR 2.6 billion to EUR 2.7 billion. During the year, we raised funds for Taaleri's latest SolarWind III renewable energy fund. By the end of 2024, EUR 481 million had been raised for the fund, exceeding the size of the previous Taaleri SolarWind II Fund, which is fully invested, by 36%. The fund's fundraising was supported by a project development portfolio that already included 60 projects at the end of the financial year.

2. Make substantial industrial investments and cooperate with industrial partners, especially in the bioindustry ecosystem
Over the year, we advanced several projects within the bioindustry ecosystem. We completed the torrefied biomass plant in Joensuu during the past year, and production is set to commence in early 2025. Taaleri is an investor in the project. We also made an additional investment in the Fintoil biorefinery, which is an associated company of Taaleri. Fintoil's financial situation and operating environment improved in the final quarter of 2024. Furthermore, we promoted a potential international project for torrefied biomass production, facilitated through a project development company established in Canada and dedicated resources committed to the initiative.

Throughout 2024, we explored potential direct investments, but no new significant investments have yet been made.

3. Expand our investor base outside of Finland and partner with international organisations on investments
In 2024, our fundraising efforts focused on international markets. Of the SolarWind III Fund's current capital, 54% is raised outside Finland. Over 2024, we strengthened relationships within international networks and with potential partners.

4. Develop impact and sustainability in all investments throughout their lifecycle
We developed and increased private equity funds that seek not only economic returns but also measurable benefits for the environment and society. In 2024, we managed nine private asset management funds classified under Articles 8 or 9 of the EU Sustainable Finance Disclosure Regulation (SFDR) (2019/2088). These funds either make sustainable investments, such as those contributing significantly to mitigating climate change, or promote selected sustainability characteristics.

Operating environment and market prospects

Economic development in the eurozone remained subdued during 2024. However, economic growth is forecasted to be slightly more favourable in 2025 compared to the previous year. In the United States, economic growth remained strong, highlighting the contrast with weaker development in Europe.

Inflation has eased during the past year, but it has not yet reached the target levels set by central banks. Interest rates continued to decline during the year, which revitalised the industrial economic climate. However, geopolitical instability continues to increase market uncertainty.

The fundraising environment for private markets remained challenging in the final quarter of 2024. Fundraising for infrastructure funds was at its lowest level since 2015. Fluctuations in valuation levels, uncertainty in exit markets, and geopolitical risks have made investors more cautious.

The renewable energy business environment was divided in 2024. Electricity prices vary significantly across different regions in Europe, which impacts the attractiveness of renewable energy investments on a country-by-country basis. The recent rapid development of wind and solar power has also led to a decrease in the selling prices of electricity from these energy sources. For example, the price of solar energy has fallen in Spain, and wind energy prices have decreased in the Nordic countries.

In bioindustry, the political climate has weakened the operating environment for products and solutions focused on sustainability, making market entry more difficult during 2024. Commercialisation is further hindered by the prevailing emphasis on cost efficiency and established value chains across many sectors, which makes it challenging to integrate new solutions, even when they are competitive in terms of quality and price.

The demand for bioindustry products is influenced by the prices of EU emission allowances (ETS), which were at a lower level in 2024 compared to the previous year. The price level remains lower compared to forecasts. Price development is influenced by factors such as the abundant supply of emission allowances in relation to current demand. The price of coal in 2024 was below the price in 2023. At the same time, the prices of domestic pulpwood and fuelwood, used as bioindustry raw materials, remained at record-high levels in 2024, although the pace of price increases decelerated toward the end of the year.

The real estate market remained sluggish in 2024. Transaction volumes were 18% lower than in 2023. Domestic real estate funds were net sellers while international real estate investors were net buyers. The share of international investors of the total volume decreased from the previous year. Transaction volumes were at level with the first half of the decade starting in 2010, even though the size of the Finnish professional real estate market has almost doubled.

In the insurance operating environment of Garantia Insurance Company Ltd, economic uncertainty continued to keep consumer confidence well below the long-term average, and activities in the housing market remained subdued. The continuing low volume of housing transactions significantly affected the company's sales of residential mortgage guarantees. In Finland, the prolonged weak economic situation was also reflected in increased unemployment, but the creditworthiness of the company's residential mortgage guarantee customers largely remained good, and no significant changes occurred in the risk position of the guarantee insurance portfolio. The housing market showed signs of recovery towards the end of the year. If the positive development continues, the volume of Garantia's residential mortgage guarantee sales is also expected to take an upward turn.

As a result of subdued economic activity, companies' willingness to invest remained low and the number of bankruptcies initiated continued on an upward trend. Demand for corporate financing remained modest, but the improvement in business confidence indicators in the latter half of the year can be considered a positive signal. However, the creditworthiness of the corporate counterparties of Garantia's guarantee insurance portfolio mostly remained stable. The development of the investment market was strong in 2024.

Financial result

The figures presented in the review of financial results are based on Taaleri's segment reporting, unless otherwise stated.

Continuing earnings, income, and operating profit

Group, EUR million	1.1.-31.12.2024	1.1.-31.12.2023	Change, %
Continuing earnings	**40.5**	**39.9**	**1.6%**
Private Asset Management	25.2	24.4	3.3%
Garantia	13.6	13.6	0.4%
Other	1.7	1.9	-11.7%
Income	**70.5**	**66.3**	**6.3%**
Private Asset Management	42.0	42.3	-0.9%
Garantia	25.5	18.3	39.3%
Other	3.1	5.7	-46.4%
Operating profit	**38.0**	**31.9**	**19.3%**
Private Asset Management	16.1	14.9	7.6%
Garantia	24.3	16.8	44.3%
Other	-2.3	0.1	n/a

The Group's share of the result of associated companies is taken into account in the segment income. In addition, transit items that have no effect on the result for the financial year have been eliminated from segment income. Segment information and the reconciliation statement to the IFRS income statement are presented on page 87.

The Group's continuing earnings grew by 1.6% to EUR 40.5 (39.9) million during 2024. Continuing earnings in the Private Asset Management segment grew by 3.3% as the fundraising for the Taaleri SolarWind III Fund progressed, but continuing earnings in the Garantia segment remained at the level of the comparison period, amounting to EUR 13.6 million. In the Garantia segment, the insurance service result increased by 4.8% compared to the previous year, mainly due to a reduction in insurance service expenses, although net finance income and expense increased due to changes in discount rates.

Performance fees recognised for the 2024 financial year amounted to EUR 1.8 (1.5) million. The majority of the performance fees were recognised based on management estimates from the Taaleri SolarWind I Fund, whose exit preparations were initiated.

The Group's net income from investment operations was excellent at EUR 28.2 (25.0) million, of which EUR 15.0 (16.5) million was from the Private Asset Management segment, EUR 11.9 (4.7) million from the Garantia segment and EUR 1.4 (3.8) million from the Other group.

The net income from investment operations for the 2024 financial year includes, among other items, EUR 14.1 million in yet-to-be-realised considerations and EUR 11.9 million recognised through profit or loss from Garantia's investment performance, which, at fair value, reached 10.3%. The unrealised considerations recognised as income in 2024 consist of an EUR 8.3 million additional income from last year's sale of a renewable energy project development portfolio and an EUR 5.8 million additional income from renewable energy development activities carried out in Texas between 2018 and 2021. Management considers the realisation of these considerations to be probable, and therefore they were recognised as income in the financial year 2024. The Group's income grew by 6.3% to EUR 70.5 (66.3) million in the financial period ended.

The Group's operating expenses totalled EUR 32.5 (34.5) million in the financial period ended, including EUR 15.2 (16.1) million of personnel costs and EUR 6.0 (6.6) million of fee and commission expenses. The Group's operating profit was EUR 38.0 (31.9) million, corresponding to 53.9% (48.1) of income.

In the Group's consolidated IFRS income statement, income grew by 10.6% to EUR 72.6 (65.6) million. The Group's profit for the period was EUR 32.5 (26.5) million and comprehensive income items were EUR 3.0 (1.9) million, consisting mainly of changes in fair value, so the Group's total comprehensive income was EUR 35.5 (28.5) million.

Balance sheet, investments, and financing

At the end of the financial period, Taaleri Group's balance sheet total was EUR 291.9 (307.9) million. At the end of the review period, the Group's cash and cash equivalents totalled EUR 19.6 (38.3) million. The parent company distributed EUR 28.2 million in dividends during the financial year and redeemed its EUR 15.0 million Tier 2 bond in October. The liquidity position remained strong.

Taaleri's investments at the end of the financial period were EUR 209.4 (228.4) million, representing 71.8% (74.2) of the consolidated balance sheet total. Of the investments, EUR 154.6 (160.6) million consisted of Garantia's investment portfolio, EUR 36.1 (32.3) million of direct investments in the Private Asset Management segment and EUR 18.7 (35.5) million of non-strategic investments. At the end of the review period, the Group's accrued income included unrealised performance fees, based on management estimates, totalling EUR 15.9 (14.2) million, and other unrealised considerations of EUR 14.1 (0.0) million. The unrealised considerations consist of sales price receivables recognised as income in 2024 but still conditional as of the balance sheet date. Of the unrealised but recognised considerations, EUR 8.3 million relates to the sale of renewable energy business's development portfolio and EUR 5.8 million to renewable energy development activities conducted in Texas between 2018 and 2021.

Taaleri also has unrecognised contingent receivables based on agreements, including from the sale of Taaleri Forest Fund III, announced on 26 June 2023. Taaleri records contingent receivables if they are likely to be realised.

The liabilities of the Group at the end of 2024 totalled EUR 76.5 (99.3) million, insurance contract liabilities were EUR 42.7 (45.6) million and interest-bearing liabilities were EUR 0.0 (14.9) million. Taaleri agreed on a EUR 30-million three-year credit facility during the financial year, intended for the company's general financing needs to support its strategy. The credit facility is subject to standard covenant conditions. The credit limit remained fully undrawn at the end of the financial period.

At the end of the financial period, Taaleri Group's equity was EUR 215.3 (208.6) million. The Group's equity ratio strengthened to 73.8% (67.8) and return on equity increased to 15.3% (13.0).

Business segments

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

On 7 August 2024, Taaleri announced that it had changed the composition of the reported segments by transferring Aktia Bank Plc's shareholding from the Strategic Investments segment to the Other group. Following the transfer, the previous Strategic Investments segment includes only Garantia's business, and the segment will henceforth be called Garantia. Taaleri received Aktia Bank Plc shares on 30 April 2021 as part of the sale of the wealth management operations. The information for the corresponding period has been adjusted accordingly. Taaleri sold a total of 69.1% of its shares in Aktia during 2024, generating cash flows of EUR 6.3 million.

The segment-specific income statements are presented on page 87.

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 manages private equity funds that invest in industrial-scale wind and solar power projects and energy storage systems. It also manages investments throughout their lifecycle. The other areas within Private Asset Management include Taaleri's bioindustry, real estate and other 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. Such investments include, for example, seed investments in new funds. Group investments are presented in further detail under segment information on page 88.

Private Asset Management, EUR million	1.1.-31.12.2024	1.1.-31.12.2023	Change, %
Continuing earnings	25.2	24.4	3.3%
Performance fees	1.8	1.5	23.9%
Investment operations	14.9	16.5	-9.3%
Income	**42.0**	**42.3**	**-0.9%**
Personnel costs	-11.2	-11.6	-4.1%
Other costs	-14.8	-15.8	-6.5%
Operating profit	**16.1**	**14.9**	**7.6%**
FTE, at the end of the period	87	82	6.1%

Private Asset Management segment's investments, EUR million	31.12.2024	31.12.2023	Change, %
Investments and receivables, fair value	**36.1**	**32.3**	**11.7%**
Renewable energy	19.1	19.3	-1.1%
Real estate	0.0	0.2	-100.0%
Bioindustry	16.9	12.8	32.5%

Renewable energy

Renewable energy, EUR million	1.1.-31.12.2024	1.1.-31.12.2023	Change, %
Continuing earnings	20.0	18.1	10.2%
Performance fees	1.8	-	100.0%
Investment operations	16.7	17.2	-3.3%
Income	**38.4**	**35.4**	**8.6%**
Personnel costs	-6.7	-7.6	-12.2%
Other costs	-10.4	-11.4	-8.8%
Operating profit	**21.3**	**16.3**	**30.4%**
FTE, at the end of the period	49	48	3.3%
Assets under management, EUR billion	1.7	1.6	3.9%

The continuing earnings of the renewable energy business grew in the financial period ended by 10.2% to EUR 20.0 (18.1) million, mainly driven by the progress of fundraising for the Taaleri SolarWind III Fund, which held its first closing in 2023. Performance fees of EUR 1.8 (0.0) million were recognised for the financial period based on management estimates from the Taaleri SolarWind I Fund, whose exit preparations have begun.

Net income from investment operations in the business was EUR 16.7 (17.2) million, with approximately half of this amount in both periods coming from the gain on the sale of the project development portfolio to the Taaleri SolarWind III Fund. The net income from investment operations for the 2024 financial period included EUR 5.8 million from renewable energy development activities carried out in Texas between 2018 and 2021. Taaleri received the first portion of the sale price for the project, EUR 5.5 million, in 2023, and when announcing the transaction, it was noted that the sale agreement included the possibility of an additional income if certain conditions are met. The amount of the additional income is USD 6.0 million, or approximately EUR 5.8 million, and it was fully recognised during the 2024 financial year. Additionally, the net income from investment operations included EUR 1.1 (-0.1) million from changes in the fair value of direct renewable energy investments in the Private Asset Management segment, as well as EUR 1.6 (2.9) million in income from rechargeable expenses related to renewable energy projects, with corresponding costs recognised in the operating expenses. Income from the renewable energy business grew in the financial period by 8.6% to EUR 38.4 (35.4) million.

Operating expenses in the financial period totalled EUR 17.1 (19.0) million, of which fee and commission expenses were EUR 4.3 (4.2) million and personnel costs EUR 6.7 (7.6) million. The personnel costs decreased, as the comparison period included variable personnel costs related to the first closing of the Taaleri SolarWind III Fund. Other operating expenses included EUR 1.6 (2.9) million in recharged expenses, for which the corresponding income was recognised in the net income from investment operations, as well as EUR 0.7 (1.4) million in written-down project expenses. Operating profit for the renewable energy business grew in the financial period ended to EUR 21.3 (16.3) million, corresponding to a profit margin of 55.4% (46.2).

The renewable energy business continued fundraising during the 2024 financial period for the Taaleri SolarWind III Fund to increase the amount of investment commitments from the second closing realised at the end of 2023. At the end of the 2024 financial year, the total commitments for the fund amounted to EUR 481 million. Several investors are still conducting due diligence on the fund, and fundraising will continue through 2025. The development of the Taaleri SolarWind III Fund's project development portfolio continued throughout the year, and the fund made the decision to invest, among other things, in a 154-megawatt wind power project in Serbia. By the end of the financial period, construction decisions had been made for the fund's three projects. The Taaleri SolarWind II Fund, on the other hand, focused on the high-quality and efficient operation of the wind farms and photovoltaic solar parks already in production during the financial period. Preparations to exit the Taaleri Wind II and Taaleri Wind III Funds continued, and we actively engaged in sales negotiations..

Other private asset management

Other private asset management, EUR million	1.1.-31.12.2024	1.1.-31.12.2023	Change, %
Continuing earnings	5.2	6.2	-16.5%
Performance fees	0.1	1.5	-94.3%
Investment operations	-1.7	-0.8	>100.0%
Income	**3.6**	**7.0**	**-48.8%**
Personnel costs	-4.4	-4.0	11.4%
Other costs	-4.4	-4.4	-0.6%
Operating profit	**-5.2**	**-1.4**	**>100.0%**
FTE, at the end of the period	37	34	10.1%
Assets under management, EUR billion	1.0	1.0	-0.8%

Continuing earnings from Taaleri's bioindustry, real estate and other businesses fell in the financial period ended by 16.5% to EUR 5.2 (6.2) million. The decrease in continuing earnings was partly due to the slight decrease in mandated fees for the real estate business and private equity fund management fees, but more significantly to Taaleri's share of the profit of WasteWise Group, which is consolidated into the bioindustry business as an associated company.[1] Performance fees of EUR 0.1 million were recognised for the exit of Taaleri Varustamo Ky's investments during the 2024 financial year. The performance fees of EUR 1.5 million in the comparison period came from the sale of Taaleri Forest Fund III.

A total of EUR -2.0 (-0.9) million worth of changes in the fair value of Taaleri's direct investments reported under the Private Asset Management segment were recorded in the net income from investment operations of Other private asset management. The income from the bioindustry, real estate and other businesses fell to EUR 3.6 (7.0) million during the financial period.

Operating expenses in Taaleri's bioindustry, real estate and other businesses totalled EUR 8.8 (8.4) million, including EUR 1.7 (2.3) million in fee and commission expenses and EUR 4.4 (4.0) million in personnel costs. The increase in personnel costs is mainly due to an increase in the number of staff in the businesses. The operating result for Taaleri's other private asset management decreased to EUR -5.2 (-1.4) million during the financial period. The development of the operating result compared to the comparison period was particularly affected by negative changes in the fair value of Taaleri's direct investments in the Private Asset Management segment recognised in 2024, as well as higher performance fees recognised in the comparison period.

The bioindustry business continued its ramp-up and the necessary growth investments during the financial period. The business focused on value creation in Taaleri Bioindustry I Fund portfolio companies, supporting the ramp-up, financing arrangements and commercialisation of financed projects. The business explored several new potential target companies for the fund and made its fourth and fifth investments in the Finnish growth company eniferBio and the Dutch recycling concrete processor C2CA.

The bioindustry business also continued the construction project of the torrefied biomass plant in Joensuu and prepared for the planned start of the production line ramp-up. The business promoted a potential international torrefied biomass production project in the form of a project development company established in Canada and resources committed to the project.

The real estate business updated its strategy in the early part of the year. In accordance with the new strategy, the focus of operations will shift more strongly to the structuring of new investment products, as well as to the investment activities themselves. The business started the development of new products and services to promote the strategy, implemented an organisational change to support the strategy and advanced new recruitment. The current product portfolio was optimised by exiting the only investment in Taaleri Rauma Housing Fund IV during the financial period. Additionally, the business negotiated and reorganised the financing arrangements for the funds it manages and agreed on a strategic partnership with a large Finnish pension insurer (Keva) after the turn of the financial year.

[1] Taaleri's share of WasteWise Group's profit for the period is consolidated into the Taaleri Group using the equity method because the company is an associated company of Taaleri. Taaleri's share of WasteWise Group's profit is consolidated into the continuing earnings of the bioindustry business in segment reporting.

Taaleri's private equity funds in a table

Renewable energy, EUR million	Founded	Product	Business area	AUM 31.12.2024	Stage of the fund
Taaleri Wind Fund II Ky	2014	Private equity fund	Renewable energy	319	Invested
Taaleri Wind Fund III Ky	2016	Private equity fund	Renewable energy	52	Invested
Taaleri SolarWind I Ky	2016	Private equity fund	Renewable energy	173	Invested
Taaleri SolarWind II Feeder Fund Ky	2019	Feeder fund	Renewable energy	185	Invested
Taaleri Wind Fund IV Ky	2019	Co-investment fund	Renewable energy	202	Invested
Taaleri SolarWind II	2019	Private equity fund	Renewable energy	290	Invested
Taaleri SolarWind III[2]	2023	Private equity fund	Renewable energy	439	Fundraising
Managed accounts	2019-	Managed accounts	Renewable energy	54	Invested
Renewable energy total				**1,714**	

[2] On 31 December 2024, the total commitments of the Taaleri SolarWind III Fund were EUR 481 million and included a conditional commitment dependent on the final size of the fund that has not been included in the reported assets under management that generate recurring fees.

Other private asset management, EUR million	Founded	Product	Business area	AUM 31.12.2024	Stage of the fund
Taaleri Real Estate Development Fund Ky	2015	Private equity fund	Real estate	11	Invested
Taaleri Multifunctional Properties Ky	2018	Private equity fund	Real estate	43	Invested
Taaleri Property Fund I Ky	2015	Private equity fund	Real estate	36	Invested
Taaleri Property Fund II Ky	2016	Private equity fund	Real estate	2	Invested
Taaleri Rental Home Ky	2016	Private equity fund	Real estate	170	Invested
Taaleri Housing Fund VIII Ky	2021	Private equity fund	Real estate	95	Investing period
Managed accounts	2021-	Managed accounts	Real estate	325	Investing period
Real estate total				**681**	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry	42	Invested
Joensuu Biocoal	2021	Co-investment	Bioindustry	16	Investing period
Taaleri Bioindustry I Ky	2021	Private equity fund	Bioindustry	107	Investing period
Bioindustry total				**164**	
Other funds total				**138**	
Other private asset management total				**984**	
Taaleri's Private Asset Management segment total, EUR million				**2,698**	

The assets under management of the Private Asset Management segment reported by Taaleri Group are assets that generate continuing earnings. In some of the funds, the assets that generate continuing earnings includes both Fund's equity and debt financing. If Taaleri's earnings are based on the amount of investment commitments, the assets under management are also based on the investment commitments. Assets under management in real estate mandates are gross assets under management in portfolio management mandates and market value of real estate portfolios under management in other real estate management mandates.

Garantia

Garantia is a non-life insurance company specialised in credit risk insurance. The company was founded in 1993. Garantia offers easy and cost-effective guarantee and credit risk insurance solutions for consumers, corporates and lenders. The company's business consists of insurance and investment operations.

Garantia, EUR million	1.1.-31.12.2024	1.1.-31.12.2023	Change, %
Insurance service result	14.2	13.5	4.8%
Insurance revenue	18.9	19.0	-0.6%
Insurance service expenses	-4.3	-4.9	-12.4%
Net expenses from reinsurance contracts	-0.4	-0.5	-27.8%
Net finance income and expense	-0.6	-0.0	>100.0%
Net income from investment operations	11.9	4.7	>100.0%
Other income	0.0	0.0	22.8%
Income	**25.5**	**18.3**	**39.3%**
Personnel costs	-1.1	-1.4	-19.8%
Other costs	-0.1	-0.1	31.0%
Operating profit	**24.3**	**16.8**	**44.3%**
FTE, at the end of the period	21	19	10.5%

Garantia	1.1.-31.12.2024	1.1.-31.12.2023	Change, %
Claims ratio (IFRS), %	-0.9%	4.5%	-5.4%-p.
Expense ratio (IFRS), %	23.8%	21.5%	2.3%-p.
Reinsurance ratio (IFRS), %	2.0%	2.7%	-0.7%-p.
Combined ratio (IFRS), %	24.9%	28.7%	-3.8%-p.
Return on investments at fair value, %	10.3%	6.9%	3.4%-p.
Net income from investment operations			
Recognised in in PL, MEUR	11.9	4.7	>100.0%
Recognised in OCI, MEUR	3.6	5.7	-36.8%
Total net income from investment operations, MEUR	**15.5**	**10.4**	**49.0%**

The total returns on Garantia's investment portfolio are recorded partly in the profit and loss and partly in other comprehensive income. The majority of changes in the fair value of the portfolio's debt instruments are recorded in other comprehensive income, while some are recognised through profit or loss. Changes in the fair value of fund investments, interest and dividend income, as well as realised gains and losses on disposals, are recognised through profit or loss.

Garantia	31.12.2024	31.12.2023	Change, %
Investment portfolio, fair value incl. accrued interest[3], MEUR	158.1	164.0	-3.6%
Shares and funds	27.7	14.4	92.2%
Private equity funds	5.0	5.2	-4.2%
Real estate property funds	2.4	2.3	6.0%
Debt instruments, fair value through PL	27.5	35.2	-22.0%
Debt instruments, fair value through OCI	94.1	105.3	-10.7%
Cash and cash equivalents	1.4	1.5	-5.9%
Guaranty insurance portfolio, MEUR	1,679	1,749	-4.0%
Solvency ratio, %	262.7%	245.7%	17.0%-p.
Credit rating (S&P)	A-	A-	-

[3] In Taaleri Group's consolidated balance sheet, the accrued interest on Garantia's debt instruments is presented under Accrued income and prepayments.

During the year 2024, Garantia continued the development of the residential mortgage guarantee business. In its corporate guarantee business, Garantia strengthened the offering for guarantees aimed at medium sized and corporates and developed new structured credit risk insurance products in for the international credit risk insurance market.

Garantia's income in the fiscal year 2024 increased by 39.3% and amounted to EUR 25.5 (18.3) million. The increase in income was especially a result of higher net investment income recognised in profit and loss compared to the corresponding period last year.

Insurance service result increased 4.8% and amounted to EUR 14.2 (13.5) million. Insurance revenue remained somewhat at the level of the corresponding period at EUR 18.9 (19.0) million. Combined ratio strengthened compared to the corresponding period and stood at 24.9% (28.7).

Total net income from investment operations was excellent and amounted to EUR 15.5 (10.4) million. It was divided into net income from investment operations recognised in profit and loss amounting EUR 11.9 (4.7) million and to changes in fair values in other comprehensive income amounting to EUR 3.6 (5.7) million. Increase in the total net income from investment operations was driven by decreased interest rate expectations and strong performance in the stock market.

The personnel costs not recognised in insurance service result amounted to EUR 1.1 (1.4) million and other costs to EUR 0.1 (0,1) million. These costs include the proportion of the company's expenses that is not related to insurance operations, such as variable personnel costs.

Operating profit amounted to EUR 24.3 (16.8) million. The result at fair value before tax was EUR 27.9 (22.5) million.

Insurance operations

Garantia's insurance revenue in 2024 remained at the level of the comparison period and amounted to EUR 18.9 (19.0) million. Guarantee insurance exposure decreased by 4.0% and stood at EUR 1,679 (1,749) million at the end of the fiscal year.

Insurance service expenses decreased to EUR 4.3 (4.9) million in 2024. The decrease was mainly a result of changes to cashflow estimates of incurred claims. Claims ratio in 2024 ended up being negative at -0.9% (4.5). Expense ratio slightly weakened to 23.8% (21.5).

A single material claim related to a corporate exposure was incurred during the fiscal year. However, there was no negative effect on profit and loss thanks to full cover by counter-collateral. Based on full cover by counter-collaterals, an insurance contract asset has been recorded in the balance sheet at the end of the financial year.

Net expenses from reinsurance contracts amounted to EUR 0.4 (0.5) million during the 2024 fiscal year. Reinsurance ratio stood at 2.0% (2.7).

Garantia's combined ratio improved from corresponding period and was 24.9% (28.7) in 2024. The profitability of insurance operations was very good.

Of the total guarantee insurance exposure, EUR 1,404 (1,397) million, or 84% (80), was made up of consumer exposure and EUR 275 (352) million, or 16% (20). of corporate exposure. The consumer exposure includes residential mortgage guarantees and rent guarantees underwritten to private households. The corporate exposure includes corporate loan guarantees, commercial bonds, and other business-related guarantees underwritten to corporates and lenders.

Most of the consumer exposure is made up of the residential mortgage guarantee portfolio, which saw no material changes with regards to its risk position in 2024. The portfolio is well-diversified with respect to counterparties, geographical location of collateral properties and time of underwriting. In addition, the creditworthiness of the counterparties in the portfolio is very good on average. The credit risks of the portfolio are also limited with an excess-of-loss portfolio reinsurance arrangement. Decreased purchasing power of consumers, a weakened economy and increased unemployment have in general put a strain on the debt service capacity of mortgage borrowers. Housing prices have also come down during the last two years. Despite the challenging environment, claims have not materially increased, thanks to the good underlying creditworthiness of the borrowers.

The creditworthiness of the corporate counterparties in the company's guarantee insurance portfolio has remained good on average, although the weakened economic environment has had an impact on the creditworthiness of individual counterparties. The share of corporate exposures with investment grade ratings of AAA...BBB- amounted to 37.0% (31.1), and the share of exposures rated BB+...BB- made up 30.2% (40.2) of all rated corporate exposures. The share of exposures with weak ratings of C+ or lower came down to 2.1% (2.8).

The principal industry sectors in the corporate portfolio were manufacturing at 17.3% (19.1), waste collection and water supply 17.2% (10.9), wholesale trade at 14.6% (20.8), construction at 13.9% (12.3), financial and insurance services at 12.7% (11.7) and services at 10.5% (4.6). The shares of other industry sectors were all less than 10%.

Investment operations

Total net income from investment operations in 2024 was excellent and stood at EUR 15.5 (10.4) million. Net income from investment operations recognised in profit and loss amounted to EUR 11.9 (4.7) million and the changes in fair values in other comprehensive income amounted to EUR 3.6 (5.7) million. Hence, the return on investments at fair value was 10.3% (6.9).

The market environment of investment operations developed favourably during the fiscal year 2024. Stock prices rose, market rates decreased, and credit spreads narrowed. Especially the decrease in interest rate expectations and strong returns in stock market increased the total net income from investment operations. The S&P 500 Index, which describes the performance of the US equity market, which is central to the global economy, returned 25,0% during the year including dividends. The 12-month Euribor rate, commonly used as a reference rate for mortgages in Finland, ended 2024 at 2.5%, approximately one percentage point lower than at the end of 2023.

At the end of the review period, the fair value of Garantia's investment portfolio was EUR 158.1 (164.0) million. In addition to accumulated investment returns and insurance cashflow, the value of the investment portfolio was affected by the EUR 15.0 million dividend payment to the parent company in the first quarter, as well as corporate income tax paid.

In investment operations, the overall risk level has been moderately increased during 2024 by increasing the allocation of listed equity index funds and by increasing the duration of the bond portfolio. At the end of the fiscal year, fixed-income investments made up 77.8% (86.6), equity & private equity investments 20,7% (12.0) and real estate investments 1.5% (1.4) of the investment portfolio (incl. cash and cash equivalents). The majority of the fixed income investments was made up of investments in bonds of Nordic companies, credit institutions and insurance companies with strong creditworthiness. The proportion of investment grade-rated fixed-income investments was 69.4% (66.0). The modified duration of the fixed-income investments was 3.2 (2.4).

Credit rating

On 12 December 2024, Standard & Poor's Global Ratings (S&P) affirmed Garantia Insurance Company's credit rating at A- with stable outlook.[4]

[4] The credit rating concerns the company's Issuer Credit Rating (ICR), Financial Strength Rating (FSR) and Financial Enhancement Rating (FER).

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.

At the end of the financial period 2024, Taaleri's non-strategic investments totalled EUR 18.7 (35.5) million. The most significant single exit during the financial period occurred from the repayment of the sale price receivable for a real estate project in Canada, which released cash flows totalling EUR 10.7 million. The repayment of the sale price receivable did not have any impact on the result. Additionally, Taaleri sold a total of 69.1% of its shares in Aktia during 2024, generating cash flows of EUR 6.3 million. The Group investments are presented in further detail under segment information on page 88.

Other, EUR million	1.1.-31.12.2024	1.1.-31.12.2023	Change, %
Continuing earnings	1.7	1.9	-11.7%
Performance fees	-	-	-
Investment operations	1.4	3.8	-64.1%
Income	**3.1**	**5.7**	**-46.4%**
Personnel costs	-2.9	-3.1	-5.1%
Other costs	-2.4	-2.5	-1.2%
Operating profit	**-2.3**	**0.1**	**n/a**
FTE, at the end of the period	21	17	20.8%

Non-strategic investments, EUR million	31.12.2024	31.12.2023	Change, %
Investments and receivables, fair value	**18.7**	**35.5**	**-47.3%**
Real estate development	12.8	22.7	-43.3%
Other investments	5.9	12.9	-54.3%

In the 2024 financial year, the income of the Other group was EUR 3.1 (5.7) million, consisting of continuing earnings of EUR 1.7 (1.9) million and net income from investment operations of EUR 1.4 (3.8) million. The net income from investment operations for the Other group was composed of EUR 0.7 (0.6) million from dividends on shares in Aktia Bank Plc and EUR 0.8 (-0.7) million from the equity method consolidation result of Taaleri's associate company, Turun Toriparkki Oy. The net income from investment operations in the comparison period was also affected by changes in the fair value of the non-strategic investment portfolio, with the most significant positive value change of EUR 3.3 million recognised from Turun Toriparkki Oy due to its successful refinancing. Operating expenses in the financial period 2024 were EUR 5.4 (5.6) million, including personnel costs of EUR 2.9 (3.1) million. The operating profit of the Other group in the financial period was EUR -2.3 (0.1) million.

Changes in Group structure

During the financial year 2024, Taaleri Private Equity Funds Ltd increased its holding in Taaleri Asuntorahasto VIII GP Oy, and at the end of the period, Taaleri's ownership in the company was 84.0 (80.0) percent. Taaleri Investments Ltd, on the other hand, established a subsidiary in Canada during the period and owns 100.0 percent of the share capital of the established company Taaleri Biocoal Canada Development Ltd. The company has been established as part of Taaleri's bioindustry business and is preparing torrefied biomass production in Canada.

During the period, management companies and project companies, which are part of Taaleri's private asset management business, have also been established, acquired, sold and dissolved. Some of the management and project companies have minority shareholders that are key personnel in Taaleri's private asset management business.

Annual General Meeting 2024

Taaleri Plc's Annual General Meeting was held on 10 April 2024 in Helsinki.

Decisions of Taaleri Plc's Annual General Meeting

The General Meeting adopted the financial statements for the 2023 financial period, granted the members of the Board of Directors and the CEO discharge from liability and approved the Remuneration Policy and 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 1.00 per share be paid based on the balance sheet adopted for the financial year ended 31 December 2023. The dividend was paid to shareholders who on the dividend record date of 12 April 2024 were entered as shareholders in the company's shareholder register maintained by Euroclear Finland Ltd. The dividend was paid on 19 April 2024.

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 monthly remuneration as follows:

- EUR 6,000 for the Chairperson of the Board (2023: EUR 6,000)
- EUR 5,000 for the Vice-Chairperson of the Board (2023: EUR 5,000)
- EUR 5,000 for the Chairperson of the Audit Committee (2023: EUR 5,000)
- EUR 4,000 for other members of the Board of Directors (2023: EUR 4,000)

The General Meeting decided that meeting-specific fees will not be paid (2023: meeting-specific fees were not paid). The remuneration will cover the entire term of office and committee work.

The General Meeting decided additionally that for a meeting of the Board of Directors and Committee held in a place other than the home location of the Board member, travel and accommodation expenses will be paid according to the invoice.

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

The General Meeting decided that the number of members of the Board of Directors be set as six (6).

The General Meeting re-elected the following current members of the Board of Directors Elina Björklund, Petri Castrén, Juhani Elomaa and Hanna Maria Sievinen. Juhani Bonsdorff and Leif Frilund were elected as new members to the Board of Directors.

The members of the Board of Directors were elected for a term expiring at the close 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 Chairperson of the Board of Directors and Hanna Maria Sievinen as Deputy Chairperson of the Board of Directors.

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 notified that Johanna Winqvist-Ilkka, Authorised Public Accountant, will act as the auditor with principal responsibility.

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

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

The General Meeting decided to authorise 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 acquired 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 13 April 2023.

Authorising the Board of Directors to decide on share issue and the issuance of option rights and other special rights entitling to shares
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 and/or the issuance of option rights or other special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Finnish Companies Act, 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 and/or option rights or other special rights entitling to shares may be issued 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 and/or option rights or other special rights entitling to 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 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 and decide on all terms and conditions of the option rights and other special rights entitling to shares.

The authorisation is valid until the end of the next Annual General Meeting, however no longer than 30 June 2025.
This authorisation cancels the authorisation regarding the share issue issued at the General Meeting on 13 April 2023.

Authorising the Board of Directors to decide on charitable donations
The General Meeting decided to authorise the Board of Directors to decide on one or more donations for charitable or similar purposes up to a total value of EUR 50,000, and to decide on the recipients, purposes and other terms of the contributions. The authorisation is valid until the end of the next Annual General Meeting.

Decisions regarding the organisation of Taaleri Plc's Board of Directors
Hanna Maria Sievinen, Petri Castrén and Juhani Bonsdorff were elected as members of the Board of Directors' Audit Committee. The Board of Directors elected Hanna Maria Sievinen as Chairperson of the Audit Committee.

Juhani Elomaa, Leif Frilund and Elina Björklund were elected as members of the Board of Directors' Remuneration Committee. The Board elected Juhani Elomaa as Chairperson of the Remuneration Committee.

Changes in Taaleri's management

On 16 August 2023, Taaleri announced that Titta Elomaa, a member of the Executive Management Team of Taaleri Plc and CEO of Garantia Insurance Company, had announced that she would resign from her duties as CEO of Garantia. At the same time, it was announced that the Board of Directors of Garantia Insurance Company Ltd had decided to appoint Henrik Allonen, M.Sc. (Econ.), as Managing Director of the company as of 1 January 2024. At the same time, he became a member of Taaleri Plc's Executive Management Team.

On 21 November 2023, Taaleri announced that the Director of Taaleri's real estate business changes. Taaleri appointed Mikko Krootila to the position and as a member of the Executive Management Team as of 1 January 2024.

On 4 December 2023, Taaleri announced that Taaleri's Head of Investor Relations, Sustainability and Communications Siri Markula has resigned. Markula left her position and Taaleri's Executive Management Team in February 2024.

On 12 January 2024, Taaleri announced that Taaleri had on that day appointed Ilkka Laurila as the Group's CFO and a member of the Executive Management Team after Minna Smedsten, the former Group's CFO, had resigned earlier in October 2023. Laurila took up his position on 6 February 2024.

Taaleri's personnel

The number of employees (full-time equivalent) in the Group at the end of the financial year 2024 was 129 (118). The number of employees in the Private Asset Management segment was 87 (82) and in the Garantia segment 21 (19). The number of employees in the Other group was 21 (17). 96% (96) of the personnel were employed in Finland.

Taaleri Group's personnel costs for the entire 2024 financial year totalled EUR 15.2 (16.1) million, consisting of fixed personnel costs of EUR 11.9 (11.5) million and variable personnel costs of EUR 3.3 (4.7) million.

Incentive schemes

At the end of the review period, Taaleri had in force the CEO's stock option plan, three share-based incentive schemes for the Group's key personnel and an employee share savings plan.

Taaleri launched three new incentive schemes during 2024, two of which starts in the beginning of 2025. The objective of the plans is to align the interests of the employees and Taaleri shareholders by strengthening the culture of ownership and creating a long-term equity interest for the employees and executives and, thus, to increase the company value in the long term as well as to drive performance, to retain employees and to offer the employees with competitive performance-based compensation.

Incentive schemes in the effect at the end of the financial year

Performance Share Plan 2021–2025

On June 17, 2021, Taaleri Plc's Board of Directors decided on a new share-based incentive scheme for the Group's key personnel. If a participant's employment or managerial contract expires before the reward is paid, the rewards of the plan will generally not be paid. The share-based incentive scheme for key personnel 2021–2025 has three earning periods: calendar years 2021–2023, 2022–2024 and 2023–2025. The Board of Directors decides on the scheme's earning criteria and the targets to be set at the beginning of each earning period. The rewards will be paid partly in company shares and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments incurred by the key personnel from the remuneration. If the amount of the reward is very low, it may be paid entirely in cash.

The reward of the scheme in the earning period 2021–2023 was based on the total return per share (TSR) of Taaleri Plc. The gross rewards paid for the earning period 2021–2023 corresponded to a maximum total value of 185,000 Taaleri Plc shares, including the portion to be paid in cash. The target group of the scheme of the earning period 2021–2023 included approximately 10 key personnel, including some members of the Executive Management Team. The rewards earned for the earning period 2021–2023 were paid fully in cash in spring 2024.

On December 14, 2022, Taaleri Plc's Board of Directors decided on the launch of the earning period 2022–2024. The plans target group includes approximately 18 key employees, including some members of the Executive Management Team. The potential reward of the plan from the earning period 2022–2024 depends on the total shareholder return (TSR) of the Taaleri Plc share. The maximum reward of the plan is 183,000 shares including the portion to be paid cash. The potential reward will be paid approximately in April 2025.

On August 16, 2023, Taaleri Plc's Board of Directors decided on the launch of the earning period 2023–2026. The plans target group includes approximately 10 key employees, including some members of the Executive Management Team. The potential reward of the plan from the earning period 2023–2026 depends on the total shareholder return (TSR) of the Taaleri Plc share. The maximum reward of the plan is 140,000 shares including the portion to be paid cash. The potential reward will be paid approximately in September 2026.

CEO's option plan

On April 6, 2022, Taaleri Plc's Board of Directors decided to launch a new stock option plan for the CEO of the company. The prerequisite for the receipt of stock options was that the CEO acquiries Taaleri Plc shares from the market worth of 400,000 euros in spring 2022. The maximum total number of stock options issued is 300,000 and they entitle the CEO to subscribe for a maximum total of 300,000 new shares in the company or existing shares held by the company. The stock options are issued gratuitously. Of the stock options, 100,000 are marked with the symbol 2022A, 100,000 are marked with the symbol 2022B and 100,000 are marked with the symbol 2022C.

Share Savings Plan: Plan period 2022–2025

On May 6, 2022, Taaleri Plc's Board of Directors decided on a new share-based incentive for the employees of Taaleri Plc and its subsidiaries. The aim of the plan is to encourage employes to acquire and own Taaleri shares, and it is intended to align the interests of the shareholders and the employees as well as to increase employees' motivation and long-term commitment to the company. The Employee Share Savings Plan (ESSP) consists of plan periods that commence every second year. Taaleri's Board of Directors will decide on each plan period and its details separately.

In the plan period 2022–2025, Taaleri Plc's employees have the opportunity to save a proportion of their salaries and invest those savings in Taaleri shares. The savings will be used for acquiring Taaleri shares quarterly after the publication dates of the respective interim reports. As a reward for commitment, the employees are granted with one gross matching share for each savings share acquired with their savings. If a participant's employment or managerial contract expires or if the participants sell their savings shares before the matching share reward is paid, the matching reward of the plan will generally not be paid. The gross matching reward is paid partly in company shares and partly in cash after the holding period, approximately in July 2025. The purpose of the cash contribution is to cover taxes and tax-like payments incurred by the personnel from the remuneration.

Matching Share Plan 2022

On November 4, 2022, Taaleri Plc's Board of Directors decided on the establishment of a new share-based incentive plan for the company's Head of Sales. The plan consists of one matching period starting on 4 November 2022 and ending on 31 December 2025. The prerequisite for receiving the matching reward is that the participant acquires company's shares in advance and that his employment with the company is valid until the reward payment. The achievement of the target set for the amount of assets under management by the company will affect the size of the reward multiplier. The reward value corresponds to the value of a maximum of 27,382 Taaleri Plc shares, including also the potential proportion to be paid in cash (gross reward), calculated on the basis of the current share price and assuming that the participant invests in the shares the maximum amount set by the Board of Directors and the company's target for the reward multiplier is achieved. The plan rewards will be paid partly in company shares and partly in cash, approximately in March 2026. The cash proportion is intended to cover taxes and tax-related expenses arising from the reward to the participant.

Matching Share Plan 2024
On January 24, 2024 Taaleri Plc's Board of Directors decided on the establishment of a new share-based incentive plan for the company's CFO. The plan consists of one matching period starting on 6 February 2024 and ending on 6 February 2027. The prerequisite for receiving the matching reward is that the participant acquires company's shares in advance and that his employment with the company is valid until the reward payment. Taaleri grants the participant a gross reward of one matching share for every share committed to the plan. The reward value corresponds to the value of a maximum of 21,643 Taaleri Plc shares, including also the proportion to be paid in cash. The cash proportion is intended to cover taxes and tax-related expenses arising from the reward to the participant. The potential reward will be paid approximately in February 2027.

Shares and share capital

Taaleri's share on Nasdaq Helsinki

1–12/2024	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	6,340,692	57,530,670	10.90	7.85	9.07	8.03

* Volume weighted average

Taaleri's share has been listed on Nasdaq Helsinki, among mid-cap companies, since 2016. The trading code is TAALA. At the end of the financial year 2024, the company had 15,806 (11,382) shareholders.

On 31 December 2024, Taaleri Plc's shareholders' equity was EUR 125,000.00 and the company had 28,196,253 registered shares.

On 27 March 2024, Taaleri announced that it cancels 154,367 of its own shares in accordance with the decision of the company's Board of Directors. 109,367 cancelled shares were repurchased under the share repurchase program, which was announced on 19 December 2023. 45,000 of the cancelled shares were already in the company's possession before the start of the share repurchase program. After the cancellation, Taaleri holds 0 own shares. The cancellation of the shares was recorded with the Finnish Trade Register on 27 March 2024, and the cancellation was registered on 3 May 2024. After the cancellation, the total number of registered shares of Taaleri Plc is 28,196,253.

Share repurchase program
Taaleri announced on 19 December 2023, that the Board of Directors of Taaleri Plc has resolved to start repurchasing the company's own shares based on the authorization given by the Annual General Meeting held on 13 April 2023. The maximum number of the company's own shares to be repurchased was 200,000 shares, corresponding to approximately 0.71 per cent of all the shares in the company. The maximum amount to be used for the share repurchase was EUR 1,900,000. The shares was decided to be repurchased using the company's unrestricted equity. The shares was decided to be repurchased through public trading organized by Nasdaq Helsinki Ltd at the market price as per the time of repurchase.

When the program started, the total number of shares in Taaleri Plc was 28,350,620. When the program started, the company held 45,000 of its own shares, which corresponded to 0.16 per cent of all shares.

The repurchase of own shares started on 20 December 2023 and ended at Taaleri Plc's Annual General Meeting, which was held on 10 April 2024. The last purchase in the share repurchase program was made on 16 February 2024.

During 2024, a total of 89,340 own shares were acquired, which corresponds to 0.32 percent of all shares. A total of EUR 832,766.32 was paid for the 89,340 shares acquired, which has been recorded as a reduction of the parent company's and the Group's equity.

During the entire share repurchase program, a total of 109,367 own shares were acquired, which corresponds to 0.39 percent of all shares. A total of EUR 1,007,907.34 was paid for the 109,367 shares acquired, which has been recorded as a reduction of the parent company's and the Group's equity.

Shareholders by sector 31.12.2024

Sector	Shares	Of shares, %
Private companies	9,157,363	32.5%
Financial and insurance corporations	1,666,728	5.9%
Public sector organizations	22,437	0.1%
Households	15,183,754	53.9%
Non-profit institutions serving households	195,478	0.7%
Nominee registrations and direct foreign shareholders	1,970,493	7.0%
Total	**28,196,253**	**100.0%**

Shareholders by the number of shares held 31.12.2024

Number of shares	Shareholders	Of shareholders, %	Shares	Of shares, %
1–100	7,411	46.9%	318,178	1.1%
101–500	5,387	34.1%	1,380,592	4.9%
501–1,000	1,547	9.8%	1,190,530	4.2%
1,001–5,000	1,093	6.9%	2,262,519	8.0%
5,001–10,000	160	1.0%	1,216,533	4.3%
10,001–50,000	160	1.0%	3,369,191	11.9%
50,001–100,000	16	0.1%	1,196,912	4.2%
100,001–500,000	25	0.2%	5,386,859	19.1%
500,001–	7	0.0%	11,874,939	42.1%
Total	**15,806**	**100.0%**	**28,196,253**	**100.0%**

Ten biggest shareholders 31.12.2024

Shareholder	Shares	Of shares, %
1. Veikko Laine Oy	3,248,582	11.5%
2. Hermitage Oy Ab	2,920,308	10.4%
3. Juhani Elomaa	1,681,190	6.0%
4. Karri Haaparinne	1,450,223	5.1%
5. Vakuutusosakeyhtiö Henki-Fennia	1,275,469	4.5%
6. Swiss Life Luxembourg S.A.	515,367	1.8%
7. Petri Lampinen	404,000	1.4%
8. Ahlström Invest B.V	400,000	1.4%
9. Ronnie Neva-Aho	300,051	1.1%
10. Vesa Lehto	300,000	1.1%
Total	**12,495,190**	**44.3%**
Nominee registrations	**970,629**	**3.4%**

Shares owned by the Board of Directors 31.12.2024

The shareholdings include organisations with controlling interests

Shareholder		Shares	Of shares and voting rights, %
Chairperson	Juhani Elomaa	1,681,190	6.0%
Member	Elina Björklund	12,000	0.0%
Member	Hanna Maria Sievinen	7,900	0.0%
Member	Petri Castrén	4,000	0.0%
Total		**1,705,090**	**6.0%**

Shares owned by the Group Executive Management Team 31.12.2024

The shareholdings include organisations with controlling interests.

Shareholder		Shares	Of shares and voting rights, %
CEO	Peter Ramsay	43,478	0.2%
CFO	Ilkka Laurila	21,812	0.1%
Head of Sales	Mikko Ervasti	14,980	0.1%
Director (investments and projects), Bioindustry	Tero Saarno	1,763	0.0%
MD, Garantia Insurance Company Ltd	Henrik Allonen	703	0.0%
MD, Real Estate	Mikko Krootila	499	0.0%
Total		**83,235**	**0.3%**

Flaggings during financial year 2024

Taaleri Plc received on 8 April 2024 an announcement under Chapter 9, Section 5 of the Finnish Securities Market Act, according to which the total number of Taaleri Plc shares indirectly owned by Vakuutusosakeyhtiö Henki-Fennia decreased below five (5) per cent of the share capital of Taaleri Plc on 5 April 2024.

Share price development

The chart represents the price development of Taaleri's share since listing from 20 April 2013 to 31 December 2024:

Risk management and risk position

Risk management at Taaleri

Based on the values, strategy and business plan of the Group, targets are set for Taaleri Group that take into account the future prospects and risks of Taaleri's businesses and the industries they operate in. The Group's values and strategic and operational objectives create a foundation for the management of the Group's risks. In addition to the strategy and business plan, the Board of Directors of Taaleri Plc approves the Group structure which strives to achieve the objectives.

The aim of internal control is to support and promote business by systematically taking care of risk control of the Group and its companies and functions, by reviewing, mapping and monitoring risks, and handling the probability and consequences of their occurrence in an appropriate manner. Internal control is an integrated part of the operational management of Taaleri Group, and includes an independent Risk Control Function, risk management operations in the businesses, Compliance Function that monitor compliance with regulations and internal guidelines and Internal Audit.

The task of risk management is to identify, assess, measure, treat and control risks in all Taaleri Group's businesses that influence the realisation of the Group's strategic and operative goals, as well as to oversee that the principles approved by the Taaleri Plc Board of Directors are complied with.

Risk management aims to reduce the likelihood of negative risks being realised and their impact to Taaleri Group's business operations. Risk management supports achievement of strategic goals by promoting better utilisation of opportunities in all activities and more efficient distribution of risk-taking capacity to the different functions and projects within the defined risk appetite framework.

In Taaleri Group risk is defined as the effect of uncertainty on objectives. Risk is seen as two-sided; it can be hazard or financial loss but on the other hand there might also be opportunities for better results. In risk reviews and analyses risks can be further divided into five main categories: strategic and business operations risk, credit risk, liquidity risk, market risk and operational risk (including compliance risk).

Risk control and management aims to assure Taaleri Group's risk capacity and liquidity and ensure the continuity of the Group's operations.

According to the rules of procedure of Taaleri Plc's Board of Directors, the Board of Directors confirms the Group's common objectives and targets and approves the principles for internal control and risk management.

Risk management is based on a systematic process. Risks affecting Group's results, capital adequacy and liquidity are continuously monitored by the Risk Control Function and Finance Functions. Operational and business risks are regularly assessed in risk reviews aiming to identify, assess, measure and treat risks that could affect the achievement of the Group's objectives and the amount of own capital.

Group Risk Manager is responsible for organizing risk reviews in all Group companies and operations at least annually. Risks are continuously monitored, and risk events reported to the Board of Directors and the Executive Management Team at least on a quarterly basis.

Most significant risks

Taaleri is exposed in its operations to several operational risks and market risks, of which Taaleri seeks to describe the most significant below. More broadly, risks related to Taaleri's operations, and risk management are described in Note 35 of the Consolidated Financial Statements

The most significant strategic and business risks in Taaleri Group's businesses are major changes in the operating and regulatory environment, failures in strategic investments, acquisition of new businesses and the integration of acquired companies into the Group, as well as the risks in growth and internationalization of the operations.

The operations of Taaleri depend on its ability to attract and retain skilled employees. Intensified competition may impact employee availability and retention. The turnover of key personnel carries the risk of losing valuable knowledge and expertise.

Taaleri's business relies on functional information systems, telecommunications, and external service providers. Disruptions can be caused by hardware failures, software errors, or cyber threats. Compromises in data security and protection may result in losses and damage to the company's reputation.

Segment-specific risks

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

Private Asset Management segment

The most significant risks in Taaleri's private asset management business mainly consist of strategic and business risks, operational risks, and, to a lesser extent, credit risks.

In renewable energy projects, country risk (country and destination-specific legal and political risks, and their impact on individual investments); profitability risk (business risks of the fund's investments during construction and production phase) are the main business risks. The strategic risks of the bioindustry business are especially related to the long-term functionality and profitability of the technologies selected as investees and regulation risks. The strategic risks of the real estate business are especially related to changes in the real estate market. Regional valuations or valuations of different property types can change significantly for various reasons.

Loans granted as part of Taaleri Group's investment operations are the largest source of credit risk for Taaleri's private asset management business and Group's investment operations, but credit risk also arises from other receivables, such as fee receivables from Taaleri's private equity funds and other customers, liquid assets and investments, and off-balance sheet assets, such as issued guarantees and commitments made on behalf of the Group or Group companies.

The cash flows of Taaleri's private asset management business consist of easily predictable management fees from private equity funds, relatively predictable performance fees, and equity or debt investments made by Taaleri Investments Ltd and Taaleri Energia Group. Investment and exit activities may have a significant impact on cash flows and particularly on the timing of cash flows. The management fees of the private equity funds are based on long-term contracts, and management fees from existing funds and projects can be relatively reliably forecasted for the whole life cycle of a private equity fund. Taaleri's private asset management business' income streams are smoothed by the steady long-term inflow of income from existing funds and co-investment projects.

The real estate business is particularly affected by changes in the real estate market and the interest rate market. Apartment prices and the general rent level directly affect the returns of real estate funds. Fluctuations in the interest rate market directly affect the loan costs of real estate funds and indirectly the values of real estates, and through these, the valuations of the funds. Changes in the interest rate market can be protected with various interest hedging methods, which provide predictability to the funds' loan management costs. On the other hand, a general rise in the price level can improve returns in some funds if rent increases are tied to the cost-of-living index. In the renewable energy business, the energy price risk can also affect the value of the energy projects being developed and the profits of the energy funds.

Garantia segment

Garantia's business is divided into guaranty insurance and investment operations. The principal risks associated with Garantia's operations are the credit risks arising from guaranty insurance operations, as well as the market risks related to investment operations.

In Garantia's guaranty insurance operations, credit risk refers to the risk of the guaranteed counterparty being unable to meet its contractual obligations towards the beneficiary of the guaranty. The amount of credit risk is mainly dependent on the creditworthiness of the guaranteed counterparties and the amount of any counter-collateral. The market risks regarding investment operations consist of interest, equity, property, currency, and counterparty credit risks affecting the value and return of investment assets.

Other group

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments.

The most significant risks in the Other group consist of credit and market risks related to investments, granted loans, and bank receivables of Taaleri Plc and Taaleri Investments Ltd.

Short term risks and concerns

Geopolitical risks and tensions continue to cause uncertainty in the operating environment, raw material price trends and availability, supply chains, as well as companies' and investors' willingness to invest.

The monetary policy easing implemented by central banks over the past year has increased consumer confidence and supported economic growth. Inflation remains above target levels. Prolonged inflation and rising raw material costs impact project development expenses and cost base of the funds' investees. Badly timed monetary policy measures may slow down economic recovery and thus make investment activities and project development more difficult.

With regard to Garantia's guaranty insurance operations, the most material short term risk is related to the weakened economic situation and the increase in unemployment in Finland, which weaken the debt servicing capacity of consumer and corporate customers. However, the debt servicing capacity of Finnish mortgagors is strong in principle, and there are no signs of a significant increase in payment difficulties. The creditworthiness of Garantia's corporate guaranty portfolio has remained stable, but a weak economic environment may affect the creditworthiness of individual counterparties.

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, the success of own fundraising and the success of the cooperation with Aktia. The success of fundraising is influenced, among other things, by launching products that meet investor demand and competitiveness in the fundraising market. The progress and commercialisation of projects in the Private Asset Management segment also depend on customers' attitudes and priorities regarding sustainability themes. The profit development is also influenced by the realisation 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. The principal risks associated with Garantia's operations are the credit risks arising from guaranty insurance operations, as well as the market risks related to investment operations.

The Other group's income 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.

Outlook and financial targets

Taaleri's business outlook for the current financial year is described below. The outlook is based on Taaleri's understanding of business developments during the current financial year and in relation to the corresponding period.

Private Asset Management

The growth in continuing earnings from the renewable energy business for 2025 will be clarified as the final size of the Taaleri SolarWind III Fund and the final exit timings for the Taaleri Wind II and Taaleri Wind III Funds become clear. The operating profit for 2025 will depend, among other factors, on the net income from investment operations and the clarification of the estimated performance fees for the funds in the exit phase or their final amount and timing of the exits.

Taaleri's bioindustry, real estate and other businesses focus on strong international growth, which burdens the profitability of Other private asset management. The operating profit for 2025 is expected to remain negative in Other private asset management, but to develop positively compared to the previous period.

Garantia

Garantia's continuing earnings are expected to remain slightly below the comparison period due to, in particular, the prolonged weak development of the Finnish housing market. In a market environment in line with expectations, Garantia's net income from investment operations is expected to decrease compared to the exceptionally strong comparison period.

Other group

The income from the Other group in 2025 is heavily dependent on changes in the fair value of non-strategic investments and final exits in particular. The cost level of Group operations is expected to remain at approximately the level of the corresponding period.

Long-term targets

Taaleri has set itself targets related to growth, return on invested capital and dividend payout. Taaleri's long-term targets are:

- Growth in Group's continuing earnings and performance fees at least 15 percent
- Return on equity at least 15 percent
- Dividend payout at least 50 percent of the FY profit.

Material events after the financial period

Taaleri announced on 9 January 2025, that Taaleri Plc's CEO Peter Ramsay has resigned on 9 January 2025, and the company's Board of Directors has appointed the company's CFO Ilkka Laurila as the new CEO as of 9 January 2025.

At the same time, Elina Lintuala was appointed Interim CFO of Taaleri Plc and member of the Executive Management Team as of 9 January 2025.

Taaleri announced on 29 January 2025, that Taaleri Real Estate and Keva, Finland's largest pension insurer, have established a joint venture with the aim of investing a total of EUR 300 million in high-quality build-to-rent residential development projects in Finland's growth centres.

Dividend proposal of the Board of Directors

The Board proposes to the Annual General Meeting that a dividend of EUR 0.50 per share be paid for 2024, totalling EUR 14,098,126.50. The parent company's distributable assets at the balance sheet date were EUR 114,274,142.31, of which the profit for the financial year was EUR 13,715,113.92. The Board proposes that the company transitions to a biannual dividend distribution arrangement, whereby the dividend for 2024 is proposed to be paid in two equal instalments.

The Board proposes that the first instalment of EUR 0.25 per share be paid to shareholders who are registered in the shareholder register held by Euroclear Finland Oy on the dividend record date of 4 April 2025. The Board proposes that the first instalment of the dividend be paid on 11 April 2025.

The Board proposes that the second instalment of EUR 0.25 per share be paid to shareholders who are registered in the shareholder register held by Euroclear Finland Oy on the dividend record date of 3 October 2025. The Board proposes that the second instalment of the dividend be paid on 10 October 2025.

Helsinki, 12 February 2025
Taaleri Plc
Board of Directors

Key figures

The Group

Unless otherwise stated, the key figures regarding the Consolidated Income Statement presented in the table below have been calculated on the basis of the Group's Consolidated Income Statement, which applies IFRS standards. The key figures regarding the Consolidated Income Statement presented in the explanatory part of this Report of the Board of the Directors have been calculated on the basis of the Group's segment reporting, unless otherwise stated.

	2024	2023	2022
Income, EUR 1,000	72,579	65,629	56,752
Operating profit (-loss), EUR 1,000	38,110	31,921	27,347
- as percentage of income	52.5%	48.6%	48.2%
Net profit for the period, EUR 1,000	32,486	26,546	21,302
- as percentage of income	44.8%	40.4%	37.5%
Basic earnings per share, EUR	1.00	0.81	0.73
Diluted earnings per share, EUR	0.97	0.79	0.71
Basic total comprehensive income earnings per share, EUR	1.10	0.88	0.31
Return on equity % (ROE)	15.3%	13.0%	10.0%
Return on equity at fair value % (ROE)	16.7%	13.9%	4.4%
Return on assets % (ROA)	10.8%	8.7%	6.9%
Cost/income ratio	48.9%	54.3%	56.7%
Price/earnings (P/E)	8.1	11.1	15.4
FTE (full-time equivalents), at the end of the period	129	118	115
FTE (full-time equivalents), average	127	121	113
Equity ratio -%	73.8%	67.8%	66.9%
Net gearing -%	-9.1%	-11.2%	-15.7%
Equity/share, EUR	7.40	7.29	7.10
Dividend or distribution of funds /share, EUR [1]	0.50	1.00	0.70
Dividend or distribution of funds / earnings, % [1]	50.2%	123.1%	96.2%
Effective dividend yield, % [1]	6.2%	11.1%	6.3%
Loan receivables, EUR 1,000	5,741	5,142	6,243

	2024	2023	2022
Number of shares at the end of period [2]	28,196,253	28,285,593	28,305,620
Average number of shares [2]	28,201,586	28,305,267	28,305,620
Share average price, EUR	9.07	10.23	11.37
- highest price, EUR	10.90	12.94	14.82
- lowest price, EUR	7.85	8.27	8.97
- closing price, EUR	8.03	8.99	11.18
Market capitalisation, EUR 1,000 [2]	226,416	254,287	316,457
Shares traded, thousands	6,341	2,749	5,606
Shares traded, %	22%	10%	20%

[1] Distribution of funds EUR 0.50 per share for the financial year 2024 represents Board of Directors' proposal for a dividend for the result of the financial year 2024

[2] 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	2024	2023	2022
Insurance service result	**14,198**	**13,549**	**14,102**
Insurance revenue	18,902	19,010	19,102
Insurance service expenses	-4,328	-4,942	-4,330
- of which incurred claims	-841	-1,197	-1,182
- of which other insurance administrative expenses	-3,646	-3,248	-3,089
- of which losses on onerous contracts	98	-471	-228
- of which changes in liability of incurred claims	915	813	1,019
- of which insurance acquisition costs	-856	-839	-849
Net expenses from reinsurance contracts	-375	-520	-670
Net finance income and expense from insurance	-614	-14	-409
Net income from investment operations	11,875	4,738	-8,453
Other income	45	37	13
Income	**25,505**	**18,310**	**5,252**
Personnel costs	-1,140	-1,422	-559
Other expenses	-82	-62	-87
Operating profit	**24,283**	**16,826**	**4,607**
Claims ratio (IFRS), %	-0.9%	4.5%	2.1%
Expense ratio (IFRS), %	23.8%	21.5%	20.6%
Reinsurance ratio (IFRS), %	2.0%	2.7%	3.5%
Combined ratio (IFRS), %	24.9%	28.7%	26.2%
Return on investments at fair value, %	10.3%	6.9%	-11.2%
Investment portfolio, fair value, EUR million	158	164	155
Insurance exposure, EUR million	1,679	1,749	1,862
Solvency ratio (S2), % [1)]	262.7%	245.7%	231.3%

[1)] The key figures based on the Solvency II regulations do not fall within the sphere of statutory auditing under the Insurance Companies Act. The related key figures have not been audited.

Calculation of key figures

Basic earnings per share, EUR	Profit or loss attributable to ordinary shareholders of the parent company	Weighted average number of ordinary shares outstanding - repurchased own shares
Diluted earnings per share, EUR	Profit or loss attributable to ordinary shareholders of the parent company	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.

Basic total comprehensive income earnings per share, EUR	Total comprehensive income attributable to ordinary shareholders of the parent company	Weighted average number of ordinary shares outstanding - repurchased own shares
Return on equity (ROE), %	Profit for the period x 100	Total equity (average of the beginning and end of the year)
Return on equity at fair value %, (ROE)	Total comprehensive income for the period x 100	Total equity (average of the beginning and end of the year)
Return on assets (ROA), %	Profit for the period x 100	Balance sheet total (average of the beginning and end of the year)
Cost/income ratio, %	Fee and commission expense + interest and other financing expense + administrative expenses + depreciation + other operating expenses	Total income + share of associates' profit or loss
Price/Earnings (P/E)	Price of share at the end of the period	Earnings/share
Equity ratio, %	Total equity x 100	Balance sheet total
Gearing ratio, %	(Interest-bearing liabilities - cash and cash equivalents) x 100	Total equity
Equity/share, EUR	Equity attributable to ordinary shareholders of the parent company	Number of shares at end of period - repurchased own shares
Dividend/share, EUR	Dividend payable for the financial period x 100	Weighted average number of ordinary shares outstanding - repurchased own shares
Dividend/earnings, %	Dividend/share x 100	Basic earnings per share
Effective dividend yield, %	Dividend/share x 100	Price of share at the end of the period
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, %	Shares traded during the financial period x 100	Weighted average number of ordinary shares outstanding

Key figures for insurance operations

Combined ratio (IFRS), %	Claims ratio + Expense ratio + Reinsurance ratio	
Claims ratio (IFRS), %	Incurred claims + Losses on onerous contracts + Changes in liability for incurred claims	Insurance revenue
Expense ratio (IFRS), %	Insurance administrative expenses + Insurance acquisition costs	Insurance revenue
Reinsurance ratio (IFRS), %	Net expenses from reinsurance contracts	Insurance revenue
Solvency ratio (S2), %	Basic own funds	Solvency capital requirement (SCR)

Group Financial Statements

Consolidated income statement

EUR 1,000	Note	1.1.–31.12.2024	1.1.–31.12.2023
Fee and commission income	3	30,076	27,654
Net income from insurance	4	25,459	18,273
Insurance service result		14,198	13,549
Net finance expenses from insurance contracts		-614	-14
Net income from investment operations		11,875	4,738
Net gains or net losses on trading in securities and foreign currencies	5	-1,262	-989
Income from equity investments	6	8,971	9,388
Interest income	7	1,178	1,925
Other operating income	8	8,158	9,378
TOTAL INCOME		**72,579**	**65,629**
Fee and commission expense	9	-7,529	-8,252
Administrative expenses			
Personnel costs	10, 41	-15,520	-16,409
Other administrative expenses	11	-5,617	-5,789
Depreciation, amortisation and impairment of tangible and intangible assets	12, 47	-879	-472
Other operating expenses	13, 47	-5,033	-5,114
Expected credit losses from financial assets measured at amortised cost	14	130	-607
Impairment losses on loans and other receivables		-22	-
Share of associates' profit or loss	21, 44	1	2,935
OPERATING PROFIT		**38,110**	**31,921**
Interest and other financing expenses	15, 47	-932	-1,224
Income tax expense	16	-4,692	-4,150
PROFIT FOR THE PERIOD		**32,486**	**26,546**

Consolidated statement of comprehensive income

EUR 1,000	Note	1.1.–31.12.2024	1.1.–31.12.2023
Profit for the period		**32,486**	**26,546**
Items that may be reclassified to profit or loss	17		
Translation differences		112	-83
Changes in the fair value reserve		3,643	5,655
Income tax		-729	-1,131
Items that may be reclassified to profit or loss in total		**3,026**	**4,442**
Items that may not be reclassified to profit or loss	17		
Changes in the fair value reserve		-74	-3,126
Income tax		15	625
Items that may not be reclassified to profit or loss in total		**-59**	**-2,501**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**35,453**	**28,487**
Profit for the period attributable to:			
Owners of the parent company		28,064	22,985
Non-controlling interests		4,422	3,562
Total		**32,486**	**26,546**
Total comprehensive income for the period attributable to:			
Owners of the parent company		31,031	24,925
Non-controlling interests		4,422	3,562
Total		**35,453**	**28,487**

Earnings per share for profit attributable to the shareholders of the parent company		1.1.–31.12.2024	1.1.–31.12.2023
Basic earnings per share, profit for the period	18	1.00	0.81
Diluted earnings per share, profit for the period	18	0.97	0.79

Consolidated balance sheet

Assets, EUR 1,000	**Note**	**31.12.2024**	**31.12.2023**
Receivables from credit instutions	19, 23, 24, 36, 38	19,623	38,302
Receivables from the public and general government	20, 23, 24, 36, 38	5,741	5,142
Shares and units	21, 23, 24, 36, 38	36,984	38,708
Participating interests	21, 23, 24, 44	12,884	12,884
Insurance assets		158,523	160,875
Insurance contract assets	33, 40	3,730	-
Reinsurance contract assets	33, 40	155	325
Investments	22, 23, 24, 39	154,638	160,551
Intangible assets	25	574	572
Goodwill		347	347
Other intangible assets		227	225
Tangible assets	26, 47	1,842	2,406
Owner-occupied properties		1,452	2,022
Other tangible assets		390	384
Other assets	27	12,325	17,163
Accrued income and prepayments	28, 43	35,741	26,742
Deferred tax assets	31	7,617	5,116
		291,855	**307,911**

Liabilities and equity, EUR 1,000	**Note**	**31.12.2024**	**31.12.2023**
LIABILITIES		**76,524**	**99,265**
Insurance contract liabilities	33, 40	42,676	45,616
Other liabilities	23, 29, 36, 47	4,238	4,944
Accrued expenses and deferred income	23, 30	17,341	17,327
Deferred tax liabilities	31	12,268	16,491
Subordinated debt	23, 24, 32, 36, 38	-	14,886
EQUITY CAPITAL	**34**	**215,332**	**208,646**
Share capital		125	125
Reserve for invested unrestricted equity		18,831	18,831
Fair value reserve		-8,407	-11,262
Translation difference		52	-59
Retained earnings or loss		170,097	175,516
Profit or loss for the period		28,064	22,985
Non-controlling interest		6,570	2,511
		291,855	**307,911**

Consolidated statement of cash flows

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from operating activities:		
Operating profit (loss)	38,110	31,921
Depreciation	877	610
Change in goodwill	1	-138
Other adjustments		
Changes in fair value of investments	-23,613	-8,546
Other adjustments	150	-945
Interest and other financing expenses	-919	-806
Cash flow before change in working capital	14,606	22,096
Change in working capital		
Increase (-)/decrease (+) in loan receivables	-351	-670
Increase (-)/decrease (+) in current interest-free receivables	11,513	-24
Increase (+)/decrease (-) in current interest-free liabilities	-1,849	-10,673
Cash flow from operating activities before financial items and taxes	23,920	10,729
Direct taxes paid (-)	-13,410	-4,335
Cash flow from operating activities (A)	**10,510**	**6,394**
Cash flow from investing activities:		
Investments in tangible and intangible assets	-123	-871
Investments in subsidiaries and associated companies net of cash acquired	234	2,502
Other investments	16,104	2,970
Cash flow from investing activities (B)	**16,216**	**4,601**

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from financing activities:		
Changes in share-based incentives	-	442
Transactions with non-controlling interests	-9	1,404
Decrease in subordinated debt	-15,000	-
Payments to acquire entity's shares	-833	-175
Dividends paid and other distribution of profit		
To parent company shareholders	-28,196	-19,814
To non-controlling shareholders	-1,366	-1,366
Cash flow from financing activities (C)	**-45,404**	**-19,510**
Increase/decrease in cash and cash equivalents (A+B+C)	-18,678	-8,515
Cash and cash equivalents at beginning of period	38,302	46,817
Cash and cash equivalents at end of period	19,623	38,302
Net change in cash and cash equivalents	-18,678	-8,515

Changes in group equity capital

EUR 1,000	Share capital	Fair value reserve	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
31.12.2023	**125**	**-11,262**	**18,831**	**-59**	**198,500**	**206,134**	**2,511**	**208,646**
Total comprehensive income for the financial period		2,855		112	28,064	31,031	4,422	35,453
Earnings for the period					28,064	28,064	4,422	32,486
Other comprehensive income items		2,855		112		2,967		2,967
Distribution of profit					-28,196	-28,196	-175	-28,371
Dividend EUR 1.00/share					-28,196	-28,196		-28,196
Distribution of profit for subgroup						-	-175	-175
Purchase of own shares					-833	-833		-833
Share-based payments payable as equity					530	530		530
Transactions with non-controlling interests						-	-9	-9
Other					96	96	-180	-84
31.12.2024	**125**	**-8,407**	**18,831**	**52**	**198,161**	**208,762**	**6,570**	**215,332**
31.12.2022	**125**	**-13,285**	**18,831**	**23**	**195,228**	**200,922**	**-400**	**200,521**
Total comprehensive income for the financial period		2,023		-83	22,985	24,925	3,562	28,487
Earnings for the period					22,985	22,985	3,562	26,546
Other comprehensive income items		2,023		-83		1,940		1,940
Distribution of profit					-21,601	-21,601	-771	-22,372
Dividend EUR 0.70/share					-19,814	-19,814		-19,814
Distribution of profit for subgroup [1)]					-1,787	-1,787	-771	-2,558
Purchase of own shares					-175	-175		-175
Share-based payments payable as equity					435	435		435
Transactions with non-controlling interests					1,636	1,636	118	1,754
Other					-8	-8	3	-5
31.12.2023	**125**	**-11,262**	**18,831**	**-59**	**198,500**	**206,134**	**2,511**	**208,646**

[1)] Further information on Note 42

Segment information - full year earnings

1.1.-31.12.2024, EUR 1,000	Continuing operations					
	Private Asset Management	Renewable energy	Other private asset management	Garantia	Other	Total
Continuing earnings	25,187	19,977	5,210	13,629	1,700	40,516
Performance fees	1,845	1,760	85	-	-	1,845
Investment operations	14,936	16,656	-1,720	11,875	1,355	28,166
Total income	**41,967**	**38,392**	**3,575**	**25,505**	**3,055**	**70,527**
Fee and commission expense	-5,964	-4,260	-1,704	-	-33	-5,996
Personnel costs	-11,158	-6,717	-4,441	-1,140	-2,926	-15,224
Direct expenses	-8,589	-6,061	-2,528	-82	-2,563	-11,233
Depreciation, amortisation and impairment	-136	-73	-63	-	-23	-159
Impairment losses on loans and other receivables	-71	-	-71	-	180	109
Operating profit	**16,050**	**21,282**	**-5,232**	**24,283**	**-2,310**	**38,024**
Operating profit, %	**38.2%**	**55.4%**	**neg**	**95.2%**	**neg**	**53.9%**

1.1.-31.12.2023, EUR 1,000	Continuing operations					
	Private Asset Management	Renewable energy	Other private asset management	Garantia	Other	Total
Continuing earnings	24,374	18,132	6,242	13,572	1,926	39,872
Performance fees	1,489	-	1,489	-	-	1,489
Investment operations	16,471	17,226	-755	4,738	3,770	24,979
Total income	**42,335**	**35,359**	**6,976**	**18,310**	**5,695**	**66,340**
Fee and commission expense	-6,495	-4,226	-2,269	-	-81	-6,576
Personnel costs	-11,634	-7,647	-3,987	-1,422	-3,084	-16,140
Direct expenses	-8,694	-6,644	-2,050	-62	-2,401	-11,157
Depreciation, amortisation and impairment	-29	45	-74	-	54	25
Impairment losses on loans and other receivables	-565	-565	-	-	-41	-607
Operating profit	**14,918**	**16,322**	**-1,404**	**16,826**	**142**	**31,885**
Operating profit, %	**35.2%**	**46.2%**	**neg**	**91.9%**	**2.5%**	**48.1%**

Reconciliations

Reconciliation of total income, EUR 1,000	**1.1.-31.12.2024**	**1.1.-31.12.2023**
Total income of segments	70,527	66,340
Share of associates' profit or loss allocated to total income of segments	-1	-2,935
Transit items eliminated in segment reporting	2,053	2,224
Consolidated total income	**72,579**	**65,629**

Reconciliation of operating profit, EUR 1,000	**1.1.-31.12.2024**	**1.1.-31.12.2023**
Segment operating profit	38,024	31,885
IFRS 16 Leases [1)]	86	36
Consolidated operating profit	**38,110**	**31,921**

[1)] The division of lease expense to depreciation and interest expense according to IFRS 16 Leases -standard is not applied in the segment reporting.

Further information is provided below on Taaleri Group's own balance sheet investments, excluding personnel loan receivables, the fair value of which exceeds million euros 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. Non-strategic investments are presented as part of the Other group.

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 31.12.2024	Fair value 31.12.2024	Holding 31.12.2024
Renewable energy investments				
Truscott Gilliland East Wind	Shares and participations	10,973	10,804	7.0%
Taaleri SolarWind II	Shares and participations	2,713	3,434	0.9%
Taaleri SolarWind III	Shares and participations	1,975	2,012	1.1%
Bioindustry investments				
Fintoil Oy	Shares and participations	8,069	9,870	39.6%
WasteWise Group Oy	Shares and participations	3,650	2,902	33.7%
WasteWise Group Oy	Loan	500	500	-
Taaleri Biocoal Development Ky	Shares and participations	1,500	1,398	12.4%
Other investments		7,446	5,132	
Total Private Asset Management segment's direct investments		**36,826**	**36,051**	

Non-strategic investments, EUR 1,000	Investment type	Purchase price 31.12.2024	Fair value 31.12.2024	Holding 31.12.2024
Real estate development investments				
Sepos Oy	Shares and participations	2,834	679	30.0%
Sepos Oy	Loan	2,102	2,165	-
Turun Toriparkki Oy	Shares and participations	8,503	8,904	39.3%
Other investments				
Alisa Bank Plc	Shares and participations	5,460	2,553	10.2%
Aktia Bank Plc	Shares and participations	3,092	2,776	0.4%
Other investments		6,436	1,656	
Total non-strategic investments		**28,428**	**18,733**	

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 31.12.2023	Fair value 31.12.2023	Holding 31.12.2023
Renewable energy investments				
Truscott Gilliland East Wind	Shares and participations	10,973	10,158	7.0%
Taaleri SolarWind II	Shares and participations	2,658	3,010	0.9%
Taaleri Debt Ky	Shares and participations	1,500	2,079	15.0%
Taaleri SolarWind III	Shares and participations	1,139	1,176	1.1%
Bioindustry investments				
Fintoil Oy	Shares and participations	3,000	4,800	24.0%
Tracegrow Ltd	Shares and participations	1,992	1,365	7.7%
Tracegrow Ltd	Loan	200	210	-
WasteWise Group Oy	Shares and participations	3,650	3,509	34.1%
Taaleri Biocoal Development Ky	Shares and participations	1,500	1,437	12.4%
Other investments		4,071	4,543	
Total Private Asset Management segment's direct investments		**30,683**	**32,288**	

Non-strategic investments, EUR 1,000	Investment type	Purchase price 31.12.2023	Fair value 31.12.2023	Holding 31.12.2023
Real estate development investments				
TT Canada RE Holdings Corporation	Loan	6,729	10,710	-
Sepos Oy	Shares and participations	2,834	734	30.0%
Sepos Oy	Loan	1,946	2,008	-
Turun Toriparkki Oy	Shares and participations	8,503	8,091	39.3%
Other investments				
Aktia Bank Plc	Shares and participations	10,000	9,180	1.3%
Alisa Bank Plc	Shares and participations	5,460	2,623	17.3%
Other investments		6,603	2,199	
Total non-strategic investments		**42,076**	**35,546**	

Notes for the Consolidated Financial Statements

Accounting principles for the Consolidated Financial Statements

1 Corporate information

Taaleri Plc is a Finnish public limited liability company. It is domiciled in Helsinki, Finland and its registered office is at Kasarmikatu 21 B, 00100 Helsinki. Taaleri Plc's shares are listed on the Nasdaq Helsinki stock exchange. Taaleri Plc and its subsidiaries form the Taaleri Group ("Taaleri" or "the Group"). The Taaleri Group has two business segments: Private Asset Management and Garantia. The Private Asset Management segment consists of renewable energy, bioindustry and real estate businesses. The Garantia segment consists of Garantia Insurance Company Ltd. The Group's subsidiaries engaging in business are: Taaleri Private Equity Funds Ltd Group, Taaleri Energia Ltd Group, Taaleri Investments Ltd Group, Taaleri Bioindustry Ltd Group, Taaleri Real Estate Ltd and Garantia Insurance Company Ltd. In addition, Taaleri has ten associated companies (see list of Group companies in accordance with the financial statements of the parent company). Taaleri's principal place of business is Finland, but it has also offices in Budapest, Luxembourg, Madrid and Nova Scotia in Canada. Taaleri operates in Budapest through its local branch. The operations of Taaleri are monitored by the Finnish Financial Supervisory Authority, as the Group includes companies engaged in the business referred to in the Act on Alternative Fund Managers and in the business of insurance companies. At the end of financial year 2024 Taaleri forms an insurance company group according to chapter 26 of the Insurance Companies Act (521/2008), which is subject to group supervision according to that chapter.

2 Summary of key accounting policies for the financial statements

Key accounting policies applied to these consolidated financial statements are presented below. They have been applied consistently during all presented financial periods, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Taaleri have been prepared according to the International Financial Reporting Standards (IFRS). In the preparation of the financial statements, the IAS and IFRS standards and the SIC and IFRIC interpretations which were valid on 31 December 2024 have been followed. IFRS refers to the standards and interpretations which have been approved in accordance with Regulation (EC) No. 1602/2002 of the European Parliament and of the Council.

The consolidated financial statements have been prepared over 12 months for the financial period of 1 January–31 December 2024. The Board of Directors of Taaleri Plc approved the consolidated financial statements for public release on 12 February 2025. Shareholders have the right to approve or reject the financial statements at the Annual General Meeting held after the release of the financial statements.

The information included in the financial statements is presented in EUR thousand and prepared in accordance with an accounting model based on recoverable historical cost, unless otherwise stated in the accounting policies below. As the values presented in the financial statements have been rounded from their exact values, the sum of individual figures presented may differ from the sum presented. Key figures have been calculated using exact values. The Board of Director's report and the financial statements are available in Finnish and English. The Finnish version is the official version that will apply if there is any discrepancy between the language versions.

The preparation of financial statements according to IFRS requires certain key accounting estimates to be used. In addition, it requires that members of the management use judgement when applying the accounting policies. Section 2.17 offers a more detailed description on complex matters that require judgement, and assumptions or estimates that have a material impact on the Group financial statements.

2.2 Consolidation principles

The consolidated financial statements include Taaleri Plc and its subsidiaries that the parent company controls. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. If there are changes to one or more of the elements of control, the Group will reassess whether it still controls the subsidiary. If the Group loses control over a subsidiary, it recognises any investment retained in the former subsidiary at its fair value on the day control is lost, and any change in the carrying amount is recognised through profit or loss. Subsidiaries or entities in which the Group holds a majority shareholding, but control is vested in a third party have not been consolidated into the consolidated financial statements. Such non-consolidated companies and entities include, for example, Taaleri's private equity funds.

The profit for the period attributable to the owners of the parent company and the non-controlling interests is presented in the consolidated income statement, and the attribution of other comprehensive income is presented in the separate statement of comprehensive income. The profit for the period and comprehensive income are allocated to non-controlling interests also if the proportion of non-controlling interests became negative. The proportion of non-controlling interests has been presented in shareholders' equity on the consolidated balance sheet, separate from equity attributable to the shareholders of the parent company. Non-controlling interests in an acquiree are measured at either fair value or the proportionate share in the recognised amounts of the acquiree's net identifiable assets. The measurement principle is defined separately for each purchase.

Associates, in which the parent company holds 20–50 per cent of the votes provided by all shares or in which it otherwise has significant influence, but not control, are consolidated using the equity method. If the investment in an associate has been made by a venture capital entity, the decision can be made to measure the investment at fair value through profit or loss in accordance with IFRS 9. When applying the equity method, investments are initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. If the Group's proportion of an associate's losses exceeds the carrying amount of the investment, the investment is recognised as zero on the balance sheet and the losses exceeding the carrying amount are not consolidated, unless the Group is committed to fulfilling the associate's obligations. The Group's share of the associate's profit for the period is presented before the Operating profit. The Group's proportion from changes recognised in other comprehensive income is recognised in the Group's other comprehensive income. When the Group loses its significant influence, the remaining holding is recognised at fair value, and the difference between the carrying amount and the fair value of the remaining holding and any transfer gains/losses is recognised through profit or loss. At the end of each reporting period, it is evaluated whether there is objective evidence of any decrease in the value of the investment in the associate. If there is such evidence, an impairment loss is defined as the difference between the recoverable amount of the investment and its carrying amount, and it is recognised in the income statement line item Share of associates' profit or loss.

Subsidiaries or associates acquired during the financial period are consolidated from the date on which the Group obtained control or significant influence, and subsidiaries or associates sold are correspondingly consolidated until the date on which control or significant influence is lost. If required, adjustments are made to the financial statements of subsidiaries so that their accounting policies correspond with those of the Group. Profits and losses of associated companies are usually consolidated based on the financial statements prepared based on the local accounting regulations according to the company's domicile. In the financial year 2024, this has been the procedure for every associated company consolidated using the equity method.

All intra-group transactions, as well as receivables, liabilities, unrealised profit, and internal distribution of profit are eliminated. Unrealised losses are not eliminated if the losses are caused by impairment.

2.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Acquisition costs are defined as the acquisition-date fair value of the consideration transferred and any non-controlling interest in the acquired entity. For each business combination, the Group selects whether the non-controlling interests are measured at fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised as expenses in the income statement over the periods, during which the costs are incurred, and the corresponding services are received.

When the Group acquires a business, it evaluates assets and liabilities in the light of agreement terms, financial conditions and other related conditions prevailing on the acquisition date, to determine the correct classification. This evaluation includes the separation of embedded derivatives included in main agreements of the acquired business.

Any contingent consideration is recognised at fair value on the acquisition date. A contingent consideration which has been classified as an asset or liability, is a financial instrument and is within the scope of IFRS 9 (Financial Instruments), is measured at fair value, with any resulting gain or loss recognised either in profit or loss or in other comprehensive income in accordance with that IFRS. If a contingent consideration is not within the scope of IFRS 9, it is accounted for according to the applicable IFRS. A contingent consideration classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is recognised at the original acquisition cost, which corresponds to the amount that the consideration transferred and any non-controlling interest in the acquired business, exceeds the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the fair value of the acquired net assets exceeds the total transferred contribution, the Group will reassess whether it has correctly identified all the assets acquired and liabilities assumed, and it will review the procedures used to measure the amounts to be recognised at the acquisition date. If the fair value of the acquired net assets, even after the reassessment, exceeds the total transferred contribution, profit is recognised through profit or loss.

After the original recognition, goodwill is recognised at the acquisition cost less accrued impairment losses. Goodwill acquired through business combinations is allocated, for impairment testing purposes starting from the acquisition date to the Group's cash-generating units which are expected to benefit from the business combination, regardless of whether other assets or liabilities of the object of acquisition are allocated to these entities. Cash generating units are either business segments or companies thereof.

Goodwill is tested annually against any impairment by discounting estimated future net cash flows using market-based discount factors. If the recoverable assets of a cash-generating unit are lower than their carrying amount, an impairment loss is recognised. Impairment losses associated with goodwill are not reversed in future periods.

When goodwill has been allocated to a cash-generating unit and an operation of the unit is disposed of, the goodwill allocated to the operation disposed of is included in the carrying amount of that operation when defining gains or losses on the disposal. Goodwill transferred in such a situation is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4 Segment reporting

On the balance sheet date, Taaleri has two reportable segments: Private Asset Management, which is divided into Renewable energy and Other private asset management, and Garantia, which includes Garantia. The Other group presents the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments.

In the 2023 financial year, the name of the Garantia segment was the Strategic Investments segment, and it also included Taaleri's shareholding in Aktia Bank Plc. On 7 August 2024, Taaleri announced that it had changed the composition of the reported segments by transferring Aktia Bank Plc's shareholding from the Strategic Investments segment to the Other group. Since the change, the previous Strategic Investments segment has included only Garantia's business, and the segment was henceforth renamed to Garantia. Taaleri received Aktia Bank Plc shares in 2021 as part of the sale of the wealth management operations. The change in segment reporting resulted from the sales of Aktia Bank Plc shares conducted by Taaleri Plc during 2024. The information for the corresponding period in these financial statements has been adjusted accordingly.

Operating segments are reported in a way which is consistent with internal reporting to the chief operating decision maker. The Group's Executive Management Team has been designated as the chief operating decision maker, which is responsible for the allocation of resources to operating segments and the evaluation of their results.

The management monitors in segment reporting only Group's external income and expenses, which have been allocated to segments in accordance with the accrual principle. Assets and liabilities are not monitored on a segment level and are therefore not presented in the Group financial statements. The profitability and result of the segments are assessed at Operating profit -level.

Segment reporting follows the Taaleri Group's accounting policies for financial statements in other respects, but segment reporting does not apply division of lease expense to depreciation and interest expense according to IFRS 16 Leases -standard. In addition, business transactions may be classified differently in segment reporting than how they are presented in the consolidated income statement. In connection with segment reporting, reconciliation calculations are presented for the differences between segment reporting and the consolidated income statement.

Private Asset Management segment

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 and energy storage systems. It also manages investments throughout their lifecycle. The other areas within Private Asset Management include Taaleri's bioindustry, real estate and other 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. Such investments include, for example, seed investments in new funds.

The renewable energy business includes Taaleri Energia Ltd and its subsidiaries. The other private asset management businesses include Taaleri Private Equity Funds Ltd and its subsidiaries, Taaleri Bioindustry Ltd and its subsidiaries and Taaleri Real Estate Ltd, ie Taaleri's bioindustry, real estate, and other businesses.

Continuing management fee income and more non-recurring performance fees from private equity funds are the most significant types of income in the Private Asset Management segment. Income and expenses for own projects are recognized in the financial year when the outcome of the project can be assessed reliably. The renewable energy business also includes wind farm operation and maintenance services, which provide annual fees, and other private asset management businesses also include mandate-based fee income. The expenses of the Private Asset Management segment mainly consist of personnel expenses and commission expenses as well as other administrative expenses.

Garantia segment

Garantia segment includes Garantia Insurance Company Ltd. Garantia is a non-life insurance company specialised in credit risk insurance. The company was founded in 1993. Garantia offers easy and cost-effective guarantee and credit risk insurance solutions for consumers, corporates and lenders. Garantia's business consists of insurance and investment operations.

Other group

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. The costs of services that support the business segments are allocated to the segments and charged monthly. In addition to the commission income of Taaleri Kapitaali, the Other group's earnings consist of the fair value changes in investments and of profits/losses gained in connection with the sales of its investments. The earnings and results of the Other group may thus vary significantly between periods under review.

2.5 Foreign currency items

Items included in the financial statements of Group companies are measured in the currency of the economic environment in which the company is mainly operating (functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Group.

Transactions denominated in a foreign currency are translated at the exchange rate valid on the transaction date. Any receivables and liabilities denominated in a foreign currency and remaining open on the closing date are translated at the exchange rate valid on the closing date. Exchange rate gains and losses associated with actual business operations are recognised in the income statement line item Net gains or net losses on trading in foreign currencies.

Income statements and balance sheets of Group companies (none of which are operating in a country with hyperinflation), using a functional currency other than the presentation currency of the Group, are translated into the presentation currency as follows: assets and liabilities on the balance sheet are translated at the exchange rate valid on the closing date and income and expenses on the income statement are translated at the period's average exchange rate. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. All translation differences are recognised in other comprehensive income. If a subsidiary is disposed of, the cumulative translation differences are transferred to the income statement as part of the gain or loss on disposal.

2.6 Financial assets and liabilities

Assets and liabilities are presented in the order of liquidity which, for the Taaleri Group, offers more reliable and significant information than the presentation of current and non-current items.

Financial assets

At initial recognition, the Group's financial assets are classified into the following categories: those measured at fair value through profit or loss, those measured at fair value through other comprehensive income and those measured at amortised cost. For the purpose of classification, financial assets are grouped into debt instruments, equity instruments and derivatives.

The classification of debt instruments depends on Taaleri's business model in the management of financial assets and the characteristics of the cash flows of the financial assets in question. A business model indicates how financial assets are managed to achieve a certain business objective.

In the "Hold to collect" business model, the objective is to collect contractual cash flows; in the "Hold to collect and sell" business model, the objective is achieved by both collecting contractual cash flows and selling financial assets; in the "Trading" business model, the objective is achieved by actively trading in the financial assets. Determining the business model is based on estimating, for example, how the profitability of the financial assets is assessed, how the risks of the operations are managed and how often and to what extent the assets are traded in.

The characteristics of the cash flows of the debt instruments are evaluated in the cash flow test. If contractual cash flows do not consist solely of payments of principal and interest (basic lending arrangement), the instrument in question is measured at fair value through profit or loss. If the cash flows are subject to, for example, share prices or the debtor's financial situation, it is not a basic lending arrangement. At Taaleri, such debt instruments mainly consist of mutual fund investments, convertible bonds as well as profit-sharing and subordinated loans.

Taaleri mainly manages its debt instruments according to two different business models, "Hold to collect and sell" and "Hold to collect".

Due to the nature of the insurance operations, the objective of Garantia's investment operations is achieved by both collecting contractual cash flows and selling financial assets, i.e., applying the "Hold to collect and sell" business model. Accordingly, debt instruments that pass the cash flow test are measured at fair value through other comprehensive income. For debt instruments other than those of insurance operations, the business model is"Hold to collect", e.g. holding the debt instruments to collect contractual cash flows, meaning that debt instruments that pass the cash flow test are measured at amortised cost. This estimate is performed instrument-specifically, so the measurement basis is also determined instrument-specifically. In both insurance investment operations and the Group's other investment operations, debt instruments that do not pass the cash flow test are measured at fair value through profit or loss.

Changes in fair value from debt instruments measured at fair value through other comprehensive income are recognised in the fair value reserve. Interest income, impairment gains and losses as well as foreign exchange rate gains and losses are recognised in profit or loss. When a debt instrument is derecognised, the profit or loss accumulated in the fair value reserve is transferred, as an adjustment due to a change in the classification, from equity to net Income from insurance investment operations in profit and loss, as the item belongs to the investment assets of insurance operations.

The carrying amount of debt instruments recognised at amortised cost includes the deductible item for expected credit losses, and interest income is recognised in interest income using the effective interest method. Sales gains and losses are recognised in profit or loss.

Debt instruments measured at fair value through profit or loss are measured at fair value, and any changes in fair value are recognised in profit or loss. Interest income, profits from funds, foreign exchange rate gains and losses as well as sales gains and losses are also recognised in profit or loss.

Investments in equity instruments are measured at fair value through profit or loss, meaning that changes in fair value, dividends, interest income, foreign exchange rate gains and losses as well as sales gains and losses are recognised in profit or loss.

At the time of initial recognition of an equity instrument, the management may make an irrevocable choice concerning a procedure according to which changes in fair value are recognised in other comprehensive income and will not later be recycled to profit or loss. In this case, dividends received are recognised in profit or loss, but changes in fair value, foreign exchange rate gains and losses as well as sales gains and losses are recognised in other comprehensive income. This group includes limited partner contributions to such limited partnerships related to Taaleri's private asset management business that are not actual private equity fund investments, as well as equity investments in companies that are not considered to be closely related to the Group's strategy.

Investments in financial assets are originally recognised at fair value, to which transaction expenses are added, except if the financial asset in question is recognised at fair value through profit or loss, in which case the transaction expense is recognised in expenditure. When recognizing financial instrument purchase and sales contracts, the date of the transaction is used as the basis for recognition.

Financial assets are derecognised when the Group has lost its contractual right to receive cash flows or moved the risks and profits outside the Group to a significant extent.

Cash and cash equivalents, which correspond to the Receivables from credit institutions item in the Group's balance sheet, comprise call deposits and short-term fixed deposits.

Financial liabilities

At the time of initial recognition, the Group's financial liabilities are classified into those measured at fair value through profit or loss and those measured at amortised cost. At the end of the financial year, the Group had no financial liabilities measured at fair value through profit or loss.

Other loans are originally recognised at fair value, to which transaction expenses are added. Later, other loans are recognised at amortised cost using the effective interest method. Other liabilities are derecognised when their obligations have been met and their validity has expired.

Fair value measurement

The Group recognises the aforementioned financial instruments at fair value on the balance sheet or in the notes to the financial statements. The Group has no other assets or liabilities recognised at fair value. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments quoted in active markets is based on prices quoted on the measurement date, and the fair value of financial instruments not quoted on active markets is based on the Group's own valuation methods. All financial instruments which have been recognised at fair value on the balance sheet or the fair value of which is presented in the notes, are classified into three hierarchical levels according to the valuation techniques.

Level 1 includes instruments, the fair value of which is based on quoted prices for identical assets or liabilities in active markets. Markets are deemed to be active if price quotations are easily and regularly available, and they represent actual and regular market transactions between independent parties. The fair value of financial assets is based on buy quotations on the measurement date. Level 1 instruments mainly consist of quoted equity investments, equity and interest fund investments and bond investments which have been classified to be available for sale or recognised at fair value through profit or loss.

Level 2 includes instruments, the fair value of which is based on information other than quoted prices, but still on directly or indirectly observable information. To measure the fair value these instruments, the Group uses generally accepted valuation models, the input data of which is largely based on verifiable market information.

Level 3 includes instruments, the fair value of which is measured based on other than observable significant input data. Level 3 instruments mainly consist of unquoted equity investments. The value of these instruments is based on the best information available in the prevailing conditions. Assets categorised within level 3 consist of unquoted shares in private equity funds, other stocks and share units. Shares in private equity funds are mainly measured at the latest fair value received from the management company. Unquoted stocks are valued either at the latest trading price used on the unregulated market, at the book value of the entity subject to the investment, using the cash flow-based return value method, or if it is estimated that the fair value cannot be determined with sufficient accuracy, at the acquisition cost.

Regarding assets and liabilities presented repeatedly in financial statements, the Group defines when transfers have occurred between the hierarchical levels of fair value by reassessing the classification (on the basis of input data available at the lowest level, which is significant considering the entire measurement process) at the end of each reporting period.

Impairment

Impairments are based on an expected credit loss (ECL) model and impairments are recognised on all loans and debt instruments that are not measured at fair value through profit or loss, and on off-balance sheet liabilities.

Impairment is calculated using an individual credit risk calculation model based on the probability of default (PD), the loss given default (LGD), the exposure at default (EAD) and the maturity (M): ECL = PD * LGD * EAD * M(min 1 or M).

For the purpose of impairment testing, assets to be tested are divided into three stages. On the first stage are instruments whose credit risk has not increased significantly; on the second stage are instruments whose credit risk has in-creased significantly; and on the third stage are instruments whose value has decreased. For instruments on the first stage, a loss allowance for 12 month expected credit losses is recorded. For instruments on the second and third stages, a loss allowance for lifetime expected credit losses is recognised. On every reporting date Taaleri estimates whether the credit risks of instruments have increased significantly compared to the credit risk at initial recognition and based on this defines the expected credit loss.

A significant increase in credit risk is estimated based on changes (or expected changes) in the credit rating. The credit rating is deemed to take into account sensible and reasonable information to the necessary extent. Additionally, the credit risk is estimated to have increased significantly if payments are over 30 days due.

The credit risk is deemed to have increased significantly if the counterparty's credit rating declines as follows:

- From investment grade, or rating classes AAA…BBB-, to rating class BB- or lower;
- From rating classes BB+…BB- to rating class B- or lower:
- From rating classes B+…B- to rating class C or lower.

The expected credit loss for loans measured at amortised cost is recognised in the P/L line item Expected credit loss from financial assets measured at amortised cost and booked against the book value of the loan. The expected credit loss for financial assets measured at fair value through other comprehensive income is recognised in the P/L line-item Net income from insurance, investment operations, when the asset is part of the insurance business' investment portfolio and booked against the fair value reserve in other comprehensive income.

2.7 Insurance contracts

Insurance operations in Taaleri consists entirely of Garantia's guarantee insurance operations.

The company measures its primary insurance contracts and its ceded reinsurance contracts according to IFRS 17 Insurance Contracts. The company has applied the standard in financial periods beginning on and after 1 January, 2023. The transition date of the company was 1 January, 2022.

A contract is considered to be an insurance contract if a transfer of significant insurance risk is accepted from the insured in a way that the insurer is liable for reimbursing the beneficiary in case an insurance event specified in the contract adversely affects the beneficiary.

The company's insurance contracts, where the company acts as the insurer, are in their entirety made up of guaranty insurance contracts, and the ceded reinsurance contracts, where the company acts in the role of the insured, are entirely made up of reinsurance contracts taken up to reinsure risks arising from the guaranty insurance contracts. The company's insurance contracts do not include service components, investment components or embedded derivatives, that should be separated from the insurance component.

For the purposes of measuring insurance contracts, the company divides its insurance contracts into four (4) insurance contract portfolios, and furthermore, into insurance contract groups. The division into insurance contract portfolios is done on the basis of similarities in risk characteristics and the way the contracts are managed. The division into insurance contract groups is done on the basis of the timing of initial recognition, whether the contracts are onerous or not, and on the basis of possible reinsurance cover related to the contract. The number of the company's insurance contract groups is approximately 70. Insurance contracts are recognised and measured on insurance contract group basis.

Insurance groups are recognised on the start date of the first insurance contract of the group or on the due date of the insurance premium collected from the insured in the case the due date is before the start date of the contract. Onerous insurance contract groups are recognised when the groups become onerous.

The company applies the Building Block Approach (BBA), as specified in IFRS 17 Insurance contracts, in the measurement of all its insurance contracts.

Measurement of insurance contracts on initial recognition
In connection with initial recognition, the company measures an insurance contract group to be the sum of the capital value of the fulfilment cashflows required to satisfy the contract, a risk adjustment for non-financial risk, and the contractual service margin.

The capital value of the fulfilment cashflows includes the present value of expected future cash flows arising from premiums, claims, claims recourse collections, other insurance expenses, and acquisition costs of the insurance contracts.

The fulfilment cashflows are discounted into their present value by applying an interest rate curve, that includes a risk-free rate, reflecting the time value of money, and an adjustment for financial risk that reflects the illiquidity of the cashflows of the insurance contracts (the liquidity premium). The applied risk-free interest rate is the German government bond yield curve. The liquidity premium has been estimated based on observed market risk premia on instruments with similar risk characteristics compared with the company's guaranty insurance portfolio. The table below presents the discount rates used at the balance sheet date.

Discount rates	1 y	2 y	3 y	4 y	5 y	6 y	7 y	8 y	9 y	10 y
2024	2.61%	2.46%	2.46%	2.50%	2.57%	2.64%	2.71%	2.77%	2.82%	2.87%
2023	3.76%	3.14%	2.83%	2.70%	2.66%	2.67%	2.71%	2.75%	2.80%	2.85%

The risk adjustment for non-financial risk reflects the implicit cost of capital that the company incurs, when in it exposes itself to the uncertainty related to future claims. The cost of capital is calculated by estimating the amount of unexpected claims arising from the insurance contracts in each future period, resulting in an estimate on the amount of capital required to cover these claims. The monetary cost of the capital required is then calculated by applying a specific 6.0% annual cost of capital rate on the future capital requirements. The adjustment for non-financial risk is then achieved by discounting the hypothetical future cost of capital payments to their present value, applying the discount rate discussed above.

The capital requirement for the contracts is calculated on contract level primarily by applying the Internal Ratings Approach set by the Basel II capital adequacy regulations. A confidence level of 99.5% is applied, matching the level set forth in the Solvency II rules governing the capital requirements for insurance companies. Due to the confidence level applied, the capital requirement for the contracts reflects the amount of claims, in excess of expected claims, that is exceeded once every 200 years.

Depending on insurance contract portfolio, the risk adjustment determined with cost of capital method corresponds to confidence level of 76-81% assuming it had been calculated directly from cashflow distribution.

The contractual service margin represents the unearned profit of insurance contract groups, that will be recognised in future reporting periods, proportionate to insurance services delivered in these periods.

Subsequent measurement of insurance contracts and recognition principles
The carrying value of an insurance contract group is made up of the liability for remaining coverage and the liability for incurred claims.

The liability for remaining coverage includes the capital value of the fulfilment cash flows required to satisfy the contract, an adjustment for non-financial risk., and the contractual service margin (i.e., unearned profit).

The liability for incurred clams includes the capital value of future claims payments from claims that have already been incurred, and a risk adjustment reflecting the uncertainty of these cash flows. The future claims also include the estimated effects of claims recourse recoveries. The liability for claims incurred includes an estimate of claims incurred that have come to the company's awareness and claims that have not yet come to the company's awareness but have already incurred. Claims that have not yet come to the company's awareness have been estimated for each insurance contract portfolio using the calculation method in accordance with the Finnish Insurance Companies Act, which the company applies in the financial statements in accordance with the Finnish GAAP, and according to which estimates have historically been larger than realised claims.

The company recognises insurance revenue on the basis of expiration of the liability for remaining coverage to the extent that the expiration is attributable to insurance services delivered in the reporting period. Hence, the recognised revenue equals the monetary value of the compensation the company considers it has earned by delivering insurance services in that period.

An insurance contract that has been underwritten by the company in the role of the insurer ends and will be derecognised off the balance sheet, when the insurance contract ceases to exist, the company is no more subjected to risk from the contract, and when the company can no longer be required to forgo economic resources to satisfy the contract.

Onerous contracts

An insurance contract group is onerous on initial recognition, if the capital value of fulfilment cashflows required to fulfil the contract, the risk adjustment for non-financial risk, and the cashflows arising from the acquisition costs of the insurance contract result in net cash outflow.

Insurance contract groups classified as onerous will result in a loss recognised in the income statement on the basis of the negative net cash flow of the group. In this case, the carrying value of the insurance contract liability of the onerous insurance contract group equals the capital value of the fulfilment cashflows required to satisfy the contract, and the contractual service margin of the group will be nil.

An insurance contract group will become subsequently onerous, if the adverse changes in the fulfilment cashflows of the group, in consequence of any changes in estimates of cashflows concerning future service exceed the carrying value of the contractual service margin of the group.

Reinsurance contracts

The company divides its' ceded reinsurance contracts into insurance contract portfolios and groups in the same manner as in contracts related to primary insurance. In addition, the measurement accounts for counterparty default risk of the reinsurers.

At initial recognition of ceded reinsurance contracts, the company recognises a contractual service margin that can arise from a net profit or a net loss attributable to the ceded reinsurance contract.

Net profit is generated if the present value of cash inflows of the ceded reinsurance contract is greater than the value of its cash outflows. Net loss is generated if the present value of the cash outflows is greater than the value of cash inflows.

If the contractual service margin of the ceded reinsurance contracts is made up of net profit, the contractual service margin is recognised as a liability. If the contractual service margin is made out of a net loss, it is recognised as an asset.

Transition approaches applied

The company has applied the Full Retrospective Approach in the transition of most insurance contracts recognised in 2020-2021, and the Modified Retrospective Approach for most of the insurance contracts recognised in 2019 and earlier. The Modified Retrospective Approach has also been applied on a small number of contracts recognised in 2020-2021. The company has also applied the Fair Value Approach (FVA) on a small number of contracts recognised in 2019 and earlier.

Contracts measured according to the Full Retrospective Approach have been valued as if IFRS 17 Insurance Contracts would have been applied always. If the information needed for the application of the Full Retrospective Approach has not been available, the contracts have been measured following the Modified Retrospective Approach by using reasonable and justifiable information. In other cases, the contracts have been measured according to the Fair Value Approach.

Of the total insurance revenue generated in the financial year 2022, 51% was generated from contracts measured using the Full Retrospective Approach, 49% was generated from contracts measured using the Modified Retrospective Approach, an 0% from contracts using the Fair Value Approach.

2.8 Tangible assets

Tangible assets are recognised on the balance sheet if their acquisition cost can be measured reliably, and it is probable that future economic benefits associated with the assets will flow to the company. Tangible assets are carried on the balance sheet at cost less any accumulated depreciation and accumulated impairment losses. Tangible assets mainly consist of machinery and equipment which are depreciated in four years. Small equipment acquisitions are depreciated using a 25% declining balance method. Depreciation of an asset begins when it is available for use. When an asset is classified as available for sale in accordance with IFRS 5, depreciation ceases.

The residual values and useful lives of assets are reviewed on every closing date, and they are changed as required. If the carrying amount of an asset is higher than the estimated recoverable amount, the carrying amount is immediately reduced to correspond to the recoverable amount. The gain or loss arising from the derecognition of an asset is included in profit or loss. Gains are recognised in Other operating income and losses in Depreciation and impairment. Gains or losses are determined as the difference between the net disposal proceeds and the carrying amount of the asset.

If there are indications that a tangible asset is impaired, the assets recoverable amount is estimated. If the recoverable amount is less than the assets carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

2.9 Intangible assets

Other intangible assets
Intangible assets are recognised on the balance sheet if their acquisition cost can be measured reliably, and it is probable that future economic benefits associated with the assets will flow to the company. Other intangible assets are carried on the balance sheet at cost less any accumulated depreciation and accumulated impairment losses.

Development costs for software not owned or controlled by the company, such as cloud computing services, are not capitalised. If the control of the acquired cloud computing service is not transferred to the company, the expense will not be capitalised as an intangible asset in accordance with IAS 38. In this case, the cloud computing service is treated as a service contract and the costs do not generally constitute an asset to be recognised in the balance sheet, but the expense is recognised as an expense when the service is received. The implementation costs related to the implementation of such cloud computing services are recognised as an advance payment and recognised as operative expense when the service is received, if the implementation is performed by the cloud computing service provider, or the supplier's subcontractor, and the implementation costs are not distinct services from the software. In other cases, the implementation costs associated with deploying the cloud computing service are expensed as soon as the service is received.

No internally generated intangible assets have been recognised on the balance sheet.

The gain or loss arising from the derecognition of an asset is included in profit or loss. Gains are recognised in Other operating income and losses in Depreciation and impairment Gains or losses are determined as the difference between the net disposal proceeds and the carrying amount of the asset.

If there are indications that an intangible asset is impaired, the assets recoverable amount is estimated. If the recoverable amount is less than the assets carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

Goodwill
Goodwill accounting policies have been presented in Section 2.3 (Business combinations and goodwill).

2.10 Lease agreements

The Group as lessee
The Group's leased assets are mainly business premises, company cars and IT equipment. Taaleri recognises right-of-use assets at the commencement date of the lease according to IFRS 16. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are recognised in Tangible assets and are depreciated on a straight-line basis over the lease term. The lease term used is the non-cancellable lease period. Any renewal options are included if management deems it reasonably certain that they will be exercised.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, and the exercise price of a purchase option reasonably certain to be exercised, and payments of penalties for terminating a lease, if the lease term reflects exercising the option to terminate. Lease liabilities are recognised in Other liabilities and interest expenses in the profit or loss line item Interest and other financing expenses. The present value of lease payments is measured using the incremental borrowing rate, which is based on the best available information, such as the currently negotiated loan or discussions with bank partners.

Taaleri applies an exemption on short-term leases (lease term less than one year) and on leases of low-value assets (below EUR 5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group as lessor
Agreements regarding property, plant, and equipment, where the Group is the lessor, are accounted for as finance leases, when a substantial part of the risks and rewards of ownership are transferred to the lessee. At the commencement date, for the subleases, a net investment (lease receivable), equaling to the present value of lease payments and the present value of the unguaranteed residual value, is recognised. The proportion of the right-of-use asset that is subleased is derecognised from the balance sheet.

The difference between the right-of-use asset and the sublease receivable (net investment) is recognised in other operating income or expense. Lease payments received later are recorded as repayments of lease receivables and as interest income.

2.11 Employee benefits

Long-term remuneration of management and other personnel
The Group has share-based long-term personnel remuneration programs, based on which the persons who belong to the programs can receive a remuneration settled in Taaleri's shares or in cash for their work performed during the vesting period. Depending on the execution method, these remuneration programs are recognised either as equity or as share-based transactions paid in cash.

Share-based employee benefits paid in equity are measured at fair value at the moment of granting. The amount recognised in expenditure is amortised in personnel costs and as an increase in equity during the vesting period. Also, in arrangements settled in the net amount – in which the Group is obliged to pay withholding tax on the remuneration to be paid, due to which part of the remuneration earned is spent on paying taxes – the remuneration earned is treated as it would be fully paid in equity, despite the tax part paid in money.

The estimated number of shares to be paid based on share-based remuneration programs is reviewed quarterly. The possible effects of adjustments made to the original estimates are recognised in the income statement as Personnel costs, and the corresponding adjustment is made in equity.

Pensions
The statutory pension cover of Taaleri's employees and those belonging to the management has been arranged using TyEL (employee pension) insurance agreements. Furthermore, a voluntary supplementary pension insurance has been taken out for the CEO of the parent company. All of the Group's pension arrangements are defined contribution plans. In defined contribution plans, there are no payment obligations other than the annual insurance premiums paid to the insurance company.

Expenses arising from statutory pension arrangements are recognised in the income statement under Personnel expenses for the financial year to which the charge relates.

The recognition of expenses arising from voluntary supplementary pension insurance depends on the type of agreement. During the financial years presented, the voluntary supplementary pension insurance for the CEO of the parent company has been structured as a pension capitalisation agreement. Payments made under this agreement have been recorded as an asset in the line-item Shares and participations and measured at fair value through profit or loss. The pension liability arising from the capitalisation has been recorded under Other liabilities and recognised as an expense in the income statement under Other administrative expenses for the financial year in which the pension liability was incurred. The pension liability has also been measured at fair value through profit or loss. Contributions to the pension capitalisation scheme are not tax-deductible for the company in the year of payment. Pensions paid during the retirement period are treated as cash pensions, and the pensions paid are tax-deductible for the company in the year of payment. Deferred tax asset has been recognised on payments made to the pension capitalisation scheme, which will be realised during the beneficiary's retirement period.

2.12 Contingent liabilities

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed by the occurrence of an uncertain event not wholly in the control of the Group. In addition, an existing obligation which probably does not require that the payment obligation is met, or the amount of which cannot be estimated reliably, is considered to be a contingent liability. The Group's contingent liabilities are presented in the notes to the financial statements.

2.13 Income taxes and deferred taxes

Tax expenses consist of taxes based on the taxable income for the period, taxes for previous periods and deferred taxes. Taxes are recognised through profit or loss, unless they are associated with items recognised directly in shareholders' equity or other comprehensive income. In this case, taxes are recognised in the items in question. Taxes based on the taxable income for the period is calculated from the taxable income based on tax rates valid in the specific country.

Deferred taxes are calculated on temporary differences between the carrying amount and taxable value. However, deferred tax liabilities are not recognised on the original recognition of goodwill. Deferred tax assets are recognised up to the amount at which it is likely that taxable income will be generated in the future, against which the temporary difference can be utilised. The most significant temporary differences in the Group arise from the valuation difference in insurance contract liabilities between Finnish accounting legislation and the application of IFRS 17, the fair value measurement of investments, confirmed tax losses, and other temporary differences between accounting and taxation. Deferred taxes are calculated using the tax rates regulated by the closing date or tax rates which have been approved in practice before the closing date.

2.14 Revenue recognition principles

Revenue recognition principles for Private Asset Management
Income from customer agreements in the private asset management business is recognised in Fee and commission income. According to IFRS 15, revenue from customer contracts is recognised in such a way that the transaction price is first allocated to the performance obligations and when the performance obligation is fulfilled by transferring control of the related service to the customer, the related revenue is recognised. The performance obligation can be fulfilled either at a specific time or over time. The main income of Taaleri's private asset management business is generated from private equity funds and co-investment projects managed by Taaleri.

A management fee will be paid to the alternative fund manager or the responsible partner of the alternative fund for the entire duration of the fund. The management fee is a variable consideration and is based on, depending on the fund or its lifecycle phase, for example, the fund's initial investment commitments, the value determined by the valuation of the fund or its portfolio investments, or the total amount of equity and debt capital committed to the fund. The management fees paid by the funds and the consulting fees paid by co-investments are recognised over time as the management of the fund is the sole performance obligation of the agreement and the fund management service is provided over time. Management fees are invoiced in advance on a quarterly basis and accrued as income on a monthly basis.

The private asset management business also includes mandate-based fee income, which is recognised over time as the mandate-based portfolio management service is delivered over time. The renewable energy business also includes operation and maintenance services for wind farms, the invoicing of which is based on a pre-agreed annual fee, which is recognised as income during the year.

Due to the successful investment activities of private equity funds and co-investments, fee income may also include performance fees. The calculation formulas for the performance fees of Taaleri's private equity funds and co-investments are fund-specific, but they are always based on the returns at the fund or co-investment level after reaching a separately agreed hurdle rate. The performance fee is recognised at the point when its realisation can be considered reasonably certain. However, performance fees are typically realised and paid during the later stage of the fund's lifecycle, upon the fund's exit. If the exit takes place only in later financial years, but the realisation of the performance fee can already be reasonably certain in previous financial years, an asset based on the contract is recognised in connection with the recognition of the unrealised performance fee. Taaleri only considers the performance fee to the extent that it is probable that the amount of the accrued recognised income will not need to be significantly reversed later. Taaleri performs valuation of its funds on a quarterly basis and, in this context, reviews the performance fees related to private equity funds and co-investments that are payable to the management company or alternative investment fund manager. It also assesses the likelihood of these fees being realised and the final amount of the performance fees.

In order to avoid the need for a significant reversal of accrued income recognised as a performance fee at a later date, a discount factor approved by management for the cash flows unrealised at the time of modeling is used in the modeling of performance fees, which is determined on a fund-by-fund and case-by-case basis. The discount factor reflects the volatility of the estimated performance fee, the timing uncertainty related to the fund's exit, and, consequently, the uncertainty of the final performance fee. As the uncertainty surrounding the performance fee decreases over time, a performance fee may be recognised for the same fund over several financial years as the discount factor changes before the final fee is determined upon exit of the fund. Performance fees recognised but not yet realised are recognised in the balance sheet under Accrued income and advanced payments. The final amount of the performance fee will be determined in connection with the exit of the fund or co-investment, in which case the performance fee will be derecognised from Accrued income.

Commission expenses include commission expenses payable to another from the income recognised in commission income.

The private asset management business also develops projects, in which case unfinished project costs are capitalised in the balance sheet. Project income and expenses are recognised in the financial year when the outcome of the project can be estimated reliably. Project income is presented in Other operating income and project expenses in Other operating expenses, respectively.

Revenue recognition principles for insurance activities
Revenue recognition principles for insurance activities have been described in Section 2.7 Insurance contracts. All income from insurance activities is presented in Net income from insurance, apart from changes in fair value from financial assets measured at fair value through other comprehensive income, which are presented in the statement of comprehensive income.

Other income
Income from equity investments mainly includes dividend income from equity investments and disposal gains and losses from associates and subsidiaries, as well as available-for-sale financial assets. Dividends are mainly recognised after the Annual General Meeting of the distributing company has made its decision on the distribution of dividends.

Net income from securities trading includes changes in fair value of all financial instruments measured at fair value through profit or loss. Net income from trading in foreign currencies includes net gains from foreign exchange transactions, as well as positive and negative foreign exchange differences from translating assets and liabilities into euros.

Interest income and expenses on interest bearing assets and liabilities are recognised on an accrual basis. On receivables, the difference between the acquisition cost and the nominal value is recognised in interest income on an accrual basis, and on liabilities the difference is recognised in interest expenses on an accrual basis. The difference between the nominal value and acquisition cost of fixed-rate bonds is recognised in interest income and expenses over the loan term on an accrual basis.

The effective interest method has been applied to the recognition of interest income and expenses over the agreement term. When calculating the effective interest rate, the expected life of the financial instrument and the future cash flows are estimated based on all contractual terms. Received commissions, transaction costs and possible premiums or discounts, which are an integral part of the effective interest rate of the financial instrument, have been taken into account when recognizing interest income and expenses.

2.15 Shareholders' equity

The Group classifies instruments it has issued, into equity or liabilities (financial liabilities) based on their characteristics. Equity instruments include any contracts which indicate a right to obtain a proportion of an entity's assets after deducting all its liabilities. Costs related to the issuance or acquisition of equity instruments are accounted for as a deduction from equity. If the company reacquires its own equity instruments, those instruments are deducted from equity.

2.16 Operating profit and income

The IAS 1 (Presentation of Financial Statements) standard does not define the concept of operating profit.

Taaleri's operating profit is calculated as follows: Operating profit is the net amount of Total income, Fee and commission expenses, Administrative expenses, Depreciation and Impairments, Other operating expenses and the Share of associate's profit or loss. All income statement items other than those listed above are presented below the Operating profit.

Income included in the Total income have been presented as a gross amount, except for Net gains or net losses on trading in securities and foreign currencies and Net income from investment operations included in Net income from insurance, which are presented on a net basis to provide a more accurate view. Additionally, IFRS 17 standard defines the amounts to be recognised in Insurance service result and Net finance expenses from insurance contracts, which are partially net items. For further details, see the accounting policies under IFRS 17 in Section 2.7 Insurance contracts.

2.17 Accounting policies requiring management's judgment and key uncertainties regarding estimations

When preparing the financial statements, estimates and assumptions concerning the future need to be made, and their outcome may differ from the estimates and assumptions made. In addition, applying the accounting policies requires judgement.

Valuation of Garantia's insurance contract liabilities
The measurement of Garantia's insurance contract liabilities according to IFRS 17 Insurance Contracts includes several factors that involve management's judgement and uncertainty.

The most significant uncertainties are related to the estimation of future claims cashflows, and to the estimation of the amount of the adjustment for non-financial risk reflecting the variation in the claims cashflows. Uncertainty is also associated with the selection of the interest rate curve applied in cashflow discounting, and the measurement of the liquidity premium, as well as the assessment of future other insurance service expenses. In the evaluation of the future claims cashflows of the liability for the remaining coverage, Taaleri uses the ratio of claims incurred for the last ten (10) years to the guarantee insurance exposure per insurance contract portfolio, and a forecast of the development of the guarantee exposure. Similarly, in the evaluation of future other insurance service expenses, Taaleri uses the ratio of other insurance service expenses of the last three (3) years to the guarantee exposure per insurance contract portfolio, and a forecast of the development of the guarantee exposure. The assumptions are updated semi-annually at the time of the balance sheet date and at the end of the second quarter, and the forecast at the time of reporting is used as the best estimate. The table below presents at the company level the ranges of estimated claims cashflows and other insurance service expenses used in the financial statements.

The assumptions materially affecting the valuation of insurance contract liabilities	2024	2023
The ratio of gross claims cashflows to the gross exposure, %	0.09–0.26	0.03–0.26
The ratio of other insurance service expenses to the gross exposure, %	0.07–0.56	0.06–0.55

The value of Garantia's insurance contract liabilities differs significantly between IFRS and national GAAP accounting. The valuation difference gives rise to a deferred tax liability, that has been recognised on the Group balance sheet. Most of the valuation difference is attributable to the equalisation provision, a part of the technical provisions as measured by the national GAAP rules. The measurement of the equalisation provision is based on calculation principles approved by the Financial Supervisory Authority, claims statistics approved by the management, and estimated future claims development. Hence, the accumulation and reversal of the equalisation provision have direct effect on the value of the deferred tax liability arising from the valuation difference of insurance contract liabilities.

Financial assets and liabilities
When classifying and measuring financial assets managerial judgement is needed, i.e. when deciding whether an equity instrument is strategic or not, which affects whether the instrument is measured through profit or loss or other comprehensive income without recycling. Evaluating expected credit loss requires judgement, i.e. when choosing which credit loss models and parameters to use. The expected credit loss model is described in more detail in section 2.7 of the accounting policies.

Management must evaluate when the markets of financial instruments are no longer deemed to be active. When the fair value of a financial instrument is measured using valuation methods, the management's judgement is required for the selection of the applicable valuation method. International Valuation Standards (IVS) and valuation methods based on their applications have been used to measure the fair value of private equity fund investments and unquoted shares and units. The valuations take a number of different factors into consideration, such as when an investment was made and at what price, the price development of quoted reference companies, local market conditions in the specific industry, realised and estimated operating results, and additional investments. Value analyses have usually been prepared for finished projects using a cash flow-based income approach and a comparative market-based measurement method. Unfinished projects in the funds have been measured at their acquisition cost or lower fair value. Estimates and managerial judgement is required in the valuations. Illiquid investments include uncertainty regarding the future realised gains or losses, compared to the estimated fair value.

Performance fees in the Private Asset Management segment

Taaleri recognises the performance fees of the private asset management business only to the extent that it is probable that the amount of the accrued recognised income will not have to be significantly reversed later. Taaleri reviews quarterly the performance fees related to private equity funds and co-investments that are payable to the management company or alternative investment fund manager. It also assesses the likelihood of these fees being realised and the final amount of the performance fees. Management judgment is required in the assessment to determine the forecast parameters used and the discount factor reflecting the uncertainty of the fee.

Unfinished projects of the Private Asset Management segment

Management's judgement is needed when measuring the unfinished projects of the Private Asset Management segment. External costs associated with active projects have been recorded on the balance sheet if the net present value of the project is positive. Project expenses have been recognised through profit or loss if a project has ended or its net present value is negative. Management judgment is also applied in the recognition of contingent consideration in sales agreements. Contingent consideration is recognised as income when its realisation is considered highly probable.

Share-based employee benefit programs

Management's judgement has been applied when measuring the fair value of share-based employee benefit programs and option programs and in evaluating the expenditure of the programs. Deferred tax assets have also been recorded for the expenses recorded from share-based incentive schemes.

Business combinations and goodwill

The values of businesses acquired through business combinations are based on estimated future development, estimated cash flows and the discount rate used. Goodwill is tested annually for impairment. The recoverable amount defined in impairment testing is often based on the value in use, the calculation of which requires estimates of future cash flows and the discount rate used. More detailed information on goodwill is provided in Note 25 Intangible assets.

In 2015, Taaleri acquired Garantia Insurance Company Ltd, which writes guarantee insurances. At the time of acquisition, Taaleri valued the assets and liabilities of the acquired company according to its best estimate of their fair value, and the fair value thus determined by Taaleri for the company was significantly higher than the consideration paid. Determining the fair value of the acquired company's assets and liabilities involved significant estimates made by the management, because the potential future losses of the guarantee insurance business are associated with great uncertainty, especially in poor market situations. Taaleri recorded a negative goodwill of EUR 28.6 million from the acquisition in 2015, which was recognised in the profit or loss, but this does not mean that the insurance contracts written at the time of the acquisition could not result in losses in the future. At the time of acquisition, the company was not aware of claims that the company would not have taken into account in its balance sheet, and according to IFRS, general unallocated provisions cannot be made.

Management's estimates and judgment has been used in determining and measuring the identifiable assets acquired and liabilities assumed acquired by Suomen Vuokravastuu Oy, a company acquired in 2018, which has affected the amount of goodwill recognised.

Group's control in structured entities

When assessing the Group's control generated by investments made in structured entities, the Group's ability to affect relevant activities and its exposure to variable returns are evaluated. The assessment of control is subject to judgement. The assessment of control is done in more detail, when the Group's share in the structured entity's net assets and returns exceeds 20 percent. The investee is consolidated as a subsidiary at the latest, when the Group's exposure to variable returns is significant and and a connection is established between variable income and power.

Uncertainties arising from climate and sustainability risks

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative impact on the value of the investment (in Taaleri's private asset management business and Group's investment operations and Garantia) or on the value of the liability (in Garantia). Sustainability risks include e.g. risks related to climate change and green washing. Taaleri has considered the impact of sustainability risks in the preparation of its financial statements, particularly in management's judgment-driven estimates, such as the assessment of uncertainties related to the determination of the fair value of investments. The uncertainties related to sustainability risks are described in more detail in Note 35 Group's Internal Control and Risk Management Principles.

Identified risks related to climate change can negatively affect, for example, the yield of Taaleri's funds, the value of holdings, capital- and operating costs in funds' investments, and the production of facilities, for example through acute and chronic changes in weather, weather patterns, and temperature conditions. Potential negative impacts may also be caused by transition risks, such as tightening regulation, changes in the operating environment, as well as changes in stakeholder needs and preferences. Climate and sustainability risks may affect Taaleri Group's contingent liabilities, taxes, revenue recognition, employee benefits, insurance operations, financial assets and financial liabilities and other assets and liabilities. For example, transition risks related to climate change can affect the Group's operating abilities and performants through, for example, more difficult fund raising, which is reflected in Group's management fees and performance fees generated from the funds and there for in the Group's total income, and thus they need to be considered e.g. in determining revenue recognition principles and in valuation of financial assets and liabilities. On the other hand, extreme weather phenomena can negatively affect the operations of entities that are subject to Taaleri's funds' investments, make it more difficult to procure production inputs and increase the risk of damage to production facilities, all of which is reflected as increased costs and as production slowdowns in the funds' investments, which in turn affects e.g. in the valuation of assets.

2.18 Applying new and revised standards and new interpretations

In preparing the consolidated financial statements, all annual improvements and amendments to the applicable IFRS standards issued by the IASB, as well as interpretations provided by IFRIC, that have been approved by the EU and adopted as of financial periods beginning on or after January 1, 2024, have been applied. Taaleri has assessed that these improvements, amendments, and interpretations have had no material impact on the consolidated financial statements.

2.19 New and revised standards to be applied later

New standards, amendments to standards, or interpretations that will become effective in the EU only after financial periods beginning on or after January 1, 2024, have not been applied in the preparation of these consolidated financial statements.

No other already issued new or revised standard or interpretation is expected to have a material impact on the consolidated financial statements, the Group's financial result, or its financial position, except for IFRS 18 Presentation and Disclosure in Financial Statements, published in April 2024.

IFRS 18 Presentation and Disclosure in Financial Statements replaces the previous IAS 1 standard, introducing new requirements for the presentation format of financial statements, the classification of transactions, and the scope and content of disclosures. The objective of the standard is to enhance the understandability, comparability, and transparency of financial statements.

Taaleri is currently assessing the impacts of the standard. The effects of the standard will be limited to the presentation of financial statements, the classification of transactions, and disclosures. The standard is not expected to have any material impact beyond the presentation of financial information. The IFRS 18 standard will take effect no earlier than for financial periods beginning on or after January 1, 2027, and it will be applied retrospectively to comparative periods presented in the financial statements. The standard has not yet been endorsed by the EU, and therefore the effective date remains uncertain.

Notes to the Income Statement

3 Fee and commission income

1.1.-31.12.2024, EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Garantia	Other	Total
Continuing earnings	27,482	21,262	6,221	-	748	28,231
Performance fees	1,845	1,760	85	-	-	1,845
Total	**29,327**	**23,022**	**6,306**	**-**	**748**	**30,076**

1.1.-31.12.2023, EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Garantia	Other	Total
Continuing earnings	25,396	18,611	6,785	-	769	26,165
Performance fees	1,489	-	1,489	-	-	1,489
Total	**26,885**	**18,611**	**8,274**	**-**	**769**	**27,654**

During the financial year 2024, a total of EUR 1.8 (1.5) million in performance fees has been recorded in the income statement, of which EUR 1.8 (0.0) million is based on management's estimate and remains unrealised as of the balance sheet date. Taaleri had a total of EUR 15.9 million (31 December 2023: EUR 14.2 million) in unrealised performance fees recorded under fee income as of 31 December 2024. For further information, see Note 28 Accrued income and prepayments.

4 Net income from insurance

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Insurance revenue		
Amounts relating to changes in liabilities for remaining coverage		
CSM recognized for services provided	11,581	12,324
Change in risk adjustment for non-financial risk for risk expired	2,069	1,934
Expected incurred claims	1,769	1,995
Expected other insurance service expenses	2,301	2,291
Premium experience adjustments	542	-74
Recovery of insurance acquisition cash flows	640	540
Insurance revenue total	**18,902**	**19,010**
Insurance service expenses		
Incurred claims	-841	-1,197
Changes in liabilities for incurred claims	915	813
Incurred other insurance service expenses	-3,646	-3,248
Losses on onerous contracts	98	-471
Insurance acquisition cash flows	-856	-839
Insurance service expenses total	**-4,328**	**-4,942**
Net expenses from reinsurance contracts	-375	-520
Insurance service result	**14,198**	**13,549**

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Net finance income and expense from insurance		
Net finance income and expense from insurance	-633	-33
Interest accreted to insurance contracts	-730	-284
Effect of changes in financial assumptions through P/L	-7	58
Other	104	193
Net finance expenses from reinsurance contracts	19	20
Interest accreted to reinsurance contracts	19	19
Other	-	1
Net finance income and expense from insurance	**-614**	**-14**

Net finance income and expenses from insurance amounted to EUR -0.6 (-0.0) million and the total return from the company's investments at fair value amounted to EUR 15.5 (10.4) million.

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Net income from investment operations		
Financial assets at fair value through other comprehensive income	**2,998**	**893**
Interest income	3,003	2,373
Profit or loss from sales	-354	-896
Others	350	-585
- of which change in expected credit loss	350	-585
Financial assets at fair value through profit or loss	**8,877**	**3,845**
Financial assets that need to be measured at fair value through profit or loss	**8,877**	**3,845**
Interest income	1,150	1,204
Change in fair value	7,322	1,980
From dividends	63	478
Profit or loss from sales	214	258
Others	128	-76
Net income from insurance investment operations	**11,875**	**4,738**
Net income from insurance total	**25,459**	**18,273**

5 Net gains or net losses on trading in securities and foreign currencies

Net gains or net losses on trading in securities, EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
From financial assets measured at fair value through profit or loss		
Financial assets that need to be measured at fair value through profit or loss	-1,855	-446
Total	**-1,855**	**-446**

Net gains or net losses on trading in securities and foreign currencies, EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Net gains or net losses on trading in securities by type		
From shares and units	-1,855	-446
Sales profit and loss	-631	939
Changes in fair value	-1,224	-1,385
Net gains or let losses on trading in securities, total	-1,855	-446
Net gains or net losses on trading in foreign currencies	593	-543
Total	**-1,262**	**-989**

6 Income from equity investments

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Financial assets that need to be measured at fair value through profit or loss	817	415
Dividend income	682	419
Profit or loss from divestments	-4	-4
Profit sharing from limited partnerships	140	-
From group companies	8,153	8,973
Profit or loss from divestments	8,153	8,973
Total	**8,971**	**9,388**

Profit or loss from divestments of group companies in 2024 and 2023 mainly consist of the sale of a subsidiary named Taaleri Development Holdings Sarl. For further information, see Note 43 Sale of a subsidiary.

7 Interest income

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
From receivables from credit institutions	633	216
From receivables from the public and general government	539	1,707
Other interest income	6	2
Total	**1,178**	**1,925**

Interest income do not include income from financial assets that are impaired.

8 Other operating income

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Billed expenses recorded as income	2,296	3,550
Income from Private Asset Management segment's projects	5,775	5,503
Other income	86	325
Total	**8,158**	**9,378**

The income accumulated from the projects in the Private Asset Management segment during the financial years 2023 and 2024 are related to renewable energy development activities carried out in Texas between 2018 and 2021. Taaleri received the first part of the project's sale price in 2023 and, when announcing the transaction, stated that the sales agreement included the possibility of additional income subject to certain conditions. The amount of additional income is USD 6.0 million, or approximately EUR 5.8 million, and it was fully recognised in the financial year 2024. As of the balance sheet date, some uncertainties remain regarding the additional income, but management considers its realisation to be highly probable.

9 Fee and commission expense

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Private Asset Management fee and commission expenses	7,515	8,251
Other commission expenses	14	
Total	**7,529**	**8,252**

10 Personnel costs

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Wages, salaries and fees	12,680	13,369
Whereof variable fees	2,380	3,459
Pension expenses from defined contribution plans	1,928	1,989
Share-based payments	552	435
Payable in cash or equity	552	435
Social security contributions	360	616
Total	**15,520**	**16,409**

11 Other administrative expenses

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
ICT expenses	2,220	2,118
Voluntary personnel related costs	1,025	919
Marketing and communication expenses	698	662
External administrative expenses	485	807
Other expenses	1,189	1,283
Total	**5,617**	**5,789**

12 Depreciation, amortisation and impairment on tangible and intangible assets

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Intangible assets		
Planned depreciation		62
Goodwill impairment	1	1
Negative goodwill	-	-139
Tangible assets		
Planned depreciation	877	548
Total	**879**	**472**

13 Other operating expenses

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Short term premises and other rental expenses	364	208
External services	2,943	3,451
Fees paid to the company's auditors	332	388
Auditing fees	314	338
Tax services	-	-
Other	17	50
Other expenses	1,394	1,067
Total	**5,033**	**5,114**

14 Expected credit losses

EUR 1,000	Amortised cost	At fair value through other comprehensive income[1]	Total
ECL 1.1.2024	1,862	875	2,737
Additions due to initial issue and purchases	5	81	86
Deductions due to derecognitions	-206	-746	-952
Changes in risk parameters	-1,569	315	-1,255
Recognised in profit or loss	**-1,771**	**-350**	**-2,120**
ECL 31.12.2024	**91**	**525**	**617**

EUR 1,000	Amortised cost	At fair value through other comprehensive income[1]	Total
ECL 1.1.2023	1,255	290	1,545
Additions due to initial issue and purchases	53	64	117
Deductions due to derecognitions	-11	-47	-58
Changes in risk parameters	565	568	1,133
Recognised in profit or loss	**607**	**585**	**1,192**
ECL 31.12.2023	**1,862**	**875**	**2,737**

[1] Expected credit losses from financial assets measured at fair value through other comprehensive income all pertain to the insurance business, and therefore the expected credit loss has been recognised in Net income from insurance, Net income from investment operations. For further information, see Note 4 Net income from insurance.

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Received payments related to loans that have been written-off	-	-
Change in ECL	1,771	-607
Realized credit losses	-1,640	-
Expected credit losses from financial assets measured at amortised cost recognised in profit or loss	**130**	**-607**

15 Interest and other financing expense

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Interest expenses from other liabilities		
From receivables from credit institutions	-	-42
From liabilities to the public and general government	76	422
From subordinated debts	710	769
Other interest expenses	147	76
Total	**932**	**1,224**

16 Income taxes

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
From profit for the financial period	12,437	6,344
Taxes from previous periods	-293	662
Deferred taxes	-7,452	-2,856
Total	**4,692**	**4,150**

Reconciliation of taxes on the income statement with profit before taxes	1.1.–31.12.2024	1.1.–31.12.2023
Operating profit (profit before taxes)	38,110	31,921
Interest and other financing expenses	-932	-1,224
Taxes calculated at the tax rate of the parent company (20%)	7,436	6,139
Different tax rates on foreign subsidiaries	45	37
Tax-free income	-1,865	-1,591
Non-deductible expenses	-880	299
Impairment of goodwill		-28
The use of taxable losses confirmed previously	37	-
Unbooked deferred tax receivables from taxable losses	-81	-250
Share of the profits of associated and joint venture companies with taxes deducted	-	-554
Taxes from previous financial periods	-6	-31
Other items	6	129
Taxes on the income statement	**4,692**	**4,150**

The effective tax rate in 2024 was 13% (2023: 14%).

17 Other comprehensive income items

Taxes concerning other comprehensive income

EUR 1,000	1.1.–31.12.2024 Pre-tax	Tax effect	After taxes	1.1.–31.12.2023 Pre-tax	Tax effect	After taxes
Changes in the fair value reserve	3,569	-714	2,855	2,529	-506	2,023
Items that may be reclassified to profit or loss	3,643	-729	2,914	5,655	-1,131	4,524
Items that may not be reclassified to profit or loss	-74	15	-59	-3,126	625	-2,501
Translation differences	112	-	112	-83	-	-83
Total	**3,680**	**-714**	**2,967**	**2,446**	**-506**	**1,940**

18 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the company's shareholders by the weighted average of the number of shares outstanding, with the exception of repurchased own shares (Note 34 Equity).

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Profit for the period attributable to the owners of the parent company	28,064	22,985
Weighted average number of ordinary shares outstanding (1,000 pcs)	28,202	28,305
Basic earnings per share, EUR	**1.00**	**0.81**

Diluted earnings per share

Earnings per share adjusted for the dilution effect are calculated by adjusting the weighted average of the number of outstanding shares so that all diluting potential ordinary shares are assumed to be exchanged for shares. The group's dilutive potential ordinary shares arise from share-based incentive programs paid in shares or cash and from the CEO's option program, and they are taken into account from the grant date, when calculating diluted earnings per share.

	1.1.–31.12.2024	1.1.–31.12.2023
Weighted average number of ordinary shares outstanding (1,000 pcs)	28,202	28,305
The dilutive effect of share options (1,000 pcs)	651	727
The weighted average of the number of shares when calculating the diluted earnings per share (1,000 pcs)	28,853	29,033

EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Profit for the period attributable to the owners of the parent company	28,064	22,985
The weighted average of the number of shares when calculating the diluted earnings per share (1,000 pcs)	28,853	29,033
Diluted earnings per share, EUR	**0.97**	**0.79**

Notes to the Balance Sheet

19 Receivables from credit institutions

EUR 1,000	31.12.2024	31.12.2023
Repayable on demand	19,623	24,302
From domestic credit institutions	18,930	18,091
From foreign credit institutions	693	6,211
Other than repayable on demanded	-	14,000
From domestic credit institutions	-	14,000
Total	**19,623**	**38,302**

Receivables from credit institutions correspond to the Group's total cash and cash equivalents. Receivables other than those payable on demand are short-term deposits.

20 Receivables from the public and general government

EUR 1,000	31.12.2024	31.12.2023
Other than repayable on demanded		
Companies and housing associations	5,357	4,653
Foreign	384	489
Total	**5,741**	**5,142**

The Group has subordinated receivables amounting to EUR 0.3 (0.3) million. Information about expected credit losses from receivables measured at amortised cost is presented in Note 14 Expected credit losses. The maturities of receivables are presented in Note 36 Maturity of financial assets and liabilities.

21 Shares and units

Shares and units, EUR 1,000	31.12.2024	31.12.2023
Fair value through profit or loss	34,291	35,941
Fair value through other comprehensive income	2,693	2,768
Total	**36,984**	**38,708**
- of which publicly quoted	5,329	11,894

Participating interests, EUR 1,000	31.12.2024	31.12.2023
Acquisition cost	15,517	15,517
Share of the associates' profits, and other changes in the value of associated companies	-2,633	-2,634
Total	**12,884**	**12,884**
Shared and units total	**49,869**	**51,592**

The line item Participating interests includes investments in associated companies that have been consolidated into the Group using the equity method. Under the equity method, an associate is initially recognised in the balance sheet at cost. Subsequently, the value of the associate is adjusted to reflect the Group's share of the associate's profit or loss and other changes in equity.

For Taaleri's associate, Sepos Oy, impairment losses totaling EUR 2.4 million have been recorded against the carrying amount of the shares. Of this, EUR 0.2 million was recognised during the financial year 2023, with the remainder recorded in prior financial years.

The consolidated profits and other changes in the value of associates, including impairments, are reported in the income statement under the line item Share of associates' profit or loss.

22 Insurance assets, investments

Insurance assets, EUR 1,000	31.12.2024	31.12.2023
Investments		
Loans and other receivables	119,524	126,578
Shares and units	35,115	33,973
Total	**154,638**	**160,551**

23 Classification of financial assets and liabilities

Financial assets and liabilities 31.12.2024, EUR 1,000		At fair value through other comprehensive income		At fair value through profit or loss			
Financial assets	**Amortised cost**	**Equity instruments [2]**	**Others**	**Equity instruments**	**Others**	**Total**	**Fair value**
Receivables from credit institutions [1]	19,623	-	-	-	-	19,623	19,623
Receivables from the public and general government	3,928	-	-	-	1,813	5,741	5,741
Shares and units	-	2,693	-	34,291	-	36,984	36,984
Insurance assets, investments	-	-	92,733	34,187	27,719	154,638	154,638
Other financial assets	-	-	-	-	-	46,212	
Financial assets total	**23,551**	**2,693**	**92,733**	**68,478**	**29,532**	**263,199**	
Participating interests						12,884	
Other than financial assets						15,772	
Assets in total 31.12.2024						**291,855**	

Financial liabilities	**At fair value through profit or loss**	**Other liabilities**	**Total**	**Fair value**
Other financial liabilities	-	17,436	17,436	
Financial liabilities total	**-**	**17,436**	**17,436**	
Other than financial liabilities			59,087	
Liabilities in total 31.12.2024			**76,524**	

[1] The carrying amount of these receivables are seen as the best estimate of their fair values.

[2] At the time of initial recognition of an equity instrument, the management may make an irrevocable choice concerning a procedure according to which changes in fair value are recognised in other comprehensive income and will not later be recycled to profit or loss. In this case, dividends received are recognised in profit or loss, but changes in fair value, foreign exchange rate gains and losses as well as sales gains and losses are recognised in other comprehensive income. This group includes limited partner contributions to such limited partnerships related to Taaleri's private asset management business that are not actual private equity fund investments, as well as equity investments in companies that are not considered to be closely related to the Group's strategy. On 31 December 2024, the fair value of equity instruments that are specifically valued at fair value through other comprehensive income items was EUR 2.7 (31 December 2023: 2.8) million. The investments belonging to the group have not produced dividend income in the financial periods presented. During the presented financial periods, no investments belonging to the group have been sold or otherwise written off the balance sheet.

Financial assets and liabilities 31.12.2023, EUR 1,000		At fair value through other comprehensive income		At fair value through profit or loss			
Financial assets	**Amortised cost**	**Equity instruments [2)]**	**Others**	**Equity instruments**	**Others**	**Total**	**Fair value**
Receivables from credit institutions [1)]	38,302	-	-	-	-	38,302	38,302
Receivables from the public and general government	3,824	-	-	-	1,318	5,142	5,142
Shares and units	-	2,768	-	35,941	-	38,708	38,708
Insurance assets, investments	-	-	104,123	29,935	26,493	160,551	160,551
Other financial assets	-	-	-	-	-	42,226	
Financial assets total	**42,126**	**2,768**	**104,123**	**65,876**	**27,811**	**284,930**	
Participating interests						12,884	
Other than financial assets						10,097	
Assets in total 31.12.2023						**307,911**	

Financial liabilities	At fair value through profit or loss	Other liabilities	Total	Fair value
Subordinated debt	-	14,886	14,886	15,154
Other financial liabilities	-	16,392	16,392	
Financial liabilities total	**-**	**31,278**	**31,278**	
Other than financial liabilities			67,987	
Liabilities in total 31.12.2023			**99,265**	

[1)] The carrying amount of these receivables are seen as the best estimate of their fair values.
[2)] At the time of initial recognition of an equity instrument, the management may make an irrevocable choice concerning a procedure according to which changes in fair value are recognised in other comprehensive income and will not later be recycled to profit or loss. In this case, dividends received are recognised in profit or loss, but changes in fair value, foreign exchange rate gains and losses as well as sales gains and losses are recognised in other comprehensive income. This group includes limited partner contributions to such limited partnerships related to Taaleri's private asset management business that are not actual private equity fund investments, as well as equity investments in companies that are not considered to be closely related to the Group's strategy. On 31 December 2024, the fair value of equity instruments that are specifically valued at fair value through other comprehensive income items was EUR 2.7 (31 December 2023: 2.8) million. The investments belonging to the group have not produced dividend income in the financial periods presented. During the presented financial periods, no investments belonging to the group have been sold or otherwise written off the balance sheet.

24 Fair value of financial instruments

Fair value of assets 31 December 2024, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Receivables from credit institutions	-	19,623	-	19,623
Receivables from the public and general government	-	4,899	842	5,741
Shares and units	5,329	807	30,849	36,984
Insurance assets, investments	147,243	-	7,396	154,638
Total	**152,571**	**25,329**	**39,087**	**216,987**

Fair value of liabilities 31 December 2024, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Subordinated debt	-	-	-	-
Total	**-**	**-**	**-**	**-**

Fair value of assets 31 December 2023, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Receivables from credit institutions	-	38,302	-	38,302
Receivables from the public and general government	-	4,345	797	5,142
Shares and units	11,868	-	26,840	38,708
Insurance assets, investments	153,071	-	7,480	160,551
Total	**164,939**	**42,647**	**35,118**	**242,703**

Fair value of liabilities 31 December 2023, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Subordinated debts	-	15,154	-	15,154
Total	**-**	**15,154**	**-**	**15,154**

Fair value hierarchy

Level 1: Fair values are based on the prices quoted on the active market on identical assets or liabilities.

Level 2: Fair values are based on information other than quoted prices included within level 1 that are observable for the asset or liability, either directly (from prices) or indirectly (derived from prices). When measuring the fair value of these instruments, Taaleri Group uses generally accepted valuation models whose information is based to a significant degree on verifiable market information.

Level 3: Fair values are based on information concerning an asset or liability, which is not based on verifiable market information. Level 3 assets are mainly valued at a price received from an external party or, if no reliable fair value is available/determinable, at purchase price.

Assets classified at level 3

Assets categorised within level 3 consist of unquoted shares in private equity funds, other stocks and share units. Shares in private equity funds are mainly measured at the latest fair value received from the management company. Unquoted stocks are valued either at the latest trading price used on the unregulated market, at the book value of the entity subject to the investment, using the cash flow-based return value method, or if it is estimated that the fair value cannot be determined with sufficient accuracy, at the acquisition cost.

Reconciliation of assets categorised within level 3, EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Fair value January 1	35,118	37,417
Purchases	7,564	3,603
Sales and deductions	-2,565	-4,905
Change in fair value - income statement	-1,025	-797
Change in fair value - comprehensive income statement	-4	-200
Fair value at end of period	**39,087**	**35,118**

Unrealised gains or losses attributable to fair value measurements of assets or liabilities categorised within level 3 held at the end of the reporting period recognised in profit or loss, EUR 1,000	1.1.–31.12.2024	1.1.–31.12.2023
Net income from insurance	77	237
Net gains or net losses on trading in securities and foreign currencies	-1,102	-1,034
Total	**-1,025**	**-797**

25 Intangible assets

EUR 1,000	31.12.2024	31.12.2023
Goodwill	347	347
Other intangible assets	227	225
Rental property renovation costs	227	225
Total	**574**	**572**

2024	Goodwill	Other intangible assets	Total
Acquisition cost 1 January 2024	348	1,047	1,396
Increases	1	3	4
Acquisition cost 31 December 2024	350	1,050	1,400
Accumulated depreciation, amortisation and impairment 1 January 2024	1	823	824
Depreciation during the financial period	-		
Impairments	1	-	1
Accumulated depreciation, amortisation and impairment 31 December 2024	3	823	826
Book value 1 January 2024	347	225	572
Book value 31 December 2024	**347**	**227**	**574**

2023	Goodwill	Other intangible assets	Total
Acquisition cost 1 January 2023	696	760	1,456
Increases	1	287	288
Decreases	349	-	349
Acquisition cost 31 December 2023	348	1,047	1,396
Accumulated depreciation, amortisation and impairment 1 January 2023	349	753	1,102
Depreciation during the financial period	-	70	70
Impairments	1	-	1
Disposals	349	-	349
Accumulated depreciation, amortisation and impairment 31 December 2023	1	823	824
Book value 1 January 2023	347	8	355
Book value 31 December 2023	**347**	**225**	**572**

Goodwill allocation and impairment testing

On 31 December 2024 the goodwill amounted to EUR 0.3 (0.3) million, which was allocated entirely to the Garantia segment.

In impairment testing, the recoverable amount of the unit is determined based on its value in use. Cash flow forecasts are based on predictions for a three-year period. Cash flows after the forecast period are extrapolated using an even 0.5% growth factor, which is assessed as being suitable for a growing business. Future cash flows are discounted using the weighted average cost of capital, which was 11.5 percent. Parameters used in determining the discount rate (risk-free interest, risk coefficient, risk premium and capital structure) are based on factors observed in companies engaged in similar or competing business and on the prevailing market conditions at the end of September 2024. The impairment testing of goodwill did not lead to recognition of impairment losses.

In conjunction with impairment testing, sensitivity analyses were carried out with regard to key assumptions, the discount rate and residual value growth factor. The variables used in the calculations are an increase of one percentage point in the discount rate and a decrease of one percentage points in growth following the forecast period. Separately examined, the sensitivity analyses did not show any risk of impairment.

26 Tangible assets

EUR 1,000	31.12.2024	31.12.2023
Other tangible assets	1,842	2,406
Total	**1,842**	**2,406**

	2024	2023
Acquisition cost 1 January	7,827	5,293
Increases	365	2,585
Decreases	48	51
Acquisition cost 31 December	8,144	7,827
Accumulated depreciation, amortisation and impairment 1 January	5,421	4,872
Depreciations during the financial period	882	549
Accrued depreciation, amortisation and impairment 31 December	6,303	5,421
Book value on 1 January	2,406	421
Book value on 31 December	**1,842**	**2,406**

27 Other assets

EUR 1,000	31.12.2024	31.12.2023
Fee and commission income receivables	9,453	5,919
Other	2,872	11,245
Total	**12,325**	**17,163**

28 Accrued income and prepayments

EUR 1,000	31.12.2024	31.12.2023
Interest receivables	2,231	6,448
Tax receivables	411	366
Development projects	1,003	847
Contract assets from unrealised performance fees	15,933	14,173
Discretionarily recognised sales receivables	14,085	-
Other accrued income	2,078	4,907
Total	**35,741**	**26,742**

Contract assets from unrealised performance fees

The performance fees of Taaleri's private asset management business are recognised at the point when its realisation can be considered reasonably certain. However, performance fees are typically realised and paid during the later stage of the fund's lifecycle, upon the fund's exit. If the exit takes place only in later financial years, but the realisation of the performance fee can already be reasonably certain in previous financial years, the performance fee is recognised and an unrealised contract asset is recognised in Accrued income. The final amount of the performance fee will be determined in connection with the exit of the fund or co-investment, in which case the performance fee will be derecognised from Accrued income.

Contract assets from unrealised performance fees as of the balance sheet date were EUR 15.9 (14.2) million based on management's estimate. These consisted of EUR 14.2 million in performance fees from Taaleri Wind II and III Funds recognised in previous years, and EUR 1.7 million in performance fees from Taaleri SolarWind I Fund, recognised in 2024.

As of the balance sheet date, the assessment of unrealised performance fees was based on the performance fee estimate according to net asset valuation methodology of the Funds or price indications from an ongoing sales process, as well as a fund-specific discount factor that reflects the volatility of the estimated performance fee, the timing uncertainty related to the fund's exit, and, consequently, the uncertainty of the final performance fee. Taaleri generally applies a discount factor for unrealised performance fees, which varies between 30-60% depending on the fund and the case. Taaleri performs valuation of its funds on a quarterly basis and, in this context, reviews the performance fees related to private equity funds and co-investments that are payable to the management company or alternative investment fund manager. It also assesses the likelihood of these fees being realised and the final amount of the performance fees.

Discretionarily recognised sales receivables

Discretionarily recognised sales receivables consist of sales price receivables recognised as income in 2024 but still partly conditional as of the balance sheet date. Taaleri's management considers the realisation of the discretionarily recognised sales receivables to be probable. Of the receivables, EUR 8.3 million relates to the sale of subsidiary Taaleri Energia Development Holdings Sarl. Additional information on the sale of the subsidiary is provided in Note 43 Sale of the subsidiary. EUR 5.8 million of the receivables pertains to renewable energy development activities conducted in Texas between 2018 and 2021. Taaleri received the first installment of the sales price from the Texas development activities in 2023 and, at the time of disclosure, noted the possibility of an additional payment under the sales agreement if certain conditions are met. The additional payment amounts to USD 6.0 million, or approximately EUR 5.8 million, and was fully recognised as income during the 2024 financial year.

29 Other liabilities

EUR 1,000	31.12.2024	31.12.2023
Accounts payable	1,317	505
Accounts payable - purchases of financial instruments	-	248
Tax account liabilities	268	488
Lease liabilities	1,641	2,192
Other liabilities	1,012	1,511
Total	**4,238**	**4,944**

30 Accrued expenses and deferred income

EUR 1,000	31.12.2024	31.12.2023
Accrued personnel costs	1,401	1,683
Performance fee provision	5,330	5,141
Accrued interest	13	154
Accrued tax	1,417	3,034
Other accrued expenses	9,181	7,315
Total	**17,341**	**17,327**

31 Deferred tax assets and liabilities

Deferred tax assets, EUR 1,000	31.12.2024	31.12.2023
From employment benefits	256	198
From financial assets measured at fair value through other comprehensive income	657	642
From tax loss carryforwards	3,841	2,741
From other temporary differences between taxation and accounting	2,734	1,282
From other IFRS adjustments	128	253
Total	**7,617**	**5,116**

Deferred tax liabilities, EUR 1,000	31.12.2024	31.12.2023
From financial assets recorded at fair value in profit or loss	1,463	1,022
From financial assets measured at fair value through other comprehensive income	108	178
From the difference in valuation of insurance contracts	6,827	12,849
From other IFRS adjustments	3,870	2,442
Total	**12,268**	**16,491**

32 Subordinated debts

EUR 1,000	31.12.2024	31.12.2023
Tier 2 bond	-	14,886
Total	**-**	**14,886**

On 18 October 2019 Taaleri Plc issued Tier 2 notes totalling EUR 15 million. The Tier 2 Notes constituted a subordinated debt instrument, which was included in the Tier 2 capital referred to in Article 63 of Regulation (EU) No 575/2013 of the European Parliament and of the Council. The notes was due to mature in ten years and beared a fixed interest rate of 5.0 per cent until 18 October 2024, and then onwards EUR 5-year mid-swap rate plus 5.33 per cent. The terms and conditions of the Notes included a call option after five years from the issuance and the company was also entitled to an early repayment before the call option under certain preconditions provided in the terms and conditions of the Notes. Taaleri exercised its right to redeem the Notes early in October 2024.

33 Notes on insurance contracts

33.1 Reconciliation of the liabilities for remaning coverage and incurred claims for insurance contracts

31.12.2024	**Liabilities for remaining coverage**				
EUR 1,000	Net liabilities excluding loss component	Acquisition cost asset	Loss component	**Liabilities for incurred claims**	**Total**
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	-44,256	-	-1,472	112	-45,616
Net opening liabilities relating to insurance contracts	**-44,256**	**-**	**-1,472**	**112**	**-45,616**
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Contracts under the modified retrospective approach	4,472	-	-	-	4,472
Contracts under the fair value transition approach	38	-	-	-	38
Other contracts	14,392	-	-	-	14,392
Total insurance revenue	**18,902**	**-**	**-**	**-**	**18,902**
Insurance service expenses					
Incurred claims and insurance administrative expenses	-	-	-	-4,486	-4,486
Changes that relate to past service: Adjustments to liabilities for incurred claims	-	-	-	915	915
Losses on onerous contract	-	-	98	-	98
Amortisation of insurance acquisition cash flows	-640	-	-	-	-640
Impairment of acquisition cost asset	-	-216	-	-	-216
Total insurance service expenses	**-640**	**-216**	**98**	**-3,571**	**-4,328**
Net finance income and expense from insurance					
Net finance income and expense from insurance through PL	-616	-	-18	1	-633
Total net finance income and expense from insurance	**-616**	**-**	**-18**	**1**	**-633**
Total changes in statement of profit and loss and OCI	**17,646**	**-216**	**81**	**-3,570**	**13,941**
Cash flows during the period					
Premiums received	-16,933	-	-	-	-16,933
Claims paid	-	-	-	5,259	5,259
Insurance administrative expenses paid	-	-	-	3,556	3,556
Acquisition cost paid	631	216	-	-	847
Total cash flows during the period	**-16,301**	**216**	**-**	**8,815**	**-7,270**
Closing insurance contract assets	-720	-	-125	4,575	3,730
Closing insurance contract liabilities	-42,191	-	-1,267	782	-42,676
Net closing liabilities relating to insurance contracts	**-42,911**	**-**	**-1,392**	**5,357**	**-38,946**

31.12.2023	Liabilities for remaining coverage				
EUR 1,000	Net liabilities excluding loss component	Acquisition cost asset	Loss component	Liabilities for incurred claims	Total
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	-45,025	-	-1,000	-520	-46,544
Net opening liabilities relating to insurance contracts	**-45,025**	**-**	**-1,000**	**-520**	**-46,544**
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Contracts under the modified retrospective approach	7,007	-	-	-	7,007
Contracts under the fair value transition approach	45	-	-	-	45
Other contracts	11,958	-	-	-	11,958
Total insurance revenue	**19,010**	**-**	**-**	**-**	**19,010**
Insurance service expenses					
Incurred claims and insurance administrative expenses	-	-	-	-4,444	-4,444
Changes that relate to past service: Adjustments to liabilities for incurred claims	-	-	-	813	813
Losses on onerous contract	-	-	-471	-	-471
Amortisation of insurance acquisition cash flows	-540	-	-	-	-540
Impairment of acquisition cost asset	-	-299	-	-	-299
Total insurance service expenses	**-540**	**-299**	**-471**	**-3,631**	**-4,942**
Net finance income and expense from insurance					
Net finance income and expense from insurance through PL	-79	-	-1	47	-33
Total net finance income and expense from insurance	**-79**	**-**	**-1**	**47**	**-33**
Total changes in statement of profit and loss and OCI	**18,391**	**-299**	**-473**	**-3,585**	**14,035**
Cash flows during the period					
Premiums received	-18,340	-	-	-	-18,340
Claims paid	-	-	-	819	819
Insurance administrative expenses paid	-	-	-	3,397	3,397
Acquisition cost paid	717	299	-	-	1,016
Total cash flows during the period	**-17,622**	**299**	**-**	**4,216**	**-13,107**
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	-44,256	-	-1,472	112	-45,616
Net closing liabilities relating to insurance contracts	**-44,256**	**-**	**-1,472**	**112**	**-45,616**

33.2 Reconciliation of the components of insurance contract liabilities

31.12.2024			CSM			
EUR 1,000	**Estimation of present value of future cash flows**	**Risk adjustment for non-financial risk**	Modified retrospective approach	Fair value approach	Other	**Total**
Opening insurance contract assets	-	-	-	-	-	-
Opening insurance contract liabilities	-1,879	-5,699	-5,177	-3	-32,859	-45,616
Net opening liabilities relating to insurance contracts	**-1,879**	**-5,699**	**-5,177**	**-3**	**-32,859**	**-45,616**
Changes in the statement of profit or loss and OCI						
Changes related to current services						
CSM recognized in profit and loss	-	-	2,177	7	9,397	11,581
Change in risk adjustment for risk expired	-	2,087	-	-	-	2,087
Experience adjustments	659	-209	-	-	-	450
Changes related to future services						
Contracts initially recognised in the period	11,151	-1,434	-	-	-9,860	-144
Changes in estimates that adjust CSM	-1,579	40	392	-6	1,154	-
Changes in estimates that result in onerous contracts or reversal of losses on onerous underlying contracts	-271	-45	-	-	-	-316
Changes that relate to past service						
Changes to incurred claims	868	47	-	-	-	915
Insurance service result	**10,828**	**486**	**2,569**	**1**	**690**	**14,574**
Net finance income and expense from insurance						
Insurance finance expenses through profit and loss	211	-	-71	-	-773	-633
Net finance income and expense from insurance	**211**	**-**	**-71**	**-**	**-773**	**-633**
Total changes in statement of profit and loss and OCI	**11,039**	**486**	**2,498**	**1**	**-82**	**13,941**
Total cash flows						
Premiums received	-16,933	-	-	-	-	-16,933
Claims paid	5,259	-	-	-	-	5,259
Insurance administrative expenses paid	3,556	-	-	-	-	3,556
Acquisition cost paid	847	-	-	-	-	847
Total cash flows	**-7,270**	**-**	**-**	**-**	**-**	**-7,270**
Closing insurance contract assets	5,912	-1,098	-	-	-1,084	3,730
Closing insurance contract liabilities	-4,023	-4,115	-2,679	-2	-31,857	-42,676
Net closing liabilities relating to insurance contracts	**1,890**	**-5,213**	**-2,679**	**-2**	**-32,941**	**-38,946**

31.12.2023			CSM			
EUR 1,000	**Estimation of present value of future cash flows**	**Risk adjustment for non-financial risk**	Modified retrospective approach	Fair value approach	Other	**Total**
Opening insurance contract assets	-	-	-	-	-	-
Opening insurance contract liabilities	-2,098	-6,423	-8,746	-3	-29,274	-46,544
Net opening liabilities relating to insurance contracts	**-2,098**	**-6,423**	**-8,746**	**-3**	**-29,274**	**-46,544**
Changes in the statement of profit or loss and OCI						
Changes related to current services						
CSM recognized in profit and loss	-	-	3,724	8	8,592	12,324
Change in risk adjustment for risk expired	-	1,974	-	-	-	1,974
Experience adjustments	-22	-62	-	-	-	-84
Changes related to future services						
Contracts initially recognised in the period	13,518	-1,478	-	-	-12,271	-232
Changes in estimates that adjust CSM	-636	254	-47	-8	437	-
Changes in estimates that result in onerous contracts or reversal of losses on onerous underlying contracts	-697	-30	-	-	-	-727
Changes that relate to past service						
Changes to incurred claims	746	67	-	-	-	813
Insurance service result	**12,909**	**724**	**3,677**	**-**	**-3,242**	**14,068**
Net finance income and expense from insurance						
Insurance finance expenses through profit and loss	417	-	-107	-	-343	-33
Net finance income and expense from insurance	**417**	**-**	**-107**	**-**	**-343**	**-33**
Total changes in statement of profit and loss and OCI	**13,326**	**724**	**3,570**	**-**	**-3,585**	**14,035**
Total cash flows						
Premiums received	-18,340	-	-	-	-	-18,340
Claims paid	819	-	-	-	-	819
Insurance administrative expenses paid	3,397	-	-	-	-	3,397
Acquisition cost paid	1,016	-	-	-	-	1,016
Total cash flows	**-13,107**	**-**	**-**	**-**	**-**	**-13,107**
Closing insurance contract assets	-	-	-	-	-	-
Closing insurance contract liabilities	-1,879	-5,699	-5,177	-3	-32,859	-45,616
Net closing liabilities relating to insurance contracts	**-1,879**	**-5,699**	**-5,177**	**-3**	**-32,859**	**-45,616**

33.3 Reconciliation of the assets for remaning coverage and incurred claims for reinsurance contracts

31.12.2024	**Assets for remaining coverage**			
EUR 1,000	Excluding loss-recovery component	Loss-recovery component	**Assets for incurred claims**	**Total**
Opening reinsurance contract assets	43	54	228	325
Opening reinsurance contract liabilities	-	-	-	-
Net opening assets relating to reinsurance contracts	**43**	**54**	**228**	**325**
Changes in the statement of profit or loss and OCI				
Net expenses from reinsurance contracts				
Allocation of reinsurer premium paid	-364	-	-	-364
Amounts recoverable for claims and other expenses	-	-	49	49
Changes that relate to past service: Adjustments to assets for incurred claims	-	-	-8	-8
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-52	-	-52
Effect of changes in the risk of reinsurers non-performance	-	-	-	-
Total net expenses from reinsurance contracts	**-364**	**-52**	**41**	**-375**
Net finance expenses from reinsurance contracts				
Net finance income and expense from reinsurance through PL	18		1	19
Total net finance expenses from reinsurance contracts	**18**	**-**	**1**	**19**
Total changes in statement of profit and loss and OCI	**-346**	**-52**	**41**	**-357**
Cash flows during the period				
Premiums paid to reinsurers	362		-	362
Recoveries received from reinsurance	-	-	-175	-175
Total cash flows during the period	**362**	**-**	**-175**	**187**
Closing reinsurance contract assets	59	2	94	155
Closing reinsurance contract liabilities	-	-	-	-
Net closing assets relating to reinsurance contracts	**59**	**2**	**94**	**155**

31.12.2023	Assets for remaining coverage			
EUR 1,000	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
Opening reinsurance contract assets	99	39	389	526
Opening reinsurance contract liabilities	-	-	-	-
Net opening assets relating to reinsurance contracts	**99**	**39**	**389**	**526**
Changes in the statement of profit or loss and OCI				
Net expenses from reinsurance contracts				
Allocation of reinsurer premium paid	-528	-	-	-528
Amounts recoverable for claims and other expenses	-	-	-	-
Changes that relate to past service: Adjustments to assets for incurred claims	-	-	-7	-7
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	15	-	15
Effect of changes in the risk of reinsurers non-performance	-	-	-	-
Total net expenses from reinsurance contracts	**-528**	**15**	**-7**	**-520**
Net finance expenses from reinsurance contracts				
Net finance income and expense from reinsurance through PL	18	-	1	20
Total net finance expenses from reinsurance contracts	**18**	**-**	**1**	**20**
Total changes in statement of profit and loss and OCI	**-510**	**15**	**-6**	**-500**
Cash flows during the period				
Premiums paid to reinsurers	454	-	-	454
Recoveries received from reinsurance	-	-	-155	-155
Total cash flows during the period	**454**	**-**	**-155**	**299**
Closing reinsurance contract assets	43	54	228	325
Closing reinsurance contract liabilities	-	-	-	-
Net closing assets relating to reinsurance contracts	**43**	**54**	**228**	**325**

33.4 Reconciliation of the components of reinsurance contract assets

31.12.2024			CSM			
EUR 1,000	**Estimation of present value of future cash flows**	**Risk adjustment for non-financial risk**	Modified retrospective approach	Fair value approach	Other	**Total**
Opening reinsurance contract assets	168	36	121	-	-	325
Opening reinsurance contract liabilities	-	-	-	-	-	-
Net opening assets relating to reinsurance contracts	**168**	**36**	**121**	**-**	**-**	**325**
Changes in the statement of profit or loss and OCI						
Changes related to current services						
CSM recognized in profit and loss	-	-	-58	-	-389	-447
Change in risk adjustment for risk expired	-	-10	-	-	-	-10
Experience adjustments	140	1	-	-	-	141
Changes related to future services						
Contracts initially recognised in the period	-375	-	-	-	375	-
Changes in estimates that adjust CSM	-66	4	61	-	-	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	-52	-	-	-52
Changes that relate to past service						
Changes to incurred claims	-3	-5	-	-	-	-8
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Total net expenses from reinsurance contracts	**-304**	**-9**	**-48**	**-**	**-14**	**-375**
Net finance expenses from reinsurance contracts						
Net finance income and expense from reinsurance through PL	2	-	3	-	14	19
Total net finance expenses from reinsurance contracts	**2**	**-**	**3**	**-**	**14**	**19**
Total changes in statement of profit and loss and OCI	**-302**	**-9**	**-46**	**-**	**-**	**-357**
Total cash flows						
Premiums paid to reinsurers	362	-	-	-	-	362
Recoveries received from reinsurance	-175	-	-	-	-	-175
Total cash flows	**187**	**-**	**-**	**-**	**-**	**187**
Closing reinsurance contract assets	53	27	75	-	-	155
Closing reinsurance contract liabilities	-	-	-	-	-	-
Net closing assets relating to reinsurance contracts	**53**	**27**	**75**	**-**	**-**	**155**

31.12.2023			CSM			
EUR 1,000	Estimation of present value of future cash flows	Risk adjustment for non-financial risk	Modified retrospective approach	Fair value approach	Other	Total
Opening reinsurance contract assets	339	65	122	-	-	526
Opening reinsurance contract liabilities	-	-	-	-	-	-
Net opening assets relating to reinsurance contracts	**339**	**65**	**122**	**-**	**-**	**526**
Changes in the statement of profit or loss and OCI						
Changes related to current services						
CSM recognized in profit and loss	-	-	-115	-	-413	-528
Change in risk adjustment for risk expired	-	-34	-	-	-	-34
Experience adjustments	35	-	-	-	-	35
Changes related to future services						
Contracts initially recognised in the period	-400	-	-	-	400	-
Changes in estimates that adjust CSM	-107	10	97	-	-	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	15	-	-	15
Changes that relate to past service						
Changes to incurred claims	-2	-5	-	-	-	-7
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Total net expenses from reinsurance contracts	**-475**	**-29**	**-3**	**-**	**-13**	**-520**
Net finance expenses from reinsurance contracts						
Net finance income and expense from reinsurance through PL	4	-	2	-	13	20
Total net finance expenses from reinsurance contracts	**4**	**-**	**2**	**-**	**13**	**20**
Total changes in statement of profit and loss and OCI	**-470**	**-29**	**-1**	**-**	**-**	**-500**
Total cash flows						
Premiums paid to reinsurers	454	-	-	-	-	454
Recoveries received from reinsurance	299	-	-	-	-	299
Total cash flows	**753**	**-**	**-**	**-**	**-**	**753**
Closing reinsurance contract assets	168	36	121	-	-	325
Closing reinsurance contract liabilities	-	-	-	-	-	-
Net closing assets relating to reinsurance contracts	**168**	**36**	**121**	**-**	**-**	**325**

33.5 Effect of insurance contracts initially recognised in the period

1.1.-31.12.2024

Insurance contracts, EUR 1,000	Non-onerous contracts issued	Onerous contracts issued	Total
Estimates of present value of cash inflows	13,720	359	14,079
Estimates of present value of cash outflows	-2,490	-439	-2,929
- Of which insurance acqustion cash flows	-1,866	-	-1,866
- Of which claims and other insurance service expenses payable	-624	-439	-1,063
Estimates of present value of cash flows	**11,230**	**-80**	**11,151**
Risk adjustment for non-financial risk	1,370	64	1,434
CSM	9,860	-	9,860
Losses recognised on initial recognition	**-**	**144**	**144**

1.1.-31.12.2023

Insurance contracts, EUR 1,000	Non-onerous contracts issued	Onerous contracts issued	Total
Estimates of present value of cash inflows	16,239	173	16,413
Estimates of present value of cash outflows	-2,695	-200	-2,895
- Of which insurance acqustion cash flows	-709	-	-709
- Of which claims and other insurance service expenses payable	-1,985	-200	-2,185
Estimates of present value of cash flows	**13,545**	**-27**	**13,518**
Risk adjustment for non-financial risk	1,473	5	1,478
CSM	12,271	-	12,271
Losses recognised on initial recognition	**200**	**32**	**232**

1.1.-31.12.2024

Reinsurance contracts, EUR 1,000	Non-onerous contracts issued	Onerous contracts issued	Total
Estimates of present value of cash inflows	-	-	-
Estimates of present value of cash outflows	-	-375	-375
Estimates of present value of cash flows	**-**	**-375**	**-375**
Risk adjustment for non-financial risk	-	-	-
CSM	-	-375	-375
Reinsurance contract assets on initial recognition	**-**	**-**	**-**
Reinsurance contract liabilities on initial recognition	**-**	**-**	**-**

1.1.-31.12.2023

Reinsurance contracts, EUR 1,000	Non-onerous contracts issued	Onerous contracts issued	Total
Estimates of present value of cash inflows	-	-	-
Estimates of present value of cash outflows	-	-400	-400
Estimates of present value of cash flows	**-**	**-400**	**-400**
Risk adjustment for non-financial risk	-	-	-
CSM	-	-400	-400
Reinsurance contract assets on initial recognition	**-**	**-**	**-**
Reinsurance contract liabilities on initial recognition	**-**	**-**	**-**

33.6 Illustration of recognition of the contractual service margin

31.12.2024, EUR 1,000	Insurance contracts	Reinsurance contracts	Total
Year 0-1	10,299	31	10,329
Year 1-3	14,117	43	14,160
Year 3-5	7,408	2	7,410
Year 5-7	3,015	-	3,015
Year 7-10	748	-	748
Year 10+	35	-	35
Contractual service margin total at the end of the period	**35,622**	**75**	**35,697**

Ceded reinsurance is onerous and the contractual service margin will be recognised as an expense.

31.12.2023, EUR 1,000	Insurance contracts	Reinsurance contracts	Total
Year 0-1	10,897	55	10,952
Year 1-3	15,001	65	15,066
Year 3-5	7,909	-	7,910
Year 5-7	3,352	-	3,352
Year 7-10	870	-	870
Year 10+	9	-	9
Contractual service margin total at the end of the period	**38,038**	**121**	**38,159**

34 Equity

Share capital

The company's share capital on 31 December 2024 was EUR 125,000 and the amount of shares 28,196,253. The company's shares do not have a nominal value. Trading in Taaleri Plc's shares are traded on the Nasdaq Helsinki main market. The shares' trading code is "TAALA" and ISIN code FI4000062195.

All shares issued have been paid for in full. The Group uses share-based incentive schemes, for which further information is presented on the notes concerning personnel and management. The company has not issued convertible bonds or other than the above-mentioned special rights.

Share rights and restrictions	
Shareholders' priority for new shares when increasing share capital	Shareholders have priority for new shares in relation to the shares they already own
Voting right	Each share entitles to one vote
Dividend right	Equal for all

Other authorisations

The General Meeting of 10 April 2024, 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 acquired 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. The authorisation is valid for 18 months from the date of the close of the Annual General Meeting. The authorisation cancelled the authorisation to purchase the company's own shares issued at the General Meeting of 13 April 2023.

The General Meeting of 10 April 2024, 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 and/or the issuance of option rights or other special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Finnish Companies Act, 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 and/or option rights or other special rights entitling to shares may be issued 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 and/or option rights or other special rights entitling to 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 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 and decide on all terms and conditions of the option rights and other special rights entitling to shares. The authorisation is valid until the end of the next Annual General Meeting, however no longer than 30 June 2025. The authorisation cancelled the authorisation regarding the share issue issued at the General Meeting on 13 April 2023.

Share repurchase program 2023-2024

Taaleri announced on 19 December 2023, that the Board of Directors of Taaleri Plc has resolved to start repurchasing the company's own shares based on the authorization given by the Annual General Meeting held on 13 April 2023. The maximum number of the company's own shares to be repurchased was 200,000 shares, corresponding to approximately 0.71 per cent of all the shares in the company. The maximum amount to be used for the share repurchase was EUR 1,900,000. The shares was decided to be repurchased using the company's unrestricted equity. The shares was decided to be repurchased through public trading organized by Nasdaq Helsinki Ltd at the market price as per the time of repurchase.

When the program started, the total number of shares in Taaleri Plc was 28,350,620. When the program started, the company held 45,000 of its own shares, which corresponded to 0.16 per cent of all shares.

The repurchase of own shares started on 20 December 2023 and ended at Taaleri Plc's Annual General Meeting, which was held on 10 April 2024. The last purchase in the share repurchase program was made on 16 February 2024.

During 2024, a total of 89,340 own shares were acquired, which corresponds to 0.32 percent of all shares. A total of EUR 832,766.32 was paid for the 89,340 shares acquired, which has been recorded as a reduction of the parent company's and the Group's equity.

During the entire share repurchase program, a total of 109,367 own shares were acquired, which corresponds to 0.39 percent of all shares. A total of EUR 1,007,907.34 was paid for the 109,367 shares acquired, which has been recorded as a reduction of the parent company's and the Group's equity.

On on 3 May 2024, Taaleri cancelled 154,367 of its own shares. 109,367 of the cancelled shares were repurchased under the share repurchase program and 45,000 of the cancelled shares were already in the company's possession before the start of the share repurchase program. After the cancellation, Taaleri holds 0 own shares. After the cancellation, the total number of registered shares of Taaleri Plc is 28,196,253.

Changes in number of shares 2024	Total
Number of shares 1 January 2024	28,350,620
Cancellation of own shares during the period	-154,367
Number of shares 31 December 2024	28,196,253
Number of votes 31 December 2024	28,196,253

Changes in number of shares 2023	Total
Number of shares 1 January 2023	28,350,620
Number of shares 31 December 2023	28,350,620
Number of votes 31 December 2023	28,350,620

Issuer's reserves within equity
The following are descriptions of the reserves within equity.

Reserve for invested non-restricted equity
Cash received in the share issues in 2013 and 2015 was recognised in the reserve for invested unrestricted equity. A return of capital was distributed from the reserve for invested unrestricted equity in 2021.

Translation differences
Translation differences caused by the conversion of the financial statements of foreign units.

Fair value reserve
The change in fair value of financial assets measured at fair value through other comprehensive income is recognised in the fair value reserve. The fair value change of debt instruments is reclassified to profit or loss, when the instrument is derecognised or an expected credit loss is recognised. The fair value change of equity instruments is not reclassified to profit or loss at any time.

Changes in the Fair value reserve 2024	At fair value through other comprehensive income		
EUR 1,000	Shares and units	Insurance assets	Total
Fair value reserve 1 January 2024	-6,052	-5,210	-11,262
Changes in fair value	-74	3,293	3,219
Changes in expected credit losses	-	350	350
Deferred taxes	15	-729	-714
Fair value reserve 31 December 2024	-6,112	-2,295	-8,407

Changes in the Fair value reserve 2023	At fair value through other comprehensive income		
EUR 1,000	Shares and units	Insurance assets	Total
Fair value reserve 1 January 2023	-3,551	-9,734	-13,285
Changes in fair value	-3,126	6,240	3,114
Changes in expected credit losses	-	-585	-585
Deferred taxes	625	-1,131	-506
Fair value reserve 31 December 2023	-6,052	-5,210	-11,262

Notes concerning Risk Position

35 Group's internal control and risk management principles

1. Group's internal control and risk management

General
Based on the values, strategy and business plan of the Group, targets are set for Taaleri Group that take into account the future prospects and risks of Taaleri's businesses and the industries they operate in. The Group's values and strategic and operational objectives create a foundation for the management of the Group's risks. In addition to the strategy and business plan, the Board of Directors of Taaleri Plc approves the Group structure which strives to achieve the objectives.

The aim of internal control is to support and promote business by systematically taking care of risk control of the Group and its companies and functions, by reviewing, mapping and monitoring risks, and handling the probability and consequences of their occurrence in an appropriate manner. Internal control is an integrated part of the operational management of Taaleri Group, and includes an independent Risk Control Function, risk management operations in the businesses, Compliance Function that monitor compliance with regulations and internal guidelines and Internal Audit.

The task of risk management is to identify, assess, measure, treat and control risks in all Taaleri Group's businesses that influence the realisation of the Group's strategic and operative goals, as well as to oversee that the principles approved by the Taaleri Plc Board of Directors are complied with.

Risk management aims to reduce the likelihood of negative risks being realised and their impact to Taaleri Group's business operations. Risk management supports achievement of strategic goals by promoting better utilisation of opportunities in all activities and more efficient distribution of risk-taking capacity to the different functions and projects within the defined risk appetite framework.
In Taaleri Group risk is defined as the effect of uncertainty on objectives. Risk is seen as two-sided; it can be hazard or financial loss but on the other hand there might also be opportunities for better results. In risk reviews and analyses risks can be further divided into five main categories: strategic and business operations risk, credit risk, liquidity risk, market risk and operational risk (including compliance risk).

Risk control and management aims to assure Taaleri Group's risk capacity and liquidity and ensure the continuity of the Group's operations.

According to the rules of procedure of Taaleri Plc's Board of Directors, the Board of Directors confirms the Group's common objectives and targets and approves the principles for internal control and risk management.

Risk management is based on a systematic process. Risks affecting Group's results, capital adequacy and liquidity are continuously monitored by the Risk Control Function and Finance Functions. Operational and business risks are regularly assessed in risk reviews aiming to identify, assess, measure and treat risks that could affect the achievement of the Group's objectives and the amount of own capital.

Group Risk Manager is responsible for organizing risk reviews in all Group companies and operations at least annually. Risks are continuously monitored, and risk events reported to the Board of Directors and the Executive Management Team at least on a quarterly basis.

Laws and regulations concerning Taaleri Group
Taaleri Group is operating under the Limited Liability Companies Act, Insurance companies Act and Act on Alternative Fund Managers. The shares of the Group's parent company, Taaleri Plc, are listed on the stock exchange maintained by Nasdaq Helsinki. The Taaleri Group comprises two business segments: Private Asset Management and Garantia. Private Asset Management consists of renewable energy, bioindustry and real estate businesses. The Garantia segment includes Garantia Insurance Company Ltd.

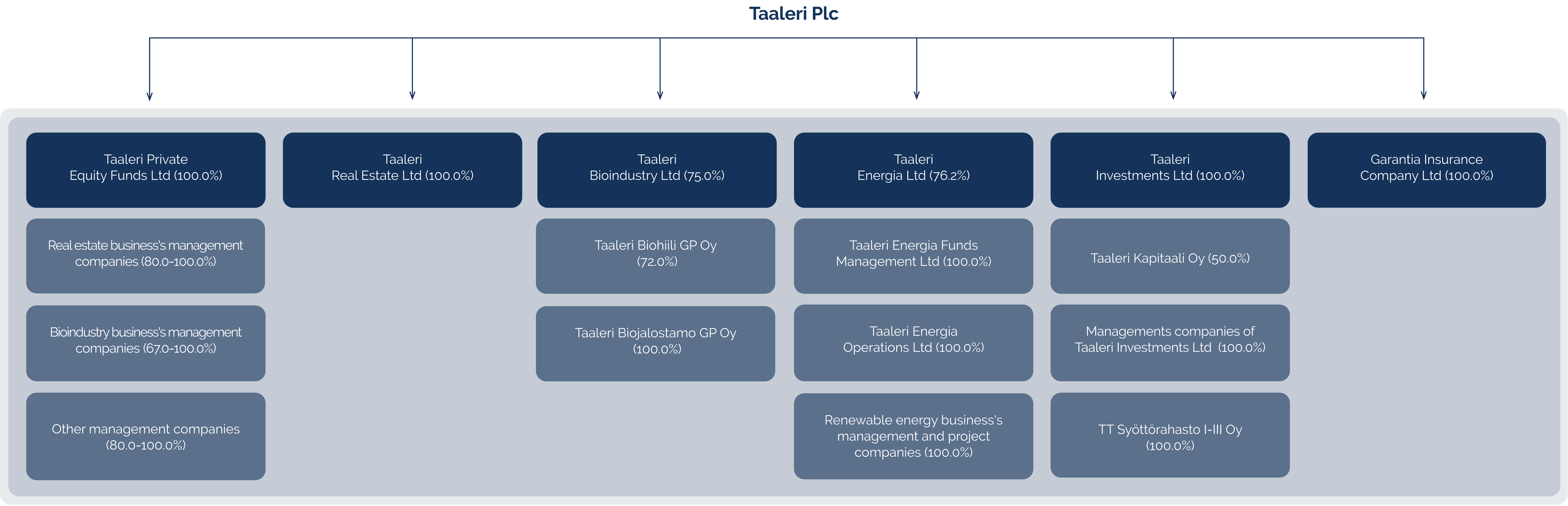
Taaleri Private Equity Funds Ltd and Taaleri Energia Funds Management Ltd have licenses granted by the Finnish Financial Supervisory Authority (FSA) to act as alternative funds managers. Garantia Insurance Company Ltd is an insurance company operating under supervision of the FSA.

Taaleri Group forms an insurance company group according to Chapter 26 of the Insurance Companies Act and is supervised by the Finnish Financial Supervisory Authority. According to the FSA's decision, as the parent company of an insurance company group, Taaleri Plc fulfills the definition of a multi-sector holding company according to Chapter 26, section 1, subsection 1, point 10 of the Insurance Companies Act.

Continuity plans
Business continuity planning is a holistic process that identifies the factors that threaten the continuity of the Group's operations and their consequences and provides the basis for resilience and effective countermeasures to safeguard the Group's stakeholders, reputation, brand, and operations. The aim of Taaleri Group's continuity planning is to prepare for possible disturbances in advance and to ensure the continuity and reliability of the Group's operations. Continuity planning is used to prepare for business interruptions so that operations can be continued, and losses can be limited in various business-related disruptions.

The Group Risk Manager maintains continuity planning support material, on the basis of which the Group, its businesses and companies make their continuity plans, supported by the Group Risk Manager, if needed.

Based on the threat and vulnerability analyses, Taaleri Group's continuity plans review operating models for different situations in different business processes and analyse processes and disruptions. The continuity plans guide operations in various continuity situations and take into account disruptions in the processes of external service providers and suppliers.



The continuity plans are annually reviewed. The Group Risk Manager is responsible for drafting the continuity plans and organising their annual updates. Taaleri Group's Executive Management Team approves the continuity plan for Group operations, and the management of business operations approves the detailed continuity plans for each business.

Sustainability risks

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative impact on the value of the investment (in Taaleri's private asset management business and Group's investment operations and Garantia) or on the value of the insurance liabilities (in Garantia). Sustainability risks include e.g. risks related to climate change and green washing.

Taaleri integrates sustainability risks into its overall risk management. Sustainability risks may be part of, or may indirectly affect or be reflected in, other risk categories. Sustainability risks are characterized by uncertainties related to the valuation of their financial impacts and the timing of their realization. The definition of sustainability risk is also relatively new, which increases uncertainty regarding its interpretation and effective risk management methods.

Taaleri has a Sustainability Risk Policy (https://www.taaleri.com/yritysvastuu/dokumenttiarkisto), in which sustainability risks are described and the operating methods and responsibilities for managing sustainability risks at Taaleri are defined.

2. Internal control organisation

The Board of Directors of Taaleri Plc takes care of the Group's corporate governance and the appropriate organization of its operations, which includes organizing and maintaining adequate and effective internal control framework.

In matters concerning internal control and risk management, the highest decision-making body is the Board of Directors of Taaleri Plc, which is responsible for:

- ensuring that the Group and its regulated entities always have sufficient own funds of adequate quality and distribution to cover regulatory minimum capital requirements and internal risk-based capital requirements
- approving the group risk strategy and risk appetite based on group strategy and annual planning
- monitoring the integrity of the internal control system, including an efficient and robust risk management framework
- supervising the implementation of the Internal Audit Plan after the initial participation of the Audit Committee
- approving the Group's internal control and risk management principles
- approving the Group's general policies and principles (including dividend policy)
- annually approving the principles for internal audit
- regularly monitoring the development of the Group's businesses, risk capacity, risk situation, and capital adequacy as part of the company's general financial situation using quarterly risk management reports.

The three lines of defence describe the structure and operation of internal control in the Taaleri Group. Taaleri Group's first line of defence consists of the Group's business operations, which perform daily risk management duties and ensure compliance with internal and external requirements. The Group's second line of defence consists of the Risk Control Function and Compliance Function and persons responsible for risk control and compliance in the businesses, whose task is to develop, maintain and monitor the general operating and risk management principles and the internal control framework. The Group's third line of defence consists of the Internal Audit Function.

The second and third lines of defence are independent of the controlled businesses, and report directly to the Board of Directors.

Internal control framework and operating procedures

1st line of defence comprises risk management and compliance activities performed in the day to day operations throughout businesses in Taaleri Group.

2nd line of defence consist of the Group Legal, Risk Control and Compliance Functions. Compliance Function works in cooperation with persons responsible for risk & compliance in the businesses. They develop and maintain the internal control framework and procedures and perform control activities that are independent of the business operations.

3rd line of defence is an Internal Audit Function that is independent of the Group's business and control operations. Internal Audit assures that internal control, risk management and the management of the Group's operations are properly and adequately performed.

Picture: Three Lines of Defence

The Group Executive Management Team is responsible for operational management of the internal control as instructed by the Board of Directors. In matters related to internal control and risk management, the Group Executive Management Team is responsible for promoting a culture within the Group that accepts regulatory compliance, internal control and risk management as a normal and necessary part of the Group's operations.

The Group's risk control is performed by the Risk Control Function operating under the Group CEO. The Risk Control Function is responsible for the independent control of the Group's risks. The Risk Control Function comprises of Group Risk Manager and the persons responsible for risk control and compliance in the businesses. The Risk Control Function:

- maintains, develops and prepares the Group's internal control and risk management principles
- supports business operations in risk management measures
- ensures that all material risks are identified, assessed and managed in the Group and Group companies and regularly reported to the Group Executive Management Team and the Board of Directors
- ensures that the Group's risks remain within established limits and ensures that risk measurement and risk control methods are appropriate and reliable
- produces Group level reporting on risks and risk management and ensures that the Executive Management Team, the Audit Committee and the Board of Directors receive a reliable overall picture of the Group's risks
- supports Group companies in risk reviews and in development and implementation of risk management
- assists management in planning the risk strategy and risk appetite of the Group and its businesses in connection of the setting of the strategic goals
- ensures that risk management issues are properly taken into consideration in key business decisions.

The Risk Control Function is responsible for the effectiveness and efficiency of the Group's risk management, and it regularly reports to the Executive Management Team, the Board of Directors' Audit Committee and the Board of Directors.

The compliance of the Group's parent company has been outsourced to an external service provider and it consists of a designated Compliance Officer and the Taaleri employees responsible for compliance matters in the businesses cooperating with them. The main tasks of the Group Compliance Function are to:

- monitor the functioning of the compliance in the regulated Group companies
- advise the Executive Management Team and the Board of Directors and other personnel on compliance with regulatory and internal guidelines
- assist Taaleri Plc's Board of Directors, the Executive Management Team and other relevant bodies in compliance risk management
- monitor and regularly evaluate the adequacy and effectiveness of the Group's measures and procedures to ensure compliance
- be responsible for the monitoring of regulation related to anti money laundering and sanctions, training of the personnel and monitor the practical implementation of AML and sanction regulations.

Internal Audit Function is an assurance function independent of the operational functions of the Taaleri Group companies. The Internal Audit Function is set up by the Board of Directors and operates under the authority of the Group CEO. The Taaleri Group has outsourced the practical implementation of the Group's internal audit to external service provider.

Internal audit is independent and objective assurance and consulting activity designed to verify the adequacy, effectiveness and efficiency of internal control. Internal audit supports the Group's senior and operational management (Board of Directors, CEO, line managers) in managing and supervising operations.

The objective of the Group's internal audit is to support the Group in achieving its goals by providing a systematic approach to assessing and developing the effectiveness of risk management, risk control and management processes. Internal audit aims to add value to the organization and improve its performance.

Internal audit work is guided by national and international regulations as well as international standards of professional practice in the field, including ethical rules, professional standards, and practical guidelines.

3. Capital management

Risk capacity and risk appetite
The risk capacity of the Taaleri Group consists of a properly optimized capital structure, profitability of business operations and qualitative factors, including good corporate governance, internal control and proactive risk management. Additionally, regulated companies perform proactive capital adequacy assessments. Through effective risk management, Taaleri Group strives to ensure the continuity of the operations of the Group and its companies, and the risk capacity required to achieve set strategic goals.

Taaleri Group's attitude towards risk-taking is based on careful consideration of adequate risk/return relationship. Taaleri Plc's Board of Directors has decided that the Group may not in its activities take a risk that exceeds the agreed risk appetite. Taaleri does not take risks in its operations that conflict with Taaleri's Code of Conduct, sustainability-related policies and commitments.

Capital management
The objective of Taaleri Group's capital management is to maintain an efficient capital structure that enables the management of usual financial obligations and ensures the continuity of the business also in exceptional circumstances. The Group's capital structure, i.e. how the Group's financing is organised and how it is divided into debt and equity is regularly monitored in connection with balance sheet management. The Group's strategic objective is to have at least a 15 per cent return on equity over the long term. The development of the Group's net gearing is also followed up.

Taaleri Plc has strengthened the Group's own funds by arranging two share issues in 2013 and 2015, which have raised a total of EUR 37.5 million to increase equity and strengthen the balance sheet structure. As of the balance sheet date Taaleri had no interest-bearing liabilities. However, the comparative period's interest-bearing liabilities as of December 31, 2023, consisted of a Tier 2 bond issued by Taaleri Plc in 2019, which was redeemed in October 2024. Taaleri has a long-term credit facility agreement of EUR 30 million, which remained fully undrawn as of December 31, 2024.

4. Key risks and risk management of Taaleri's private asset management business and Group's investment operations

Strategic risk and business risk

In Taaleri Group, strategic risk is defined as the risk of unexpected change in the business or operating environment, which affects the achievement of the Group's long-term goals, profitability or continuity of operations. Business risk is defined as the uncertainty in achieving Taaleri Group's current operational targets.

Strategic risks may arise, for example, from competition, changes in the operating environment, financial markets or customer behaviour, or choosing the wrong strategy. Business risks may arise from, for example, poor management, key personnel changes, unexpected fluctuations in earnings or slow response to changes in the operating environment.

The most significant strategic and business risks in Taaleri Group's businesses are major changes in the operating and regulatory environment, failures in strategic investments, acquisition of new businesses and the integration of acquired companies into the Group, as well as the risks in growth and internationalization of the operations.

In renewable energy projects, country risk (country and destination-specific legal and political risks, and their impact on individual investments); profitability risk (business risks of the fund's investments during construction and production phase) are the main business risks.

Renewable energy business's investment-specific and especially international energy infrastructure investment risk management has been integrated into renewable energy business's operational processes that define quality criteria for investment projects and their review. International investment activities emphasize the need to commission external due diligence reports in addition to the analyses done by renewable energy business's personnel. Each project or transaction is reviewed by the renewable energy business's Investment Committee where experienced, independent infrastructure investment professionals challenge the investment proposals by business's investment managers. Each project or transaction is reviewed several times in the Board of Directors of alternative investment fund manager before the final investment decision is made. After the investment has been completed, the personnel of the renewable energy business actively participate in project implementation and decision-making, from the investment to the exit. The renewable energy business also continuously monitors the key factors that may affect the value of projects as part of risk management and investor reporting processes, and annually updates fund-specific risk analyses and stress tests.

Taaleri Energia Ltd may also invest its own funds in development projects and its investment risk positions are monitored as part of the Group's risk control.
The strategic risks of the bioindustry business are especially related to the long-term functionality and profitability of the technologies selected as investees and regulation risks. Before making investments, the business conducts an in-depth analysis of the technology related to the potential investee, which aims to mitigate strategic risk.

The strategic risks of the real estate business are especially related to changes in the real estate market. Regional valuations or valuations of different property types can change significantly for various reasons.

Strategic and business risk management aims to allocate risk-taking capacity to businesses and projects that have the best risk / return relationship, reduce the likelihood and impact of unexpected losses and reduce the threats to Group's reputation.

The management of these risks is based on the general principles and guidelines approved by the Group and adequate allocation of resources into the planning and management of operations. In addition, efforts are made to reduce uncertainty arising from strategic risks by actively monitoring legislative and regulatory changes and maintaining sufficient resilience to changes in the economy, business cycle and operating environment. Attempting to react proactively to potential risks aims at reducing the likelihood of the risk realizing, impact of the risk if it realizes, and vulnerability of the company when the risk realizes.

Geopolitical risks and tensions create uncertainty in the operating environment and hinder the implementation of Taaleri's strategy. The monetary tightening implemented by central banks in recent years has curbed inflation but also slowed economic growth. Inflation and the elevated price levels of raw materials impact the costs of project development and the portfolio companies of the funds. Monetary policy measures taken by central banks, if mistimed, could deepen economic cycles, which in turn complicates strategy execution, particularly in relation to investment activities and project development.

Credit risk

Credit risk in general refers to the risk that the borrower or other counterparty is unable to meet its obligation to the financial institution or that the value of the collateral is insufficient to cover the liability. Credit risks in Taaleri Group can be divided into credit risk (counterparty creditworthiness) and collateral risk.

Credit risk means that the counterparty is unable or unwilling to fulfil its contractual obligations. Collateral risk means that the collateral provided is not sufficient to cover the claim. Loans granted as part of Taaleri Group's investment operations are the largest source of credit risk for Taaleri's private asset management business and Group's investment operations, but credit risk also arises from other receivables, such as fee receivables from Taaleri's private equity funds and other customers, liquid assets and investments, and off-balance sheet assets, such as issued guarantees and commitments made on behalf of the Group or Group companies.

The counterparties of the companies in Taaleri's private asset management business and Group's investment operations are the Group's debtors, Taaleri's funds and other customers that have received services from the Group companies, partners and subcontractors as well as banks and fixed income funds, to which the liquid funds of the Taaleri Group companies have been deposited.

In Taaleri's private asset management business and Group's investment operations the credit risk arises from investments made by the parent company Taaleri Plc and Taaleri Investments Ltd, loans granted and from bank receivables.

Taaleri's Private Asset Management segment does not engage in lending activities, so the segment's credit risk is comprised of counterparty risk. Companies in the segment may invest its own funds only in financial institutions with high credit ratings or in liquid fixed income funds. The financial standing and development of business of Taaleri's main counterparties is continuously monitored and changes in their risk standing are reported to the Executive Management Team and the Board of Directors. The aim is to always diversify both credit risk and counterparty risk to more than one counterparty, depending on the market and the situation.

Liquidity risk
Liquidity risk is the risk associated with the availability of refinancing that arises when the maturities of the receivables and liabilities are different. Liquidity risk also arises if receivables and liabilities are too concentrated on individual counterparties. Taaleri Group's liquidity is monitored daily and Taaleri Group has credit account that it can utilise in liquidity management. Liquidity is maintained by investing the excess liquidity buffer in low risk money market instruments that can be rapidly converted into cash.

The cash flows of Taaleri's private asset management business and Group's investment operations consist of easily predictable management fees from private equity funds, relatively predictable performance fees, and equity or debt investments made by Taaleri Investments Ltd and Taaleri Energia Group. Investment and exit activities may have a significant impact on cash flows and particularly on the timing of cash flows.

The management fees of Taaleri Private Equity Funds Ltd and Taaleri Energia Funds Management Ltd are based on long-term contracts, and management fees from existing funds and projects can be relatively reliably forecasted for the whole life cycle of a private equity fund.

Taaleri's private asset management business' income streams are smoothed by the steady long-term inflow of income from existing funds and co-investment projects. The aim is to reduce the concentration of Taaleri's operations by further expanding the customer base.

Taaleri Plc's CFO is responsible for the continuous monitoring of Taaleri's financial situation and balance sheet. The CFO monitors balance sheet items and the financial situation on a monthly basis and reports on the situation to the Executive Management Team and the CEO's of the Group companies. In addition, Taaleri Group's financial administration regularly conducts analytical reviews to monitor the items in the income statement and balance sheet.

Market risk
Market risk refers to the impact of market price fluctuations on the market value of financial assets and liabilities. Different types of market risk include interest rate, currency, equity, real estate and commodity risks.

Interest rate risk refers to the impact of changes in interest rates on the market value or net interest income of items in the Group's balance sheet or off-balance sheet, and thereby their impact on solvency. Currency risk refers to the effect of changes in exchange rates. Equity risk refers to the effect of changes in share prices. Real estate risk refers to the risk of decline in value or income or damage to real estate or the shares of real estate entities. Commodity risk refers to the effect of changes in commodity prices.

The main items exposed to market risk in Taaleri's private asset management business and Group's investment operations are Taaleri Investment Ltd's investments, potentially realisable performance fees resulting from the successful investment activities of the private asset management business, and project development within the private asset management business.

In addition, market risk arises from other interest rate and currency positions in the Group's balance sheet.

The real estate business is particularly affected by changes in the real estate market and the interest rate market. Apartment prices and the general rent level directly affect the returns of real estate funds. Fluctuations in the interest rate market directly affect the loan costs of real estate funds and indirectly the values of real estates, and through these, the valuations of the funds. Changes in the interest rate market can be protected with various interest hedging methods, which provide predictability to the funds' loan management costs. On the other hand, a general rise in the price level can improve returns in some funds if rent increases are tied to the cost-of-living index.

In the renewable energy business, the energy price risk can also affect the value of the energy projects being developed and the profits of the energy funds.

Potential significant changes in exchange rates for non-euro area investments can affect the return on that investment.

In addition to bank accounts, liquidity buffer in Taaleri's private asset management business and Group's investment operations may be partially invested in short-term interest instruments and is therefore exposed to market risks.

At Taaleri's private asset management business and Group's investment operations, market risk stress testing is carried out in the form of a sensitivity analysis regarding interest rate risk and price risk, the effect of which is examined on the Group's profit or loss and equity. The sensitivity analysis of market risk is presented in Note 38.

Operational risk
Operational risk refers to the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. Operational risk also includes legal, compliance and information security risks. It is typical for operational risks that the loss caused by the risk is not always measurable. Operational risk effects may also be delayed and indirectly manifested, for example, as a loss of reputation.

In Taaleri, operational risks are primarily managed by developing internal processes and by providing good operating instructions and adequate training of personnel. The aim is to reduce the losses due to operational risks by reducing the likelihood and impact of the risks and reducing the company's vulnerability if the risk realises. Taaleri has comprehensive insurance coverage for operational, crime, property, business interruption and liability risks, which contributes to reducing the impact of potential risks. The adequacy of the insurance cover is assessed annually.

Efforts are made to manage the risks caused by abuse or fraud by setting up internal procedures and arranging responsibilities so that proper segregation of duties is achieved. Control points assigned to different processes also play a key role in preventing abuse and errors. The Group's crime insurance covers damage caused by various internal and external misconduct. In addition, Taaleri's assets and premises are protected by, for example, monitoring and access rights.

The operations of Taaleri depend on its ability to attract and retain skilled employees. Intensified competition may impact employee availability and retention. The turnover of key personnel carries the risk of losing valuable knowledge and expertise.

Taaleri's business relies on functional information systems, telecommunications, and external service providers. Disruptions can be caused by hardware failures, software errors, or cyber threats. Compromises in data security and protection may result in losses and damage to the company's reputation.

Legal risks can be associated with contractual agreements with customers, service providers, suppliers and other external parties. The aim is to identify these risks through a detailed review of the contracts, using external expertise when necessary. The Group companies and units are responsible for managing the operational risks in their operations.

In the regular risk assessments of operational risks, personnel in Taaleri's private asset management business and Group's investment operations identify and assess the key operational risks in Group's operations. According to the self-assessment, the main sources of operational risk in Taaleri's private asset management business and Group's investment operations are currently process errors, regulatory and compliance risks, human errors, risks related to outsourcing and personnel risks.

Taaleri's principles of operational risk management, approved by the Board of Directors of Taaleri Group, describe in more detail the organisation of operational risk management and the methods for assessing, monitoring and reporting operational risk to the Board of Directors and the Financial Supervisory Authority.

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Sustainability risks

Key tools for managing sustainability risks, particularly in our private asset management business and new direct investments, include investment target and sustainability-related pre-investment analyses, and monitoring, roadmaps, corrective actions when necessary and reporting during investment period, as well as development of guidelines, training of investment or project team members and other discussions with our stakeholders. Taaleri utilizes expert third parties and data sources in these as necessary.

Key frameworks related to the management of sustainability risks particularly in the private asset management business at the fund and investment target level are the EU Sustainable Finance Disclosure Regulation (SFDR) and the classification system for sustainable activities (Taxonomy). The majority of Taaleri's assets under management are in SFDR Article 8 or 9 funds, which either promote environmental and/or social characteristics or have sustainable investment as objective, and in taxonomy-aligned investment targets. In 2024, Taaleri created internal sustainability criteria for its own investment operations that aim to support the management of sustainability risks, especially regarding future new direct investments.

Taaleri has a climate target of reaching net zero latest by 2050, in line with the Net Zero Asset Managers initiative, covering its private asset management business and its own investment operations. Climate change may affect the Group's operating environment and financial performance in several ways, in the form of physical and transition risks related the private asset management business and Group's investment operations. For example, changes in weather and temperature conditions are physical risks that may affect the income and expenses of investees by slowing down production due to physical damage to production facilities or reduced availability of raw materials. This may be reflected, for example, in the valuation of investments. Transition risks associated with climate change may lead to changes in the needs and operating practices of Taaleri's stakeholders, which in turn may complicate fundraising and may be reflected in management fees.

5. Key risks and risk management at Garantia Insurance Company

Insurance risk

Insurance risk means a risk of loss arising from inadequate assumptions concerning pricing and technical provisions or an unfavorable change in the value of insurance liabilities. In guaranty insurance, the insurance risk mostly consists of credit risk, i.e., the inability of the guaranteed counterparty to meet its contractually defined financial or operational obligations to the beneficiary. This may be the result of a default by the guaranteed counterparty (default risk,) or the guaranteed counterparty may fail to fulfil a contractual obligation on time (delivery risk). Credit risk is also considered to include the counterparty risk of the reinsurers or parties providing other counter guaranties, which results from the default of the reinsurer or the party providing other counter guaranties, and the value change risk, which is caused by changes in the fair value of the collateral.

The aim in the management of insurance risk related to guarantee insurance i.e., credit risk is to ensure that negative profit impacts arising from client and counterparty risks remain at acceptable levels, and that the returns on the insurance operations are adequate relative to the risks taken. In guaranty insurance, credit risks are reduced by means of client selection, active management of client relationships, monitoring of changes in the clients' operations, pricing, diversification and also typically through reinsurance, contract terms and collateral and covenant arrangements. Central to the management of credit risks is the process of underwriting insurance policies, which is controlled by the credit risk policy, reinsurance policy and decision-making system approved by the Board of Directors and the complementary process descriptions and guidelines on credit risk assessment, auditing of distribution partners, pricing, collateral, and covenants approved by the Executive Management Team. The risk management function monitors the functioning and quality of the insurance process. In addition to the daily insurance process, credit risks are identified and assessed at least once a year with a risk survey compiled in conjunction with annual planning.

The level of insurance risk is measured by the economic capital model, by the solvency capital requirement (SCR) including and excluding the capital add-on, and by S&P's insurance capital model. The insurance risk's economic capital is defined separately for each contract by mainly using the Basel II Internal Ratings-Based Approach, which considers the exposure at default (EAD), counterparty or instrument credit rating (probability of default, PD), duration, and loss-given default (LGD), which depends on counter-collateral, recoveries and reinsurance. The economic capital model also includes concentration risk. Garantia regularly assesses its economic capital model and the functionality of the parameters used in the calculation of the amount of economic capital.

Counterparty credit risks are assessed, in addition to economic capital model, on the basis of counterparty credit rating, gross insurance exposure, proportion reinsured and the amount and type of other collateral, uncovered exposure, covenants and a possible risk client status. The credit risk exposure of the insurance portfolio is assessed based on gross exposure, proportion reinsured and other collateral, and uncovered exposure and economic capital figures by product group, rating class, industry, average maturity of exposure, claims incurred in relation to earned premiums and insurance exposure. The insurance risk position is monitored and reported to the Executive Management Team and the Board of Directors every month.

Quantitative information on Garantia's insurance risks and insurance contract liabilities are presented in Note 40.

Investment risks

Garantia's investments are used to cover the technical provisions and the equity capital, and their primary purpose is to secure the liquidity of insurance operations, even in years with exceptionally high claims. Garantia's investment activities are long-term, and the objective is primarily to secure capital and achieve stable and steadily increasing asset growth. Investment risks are made up of market risks, counterparty credit risk and liquidity risk.

Market risk means the possibility of losses or an unfavorable change in the economic situation due (directly or indirectly) to the fluctuation in the market prices and volatility of assets, liabilities, and financial instruments. Changes in prices affect the value of investment assets and annual returns. The principal market risks are equity risk, interest rate risk, currency risk and property risk. The counterparty credit risk of investments is made up of credit spread risk and counterparty credit risk. Credit spread risk describes the risk arising from changes in the credit spread, i.e., the difference between risky interest rate instruments and comparable risk-free interest rate instruments. Counterparty risk means the risk of default pertaining to the contractual counterparty.

The main aim in the management of investment risks is to keep the negative profit impacts arising from investments and the changes in the values of investments at acceptable levels in the long term, to ensure that investment returns are adequate in relation to the risks taken and to safeguard the company's liquidity. Garantia follows the principle of prudence defined in the Insurance Companies Act in its investment activities. Assets are only invested in the type of assets where the company is able to identify, measure, monitor, manage, control and report the related risks. Investment activities should aim to ensure the security, convertibility into cash, rate of return and availability from location of investments, and to consider the nature of insurance agreements and the interests of the insured.

Investment risks are managed through effective diversification of the investments by asset class, sector, geographical area, credit category and counterparty, and by ensuring adequate liquidity of the investments. Central to the management of investment risks is the daily implementation of investment activity, which is controlled by the investment plan and decision-making powers approved by the Board of Directors. In addition to the daily investment activities and monthly reporting, investment, risks are assessed at least once a year with a risk survey compiled in conjunction with the annual planning.

Capital requirements for investment risks are measured by means of the economic capital model, the Solvency Capital Requirement (SCR) and S&P's insurance capital model. In the economic capital model, investment risks are measured on an instrument-specific basis with Value-at-Risk calculation models for equity risk, currency risk, interest rate risk and credit risk. The credit risk with fixed income and private equity investments is defined according to the internal ratings-based method based on Basel II which considers the amount of investment, the instrument's credit rating, the loss-given default and duration. In addition to economic capital, investment risks are measured based on asset class, by country, credit category, counterparty, modified duration, interest rate sensitivity and the amount of foreign currency-denominated investments. The investment risk position is monitored and reported to the Executive Management Team and the Board of Directors every month.

Quantitative information on Garantia's insurance investment risks is presented in Note 39.

Operational risks

Operational risks in Garantia mean the risk of loss resulting from deficient or faulty processes, human error, systems, or external events.

The successful management of operational risks helps to ensure that the company's operations are properly organized and that the risks do not cause any unexpected direct or indirect financial losses. Garantia is determined to maintain and strengthen a corporate culture that is positively disposed towards management of operational risks and internal control by continuously providing personnel with training and guidelines.

In order to manage the operational risks, it is important to identify and evaluate risks as well as to ensure the adequacy of the control and management methods. The principal tools in the management of operational risks in Garantia are risk reviews of each unit at least once a year, continuous registration of operational risks, identification of corrective measures and the monitoring and reporting of these, continuity planning, principles for outsourcing, the planning and implementation of new products, knowing your customer (KYC), prevention of money laundering and terrorist financing, process descriptions and other working instructions and operating guidelines.

The extent of the operational risks is measured by the solvency capital requirement (SCR) and the amount of economic capital employed by operational risks, which is determined on the basis of the annual risk reviews. Actual risk events and near misses are monitored and registered, the corrective measures concerning these are specified and the implementation of the measures is followed. Operational risks are reported to the Executive Management Team and Board of Directors on a quarterly basis.

Concentration risks

Concentration risk means all risk exposures with a loss potential that is large enough, upon materialization, to threaten the solvency or financial position of an insurance company. The principal concentration risk in Garantia's business operations arises from the concentration risk of direct and indirect credit and counterparty risk in guaranty and investment operations. Garantia's total exposures contain large, individual credit risk concentrations specific to certain counterparties and industry sectors. In addition, Garantia's guaranties and investments are concentrated in Finland. The selection of guaranty insurance and investment targets and the continuous monitoring of changes in the situation of counterparties is emphasized above all in the management of the credit concentration risk. Concentration risk is measured and assessed in the economic capital model. The company has also set specific regularly monitored risk limits for counterparty and industry sector concentrations.

Other risks
Strategic risks are the risks that result from changes in the operating and competitive environment, slow reaction to changes, selection of the wrong strategy or business model, or the unsuccessful implementation of a strategy. Reputational and regulatory risks are strategic risks. 'Reputational risk' means the risk that unfounded or founded unfavorable publicity related to the company's business operations or relations weakens confidence in the company. Reputational risk is usually a consequence of a materialized operational or compliance risk, which results in the deterioration of the company's reputation among its customers and other stakeholders. Regulatory risk means the risk that changes in laws or regulations will materially weaken the company's ability to carry out its business operations.

The principal method in the management of strategic risks is a systematic and continuous operational planning and monitoring process, which makes it possible to identify and assess potential risks in the operating, competitive and regulatory environment, to update the strategy and manage the measures to treat risks. Reputational risk is managed proactively and in the long term by operating in accordance with Garantia's values, observing regulation and the Code of Conduct confirmed by the Board of Directors and by communicating openly and equitably with different stakeholders. Strategic risks are monitored and assessed at least once a year with a risk review compiled in conjunction with the annual planning.

Compliance risks are the risks pertaining to legal or administrative consequences, economic losses or loss of reputation that result from the failure of the company to comply with laws, decrees, or other regulations applicable to its operations. Legislative changes are actively monitored, and ongoing projects are regularly reported to the Board of Directors. The survey of risks conducted at Garantia in conjunction with annual planning also includes the identification and assessment of regulatory risks and the definition and monitoring of development measures to reduce the risks. Providing the personnel with guidelines and training is also central to managing compliance risks.

Liquidity risk means the risk that an insurance company is unable to convert their investments or other assets into cash in order to meet their financial obligations that fall due for payment. Liquidity risk is limited at Garantia as premiums written are collected before claims are paid and the largest individual payments are insurance compensation payments to beneficiaries or the distribution of profit/repayment of capital to shareholders, and the payment dates for these payments are usually known well in advance. Garantia has no financial liabilities. The key tools for managing liquidity risk in Garantia are maintaining a sufficient amount of cash to handle daily payments and the liquidity of the investment portfolio. On the balance sheet date, a total of 92.3 (91.4) per cent of Grantia's investment portfolio was estimated to be liquidable within three banking days.

At Garantia, notable sustainability risks may be present in investment operations and guaranty insurance operations. In these operations, the sustainability risks relate in practice to the sustainability of the activities of individual corporate counterparties. Sustainability risks are assessed in conjunction with investment and underwriting decision-making. Sustainability risks are monitored and assessed also in the risk review compiled in the course of annual planning. The amount of sustainability risks inherent in Garantia's operations is estimated to be minor currently. For instance, Garantia has not identified t0 have significant exposure in higher sustainability risk industries or companies.

Principles of internal control and risk management
The company's risk management and solvency management are based on Garantia's values, Code of Conduct, strategy, and business objectives. The purpose of risk management is to support the achievement of the company's objectives by identifying the company's threats and opportunities and ensuring that they remain within the limits of risk appetite and risk capacity. Internal control that has been reliably organized ensures the observance of the company's business strategy, the set targets and the principles and procedures related to risk and solvency management.

At Garantia, the principal goal of internal control and risk management is to secure the company's risk capacity and thus ensure the continuity of operations. Internal control covers the activities of all of the company's units and this includes the arrangement of appropriate reporting on all of the company's organizational levels. Risk management includes the identification, measurement, monitoring, management and reporting of the individual risks and combined effect of risks that the company is exposed to. Risk and solvency management is also an integral part of Garantia's business processes.

Organization, responsibilities, and control of risk management
Internal control and risk management in Garantia are organized in accordance with a model in which internal control has three lines of defense. In accordance with this model, the tasks have been assigned to

1) Units that take business risks in their operations by processing insurance policies or investments, by making binding decisions for the company and by operating at the client interface (Operational risk management);
2) Units that are responsible for risk control, carry out independent risk assessments and ensure that company guidelines and acts and other legal provisions are complied with (Independent risk management); and
3) Independent internal audit (Internal Audit).

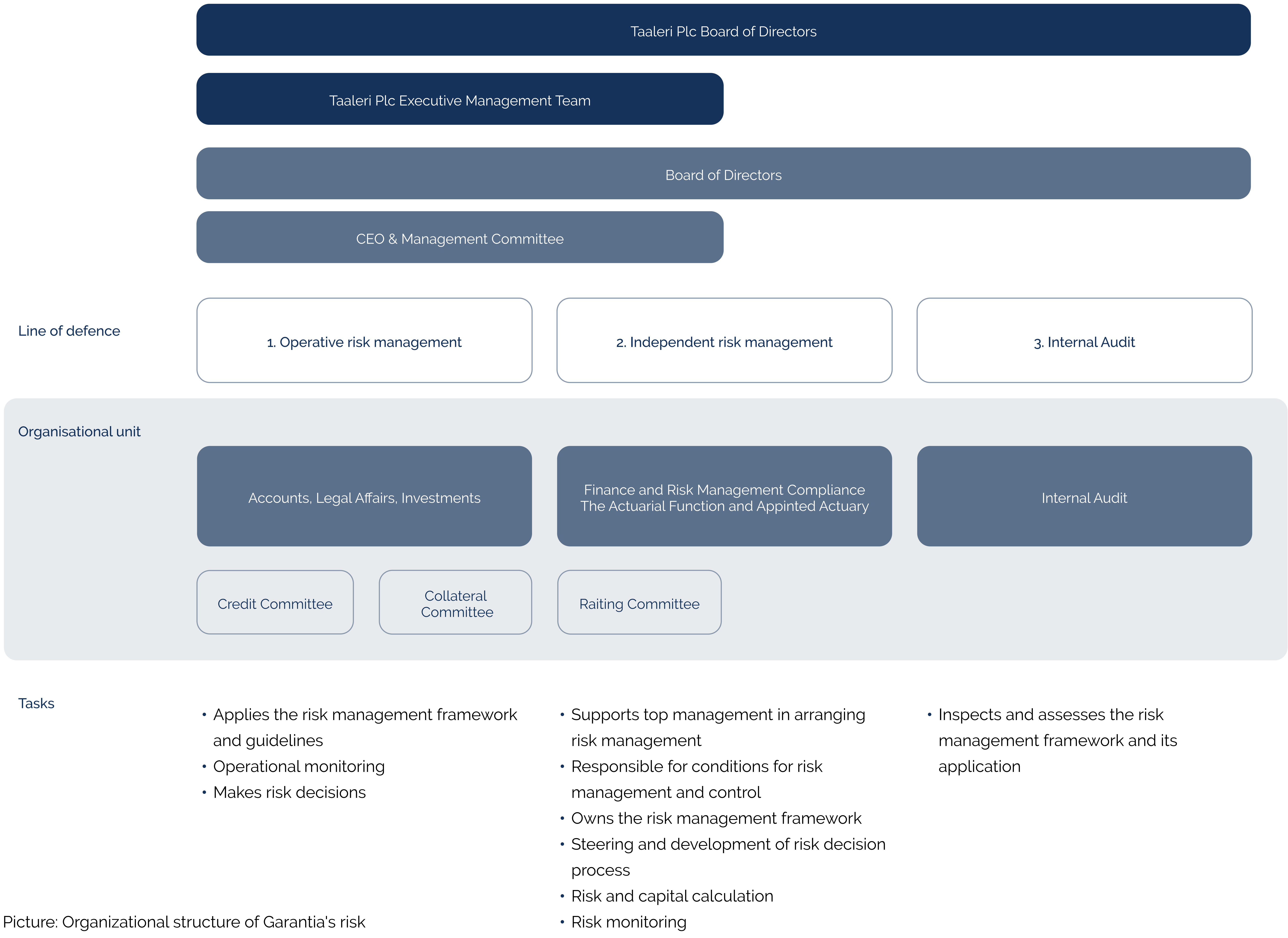
External control is the responsibility of the auditors and supervisory authorities. The organizational structure of Garantia's risk management is depicted below:

Risk Control Function in Taaleri Group is responsible for the functioning and effectiveness of the Group's risk management process, and for supporting and steering internal control and risk and solvency management at Garantia in order to ensure that Group level principles and guidelines are also applied in Garantia. Group Risk Control Function reports to the Taaleri Group's Executive Management Team and Taaleri Plc's Board of Directors.

Garantia's Board of Directors is the supreme decision-making body in matters concerning Garantia's internal control, risk management and solvency management. The Board of Directors approves the principles and policies (incl. risk-taking limits) concerning internal control and risk management and their organization, and monitors and controls their effectiveness and the development of the risk and solvency position. Garantia's CEO, supported by the Executive Management Team, is responsible for the arrangement of internal control and risk management practices in accordance with internal control and risk management principles.

The Board of Directors has appointed a Credit Committee, Collateral Committee, and a Rating Committee, which, in accordance with the decision-making system approved by the Board of Directors, decide on matters within their purview. The Credit Committee is responsible for decisions relating to guaranties, claims and

Organisational structure of Garantia's risk management



Picture: Organizational structure of Garantia's risk management

investments. The Collateral Committee is responsible for collateral assessment and for ensuring the quality and effectiveness of the collateral assessment process. The independent Rating Committee is responsible for approving credit ratings and for ensuring the quality and effectiveness of the ratings process. The Collateral Committee and Rating Committee report to the CEO and the Credit Committee reports to the Board of Directors.

The units in Garantia's organization that are responsible for risk control carry out independent risk assessments and ensure that company guidelines, acts and other legal provisions are complied with, and thus form a so-called independent risk management function. The task of the independent risk management function is to assist the Board of Directors and other functions to ensure efficient risk management, to monitor the functioning of the risk management system and the company's general risk profile, to report on exposure to risks and advise the Board of Directors in risk management matters, to identify and assess developing risks and to ensure the appropriateness of the risk models used to measure risks. The independent risk management function reports to Garantia's Board of Directors and CEO.

Internal audit is an assessment, verification and consulting function that is independent of the company's operational activities. The task of Internal Audit is to support the company's management in the achievement of targets by providing a systematic approach to the assessment and development of the adequacy and efficiency of the organization's risk management, control, management, and administration processes. Internal audit's activities are based on an action plan that is compiled annually. Internal Audit reports on its observations, conclusions, and recommendations to the Boards of Directors of Garantia and if needed, to the Board of Directors of Taaleri Plc.

Risk management process

Garantia's risk management process is made up of the following areas:

- Operational planning;
- Capital management;
- Risk appetite;
- Identification and assessment of risks;
- Measurement of risks; and
- Control, treatment and reporting of risks.

Garantia's operational planning is made up of long-term (about 3-year) strategic planning and short-term (1-year) annual planning. Operational planning is based on an analysis of the operating environment, the competitive environment, the company's own operations and also on the Taaleri Group's strategy. Profit and solvency scenarios, stress tests, risk review results, and a risk and solvency assessment are used to define the company's goals, projects supporting the achievement of these goals and risk appetite. Every year, the actuary presents the statements required by the Insurance Companies Act to the Board of Directors to support operational planning. The strategy and annual plan, including the company's own risk and solvency assessment, are confirmed by its Board of Directors, and the entire personnel are involved in its preparation.

Garantia's goal is to be a reliable partner, and the company maintains strong solvency to ensure the continuity and stability of its operations. The Board of Directors has set Garantia's target level for capitalization above the statutory solvency capital requirement, the minimum capital requirement required by credit rating agency Standard & Poor's for an AAA credit rating, and the economic capital model defined at a confidence level of 99.5%. Garantia only distributes dividends or returns capital to the owner when this does not put the A credit rating or the internal solvency target levels of Garantia at risk. The purpose of capital management is to ensure in a proactive way that the company has adequate capital reserves for exceptional situations. The principal means to maintain balance between risks, and actual capitalization is to ensure profitable business operations and active risk management. If an imbalance is detected, balance is restored with management of profit and risk position, by refraining from dividend payments or by acquiring new capital.

Risk appetite means the amount and type of risks that the company is prepared to take in order to achieve the targets set for its business. Garantia has moderate risk appetite, and this is defined through risk-taking limits and risk indicators. The Board of Directors approves the risk-taking limits and risk indicators annually as part of the capital plan (solvency limits), credit risk policy (concentration risks and risk-taking limits concerning insurance operations), reinsurance policy (risk-taking limits concerning reinsurance) and the investment plan (risk-taking limits concerning investment activities).

Constant identification and assessment of risks in the business and operating environment are part of Garantia's risk and solvency management process. The principal risks associated with Garantia's business operations are credit risks arising from guaranty operations, investment risks regarding assets covering technical provisions and shareholders' equity, strategic risks, and operational and compliance risks. The identification and assessment of risks are described separately for each risk below.

Garantia defines and assesses its capital requirement and measures the risk of its business operations with three different Value-at-Risk-based risk indicators. The primary indicator used in the steering of operations, measurement of risk and assessment of capital adequacy is economic capital ("Internal risk capital") at a confidence level of 99.5%. When estimating its capital requirement, the company also uses the solvency capital requirement (SCR) based on the Solvency II standard formula at a confidence level of 99.5% including the capital add-on and the minimum capital requirement corresponding to the AAA credit rating that is in accordance with the S&P's Insurance Capital Model. In addition to VaR-based risk indicators, Garantia measures, monitors and assesses the risks of its business operations and their development with other quantitative and qualitative risk indicators. The measurement of risks is described separately for each risk in this document.

Garantia's monitoring and reporting of risk and solvency position is divided into internal and external monitoring and reporting. External reporting means the information published for all stakeholders and reporting to the authorities. Garantia also reports on its operations to external credit rating agency Standard & Poor's. Internally, the risk and solvency position is reported to Garantia's Executive Management Team and Board of Directors at least once a month and quarterly to the Board of Directors of the Taaleri Plc. The target of internal monitoring and reporting is to ensure that the company's risk and solvency position are within the limits of risk appetite.

36 Maturity spread of financial assets and liabilities

Financial assets 31.12.2024, EUR 1,000	< 3 months	3–12 months	1–5 years	5–10 years	> 10 years	Total
Receivables from credit institutions	19,623	-	-	-	-	19,623
Receivables from the public and general government [1]	24	2,919	2,477	-	-	5,421
Other financial assets	13,147	29,074	1,760	-	-	43,981
Interest	1	187	174	78	-	441
Financial assets total	**32,795**	**32,180**	**4,412**	**78**	**-**	**69,466**

Financial liabilities 31.12.2024, EUR 1,000	< 3 months	3–12 months	1–5 years	5–10 years	> 10 years	Total
Other financial liabilities	5,177	11,459	931	-	-	17,568
- of which lease liabilities	216	625	931	-	-	1,772
Interest	-	-	-	-	-	-
Financial liabilities total	**5,177**	**11,459**	**931**	**-**	**-**	**17,568**

[1] The maturity of financial assets are shown at their original value before impairments.

The maturity spread for insurance assets and liabilities is presented in Notes 39 and 40.

Financial assets 31.12.2023, EUR 1,000	< 3 months	3–12 months	1–5 years	5–10 years	> 10 years	Total
Receivables from credit institutions	38,302	-	-	-	-	38,302
Receivables from the public and general government [1]	10	2,466	1,766	691	-	4,932
Other financial assets	21,796	14,173	-	-	-	35,969
Interest	3,794	761	238	76	-	4,869
Financial assets total	**63,901**	**17,400**	**2,004**	**767**	**-**	**84,072**

Financial liabilities 31.12.2023, EUR 1,000	< 3 months	3–12 months	1–5 years	5–10 years	> 10 years	Total
Subordinadet debt	-	-	-	15,000	-	15,000
Other financial liabilities	5,040	9,820	1,608	-	-	16,468
- of which lease liabilities	208	606	1,608	-	-	2,423
Interest	-	750	3,750	-	-	4,500
Financial liabilities total	**5,040**	**10,570**	**5,358**	**15,000**	**-**	**35,968**

[1] The maturity of financial assets are shown at their original value before impairments.

The maturity spread for insurance assets and liabilities is presented in Notes 39 and 40.

37 Changes in liabilities arising from financing activities

EUR 1,000	1.1.2024	Cash flows	Change in fair value	31.12.2024
Subordinated debt	14,886	-15,000	114	-
Total	**14,886**	**-15,000**	**114**	**-**

EUR 1,000	1.1.2023	Cash flows	Change in fair value	31.12.2023
Liabilities to the public and general government	410	-410	-	-
Subordinated debt	14,870	-	17	14,886
Total	**15,280**	**-410**	**17**	**14,886**

38 Market risk sensitivity analysis

A market risk sensitivity analysis has been prepared for the Group's significant market risks, which are interest rate risk and price risk. Sensitivity analyses are prepared by evaluating how each possible change in interest rate or prices might influence balance sheet items that are sensitive to them. The effect is calculated before taxes. Separate sensitivity analyses have been prepared for insurance assets and liabilities and are presented in Notes 39 and 40.

			31.12.2024		31.12.2023	
EUR 1,000	Risk variable	Change	Effect on earnings	Effect on equity	Effect on earnings	Effect on equity
Interest rate risk [1]	Interest	One percentage point	208	208	397	397
Price risk [2]						
Shares and units	Fair value	10%	3,429	3,698	3,594	3,871
Receivables from the public and general government	Fair value	10%	181	181	132	132

[1] In the interest rate risk sensitivity analysis financial assets and liabilities on the balance sheet with a variable interest rate have been taken into account.
[2] In the price risk sensitivity analysis financial instruments that are measured at fair value have been taken into account.

39 Quantitative information about insurance investment risks

Taaleri's insurance operations consist only of the business of Garantia Insurance Company Ltd.

Investment distribution at fair value, EUR million	31.12.2024	31.12.2023
Fixed income investments*	123.0	142.1
Listed equity investments	27.7	14.4
Private equity and real estate investments	7.4	7.5
Total	**158.1**	**164.0**

* Includes cash, bank balances and accrued interest. Fixed income investments mainly include bonds issued by Nordic corporations and credit institutions, and government bonds.

Investment sensitivity analysis, 31 December 2024

Investment class	Investments at fair value, EUR million	Risk parameter	Change	Effect on equity, EUR million
Fixed income investments*	123.0	Change in interest rate	1%	3.1
Listed equity investments	27.7	Fair value	10%	2.2
Private equity and real estate investments	7.4	Fair value	10%	0.6

The sensitivity analysis is based on Garantia's FAS financial statements. When calculating the effects of changes, the market valuation has, however, been assumed before and after the change.

Investment sensitivity analysis, 31 December 2023

Investment class	Investments at fair value, EUR million	Risk parameter	Change	Effect on equity, EUR million
Fixed income investments*	142.1	Change in interest rate	1%	2.8
Listed equity investments	14.4	Fair value	10%	1.2
Private equity and real estate investments	7.5	Fair value	10%	0.6

The sensitivity analysis is based on Garantia's FAS financial statements. When calculating the effects of changes, the market valuationhas, however, been assumed before and after the change.

Fixed-income portfolio (excl. bond funds) by maturity and credit rating 31 December 2024

EUR million	< 1 year	1–3 years	3–5 years	> 5 years	Total	%
AAA...AA-	6.5	-	-	-	6.5	5.3%
A+...A-	0.1	5.0	-	11.7	16.7	13.6%
BBB+...BBB-	3.8	14.2	15.8	28.3	62.1	50.5%
BB+ or weaker	3.8	16.7	17.1	-	37.6	30.6%
Total	**14.1**	**35.9**	**32.9**	**40.0**	**123.0**	**100.0%**

Fixed-income portfolio (excl. bond funds) by maturity and credit rating 31 December 2023

EUR million	< 1 year	1–3 years	3–5 years	> 5 years	Total	%
AAA...AA-	1.3	17.0	-	-	18.3	12.9%
A+...A-	0.3	-	-	8.5	8.7	6.1%
BBB+...BBB-	7.8	21.4	30.0	11.3	70.5	49.6%
BB+ or weaker	10.0	21.2	13.3	-	44.5	31.3%
Total	**19.3**	**59.7**	**43.4**	**19.7**	**142.1**	**100.0%**

Maturity date is the end of the term to maturity. If the instrument includes a call option, maturity is the first possible call date. The rating of an instrument is an issuer rating or senior debt rating published by an external rating agency. If an external rating is not available, Garantia's internal credit rating is used.

40 Quantitative information about insurance risk and insurance liabilities

Taaleri's insurance operations consist only of the business of Garantia Insurance Company Ltd. Below is a presentation of quantitative information for Garantia. Garantia Insurance Co Ltd was merged with the Group on 1 April 2015.

Effects of insurance regulation norms

Established in 1993, Garantia Insurance Company Ltd is a private non-life insurance company specialising in guaranty insurance and supervised by the Finnish Financial Supervisory Authority. In accordance with the authorisation granted by the Financial Supervisory Authority, Garantia may offer insurance in the non-life insurance classes 14 Credit and 15 Suretyship. On the basis of its authorisation, the company may also engage in the reinsurance of such non-life insurance.

In addition to the Insurance Companies' Act (521/2008), Directive 2009/138 of the European Parliament and Comission (Solvency II), and the Comission (EU) Delegated Regulation 2015/35, Garantia's operations are regulated through decrees and standards set by the Financial Supervisory Authority and the European Insurance and Occupational Pensions Authority (EIOPA), and also through several other laws, decrees and instructions.

The Insurance Companies' Act regulates and sets insurance companies comprehensive requirements on capital adequacy, governance, risk management and reporting. Among the most central quantitative requirements are the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR), that an insurance company must constantly fulfil with own funds sufficient both in terms of quality and quantity.

The following table presents a summary on the company's solvency position:

Solvency, EUR million	31.12.2024	31.12.2023
Basic own funds	112.9	109.2
Solvency Capital Requirement (SCR)	43.0	44.4
Minimum Capital Requirement (MCR)	10.7	11.1
Solvency, %	**262.7%**	**245.7%**

Garantia's basic own funds consist fully of unrestricted Tier 1 basic own funds. Garantia does not apply transition arrangements in defining its basic own funds and Garantia's own funds do not include items classified as ancillary own funds. Garantia does not use the matching adjustment or the volatility adjustment in the calculation of technical provisions. Garantia applies the standard formula in the calculation of the solvency capital requirement. Garantia does not use simplified calculation in the standard formula's risk modules or submodules, or company-specific parameters instead of the parameters of the standard formula. Garantia does not apply the transition arrangements of technical provisions or market risk calculations. Garantia's solvency capital requirement has included a capital add-on related to insurance risk set by the Financial Supervisory Authority as of 30 June 2018. The Financial Supervisory Authority assesses the amount of the capital add-on at least once a year. At the end of the financial year, the capital add-on amounted to EUR 7,0 million (11,9). When making the add-on decision, the Financial Supervisory Authority acknowledged the capital requirement for insurance risk calculated as per Garantia's own economic capital model.

Gross insurance exposure by business line, EUR million	31.12.2024	31.12.2023
Consumer exposure	1,404	1,397
Corporate exposure	275	352
Total	**1,679**	**1,749**

Consumer exposure includes residential mortgage loan guaranties and rent guaranties, where insurance risk is attributable to credit risk of households. Corporate exposure is made up of corporate loan guaranties, commercial bonds and other guaranties, where insurance risk is attributable to credit risk of corporates and other organisations.

Reinsured share of insuracen exposures by business line, EUR million	31.12.2024	31.12.2023
Consumer exposure	20	20
Corporate exposure	4	12
Total	**24**	**32**

The company cedes reinsurace for the purpose of mitigating the credit risks arising from its primary insurance operations. The reinsurance arrangements in place include both quota share arrangements and excess-of-loss arrangements. All reinsurance counterparties are rated A of better.

Corporate insurance exposure by credit rating, EUR million	31.12.2024	31.12.2023
AAA...BBB-	96	103
BB...BB-	79	133
B+...B-	80	86
C+ or weaker	5	9
Rated exposure total	**260**	**332**
Other exposure	14	20
Corporate exposure total	**275**	**352**

Corporate insurance exposure by industry, EUR million	31.12.2024	31.12.2023
Manufacturing	45	63
Machinery and equipment industry (incl. repair)	22	33
Metals	4	3
Chemicals	13	16
Food	6	9
Other	1	2
Water supply and waste management	45	41
Wholesale and retail trade	38	69
Construction	36	39
Finance and insurance	33	34
Services	27	22
Energy	15	21
Transport and logistics	2	15
Information and communication	0	1
Other industries	19	26
Rated exposure total	**260**	**332**
Other exposure	14	20
Corporate exposure total	**275**	**352**

Other exposure consists of exposure where insurance risk is not directly attributable to the creditworthiness or industry sector of the counterparty. Hence, this exposure has not been rated. The industry classification is based on the classification taxonomy of Statistics Finland.

Maturity distribution of expected cashflows from insurance contract liabilities, EUR 1,000	31.12.2024	31.12.2023
Year 0-1	-2,033	-810
Year 1-2	-1,886	-232
Year 2-3	-1,984	-45
Year 3-4	19	-41
Year 4-5	78	-2
Year 5+	-634	-526
Total cash flow	**-6,440**	**-1,656**

Maturity distribution of expected cashflows from reinsurance contract assets, EUR 1,000	31.12.2024	31.12.2023
Year 0-1	-57	-119
Year 1-2	8	
Year 2-3	8	-
Year 3-4	-	-
Year 4-5	-	-
Year 5+	-	-
Total cash flow	**-40**	**-119**

Sensitivity analysis of insurance operations 31 December 2024 Risk parameter	Change	Effect on profit/ loss, EUR 1,000	Effect on equity, EUR 1,000
Expeted claims	+50%	-883.9	-883.9
Expected administrative expenses	+10%	-271.3	-271.3
Cost of capital	+1%-p.	-533.9	-533.9
Discount rate	-1%-p.	127.7	127.7

Sensitivity analysis of insurance operations 31 December 2023 Risk parameter	Change	Effect on profit/ loss, EUR 1,000	Effect on equity, EUR 1,000
Expeted claims	+50%	-676.0	-676.0
Expected administrative expenses	+10%	-272.6	-272.6
Cost of capital	+1%-p.	-222.4	-222.4
Discount rate	-1%-p.	70.7	70.7

The sensitivity analysis has been prepared assuming as if the changes had happened on the last day of the reporting period. Other variables have been assumed to remain constant. The changes related to claims and expenses describe possible changes in estimates concerning future cash flows of insurance operations. The change in cost of capital is reflected in the change in the value of the risk adjustment for non-financial risks, as the risk adjustment for non-financial risk is valued using the cost-of-capital approach. The change in the discount rate describes sensitivity to insurance financial risks. The financial risks, incorporated in the discount rate, include the interest rate risk of insurance operations and the liquidity risk related to the illiquidity of cash flows from insurance contracts.

Development of cumulative claims according to the accident year

The tables illustrates how estimates of cumulative claims have developed over time on gross and net of reinsurance basis. Each table shows how the estimates of total claims for each accident year have developed over time and reconciles the cumulative claims amount to the amount included in the statement of financial position. The information is shown from the fiscal year of 2022 onwards since Garantia has applied modified retrospective approach and fair value approeach for some of the insurance contracts.

31.12.2024					**Accident year**						
Gross of reinsurance, EUR 1,000 **Estimates of undiscounted gross cumulative claims**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
At the end of accident year								1,131	1,045	**320**	
1 year later							507	979	**878**		
2 year later						381	418	**857**			
3 year later					3,772	327	**344**				
4 year later				294	3,704	**276**					
5 year later			729	223	**3,615**						
6 year later		451	710	**199**							
7 year later	1,369	448	**678**								
8 year later	1,355	**406**									
9 year later	**1,330**										
Gross claims paid on accident years 2015-2024	1,407	522	722	254	3,655	390	451	940	1,165	5,784	**15,289**
Gross undiscounted claims liability - accident years 2015-2024	**-77**	**-116**	**-43**	**-55**	**-40**	**-113**	**-107**	**-83**	**-286**	**-5,464**	**-6,384**
Gross undiscounted claims liability - accident years before 2015											**-98**
Other items*											**1,125**
Gross liabilities for incurred claims included in the statement of financial position											**-5,357**

* Other items include effect of discounting, risk adjustment and other insurance service expenses

31.12.2024					**Accident year**						
Net of reinsurance, EUR 1,000 **Estimates of undiscounted net cumulative claims**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
At the end of accident year								1,131	1,045	**272**	
1 year later							498	979	**878**		
2 year later						379	409	**857**			
3 year later					1,701	327	**335**				
4 year later				294	1,639	**276**					
5 year later			567	223	**1,551**						
6 year later		450	547	**199**							
7 year later	1,285	448	**516**								
8 year later	1,270	**406**									
9 year later	**1,245**										
Net claims paid on accident years 2015-2024	1,323	522	583	254	1,607	390	447	940	1,165	5,784	**13,014**
Net undiscounted claims liability - accident years 2015-2024	**-77**	**-116**	**-66**	**-55**	**-57**	**-113**	**-111**	**-83**	**-286**	**-5,511**	**-6,476**
Net undiscounted claims liability - accident years before 2015											**-99**
Other items*											**1,124**
Net liabilities for incurred claims included in the statement of financial position											**-5,451**

* Other items include effect of discounting, risk adjustment and other insurance service expenses

Other Notes

41 Notes concerning personnel and management

	2024		2023	
Number of personnel, FTE	**Average no.**	**Change**	**Average no.**	**Change**
Permanent full-time personnel	117	5	112	9
Temporary or part-time personnel	10	1	9	-2
Total	**127**	**6**	**121**	**8**

Share option plans and share based incentive schemes for key empoloyees

During 2024 expenses from options and other share based incentive schemes amounting to EUR 0.6 (0.4) million were recognised in personnel costs. More detailed information on options and other share based incentive schemes that were in effect on the balance sheet date or on the balance date of the comparison period, is presented below.

Performance Share Plan 2021–2025
On June 17, 2021, Taaleri Plc's Board of Directors decided on a new share-based incentive scheme for the Group's key personnel. If a participant's employment or managerial contract expires before the reward is paid, the rewards of the plan will generally not be paid. The share-based incentive scheme for key personnel 2021–2025 has three earning periods: calendar years 2021–2023, 2022–2024 and 2023–2025. The Board of Directors decides on the scheme's earning criteria and the targets to be set at the beginning of each earning period. The rewards will be paid partly in company shares and partly in cash. The purpose of the cash contribution is to cover taxes and tax-like payments incurred by the key personnel from the remuneration. If the amount of the reward is very low, it may be paid entirely in cash.

The reward of the scheme in the earning period 2021–2023 was based on the total return per share (TSR) of Taaleri Plc. The gross rewards paid for the earning period 2021–2023 corresponded to a maximum total value of 185,000 Taaleri Plc shares, including the portion to be paid in cash. The target group of the scheme of the earning period 2021–2023 included approximately 10 key personnel, including some members of the Executive Management Team. The rewards earned for the earning period 2021–2023 were paid fully in cash in spring 2024.

On December 14, 2022, Taaleri Plc's Board of Directors decided on the launch of the earning period 2022–2024. The plans target group includes approximately 18 key employees, including some members of the Executive Management Team. The potential reward of the plan from the earning period 2022–2024 depends on the total shareholder return (TSR) of the Taaleri Plc share. The maximum reward of the plan is 183,000 shares including the portion to be paid cash. The potential reward will be paid approximately in April 2025.

On August 16, 2023, Taaleri Plc's Board of Directors decided on the launch of the earning period 2023–2026. The plans target group includes approximately 10 key employees, including some members of the Executive Management Team. The potential reward of the plan from the earning period 2023–2026 depends on the total shareholder return (TSR) of the Taaleri Plc share. The maximum reward of the plan is 140,000 shares including the portion to be paid cash. The potential reward will be paid approximately in September 2026.

Earning periods running during the financial year	**Earning period 2021–2023**	**Earning period 2022–2024**	**Earning period 2023–2026**
Initial amount, gross pcs	185,000	183,000	140,000
Initial allocation date	17.6.2021	14.12.2022	16.08.2023
Vesting date	28.02.2024	15.03.2025	15.09.2026
Maximum contractual life, yrs	2.7	2.3	3.2
Remaining contractual life, yrs	0.0	0.2	1.8
Number of persons at the end of reporting year	6	13	9
Payment method	Cash	Equity and cash, net settlement	Equity and cash, net settlement

Units outstanding of the whole plan	**1.1.-31.12.2024**	**1.1.-31.12.2023**
Outstanding at the beginning of the period	295,000	323,000
Granted during the period	30,000	110,000
Forfeited during the period	87,776	138,000
Excercised during the period	224	-
Expired during the period	-	-
Outstanding at the end of the period	**237,000**	**295,000**

CEO's option plan

On April 6, 2022, Taaleri Plc's Board of Directors decided to launch a new stock option plan for the CEO of the company. The prerequisite for the receipt of stock options was that the CEO acquiries Taaleri Plc shares from the market worth of 400,000 euros in spring 2022. The maximum total number of stock options issued is 300,000 and they entitle the CEO to subscribe for a maximum total of 300,000 new shares in the company or existing shares held by the company. The stock options are issued gratuitously. Of the stock options, 100,000 are marked with the symbol 2022A, 100,000 are marked with the symbol 2022B and 100,000 are marked with the symbol 2022C.

Instrument	2022A	2022B	2022C	TOT/WA
Initial amount, pcs	100,000	100,000	100,000	300,000
The subscription ratio for underlying shares, pcs	1	1	1	
Initial excercise price, €	11.02	11.02	11.02	
Dividend adjustment	Yes	Yes	Yes	
Current exercise price, €	9.32	9.32	9.32	9.32
Initial allocation date	9.5.2022	9.5.2022	9.5.2022	
Vesting date	1.2.2025	1.2.2026	1.2.2027	
Maturity date	31.1.2026	31.1.2027	31.1.2028	
Maximum contractual life, yrs	3.7	4.7	5.7	4.7
Remaining contractual life, yrs	1.1	2.1	3.1	2.1
Number of persons at the end of reporting year	1	1	1	
Payment method	Equity	Equity	Equity	

Units outstanding of the whole plan	1.1.–31.12.2024	1.1.–31.12.2023
Outstanding at the beginning of the period	300,000	300,000
Granted during the period	-	-
Forfeited during the period	-	-
Excercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	**300,000**	**300,000**
Excercisable at the end of the period	**-**	**-**

Employee Share Savings Plan: Plan period 2022–2025

On May 6, 2022, Taaleri Plc's Board of Directors decided on a new share-based incentive for the employees of Taaleri Plc and its subsidiaries. The aim of the plan is to encourage employes to acquire and own Taaleri shares, and it is intended to align the interests of the shareholders and the employees as well as to increase employees' motivation and long-term commitment to the company. The Employee Share Savings Plan (ESSP) consists of plan periods that commence every second year. Taaleri's Board of Directors will decide on each plan period and its details separately.

In the plan period 2022–2025, Taaleri Plc's employees have the opportunity to save a proportion of their salaries and invest those savings in Taaleri shares. The savings will be used for acquiring Taaleri shares quarterly after the publication dates of the respective interim reports. As a reward for commitment, the employees are granted with one gross matching share for each savings share acquired with their savings. If a participant's employment or managerial contract expires or if the participants sell their savings shares before the matching share reward is paid, the matching reward of the plan will generally not be paid. The gross matching reward is paid partly in company shares and partly in cash after the holding period, approximately in July 2025. The purpose of the cash contribution is to cover taxes and tax-like payments incurred by the personnel from the remuneration.

Plan periods running during the financial year	Plan period 2022–2024
Initial amount, gross pcs	51,905
Initial allocation date	1.7.2022
Vesting date	30.6.2025
Maximum contractual life, yrs	3
Remaining contractual life, yrs	0.5
Number of persons at the end of reporting year	68
Payment method	Equity and cash, net settlement

Units outstanding	1.1.–31.12.2024	1.1.–31.12.2023
Outstanding at the beginning of the period	48,163	51,905
Granted during the period	-	-
Forfeited during the period	1,657	3,537
Excercised during the period	-	205
Expired during the period	-	-
Outstanding at the end of the period	**46,506**	**48,163**

Matching Share Plan 2022

On November 4, 2022, Taaleri Plc's Board of Directors decided on the establishment of a new share-based incentive plan for the company's Head of Sales. The plan consists of one matching period starting on 4 November 2022 and ending on 31 December 2025. The prerequisite for receiving the matching reward is that the participant acquires company's shares in advance and that his employment with the company is valid until the reward payment. The achievement of the target set for the amount of assets under management by the company will affect the size of the reward multiplier. The reward value corresponds to the value of a maximum of 27,382 Taaleri Plc shares, including also the potential proportion to be paid in cash (gross reward), calculated on the basis of the current share price and assuming that the participant invests in the shares the maximum amount set by the Board of Directors and the company's target for the reward multiplier is achieved. The plan rewards will be paid partly in company shares and partly in cash, approximately in March 2026. The cash proportion is intended to cover taxes and tax-related expenses arising from the reward to the participant.

Plan periods running during the financial year	Matching Share Plan 2022
Initial amount, gross pcs	27,382
Initial allocation date	4.11.2022
Vesting date	15.3.2026
Maximum contractual life, yrs	3.4
Remaining contractual life, yrs	1.2
Number of persons at the end of reporting year	1
Payment method	Equity and cash, net settlement

Units outstanding	1.1.–31.12.2024	1.1.–31.12.2023
Outstanding at the beginning of the period	27,382	-
Granted during the period	-	27,382
Forfeited during the period	-	-
Excercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	**27,382**	**27,382**
Excercisable at the end of the period	**-**	**-**

Matching Share Plan 2024

On January 24, 2024 Taaleri Plc's Board of Directors decided on the establishment of a new share-based incentive plan for the company's CFO. The plan consists of one matching period starting on 6 February 2024 and ending on 6 February 2027. The prerequisite for receiving the matching reward is that the participant acquires company's shares in advance and that his employment with the company is valid until the reward payment. Taaleri grants the participant a gross reward of one matching share for every share committed to the plan. The reward value corresponds to the value of a maximum of 21,643 Taaleri Plc shares, including also the proportion to be paid in cash. The cash proportion is intended to cover taxes and tax-related expenses arising from the reward to the participant. The potential reward will be paid approximately in February 2027.

Plan periods running during the financial year	Matching Share Plan 2024
Initial amount, gross pcs	21,643
Initial allocation date	6.2.2024
Vesting date	6.2.2027
Maximum contractual life, yrs	3
Remaining contractual life, yrs	2.1
Number of persons at the end of reporting year	1
Payment method	Equity and cash, net settlement

Units outstanding	1.1.–31.12.2024	1.1.–31.12.2023
Outstanding at the beginning of the period	-	-
Granted during the period	21,643	-
Forfeited during the period	-	-
Excercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	**21,643**	**-**
Excercisable at the end of the period	**-**	**-**

Determining fair value for instruments granted during period 2024

Matching Share Plan 2024

The fair value of the share based incentive has been determined at grant date (employment commencement date). The plan doesn't include any market based performance conditions. The fair value is expensed until vesting.

Performance Share Plan 2021–2025, earning period 2023–2026

The fair values of the share based incentive has been determined at grant dates. The market condition, in this case total shareholder return, has been taken into account when determining the fair value at grants and it will not be changed during the plan. The fair value is expensed until vesting.

Instrument	Matching Share Plan 2024	Earning period 2023–2026**
Share price at grant, €	9.41	9.59
Share price at reporting period end, €	8.03	8.03
Expected volatility, %*	-	29.30 %
Maturity, years	3.0	2.4
Risk-free rate	3.05%	2.77%
Expected dividends, €	1.42	1.69
Reduction in equity FMW (investment requirement)	1.52	-
Valuation model	-	Ultimate Binomial Model
Fair Value	6.52	1.88

** Expected volatility was determined by calculating the historical volatility of the Group's share using monthly observations over corresponding maturity.
** The fair value and the parameters used to determine the fair value are presented as average.

42 Investments in subsidiaries

Changes in subsidiary shareholdings 2024

During the period, Taaleri Private Equity Funds Ltd increased its holding in Taaleri Asuntorahasto VIII GP Oy, and at the end of the period, Taaleri's ownership in the company was 84.0 (80.0) percent. Taaleri Investments Ltd, on the other hand, established a subsidiary in Canada during the period and owns 100.0 percent of the share capital of the established company Taaleri Biocoal Canada Development Ltd. The company has been established as part of Taaleri's bioindustry business and is preparing torrefied biomass production in Canada.

During the period, management companies and project companies, which are part of Taaleri's private asset management business, have also been established, acquired, sold and dissolved. Some of the management and project companies have minority shareholders that are key personnel in Taaleri's private asset management business.

Changes in subsidiary shareholdings 2023

During the period, Taaleri Plc and Taaleri Investments Ltd sold part of their holdings in Taaleri Energia Ltd to key personnel in the renewable energy business. The Taaleri Group's joint ownership of Taaleri Energia Ltd and its subgroup decreased to 76.2 (79.4) percent. In addition, Taaleri Oyj's shareholding in Taaleri Real Estate Ltd changed during the period, when Taaleri Plc first sold and later in the period acquired company's shares from key persons in the real estate business. At the end of the period, Taaleri Plc owned 100.0 (80.0) per cent of Taaleri Real Estate Ltd.

During the period, Taaleri Energia Holdings Sarl sold all the shares it owned in Taaleri Energia Development Holdings Sarl, Global Evenor SL and Global Berserker SL. The transactions were carried out as part of the sale of the project development portfolio built for the Taaleri SolarWind III fund. Additional information on the sale of the subsidiary is presented in Note 43.

During the financial year 2023, management companies and project companies, which are part of Taaleri's private asset management business, have also been established, acquired, sold and dissolved. Some of the management and project companies have minority shareholders that are key personnel in Taaleri's private asset management business.

Effects on the equity attributable to owners of the parent of any changes in its ownership interest in a subsidiary that do not result in a loss of control, EUR 1,000	2024	2023
From an addition to the share owned in subsidiaries	-	-
From a reduction in the share owned in subsidiaries without loss of control	-	1,636
Net effect on equity	**-**	**1,636**

There is not a material non-controlling interest in the group.

The profit distribution of the subgroup in 2023, which has affected the equity attributable to the owners of the parent company

Taaleri Energia Ltd, a 76.17%-owned subsidiary of Taaleri Plc, distributed a dividend during the 2023 financial year. The dividend was not distributed in proportion to the holdings of all the company's shares, but the dividend was only distributed to one of the company's two series of shares. The parent company Taaleri Plc owned 4.70% of the shares of the share series that received the dividend. The distributed dividend thus had the effect of reducing the equity attributable to the owners of the parent company in 2023. The size of the effect was EUR 1.8 million. In the shareholders' agreement updated in 2023, it was agreed that in the future dividends will be paid to all share series with equal rights.

43 Sale of the subsidiary

Description of the sale of a subsidiary: Taaleri Energia Development Holdings Sarl

On July 5, 2023, Taaleri announced that the Taaleri SolarWind III Fund acquired a renewable energy project development portfolio from Taaleri Energia in connection with the first closing of the fund. In the transaction, Taaleri Energia Holdings Sarl, a subsidiary in the Taaleri Group, sold the shares of Taaleri Energia Development Holdings Sarl, which it fully owned and which was consolidated as a subsidiary to the Taaleri Group. In connection with the transaction, Taaleri Group recorded a total of EUR 8.3 million capital gain from the sale of the subsidiary in June 2023. The purchase price was revised in the third quarter of 2023, and the amount of capital gain recorded until 31.12.2023 was a total of EUR 8.9 million.

The capital gain recorded in the financial year 2023 was based on a partial and realised purchase price. 50% of the total consideration is conditional on the progress of the projects sold to the fund in the project development portfolio. In the deed of sale, it is agreed that if a certain number of projects progress to the construction phase, and a certain part of these projects are in the Central or Eastern European Economic Area, a conditional portion of the purchase price will be realised to be paid. According to management's assessment at the balance sheet date of 2023, the realisation of the conditional purchase price was not likely, which is why the conditional portion was not recorded in 2023.

The projects in the acquired portfolio have proceeded according to plan during 2024, and the management considers the realisation of the earn-out related to the transaction as likely. Taaleri recognised the conditional portion of the purchase price in the third quarter of 2024. The earn-out will be paid later once all related conditions have been fulfilled.

Details of the sale of the subsidiary: Taaleri Energia Development Holdings Sarl

Sale of the subsidiary, EUR 1,000	1.1.-31.12.2024	1.1.-31.12.2023
The consideration received in cash, the first 50% of the purchase price	-	8,269
A conditional consideration recorded under receivables, representing the remaining 50% of the purchase price	8,309	-
Total disposal consideration	**8,309**	**8,269**
Carrying amount of net assets sold	-	-676
Gain on sale before income tax	**8,309**	**8,945**
Income tax expense on gain	-	-
Gain on sale after income tax	**8,309**	**8,945**

44 Investments in associated companies

Changes in associated companies shareholdings 2024

On 31 December 2024 Taaleri had ten associated companies: Taaleri Datacenter Ky, Sepos Oy, Turun Toriparkki Oy, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Fintoil Oy, Taaleri SolarWind II SPV, Taaleri SolarWind III SPV, Masdar Taaleri Generation, and WasteWise Group Oy. None of these is considered material to the Group.

During the period, Taaleri Investments Ltd made an additional investment in Fintoil Oy by participating in Fintoi's share issue, which increased Taaleri's shareholding in Fintoil Oy to 39.6 (24.0) percent. Taaleri's ownership in WasteWise Group Oy was diluted during the period to 33.7 (34.1) percent, while its ownership in Hernesaaren Kehitys Oy increased to 37.2 (33.3) percent due to changes in the number of shares outstanding in these companies.

Other associated companies, with the exception of Fintoil Oy, have been consolidated into the Group using the equity method. Regarding the capital investment made in Fintoil Oy, a decision has been made to value the associated company at fair value with effect on profit and loss in accordance with IFRS 9.

During the period, from the results of the review period of the associated companies and other changes in their equity, a total of EUR 0.0 million has been consolidated into the Group and presented in the line item Share of the result of associated companies. Associated companies have no discontinued operations, and no items of comprehensive income that would have been consolidated into the Group.

Changes in associated companies shareholdings 2023

On 31 December 2023 Taaleri had ten associated companies: Taaleri Datacenter Ky, Sepos Oy, Turun Toriparkki Oy, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Fintoil Oy, Taaleri SolarWind II SPV, Taaleri SolarWind III SPV, Masdar Taaleri Generation, and WasteWise Group Oy. None of these is considered material to the Group.

During the period, Taaleri Investments Ltd participated with EUR 2.3 million in the financing round of Turun Toriparkki Oy, but due to the new investors who joined the company, Taaleri's ownership in Turun Toriparkki Oy was diluted to 39.3 (59.2) percent.

WasteWise Group Oy's convertible bond previously held by Taaleri Investments Ltd, was converted into company's shares during the financial year, and in addition Taaleri Sijoitus Oy made a EUR 2.5 million additional investment in the company. Taaleri's shareholding in the company grew to 34.1 per cent with the additional investment, and from this point on, the company has been consolidated into the Taaleri Group as an associated company.

After Taaleri Energia Holdings Sarl sold all the shares it owned in Taaleri Energia Development Holdings Sarl, Domerel Nieruchomo ci Sp.z, which had previously been an associated company to Taaleri Group, also left the group.

Other associated companies, apart from Fintoil Oy, have been consolidated into the Group using the equity method. Regarding the capital investment made in Fintoil Oy, a decision has been made to value the associated company at fair value with effect on profit and loss in accordance with IFRS 9.

During 2023, from the results of the review period of the associated companies and other changes in their equity, a total of EUR 2.9 million was consolidated into the Group and presented in the line item Share of the result of associated companies. Associated companies have no discontinued operations, and no items of comprehensive income that would have been consolidated into the Group.

45 Contingent liabilities

Commitments not recognised as liabilities, EUR 1,000	31.12.2024	31.12.2023
Total gross exposures of guaranty insurance	1,679,148	1,749,104
Guarantees [1]	-	1,875
Investment commitments	14,207	11,830
Total	**1,693,355**	**1,762,809**

[1] Taaleri provided a guarantee amounting to EUR 1.9 million to an external party outside the Group in 2023. A full counter-guarantee was received for the liability; however, the original guarantee has been included in the table above. As of the end of the 2024 financial year, the liability has expired.

At the end of the reporting period, Taaleri Plc had a long-term credit facility agreement of EUR 30.0 million, which remained fully undrawn. Also Garantia had a credit facility agreement of EUR 0.2 million, which remained fully undrawn at the end of the reporting period. Unused credit facilities are not included in the table above.

Taaleri has signed the Net Zero Asset Managers (NZAM) initiative, in which Taaleri, both as a company and for Taaleri's assets under management, commits to the goal of net zero greenhouse gas emissions by 2050 in accordance with the Paris Climate Agreement. Taaleri's interim target is to manage 75% of the assets under management in accordance with the initiative by 2030. Taaleri is reporting annually on the progress. Liabilities related to the initiative are not included in the table above.

46 Pension liabilities

Statutory pension cover for Taaleri's employees and management is arranged through a TyEL insurance policy. Additional voluntary pension insurance has been taken out for the parent company's CEO. Taaleri has no unrecognised pension liabilities. All the Group's pension arrangements are defined contribution plans.

47 Leases

Right-of-use assets 2024, EUR 1,000	Office spaces	Cars	Equipment	Total
Book value 1 January 2024	2,022	88	55	2,165
Increases	26	68	-	94
Remeasurements	125	22	-	147
Decreases	-17	-32	-	-48
Depreciation	-704	-64	-15	-783
Book value 31 December 2024	1,452	83	40	1,574
Lease liablities 31 December 2024				1,641

Right-of-use assets 2023, EUR 1,000	Office spaces	Cars	Equipment	Total
Book value 1 January 2023	83	79	61	224
Increases	2,285	75	60	2,420
Remeasurements	49	4	-	53
Decreases	-	-	-51	-51
Depreciation	-395	-71	-16	-482
Book value 31 December 2023	2,022	88	55	2,165
Lease liablities 31 December 2023				2,192

Items recognised in profit and loss related to lease agreements, EUR 1,000	1.1.-31.12.2024	1.1.-31.12.2023
Interest expense	-126	-58
Depreciation	-783	-482
Costs related to short term agreements	-173	-155
Costs related to agreements concerning low value assets	-7	-18
Total	**-1,089**	**-712**

Interest expenses are recognized in Interest and other financing expenses on the income statement. Costs related to short term agreements and agreements concerning low value assets are recognised in other operating expenses.

Outgoing cash flows related to lease agreements amounted to EUR 1.0 (0.8) million in 2024. Income from subleasing of right-of-use assets in 2024 totaled EUR 0.0 (0.1) million.

48 Related party disclosures

The parent company and its subsidiaries and associated companies belong to the group's related parties. Related parties also include the members of the Board of Directors and the executive board as well as their related parties.

The following belong to the company's related parties:

1) Someone who, by virtue of shareholding, options or convertible bonds has or may have at least 20 percent of the company's stocks or shares, or the voting rights attached to them, or a corresponding shareholding or voting right in an organisation belonging to the group, or in an organisation exercising control in the company, unless the significance of the company that is the subject of ownership is minor in terms of the whole group..
2) A member and deputy member of the Board of Directors, CEO and Deputy CEO, and somebody in a similar position in a company as referred to in point 1.
3) The children and spouse of someone as referred to in point 2, or someone in a marital relationship with that person.
4) An organisation and foundation in which an above-mentioned person, either alone or with another person, has control as specified in Chapter 1, Paragraph 5 of the Accounting Act.

Business transactions made with the company and companies belonging to the group have been carried out on terms equivalent to those that prevail in arm's length transactions. Companies belonging to the Group are listed in the financial statements of the parent company.

On 31 December 2024 the Chairman of the Board Juhani Elomaa was among the 10 largest shareholders of the company.

Related party transactions with associated companies and related parties, EUR 1,000

2024	Sales	Purchases	Receivables	Liabilities
Associated companies	664	-	2,415	-
Other related parties	-	3	-	-

2023	Sales	Purchases	Receivables	Liabilities
Associated companies	646	-	2,307	-
Other related parties	15	10	15	-

Management shareholdings

At the end of 2024, members of the company's Board of Directors and Group Executive Management Team owned a total of 2,194,314 of the company's shares, which corresponds to 7.8% of the shares and the voting rights attached to all shares. The shareholdings of the members of the company's Board of Directors and Group Executive Management Team in the company, including related party holdings:

Name	Position	Number of shares
Juhani Elomaa [1]	Chairman of the Board of Directors	2,087,060
Peter Ramsay [2]	CEO	43,597
Ilkka Laurila	CFO	21,812
Mikko Ervasti [3]	Head of Sales	14,980
Elina Björklund	Member of the Board of Directors	12,000
Hanna Maria Sievinen	Member of the Board of Directors	7,900
Petri Castrén	Member of the Board of Directors	4,000
Tero Saarno	Director (Investments and Projects), Taaleri Bioindustry	1,763
Henrik Allonen	Managing Director, Garantia Insurance Company	703
Mikko Krootila	Director, Real Estate	499
Total		**2,194,314**
Total of share capital, %		**7.8%**

1) Juhani Elomaa's shareholding consists of 2,087,060 shares, 405,870 of which are owned by their controlling entities or other related parties.
2) Peter Ramsay's shareholding consists of 43,597 shares, 38,909 of which are owned by their controlling entities or other related parties.
3) Mikko Ervasti's shareholding consists of 14,980 shares, 5,419 of which are owned by their controlling entities or other related parties.

Fringe benefits of senior management

Senior management consists of the Board of Directors and the Group Executive Management Team[1]. Compensation paid or potentially payable to them for their work consists of the following items:

EUR 1,000	2024	2023
Salaries, bonuses and other fringe benefits paid	2,312	2,708
Benefits potentially to be paid at the end of employment	1,181	1,117
Total	**3,493**	**3,825**

1) The composition of Taaleri's Executive Management Team has changed during 2024. The benefits of those who left the Executive Management Team are included in the table from the time when they belonged to the Executive Management Team.

Parent Company's Financial Statements

Parent company's income statement

EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023
Revenue	2	3,124,092	2,765,112
Other operating income		261,014	359,144
Personnel costs	3		
Wages and salaries		-1,936,569	-2,131,077
Social security expenses			
Pension expenses		-303,848	-345,083
Other social security expenses		22,801	7,005
Personnel costs total		-2,217,616	-2,469,154
Depreciation, amortization and reduction in value			
Depreciation and amortization according to plan		-144,718	-192,769
Depreciation, amortization and reduction in value total		-144,718	-192,769
Other operating expenses	4	-5,351,441	-5,004,213
Operating profit (loss)		**-4,328,669**	**-4,541,879**
Financial income and expenses	5		
Income from group undertakings		15,727,726	11,429,963
Net income from other investments held as non-current assets			
From others		570,040	-357,273
Other interest income and other financial income			
From group undertakings		1,282,666	1,340,227
From others		509,572	206,469
Reduction in value of investments held as current assets	6	6,754	-26,118
Interest and other financial expenses			
To group undertakings		-36,355	-
To others		-808,370	-733,022
Financial income and expenses total		17,252,033	11,860,246
Profit (loss) before appropriations and taxes		**12,923,364**	**7,318,367**
Appropriations	7		
Group contribution		-	2,455,000
Appropriations total		-	2,455,000
Income taxes	8		
Income taxes for the financial year		-201	-
Defferd taxes		791,951	406,842
Income taxes total		791,750	406,842
Profit (loss) for the financial year		**13,715,114**	**10,180,209**

Parent company balance sheet

Assets, EUR	Note	31.12.2024	31.12.2023
Non-current assets			
Intangible assets			
Other intangible assets	9	250,152	317,277
Intangible assets total		**250,152**	**317,277**
Tangible assets			
Machinery and equipment	10	144,196	181,002
Tangible assets total		**144,196**	**181,002**
Investments			
Holdings in group undertakings	11, 18	76,156,541	76,155,191
Participating interests	11, 18	435,075	435,075
Other shares and similar rights of ownership	18, 19	6,139,508	11,840,368
Investments total		**82,731,124**	**88,430,634**
Non-current assets total		**83,125,472**	**88,928,913**
Current assets			
Long-term receivables			
Amounts owed by group undertakings	17, 18, 20	23,228,000	27,128,000
Loan receivables		1,145,946	1,139,191
Deferred tax assets	12	3,044,649	2,238,632
Long-term receivables total		**27,418,595**	**30,505,823**
Short-term receivables			
Amounts owed by group undertakings	17, 18	892,776	3,328,124
Accounts receivables		74,090	22,215
Other receivables		99,838	168,093
Prepayments and accrued income	13	890,924	770,690
Short-term receivables total		**1,957,629**	**4,289,121**
Cash and cash equivalents	18, 20	**14,396,941**	**19,977,294**
Current assets total		**43,773,164**	**54,772,238**
Assets total		**126,898,636**	**143,701,151**

Equity and liabilities, EUR	Note	31.12.2024	31.12.2023
Equity	14		
Equity capital		125,000	125,000
Reserve for invested unrestricted equity		19,156,293	19,156,293
Fair value reserve		-2,325,693	-2,269,432
Retained earnings (loss)		81,402,735	100,251,546
Profit (loss) for the financial year		13,715,114	10,180,209
Equity total		**112,073,449**	**127,443,616**
Liabilities			
Long-term liabilities			
Bonds	15, 18, 20	-	14,886,201
Long-term liabilities total		**-**	**14,886,201**
Accounts payable		865,603	33,473
Amounts owed to group undertakings	17	12,461,854	151,073
Other liabilities		867,872	174,194
Accruals and deferred income	16	629,857	1,012,594
Short-term liabilities total		**14,825,186**	**1,371,334**
Liabilities total		**14,825,186**	**16,257,535**
Equity and liabilities total		**126,898,636**	**143,701,151**

Parent company cash flow statement

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from operating activities:		
Operating profit (loss)	-4,328,669	-4,541,879
Depreciation	144,718	192,769
Income from group undertakings	15,727,726	11,429,963
Income from other investments held as non-current assets	682,194	419,062
Other interest income and other financial income	1,629,378	2,252,103
Interest and other financial expenses	-933,304	-817,854
Cash flow before change in working capital	12,922,042	8,934,163
Change in working capital		
Increase (-)/decrease (+) in loan receivables	3,900,000	-2,639,247
Increase (-)/decrease (+) in current interest-free receivables	1,104,856	5,265,930
Increase (+)/decrease (-) in current interest-free liabilities	12,528,326	-758,424
Cash flow from operating activities before financial items and taxes	30,455,224	10,802,422
Direct taxes paid (-)	-	-
Cash flow from operating activities (A)	**30,455,224**	**10,802,422**
Cash flow from investing activities:		
Investments in tangible and intangible assets	-40,788	-398,675
Investments in subsidiaries and associated companies	-	-304,506
Other investments	6,079,230	-
Cash flow from investing activities (B)	**6,038,443**	**-703,181**

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from financing activities:		
Decrease (-) in non-current liabilities	-15,000,000	-
Payments to acquire entity's shares	-832,766	-175,141
Paid and received group contributions	1,955,000	500,000
Dividends paid and other distribution of profit	-28,196,253	-19,813,934
Cash flow from financing activities (C)	**-42,074,019**	**-19,489,075**
Increase/decrease in cash and cash equivalents (A+B+C)	-5,580,353	-9,389,834
Cash assets at the beginning of the financial period	19,977,294	29,367,127
Cash assets at the end of the financial period	14,396,941	19,977,294
Difference in cash and cash equivalents	-5,580,353	-9,389,833

Notes to the Parent Company's Financial Statements

1 Accounting principles of the Parent Company's Financial Statements

Basis of preparation for parent company's financial statements
Taaleri Plc's financial statements have been prepared in accordance with the Finnish Accounting Act. The financial statements have been prepared over 12 months for the financial period of 1 January–31 December 2024.

Foreign currency items
Foreign currency transactions are recorded based on the exchange rate on the day of the transaction. Foreign currency receivables and liabilities outstanding at the end of the financial period are measured based on the exchange rate on the balance sheet date.

Tangible and intangible assets
Intangible assets are carried on the balance sheet at cost less any accumulated depreciation. ICT software costs, among other things are activated as other long-term expenditure. Tangible assets are carried on the balance sheet at cost less any accumulated depreciation. If, at the end of the financial period, the estimated recoverable amount from intangible or tangible assets is found to be fundamentally and permanently lower than their carrying amount, the difference is recorded in profit or loss as an impairment loss.

The depreciation plan is as follows:

- ICT software: Straight-line depreciation, 4 years
- Other intangible rights: Straight-line depreciation, 4 years
- Other long-term expenditure: Straight-line depreciation, 3 years
- Machinery and equipment: Straight-line depreciation, 4 years
- Small equipment: Declining balance depreciation, 25%

Financial instruments
Taaleri Plc applies the alternative procedure permitted by Chapter 5, Section 2a of the Accounting Act and measures financial instruments at fair value. Therefore IFRS 9 is applied when classifying and measuring financial instruments, and the notes to the financial statements regarding financial instruments are also presented as required by IFRS standards.

The accounting principles of financial instruments have been presented in more detail in Note 2 of the Consolidated Financial Statements. In Taaleri Plc's financial statements, holdings in group undertakings and participating interests have been measured at acquisition cost or, if their probable fair value on the balance sheet date is lower, in the amount thereof.

When recognising financial instrument purchase and sales transactions, the date of the transaction is used as the basis for recognition.

In Taaleri Plc's financial statements a financial asset is recognised in investments in non-current assets when the purpose of the financial instrument is to generate income continuously over several financial years. Taaleri Plc's investments in non-current assets consist of shares and participations acquired in long-term ownership and subordinated loan receivables.

Other financial assets are variable in nature. Receivables are classified as non-current if they fall due after more than 12 months. Current investments include cash, receivables and other financial assets that are temporarily in another form.

The bonds issued by Taaleri Plc are recognised in Bonds. Interest and transaction costs on loans are amortized over the term of the loans. Bonds are classified as long-term if they mature after more than 12 months.

Revenue recognition principles
Revenue includes the sale of services mainly to Taaleri Group's subsidiaries. Revenue from services is recognised when the service is delivered.

Pensions
The statutory pension cover of the company's employees and management has been arranged using TyEL (employee pension) insurance agreements. Voluntary additional pension insurance has been taken out for members of the company's management. All the company's pension arrangements are defined-contribution plans. Expenses arising from statutory pension arrangements are recognised in the income statement under personnel costs and those arising from voluntary additional pension insurance is recognised under other operating expenses. Insurance premiums are paid to the insurance company and recognised as expenses over the financial period, which the premiums cover. The defined-contribution plans have no other payment obligations.

Income taxes
Tax expenses consist of taxes based on the taxable income for the period, taxes for previous periods and deferred taxes. Taxes based on the taxable income for the period is calculated from the taxable income based on tax rates valid in Finland. Deferred taxes are calculated on temporary differences between the carrying amount and taxable value. Deferred tax assets are recognised up to the amount at which it is likely that taxable income will be generated in the future, against which the temporary difference can be utilized. Deferred taxes are calculated using the tax rates regulated by the balance sheet date or tax rates which have been approved in practice before the balance sheet date.

Notes to the Parent Company's Income Statement

2 Revenue

	1.1.–31.12.2024	1.1.–31.12.2023
Income from group undertakings	3,124,092	2,765,112
Other income	-	-
Total	**3,124,092**	**2,765,112**

3 Personnel costs

	1.1.–31.12.2024	1.1.–31.12.2023
Wages, salaries and fees	1,936,569	2,131,077
Pension expenses	303,848	345,083
Social security contributions	-22,801	-7,005
Total	**2,217,616**	**2,469,154**

During the 2024 financial year, a total of EUR 1.0 (1.0) million in salaries and fees were paid to the Board of Directors and the CEO including the voluntary pension insurance. During the financial year of 2024, the average number of personnel employed by the parent company was 16 (15), measured as full-time equivalents.

The salaries and bonuses paid to the company's CEO in 2024 including fringe benefits, share-based incentive schemes and pension insurance amounted to EUR 0.7 (0.7) million. If CEO's employment is terminated by the company, the CEO is entitled to severance pay corresponding to 12 months salary. The CEO is entitled to a statutory pension and his retirement age is determined within the framework of the statutory pension system. The company's CEO is entitled to a voluntary pension insurance paid for by the company, which cost was EUR 0.3 (0.4) million in 2024.

4 Other operating expenses

	1.1.–31.12.2024	1.1.–31.12.2023
Voluntary personnel expenses	668,513	679,368
Marketing and communication expenses	437,609	448,605
Premises and other leasing expenses	814,171	655,786
ICT expenses	1,424,705	1,291,904
Equipment rental and leasing	16,232	16,476
Fees paid to the company's auditors	185,971	214,998
Auditing fees	168,580	165,138
Tax services	-	-
Other	17,391	49,860
Group internal administrative services	352,826	390,985
Consultation and external expert services	1,022,863	565,155
Other operating expenses	428,550	740,936
Total	**5,351,441**	**5,004,213**

5 Financial income and expenses

	1.1.–31.12.2024	1.1.–31.12.2023
Income from group undertakings		
Dividends	15,727,726	10,374,189
Gaind and losses on disposals	-	1,055,774
Net income from other investments held as non-current assets		
From others		
Dividends	682,194	419,062
Fair value changes	518,705	-776,335
Gains and losses on disposals	-630,860	-
Other interest income and other financial income		
Interest income from group undertakings	1,282,666	1,340,227
From others	509,572	206,469
Reduction in value of investments held as current assets		
Expected credit losses	6,754	-26,118
Interest and other financial expenses		
To group undertakings	-36,355	-
To others		
Interest expenses from cash at bank	-	42,470
Interest expenses from bonds issued	-718,977	-748,729
Other financial expenses	-89,393	-26,763
Total	**17,252,033**	**11,860,246**

6 Expected credit losses

	Amortised cost
ECL 1.1.2024	30,808
Additions due to purchases	-
Deductions due to derecognitions	-6,754
Changes in risk parameters	-
Recognised in profit or loss	-6,754
ECL 31.12.2024	**24,054**

	Amortised cost
ECL 1.1.2023	4,690
Additions due to purchases	30,809
Deductions due to derecognitions	-4,690
Changes in risk parameters	-
Recognised in profit or loss	26,118
ECL 31.12.2023	**30,808**

	1.1.–31.12.2024	1.1.–31.12.2023
Expected credit losses from financial assets measured at amortised cost	6,754	-26,118
Recognised in profit or loss	**6,754**	**-26,118**

7 Appropriations

	1.1.–31.12.2024	1.1.–31.12.2023
Group contributions received	-	2,455,000
Total	**-**	**2,455,000**

8 Taxes

	1.1.–31.12.2024	1.1.–31.12.2023
From profit for the financial period	-	-
Taxes from previous periods	201	-
Deferred taxes	-791,951	-406,842
Total	**-791,750**	**-406,842**

9 Intangible assets

2024	Rental property renovation costs	IT systems	Total
Acquisition cost 1 January	287,105	364,601	651,706
Increases	2,700	-	2,700
Acquisition cost 31 December	**289,805**	**364,601**	**654,406**
Accumulated depreciation, amortisation and impairment 1 January	62,433	271,996	334,429
Depreciation during the financial period	89	69,736	69,824
Accrued depreciation 31 December	**62,522**	**341,731**	**404,254**
Carrying amount 1 January	224,672	92,605	317,277
Carrying amount 31 December	**227,283**	**22,869**	**250,152**

2023	Rental property renovation costs	IT systems	Total
Acquisition cost 1 January	-	364,601	364,601
Increases	287,105	-	287,105
Acquisition cost 31 December	**287,105**	**364,601**	**651,706**
Accumulated depreciation, amortisation and impairment 1 January	-	202,260	202,260
Depreciation during the financial period	62,433	69,736	132,169
Accrued depreciation 31 December	**62,433**	**271,996**	**334,429**
Carrying amount 1 January	-	162,340	162,340
Carrying amount 31 December	**224,672**	**92,605**	**317,277**

10 Tangible assets

2024	Machinery and equipment	Total
Acquisition cost 1 January	308,686	308,686
Increases	38,088	38,088
Acquisition cost 31 December	**346,774**	**346,774**
Accumulated depreciation, amortisation and impairment 1 January	127,684	127,684
Depreciation during the financial period	74,894	74,894
Accrued depreciation 31 December	**202,578**	**202,578**
Carrying amount 1 January	181,002	181,002
Carrying amount 31 December	**144,196**	**144,196**

2023	Machinery and equipment	Total
Acquisition cost 1 January	197,115	197,115
Increases	111,570	111,570
Acquisition cost 31 December	**308,686**	**308,686**
Accumulated depreciation, amortisation and impairment 1 January	67,084	67,084
Depreciation during the financial period	60,600	60,600
Accrued depreciation 31 December	**127,684**	**127,684**
Carrying amount 1 January	130,031	130,031
Carrying amount 31 December	**181,002**	**181,002**

11 Holdings in Group undertakings and participating interests

2024	Holdings in group undertakings	Participating interests	Total
Acquisition cost 1 January	76,155,191	535,077	76,690,268
Increases	1,350	-	1,350
Acquisition cost 31 December	**76,156,541**	**535,077**	**76,691,618**
Changes in value 1.1.	-	-100,002	-100,002
Changes in value 31 December	**-**	**-100,002**	**-100,002**
Carrying amount 1 January	76,155,191	435,075	76,590,266
Carrying amount 31 December	**76,156,541**	**435,075**	**76,591,616**

2023	Holdings in group undertakings	Participating interests	Total
Acquisition cost 1 January	76,136,357	250,002	79,383,983
Increases	92,250	285,075	1,875
Decreases	73,416	-	2,997,624
Acquisition cost 31 December	**76,155,191**	**535,077**	**76,690,268**
Changes in value 1.1.	-	-100,002	-100,002
Changes in value 31 December	**-**	**-100,002**	**-100,002**
Carrying amount 1 January	76,136,357	150,000	76,286,357
Carrying amount 31 December	**76,155,191**	**435,075**	**76,590,266**

Taaleri Plc's subsidiaries and poarticipating interests are listed in the attachment of the parent company's financial statements.

12 Deferred tax assets and liabilities

Deferred tax assets	31.12.2024	31.12.2023
From unused tax losses	2,305,250	1,665,113
Other temporary differences between accounting and taxation	734,588	567,358
From expected credit losses	4,811	6,162
Total	**3,044,649**	**2,238,632**

13 Prepayments accrued income

	31.12.2024	31.12.2023
Accrued interest	116,326	79,884
Other accrued income	774,598	690,806
Total	**890,924**	**770,690**

14 Increases and decreases in equity during the financial year

	1.1.2024	Increase	Decrease	31.12.2024
Share capital	125,000			125,000
Reserve for invested non-restricted equity	19,156,293			19,156,293
Fair value reserve	-2,269,432		56,261	-2,325,693
Retained earnings (loss)	110,431,755		29,029,020	81,402,735
Profit (loss) for the financial year		13,715,114		13,715,114
Total	**127,443,616**	**13,715,114**	**29,085,281**	**112,073,449**

Distributable non-restricted equity of the parent company on 31 December 2024	**31.12.2024**
Reserve for invested non-restricted equity	19,156,293
Retained earnings (loss)	81,402,735
Profit (loss) for the financial year	13,715,114
Total	**114,274,142**

Parent company 's restricted equity on December 31, 2024	-2,200,693

	1.1.2023	Increase	Decrease	31.12.2023
Share capital	125,000			125,000
Reserve for invested non-restricted equity	19,156,293			19,156,293
Fair value reserve	71,513		2,340,945	-2,269,432
Retained earnings or loss	120,240,621		19,989,075	100,251,546
Profit (loss) for the period		10,180,209		10,180,209
Total	**139,593,427**	**10,180,209**	**22,330,020**	**127,443,616**

Distributable non-restricted equity of the parent company on 31 December 2023	**31.12.2023**
Reserve for invested non-restricted equity	19,156,293
Retained earnings (loss)	100,251,546
Profit (loss) for the financial year	10,180,209
Total	**129,588,048**

Parent company 's restricted equity on December 31, 2023	-2,144,432

15 Bonds

	31.12.2024	31.12.2023
Long-term bonds		
Tier 2 bond	-	14,886,201
Total	**-**	**14,886,201**

Tier 2 bond

On 18 October 2019 Taaleri Plc issued Tier 2 note totalling EUR 15 million. The Tier 2 note constitute a subordinated debt instrument, which is included in the Tier 2 capital referred to in Article 63 of Regulation (EU) No 575/2013 of the European Parliament and of the Council. The notes mature in ten years and bear a fixed interest rate of 5.0 per cent until 18 October 2024 and then onwards EUR 5-year mid-swap rate plus 5.33 per cent. The terms and conditions of the Notes include a call option after five years from the issuance and the company is also entitled to an early repayment before the call option under certain preconditions provided in the terms and conditions of the Notes. Taaleri exercised its right to redeem the Notes early in October 2024.

16 Accruals and deferred income

	31.12.2024	31.12.2023
Holiday pay liability	230,715	229,396
Accrued interest	12,833	154,110
Other accrued expenses	386,309	629,088
Total	**629,857**	**1,012,594**

17 Amounts owed by or to Group undertakings

	31.12.2024	31.12.2023
Current assets, long-term receivables		
Amounts owed by group undertakings		
Other assets	23,228,000	27,128,000
Current assets, short-term receivables		
Amounts owed by group undertakings		
Accounts receivables	692,083	654,834
Other assets	-	476,116
Prepayments and accrued income	200,694	2,197,174
Total	**24,120,776**	**30,456,124**

	31.12.2024	31.12.2023
Short-term liabilities		
Amounts owed to group undertakings		
Group account liabilities *)	12,283,780	-
Accounts payable	53,096	150,026
Accrued liabilities	124,978	-
Other liabilities	-	1,047
Total	**12,461,854**	**151,073**

*) During the financial year 2024, Taaleri implemented a group account arrangement in which the parent company owns the funds in the group account. The funds held by subsidiaries in the group account have been recorded in the financial statements as the parent company's cash and bank receivables, as well as liabilities to other group companies.

18 Classification of financial assets and liabilities

Financial assets and liabilities 31 December 2024, EUR 1,000		At fair value through fair value reserve		At fair value through profit or loss			
Financial assets	**Amortised cost**	**Equity instruments [3]**	**Others**	**Equity instruments**	**Others**	**Total**	**Fair value**
Non-current investments		2,553,147		3,586,361		6,139,508	6,139,508
Current amounts owed by group undertakings					23,228,000	23,228,000	23,228,000
Current amounts owed by others	1,145,946					1,145,946	1,145,946
Cash and cash equivalents [1]	14,396,941					14,396,941	
Other financial assets	1,443,282					1,443,282	
Financial assets total	**16,986,168**	**2,553,147**	**-**	**3,586,361**	**23,228,000**	**46,353,676**	
Participating interests						435,075	
Holdings in group undertakings						76,156,541	
Other than financial assets						3,953,344	
Assets in total 31 December 2024						**126,898,636**	

Financial liabilities	**At fair value through profit or loss**	**Other liabilities**	**Total**	**Fair value**
Other financial liabilities		14,706,196	14,706,196	
Financial liabilities total	**-**	**14,706,196**	**14,706,196**	
Other than financial liabilities			118,990	
Liabilities in total 31 December 2024			**14,825,186**	

[1] The carrying amount of these receivables are seen as the best estimate of their fair values.

[2] Bonds included in debt securities issued to the public are carried at amortised cost.

[3] At the time of initial recognition of an equity instrument, the management may make an irrevocable choice concerning a procedure according to which changes in fair value are recognised in fair value reserve and will not later be recycled to profit or loss. In this case, dividends received are recognised in profit or loss, but changes in fair value, foreign exchange rate gains and losses as well as sales gains and losses are recognised in equity. This group includes limited partner contributions to such limited partnerships related to Taaleri's private asset management business that are not actual private equity fund investments, as well as equity investments in companies that are not considered to be closely related to the Group's strategy. On 31 December 2024, the fair value of equity instruments that are specifically valued at fair value through fair value reserve was EUR 2,553,147 (31.12.2023: 2,623,473). The investments belonging to the group have not produced dividend income in the financial periods presented. During the presented financial periods, no investments belonging to the group have been sold or otherwise written off the balance sheet.

Financial assets and liabilities 31 December 2023, EUR 1,000

Financial assets	Amortised cost	At fair value through fair value reserve: Equity instruments [3]	At fair value through fair value reserve: Others	At fair value through profit or loss: Equity instruments	At fair value through profit or loss: Others	Total	Fair value
Non-current investments		2,623,473		9,216,895		11,840,368	11,840,368
Current amounts owed by group undertakings					27,128,000	27,128,000	27,128,000
Current amounts owed by others	1,139,191					1,139,191	1,139,191
Cash and cash equivalents [1]	19,977,294					19,977,294	
Other financial assets	3,666,717					3,666,717	
Financial assets total	**24,783,202**	**2,623,473**	**-**	**9,216,895**	**27,128,000**	**63,751,570**	
Participating interests						435,075	
Holdings in group undertakings						76,155,191	
Other than financial assets						3,359,315	
Assets in total 31 December 2023						**143,701,151**	

Financial liabilities	At fair value through profit or loss	Other liabilities	Total	Fair value
Bonds [2]		14,886,201	14,886,201	15,154,110
Other financial liabilities		1,371,334	1,371,334	
Financial liabilities total	**-**	**16,257,535**	**16,257,535**	
Other than financial liabilities			-	
Liabilities in total 31 December 2023			**16,257,535**	

[1] The carrying amount of these receivables are seen as the best estimate of their fair values.

[2] Bonds included in debt securities issued to the public are carried at amortised cost.

[3] At the time of initial recognition of an equity instrument, the management may make an irrevocable choice concerning a procedure according to which changes in fair value are recognised in fair value reserve and will not later be recycled to profit or loss. In this case, dividends received are recognised in profit or loss, but changes in fair value, foreign exchange rate gains and losses as well as sales gains and losses are recognised in equity. This group includes limited partner contributions to such limited partnerships related to Taaleri's private asset management business that are not actual private equity fund investments, as well as equity investments in companies that are not considered to be closely related to the Group's strategy. On 31 December 2024, the fair value of equity instruments that are specifically valued at fair value through fair value reserve was EUR 2,553,147 (31.12.2023: 2,623,473). The investments belonging to the group have not produced dividend income in the financial periods presented. During the presented financial periods, no investments belonging to the group have been sold or otherwise written off the balance sheet.

19 Fair value hierarchy of financial assets

Financial instruments measured at fair value

2024	Level 1	Level 2	Level 3	Total
Non-current investments				
- Fair value through profit or loss	2,775,590	806,536	4,235	3,586,361
- Fair value through fair value reserve	2,553,147			2,553,147
Current amounts owed by group undertakings		23,228,000		23,228,000
Total	**5,328,737**	**24,034,536**	**4,235**	**29,367,508**

2023	Level 1	Level 2	Level 3	Total
Non-current investments				
- Fair value through profit or loss	9,212,660		4,235	9,216,895
- Fair value through fair value reserve	2,623,473			2,623,473
Current amounts owed by group undertakings		27,128,000		27,128,000
Total	**11,836,133**	**27,128,000**	**4,235**	**38,968,368**

Levels of hierarchy

Level 1: Fair values are based on the prices quoted on the active market on identical assets or liabilities.

Level 2: Fair values are based on information other than quoted prices included within level 1 that are observable for the asset or liability, either directly (from prices) or indirectly (derived from prices). When measuring the fair value of these instruments, Taaleri Group uses generally accepted valuation models whose information is based to a significant degree on verifiable market information.

Level 3: Fair values are based on information concerning an asset or liability, which is not based on verifiable market information. Level 3 assets are mainly valued at a price received from an external party or, if no reliable fair value is available/determinable, at purchase price.

20 Maturity analysis of financial assets and liabilities

31.12.2024	< 3 months	3-12 months	1-5 years	5-10 years	Total
Current amounts owed by group undertakings		5,000,000		18,228,000	**23,228,000**
Current amounts owed by others			1,170,000		**1,170,000**
Cash and cash equivalents [1]	14,396,941				**14,396,941**

31.12.2023	< 3 months	3-12 months	1-5 years	5-10 years	Total
Current amounts owed by group undertakings		6,500,000		20,628,000	**27,128,000**
Current amounts owed by others			1,170,000		**1,170,000**
Cash and cash equivalents [1]	19,977,294				**19,977,294**
Bonds [1]				15,000,000	**15,000,000**

[1] The maturity of financial assets and liabilities are shown at their original value before impairments.

Notes concerning Parent Company's Guarantees and Contingent Liabilities

21 Guarantees and contingent liabilities

Off balance sheet items	31.12.2024	31.12.2023
Unused loan commitments to group companies	5,000,000	500,000
Total	**5,000,000**	**500,000**

Contingent liabilities

At the end of the reporting period, Taaleri Plc had a long-term credit facility agreement of EUR 30.0 million, which remained fully undrawn.

22 Pension liabilities

Statutory pension cover for the company's employees and management is arranged through a TyEL insurance policy. Additional voluntary pension insurance has been taken out for the company's management. The company has no unrecognised pension liabilities.

23 Leasing and other rental liabilities

31.12.2024	< 1 year	1–5 years
Leasing payments	28,868	61,773
Rental liabilities	797,475	930,387
Total	**826,343**	**992,160**

31.12.2023	< 1 year	1–5 years
Leasing payments	15,775	65,274
Rental liabilities	764,442	1,656,290
Total	**780,217**	**1,721,565**

List of accounting journals

During 1.1.2024-31.12.2024	
Income statement	in electronic form
Balance sheet	in electronic form
Journal	in electronic form
General ledger	in electronic form
Purchases ledger	in electronic form
Salary bookkeeping	outsourced

Document types and means of storage

During 1.1.2024-31.12.2024		
TITO / JRT01	Bank statements	in electronic form in Netsuite
PT / JRT01	General ledger entries	in electronic form in Netsuite
INV01	Sales invoices	in electronic form in Netsuite
BILL	Purchase invoices	in electronic form in Netsuite
ERT01	Travel expense entries	in electronic form in Netsuite

All bookkeeping material is kept at the company's own premises as required by law.

Subsidiaries and associated companies

Parent company	Registered office	Business ID	Group ownership
Taaleri Plc	Helsinki	2234823-5	

Parent company's direct shareholdings	Registered office	Business ID	Group ownership
Taaleri Bioindustry Ltd	Helsinki	3266590-4	75.00%
Taaleri Energia Ltd	Helsinki	2772984-6	76.17%
Taaleri Real Estate Ltd	Helsinki	3207236-7	100.00%
Taaleri Private Equity Funds Ltd	Helsinki	2264327-7	100.00%
Taaleri Investments Ltd	Helsinki	2432616-0	100.00%
Taaleri SolarWind III GP Oy	Helsinki	3324068-4	45.00%
Garantia Insurance Company Ltd	Helsinki	0944524-1	100.00%

Subgroup of Taaleri Bioindustry Ltd	Registered office	Business ID	Group ownership
Taaleri Biohiili GP Oy	Helsinki	3151705-3	72.00%
Taaleri Biojalostamo GP Oy	Helsinki	3115228-5	100.00%

Subgroup of Taaleri Investments Ltd	Registered office	Business ID	Group ownership	
Taaleri Datacenter GP Oy	Helsinki	2859905-1	100.00%	
Taaleri Kapitaali Oy	Helsinki	2772994-2	50.00%	
Galubaltis GP Oy	Helsinki	2840499-8	100.00%	
Taaleri Telakka GP Oy	Helsinki	2743458-9	100.00%	
Taaleri Varustamo GP Oy	Helsinki	2870420-2	100.00%	
TT Syöttörahasto GP Oy	Helsinki	2504070-3	100.00%	
TT Syöttörahasto II GP Oy	Helsinki	2677052-1	100.00%	
TT Syöttörahasto III GP Oy	Helsinki	2637390-5	100.00%	
Taaleri Biocoal Canada Development Ltd [1]	Halifax, Nova Scotia	4620825	100.00%	new

[1] Exceptional financial period, first financial period shortened/lengthened

Subgroup of Taaleri Private Equity Funds Ltd	Registered office	Business ID	Group ownership	
Taaleri Afrikka Rahaston hallinnointiyhtiö Oy	Helsinki	2606112-7	100.00%	
Taaleri Afrikka Rahasto II GP Oy	Helsinki	2772992-6	100.00%	
Taaleri Asuntorahasto VIII GP Oy	Helsinki	3161704-6	84.00%	
Taaleri Aurinkotuuli Feeder GP Oy	Helsinki	3155769-6	100.00%	
Taaleri Aurinkotuuli II GP Oy	Helsinki	2948690-5	100.00%	
Taaleri Bioindustry Fund I GP Oy	Helsinki	3226348-9	67.00%	
Taaleri Bioindustry VC Fund I GP Oy	Helsinki	3352418-5	100.00%	
Taaleri Kasvurahastot I GP Oy	Helsinki	3011817-3	100.00%	
Taaleri Kiertotalous GP Oy	Helsinki	2745010-8	100.00%	
Taaleri Kiinteistökehitysrahaston hallinnointiyhtiö Oy	Helsinki	2689264-1	100.00%	
Taaleri Metsärahasto III hallinnointiyhtiö Oy	Helsinki	2652535-8	100.00%	
Taaleri Nordic Real Estate Opportunities GP Oy [1]	Helsinki	3497626-3	100.00%	new
Taaleri Oaktree Syöttörahaston hallinnointiyhtiö Oy	Helsinki	2442491-6	100.00%	
Taaleri Tallikiinteistöt GP Oy	Helsinki	2921262-1	100.00%	
Taaleri Tonttirahaston hallinnointiyhtiö Oy	Helsinki	2669135-6	100.00%	
Taaleri Tonttirahasto II GP Oy	Helsinki	2781839-8	100.00%	
Taaleri Tuulitehtaan hallinnointiyhtiö Oy	Helsinki	2382657-7	80.00%	
Taaleri Tuuli II Feeder GP Oy	Helsinki	3155719-4	100.00%	
Taaleri Tuuli III Feeder GP Oy	Helsinki	3155720-7	100.00%	
Taaleri Tuulirahasto IV GP Oy	Helsinki	2990792-5	100.00%	
Taaleri Velkarahastot I GP Oy	Helsinki	3133283-3	100.00%	
Taaleri Vuokrakoti GP Oy	Helsinki	2990792-5	100.00%	

[1] Exceptional financial period, first financial period shortened/lengthened

Subgroup of Taaleri Energia Ltd	Registered office	Business ID	Group ownership
Taaleri Energia Funds Management Ltd	Helsinki	2833245-3	100.00%
Taaleri Energia Operations Ltd	Helsinki	2710646-2	100.00%
Taaleri Debt GP Oy	Helsinki	3222158-8	100.00%
Taaleri Aurinkotuuli GP Oy	Helsinki	2787459-2	100.00%
Taaleri Tuulitehdas II hallinnointiyhtiö Oy	Helsinki	2623494-8	100.00%
Taaleri Tuulitehdas III GP Oy	Helsinki	2748305-7	100.00%
Oltavan Tuulipuisto GP Oy	Helsinki	2992126-8	100.00%
Murtotuulen Tuulipuisto GP Oy	Helsinki	2994201-8	100.00%
Isonevan Tuulipuisto GP Oy	Helsinki	3167933-5	100.00%
Taaleri Energia Holding S.a.r.l.	Luxemburg	B223063	100.00%
Taaleri Energia North America LLC	Delaware, USA	6716103	100.00%
Taaleri Solarwind II GP S.a.r.l.	Luxemburg	B232448	100.00%
Taaleri Solarwind III GP S.a.r.l.	Luxemburg	B272636	100.00%
Taaleri Energia Iberia SL	Madrid	B88293139	100.00%
Deville Holding LLC	USA	0803524720	100.00%

Associated companies, consolidated using equity method	Registered office	Business ID	Group ownership
Sepos Oy	Helsinki	2614256-8	30.00%
Taaleri Datacenter Ky	Helsinki	2842816-4	21.28%
Turun Toriparkki Oy	Turku	2034713-2	39.31%
Munkkiniemi Group Oy	Helsinki	2910063-8	47.00%
Hernesaaren Kehitys Oy	Helsinki	2953535-9	37.24%
Taaleri SolarWind II SPV Sarl	Luxemburg	B234588	50.00%
Taaleri SolarWind III SPV Sarl	Luxemburg	B276690	45.00%
Masdar Taaleri Generation	Belgrad, Serbia	21511501	50.00%
WasteWise Group Oy	Helsinki	2763131-2	33.74%

Associated companies, consolidated as investments	Registered office	Business ID	Group ownership
Fintoil Oy	Helsinki	2871605-1	39.6%

Signatures for the Financial Statements and the Report of the Board of Directors

Helsinki 12th February 2025

Juhani Elomaa
Chairperson of the Board of Directors

Hanna Maria Sievinen
Vice Chairperson of the Board of Directors

Elina Björklund
Member of the Board of Directors

Juhani Bonsdorff
Member of the Board of Directors

Petri Castrén
Member of the Board of Directors

Leif Frilund
Member of the Board of Directors

Ilkka Laurila
Chief Executive Officer

The auditor's note

Our auditor's report has been issued today.

Helsinki, 12th February 2025

Ernst & Young Oy
Authorized audit firm

Johanna Winqvist-Ilkka
Authorised Public Accountant

Auditor’s report

To the Annual General Meeting of Taaleri Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Taaleri Plc (business identity code 2234823-5) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

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

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

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 13 to the consolidated financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of fee and commission income *We refer to the point 2.14 in Accounting principles for the Consolidated Financial Statements and the note 3.* Fee and commission income in the consolidated financial statements consists of continuing earnings, including among others management fees related to private equity fund operations, and performance fees. Fee and commission income in the consolidated financial statements amounted to 30,1 million euros, of which 1,8 million euros were performance-based fees. Revenue recognition of fee and commission income was determined to be a key audit matter and the revenue recognition of performance-based fees a significant risk of material misstatement referred to in EU Regulation No 537/2014 point (c) of Article 10(2), because the timing and quantity of performance-based fee revenue recognition includes management assumptions and estimates.	To address the risk of material misstatement in respect of revenue recognition our audit procedures included, among other things, assessing the compliance of the Group's accounting policies over revenue recognition of the fees and commissions with applicable accounting standards. We also assessed processes of fee and commission income and identified key controls relating to revenue recognition of performance-based fees. We tested the sales cutoff with analytical procedures. We supplemented our procedures with test of details on a transaction level in order to test that the fees and commissions have been recognized in a right accounting period and they are in compliance with the corresponding agreements. In addition, we also assessed the adequacy of disclosures relating to the fee and commission income of the group.
Valuation of insurance contract liability *We refer to the point 2.7 in Accounting principles for the Consolidated Financial Statements and notes 4, 33, 35 and 40.* The insurance contract liability in the consolidated financial statements amounted to 42,7 million euros, which is divided into liability for remaining coverage 43,5 million euros and liability for incurred claims -0,8 million euros. Of the total insurance contract liability, 34,5 million euros derives from the contractual service margin at the balance sheet date. Changes in the applied methods and assumptions can have a significant impact on the valuation of insurance contract liabilities. Valuation of insurance contract liability was determined to be a key audit matter and a significant risk of material misstatement as referred to in EU Regulation No 537/2014 point (c) of Article 10(2), because the valuation of the insurance contract liability includes management assumptions and estimates.	To address the risk of material misstatement in respect of valuation of insurance contract liability our audit procedures included, among other things, assessing the processes related to accounting of insurance contract liability and identification of key controls. During the audit, we also evaluated the methods used in the calculations and the assumptions and estimates made by management. We involved our internal actuarial specialist in the audit. For insurance contract liabilities our audit procedures included, among other things, testing the input data used in the calculations, the evaluation of future cash flows related to groups of insurance contracts, evaluating risk adjustment and testing the recognition of contractual service margin. In addition, we also assessed the adequacy of disclosures related to IFRS 17 included in consolidated financial statements.

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

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

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement
We were first appointed as auditors by the Annual General Meeting in 2007, and our appointment represents a total period of uninterrupted engagement of 18 years. Taaleri Plc has been a Public Interest Entity since April 1st 2016.

Other information
The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

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

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

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

Opinions based on assignment of the Audit Committee
We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the distributable funds is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki 12.2.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Johanna Winqvist-Ilkka
Authorized Public Accountant

TAALERI

Annual Report

2024

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