

**TAALERI**

**TAALERI PLC**  
**HALF-YEAR FINANCIAL REPORT**

1 JANUARY-30 JUNE 2021



# TAALERI PLC'S HALF-YEAR FINANCIAL REPORT

## 1 JANUARY-30 JUNE 2021

### A strong growth of 27% in Taaleri's continuing earnings in the second quarter - a record result of EUR 114.1 million due to the divestment of the wealth management operations

On April 30, 2021, Taaleri completed the sale of its wealth management operations to Aktia and recognized a tax-free gain of EUR 111.1 million on the transaction. Taaleri applies the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in the classification, presentation, and recognition of sale of the wealth management operations. The development of the Group's continuing operations is mainly described according to segment reporting, where the costs related to the sale of wealth management operations have been allocated to discontinued operations. Taaleri's business consists of the Private Asset Management and Strategic Investments segments and the Other Group.

#### April-June 2021, segment reporting, continuing operations

- The income in accordance with segment reporting grew by 10.4% to EUR 14.3 (13.0) million.
- Continuing earnings grew by 27.2% to EUR 11.2 (8.8) million. The continuing earnings of the Private Asset Management segment grew by 37.1% to EUR 5.6 (4.1) million, and the continuing earnings of the Strategic Investments segment by 25.4% to EUR 4.6 (3.6) million.
- Performance fees were EUR 0.0 (0.0) million and investment operations generated EUR 3.2 (4.2) million.
- The operating profit in accordance with segment reporting was EUR 4.4 (5.9) million, corresponding to 30.9% (45.2) of income.
- The operating profit of discontinued operations for April was EUR -0.2 (1.7) million, including EUR 1.3 million in costs related to sales.
- The assets under management in the Private Asset Management segment grew by 27.5% to EUR 2.1 (1.7) billion.

#### January-June 2021, segment reporting, continuing operations

- The income in accordance with segment reporting more than doubled to EUR 28.0 (12.2) million mainly due to fair value changes in investment operations.
- Continuing earnings grew by 16.6% to EUR 20.1 (17.2) million. The continuing earnings of the Private Asset Management segment grew by 13.6% to EUR 9.9 (8.7) million, and the continuing earnings of the Strategic Investments segment by 17.8% to EUR 8.2 (6.9) million.
- Performance fees were EUR 0.8 (0.0) million and investment operations generated EUR 7.1 (-5.0) million.
- The operating profit in accordance with segment reporting was EUR 9.5 (-1.7) million, corresponding to 34.1% of income.
- The operating profit of discontinued operations for January-April was EUR 3.3 (January-June 2020 3.9) million, including EUR 1.6 million in costs related to sales.

There are differences in the figures in the Group's consolidated income statement and segment reporting due to the application of IFRS 5. In the consolidated income statement (p. 23), intra-group income and expenses between discontinued and continuing operations have been eliminated. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. The earnings figures in the explanatory section in this half-year financial report represents the Group's continuing operations according to segment reporting, unless otherwise stated. The chosen presentation will improve the comparability of segment reporting in the coming years.

This half-year financial report has been prepared in accordance with IAS 34. The information in the half-year financial report has not been audited. See page 19 for further information of the accounting policies of this half-year financial report.

#### April-June 2021, IFRS reporting, continuing operations

- Income from continuing operations in accordance with IFRS grew by 40.6% to EUR 17.0 (12.1) million, and operating profit was EUR 2.7 (5.7) million. A total of EUR 1.8 million in non-recurring expenses were attributed to the divestment of the wealth management operations.
- The operating profit of discontinued operations totalled EUR 112.1 (2.2) million, which consists of a profit of EUR 111.1 million from the sale of the wealth management operations and EUR 1.0 million of net operating profit from the wealth management operations in April.
- The result was EUR 114.1 (7.1) million due to the divestment of the wealth management operations.
- Earnings per share were EUR 0.08 (0.17) for continuing operations, EUR 3.95 (0.07) for discontinued operations and EUR 4.03 (0.25) for the result of the period.
- The Extraordinary General Meeting decided on 28 May 2021 to pay an additional distribution of assets of EUR 1.00 per share.

#### January-June 2021, IFRS reporting, continuing operations

- Income from continuing operations in accordance with IFRS amounted to EUR 29.2 (9.9) million and operating profit to EUR 7.5 (-2.4) million. A total of EUR 2.1 million in non-recurring expenses were attributed to the divestment of the wealth management operations.
- The operating profit of discontinued operations totalled EUR 116.1 (5.2) million, which consists of a profit of EUR 111.1 million from the sale of the wealth management operations and EUR 5.0 million of net operating profit from the wealth management operations in January-April.
- Earnings per share were EUR 0.21 (-0.12) for continuing operations, EUR 4.06 (0.17) for discontinued operations and EUR 4.27 (0.04) for the result of the period.

## Group key figures

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

	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
<b>Earnings key figures</b>							
Continuing earnings, MEUR	11.2	8.8	27.2%	20.1	17.2	16.6%	35.9
Income, MEUR	14.3	13.0	10.4%	28.0	12.2	129.9%	40.0
Operating profit, MEUR	4.4	5.9	-24.7%	9.5	-1.7	n/a	9.1
Operating profit, %	30.9%	45.2%		34.1%	neg		22.8%
Profit for the period in consolidated income statement, MEUR	114.1	7.1	>100%	120.9	1.4	>100%	13.1
Return on equity*, %	262.7%	24.3%		138.2%	2.4%		10.1%
<b>Balance sheet key figures</b>							
Equity ratio, %	72.3%	46.0%		72.3%	46.0%		49.7%
Group's capital adequacy ratio, %	349.6%	161.5%		349.6%	161.5%		181.5%
<b>Other key figures</b>							
Cost/income ratio excluding investment operations	83.7%	80.4%		85.6%	79.9%		83.6%
Cost/income ratio	65.2%	54.4%		63.8%	113.0%		77.0%
Number of full-time employees in continuing operations, average	108	88	23.7%	106	86	22.4%	92
Assets under management in Private Asset Management segment, BEUR	2.1	1.6		2.1	1.6		1.7
Guaranty insurance portfolio, MEUR	1,725	1,847		1,725	1,847		1,817

\*Annualised

## REVIEW BY CEO ROBIN LINDAHL

The most significant event of the second quarter of 2021 was, of course, the divestment of the wealth management operations, which was completed at the end of April for the sales price of EUR 124 million. We recorded a profit of EUR 111 million from the sale and returned a total of EUR 37 million to our shareholders during the review period.

We implemented our renewed strategy in the second quarter by investing in private equity funds focused on renewable energy and other alternative investments as planned. Through our operations, we towards economically profitable undertakings that have a lasting positive impact on the environment and society.

I am particularly pleased with the excellent 27% increase in second-quarter continuing earnings, which reflects the progress of our strategy. Continuing earnings grew in both Private Asset Management and Garantia Insurance Company Ltd. The income from continuing operations increased to EUR 14.3 million, and operating profit from continuing operations was EUR 4.4 million, representing 31% of income. The Group's profit for the second quarter totalled EUR 114.1 million, including capital gains from the divestment of the wealth management operations. Assets under our management grew to EUR 2.1 billion.

In the Private Asset Management segment, in line with our strategy, we are strongly focused on business growth and development, which is reflected in the segment's second quarter results. Operating profit decreased from the corresponding period, mainly due to investments in business growth. The ramp-up of the new and developing operations will affect the segment's result throughout the strategy period due to the nature of private asset management business.

The largest business of Private Asset Management, i.e. the renewable energy business, successfully completed the last closing of the SolarWind II fund in the second quarter. The fund reached total investment commitments of EUR 354 million, which exceeded the target size of EUR 300 million. In the second quarter, the fund invested in two large-scale domestic wind farms, which are expected to be in production by the end of next year. Projects under construction and development proceeded as planned, and project proposals for the future look promising.

Real estate business experienced major changes in the second quarter. The business expanded to external portfolio management mandates as Aktia outsourced its portfolio management and property management functions to Taaleri in connection with the wealth management operations transaction. At the same time, Aktia's real estate team was transferred to Taaleri. During the reporting period, the Taaleri real estate team conducted an extensive international tender for the sale of Taaleri Housing Fund VI, which was completed very successfully after the reporting period for the purchase price of approximately EUR 145 million. The real estate team is currently preparing the launch of a new housing fund during the third quarter.

The bioindustry business is preparing to launch its first private equity fund towards the end of the year. We are a pioneer in private asset management business in investments focused on bioindustry, and we believe that the fund will attract a lot of interest. During the review period, our bioindustry team, together with Taaleri Investments Ltd, developed a cooperation model in line with the Group's strategy. The first concrete result of this is Taaleri's investment in the Finnish company Tracegrow, which produces organic fertiliser from waste batteries. Thanks to the cooperation model, the first bioindustry private equity fund will be able to finance Tracegrow's future factory investments.

The infrastructure team transferred to Taaleri in connection with the Aktia transaction launched its first fund during the review period. Taaleri Infra I invests in local and regional infrastructure projects. Our goal is to grow the infrastructure business rapidly in the coming years.

In our Strategic Investments segment, Garantia continued its solid business operations in accordance with its own strategy. Net income from guaranty insurance operations grew 25.4% to EUR 4.5 million. Net income from investment operations was EUR 2.2 million. The combined ratio describing the profit development of insurance operations was impressive at 23.1%.

We will continue to implement our determined strategy during the rest of the year in both the private asset management business and Garantia Insurance Company Ltd. In the second quarter, we also launched the first fund products with Aktia, and we will continue to actively develop Taaleri's private equity funds and cooperation models during the current quarter. During the second quarter, we entered into financial, personnel and corporate arrangements, the results of which will begin to show in the third quarter.

I would like to thank our employees and partners for the tremendous work they have done, both in the divestment of the wealth management operations and in the launch of the new Taaleri. We also have an excellent starting point for continuing the fruitful work in the second half of the year.



## OUTLOOK AND FINANCIAL TARGETS

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

Taaleri's long-term targets include:

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

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

## OPERATING ENVIRONMENT AND MARKET PROSPECTS

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

The operating environment of the renewable energy business remained good during the review period. The global transition to renewable energy supports the operating environment, and we expect the solar and wind power market in particular to continue to grow well.

The operating environment of the real estate business has returned close to the state prior to the COVID-19 pandemic. Real estate investments attract capital, thanks to low interest rates, and the availability of real estate financing has also been facilitated compared to the situation a year ago. Housing real estate continues to be in a strong position, while office and business premises are subject to more uncertainties and risks.

In bioindustry, the business environment still offers many opportunities, and both investors and the media are very interested in solutions that offer sustainable development. The Fit for 55 climate package presented by the European Commission in July may have an impact on the bioindustry target market through changes in emissions trading, land use, carbon sinks and energy solutions.

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

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

## THE SALE OF WEALTH MANAGEMENT OPERATIONS

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

On 30 April 2021 Taaleri Plc completed the sale of its wealth management operations to Aktia. The divested business was sold at its enterprise value (excluding liabilities and cash) of EUR 120 million. Aktia paid EUR 10 million of the purchase price by directing 974,563 new Aktia shares to Taaleri, changes in fair value of which are reported in segment reporting under Strategic Investments segment. In addition, Taaleri received the net cash of the divested operations, EUR 3.7 million, and dividends paid by Taaleri Wealth Management Ltd to Taaleri Plc during the beginning of the year, totaling EUR 7.2 million. Taaleri recognized a gain of EUR 111.1 million on the sale in the second quarter of 2021. The transaction involved in January-June non-recurring

expenses of EUR 2.1 million, presented in accordance with IFRS as part of continuing operations in consolidated income statement. Liabilities related to the transaction are described in more detail in the note 1 Discontinued operations and the sale of the subsidiary.

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

## FINANCIAL RESULT

### Continuing earnings, income and operating profit

<b>Group's continuing operations in segment reporting, EUR million</b>	<b>4-6/2021</b>	<b>4-6/2020</b>	<b>Change, %</b>	<b>1-6/2021</b>	<b>1-6/2020</b>	<b>Change, %</b>	<b>2020</b>
<b>Continuing earnings</b>	<b>11.2</b>	<b>8.8</b>	<b>27.2%</b>	<b>20.1</b>	<b>17.2</b>	<b>16.6%</b>	<b>35.9</b>
Private Asset Management	5.6	4.1	37.1%	9.9	8.7	13.6%	18.5
Strategic Investments	4.6	3.6	25.4%	8.2	6.9	17.8%	14.6
Other	1.0	1.0	-6.0%	2.0	1.6	28.0%	2.7
<b>Income</b>	<b>14.3</b>	<b>13.0</b>	<b>10.4%</b>	<b>28.0</b>	<b>12.2</b>	<b>129.9%</b>	<b>40.0</b>
Private Asset Management	5.3	4.1	28.8%	10.5	9.6	9.6%	21.9
Strategic Investments	7.3	7.7	-5.5%	14.3	3.6	301.6%	17.2
Other	1.7	1.2	50.2%	3.2	-1.0	n/a	0.9
<b>Operating profit</b>	<b>4.4</b>	<b>5.9</b>	<b>-24.7%</b>	<b>9.5</b>	<b>-1.7</b>	<b>n/a</b>	<b>9.1</b>
Private Asset Management	-0.7	-0.2	-333.2%	-0.7	1.2	n/a	3.7
Strategic Investments	5.8	6.5	-11.0%	11.2	0.8	1,261.1%	10.2
Other	-0.7	-0.5	-43.8%	-1.0	-3.7	74.4%	-4.8

The Group's share of the result of associated companies is taken into account in the segment income. Segment information is presented on pages 28-30.

#### April-June 2021

The Group's income from continuing operations grew by 10.4% to EUR 14.3 (13.0) million during the review period. Continuing earnings grew by 27.2% to EUR 11.2 (8.8) million, which is above the Group's long-term target of 15%. Continuing earnings grew by 37.1% in the Private Asset Management segment and by 25.4% in the Strategic Investments segment. Performance fees of continuing operations were EUR 0.0 (0.0) million and earnings from investment operations were EUR 3.2 (4.2) million.

The Group's operating profit from continuing operations was EUR 4.4 (5.9) million, corresponding to 30.9% (45.2) of the income from continuing operations, which is in line with the Group's long-term operating profit target. The Group's long-term objective is a profit of over 25%. The Group's operating expenses of continuing operations were EUR 8.9 (6.2) million, of which personnel costs amounted to EUR 4.2 (2.4) million. The increase in personnel costs was mainly due to investments in the private asset management business, and thus to the increase in fixed personnel costs and the bonus provisions made. During the corresponding period, no bonus provisions were made due to the COVID-19 pandemic, and previously made bonus provisions were derecognized instead.

In the consolidated income statement, which applies the IFRS 5 standard, the income from continuing operations totalled EUR 17.0 (12.1) million. The net income from insurance operations totalled EUR 6.7 (7.7) million, consisting of net income from guaranty insurance operations of EUR 4.5 (3.6) million and net income from investment operations of EUR 2.2 (4.1) million. The return on investment of insurance operations at fair value was 2.0% (4.8). In the consolidated income statement, the income of continuing operations was EUR 2.3 (5.1) million, the income of discontinued operations was EUR 111.7 (2.0) million, the result of the period was EUR 114.1 (7.1) million and the Group's comprehensive income was EUR 115.1 (8.3) million.

#### January-June 2021

The Group's income from continuing operations more than doubled to EUR 28.0 (12.2) million during the review period. Continuing earnings grew by 16.6% to EUR 20.1 (17.2) million. Performance fees of continuing operations were EUR 0.8 (0.0) million and earnings from investment operations were EUR 7.1 (-5.0) million.

The Group's operating profit from continuing operations was EUR 9.5 (-1.7) million, corresponding to 34.1% of the income from continuing operations. The Group's operating expenses of continuing operations were EUR 16.7 (12.2) million, of which personnel costs amounted to EUR 8.4 (4.9) million.



In the consolidated income statement, which applies the IFRS 5 standard, the income from continuing operations totalled EUR 29.2 (9.9) million. The net income from insurance operations totalled EUR 13.8 (3.5) million, consisting of net income from guaranty insurance operations of EUR 8.1 (6.9) million and net income from investment operations of EUR 5.6 (-3.4) million. The return on investment of insurance operations at fair value was 4.1% (-4.5). In the consolidated income statement, the income from continuing operations was EUR 6.0 (-3.3) million, the income from discontinued operations was EUR 114.9 (4.7) million, the profit for the review period was EUR 120.9 (1.4) million and the Group's comprehensive income was EUR 121.7 (-1.4) million.

## Balance sheet, investments, and financing

The balance sheet structure of Taaleri Group changed significantly as a result of the divestment of the wealth management operations. Taaleri's equity strengthened to EUR 216.7 million. Taaleri distributed a total of EUR 37.4 million to shareholders during the period and reorganised its financing in May.

The Group's cash and cash equivalents totalled EUR 57.3 (25.8) million, and Taaleri Group's balance sheet total at the end of June was EUR 299.5 (268.0) million. Investments were EUR 208.4 (194.8) million, corresponding to 69.6% (72.7) of the Group's balance sheet total.

Group liabilities totalled EUR 82.7 (134.8) million. Interest-bearing liabilities amounted to EUR 14.8 (64.7) million, which consisted of EUR 14.8 (14.8) million of Taaleri Plc's Tier 2 bond. The bond of EUR 35.0 million due in December was redeemed on 28 May 2021, and debts to credit institutions of EUR 12.4 million were repaid in May.

Profit attributable to parent company shareholders totalled EUR 120.9 million, and assets returned to the shareholders of the parent company totalled EUR 37.4 million during the period. Equity at the end of June was EUR 216.7 (133.2) million, with an equity ratio of 72.3% (49.7). The return on equity for the Group was 138.2% in the first half of the year as a result of the divestment of wealth management operations.

## BUSINESS SEGMENTS, CONTINUING OPERATIONS

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

### Private Asset Management

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

Private Asset Management, EUR million	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
Continuing earnings	5.6	4.1	37.1%	9.9	8.7	13.6%	18.5
Performance fees	0.0	0.0	-28.0%	0.8	0.0	>100%	1.0
Investment operations	-0.3	0.0	n/a	-0.2	0.9	n/a	2.4
<b>Income</b>	<b>5.3</b>	<b>4.1</b>	<b>28.8%</b>	<b>10.5</b>	<b>9.6</b>	<b>9.6%</b>	<b>21.9</b>
<b>Operating profit before the financing expenses</b>	<b>-0.1</b>	<b>0.5</b>	<b>n/a</b>	<b>0.3</b>	<b>2.4</b>	<b>-87.7%</b>	<b>6.2</b>
Allocation of financing expenses	-0.5	-0.6	-15.8%	-1.0	-1.2	-14.1%	-2.5
<b>Operating profit</b>	<b>-0.7</b>	<b>-0.2</b>	<b>-333.2%</b>	<b>-0.7</b>	<b>1.2</b>	<b>n/a</b>	<b>3.7</b>
Full-time personnel, average	65	39	67.7%	61	39	57.5%	47

Private Asset Management segment's investments, EUR million	30.6.2021	31.12.2020	Change, %
<b>Investments and receivables, fair value</b>	<b>25.9</b>	<b>23.6</b>	<b>9.7%</b>
Real estate	7.4	9.0	-17.4%
Bioindustry	5.7	4.0	40.8%
Infrastructure	2.0	0.0	100.0%
Renewable energy	10.2	10.1	1.0%
Other investments	0.6	0.5	30.1%

Group investments supporting the core business and the development of the businesses reported under Private Asset Management segment are reported under the segment. Such investments include, for example, seed investments in new funds. Group investments are presented in further detail under segment information on page 30.

## RENEWABLE ENERGY

Renewable energy, EUR million	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
Continuing earnings	4.3	3.2	36.0%	7.5	6.7	12.7%	14.3
Performance fees	0.0	0.0	0.0%	0.8	0.0	100.0%	1.0
Investment operations	0.0	0.0	n/a	0.0	0.9	-100.6%	2.1
<b>Income</b>	<b>4.3</b>	<b>3.2</b>	<b>35.8%</b>	<b>8.3</b>	<b>7.6</b>	<b>9.9%</b>	<b>17.4</b>
<b>Operating profit before the financing expenses</b>	<b>0.8</b>	<b>0.6</b>	<b>42.8%</b>	<b>1.5</b>	<b>2.6</b>	<b>-43.5%</b>	<b>6.6</b>
Allocation of financing expenses	-0.4	-0.4	-11.2%	-0.7	-0.8	-10.7%	-1.7
<b>Operating profit</b>	<b>0.4</b>	<b>0.2</b>	<b>188.8%</b>	<b>0.7</b>	<b>1.8</b>	<b>-58.6%</b>	<b>4.9</b>
Full-time personnel, average	37	27	39.3%	36	27	36.2%	30
Assets under management, EUR billion	1.2	1.0		1.2	1.0		1.1

### April-June 2021

The continuing earnings of the renewable energy business grew by 36.0% to EUR 4.3 (3.2) million and income to EUR 4.3 million during the review period. Operating expenses totalled EUR 3.5 (2.6) million, of which fee and commission expenses were EUR 1.1 (1.0) million and personnel costs EUR 1.4 (0.9) million. The operating expenses for the second quarter include a write-down of the advance payment of EUR 0.5 million. The increase in personnel costs is due to both the increase in the number of employees and variable remunerations. Operating profit of the renewable energy business before allocation of financing expenses was EUR 0.8 (0.6) million and operating profit EUR 0.4 (0.2) million.

The SolarWind II fund reached total investment commitments of EUR 354 million in the last fundraising round that ended in June, which exceeded the target size of EUR 300 million. In the period under review, the fund invested in two domestic wind farms with a total capacity of 252 MW. The Isoneva wind farm is located in the municipality of Siikajoki and the Murtotuuli wind farm is located in the municipality of Posio. Both wind farms are in the construction phase and are estimated to be in production by the end of 2022. A 15-year power sales agreement has been signed for both wind farms. Projects in the construction phase of the SolarWind II fund in Finland, Norway and the United States proceeded as planned during the review period. In addition, Taaleri Energia's own development projects proceeded as planned during the review period.

### January-June 2021

The continuing earnings of the renewable energy business grew in January-June by 12.7% to EUR 7.5 (6.7) million, and the income grew by 9.9% to EUR 8.3 (7.6) million. Operating expenses totalled EUR 6.8 (5.0) million, of which fee and commission expenses were EUR 2.1 (2.0) million and personnel costs EUR 3.1 (1.6) million. The increase in personnel costs is due to both the increase in the number of employees and variable remunerations, of which EUR 0.4 million is allocated to the previous financial period. Operating profit of the renewable energy business before allocation of financing expenses was EUR 1.5 (2.6) million and operating profit EUR 0.7 (1.8) million.

The SolarWind II fund reached total investment commitments of EUR 354 million in the last fundraising round that ended in June. In January-June, the fund invested with Masdar in two wind farms in Poland and independently in two wind farms in Finland. Projects of the SolarWind II fund in the construction phase proceeded as planned during the review period.

## OTHER PRIVATE ASSET MANAGEMENT

Other private asset management, EUR million	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
Continuing earnings	1.3	1.0	40.6%	2.4	2.0	16.5%	4.2
Performance fees	0.0	0.0	-28.0%	0.0	0.0	-30.3%	0.0
Investment operations	-0.3	0.0	n/a	-0.2	0.0	n/a	0.3
<b>Income</b>	<b>1.0</b>	<b>1.0</b>	<b>6.0%</b>	<b>2.2</b>	<b>2.0</b>	<b>8.4%</b>	<b>4.5</b>
<b>Operating profit before the financing expenses</b>	<b>-0.9</b>	<b>-0.1</b>	<b>-770.0%</b>	<b>-1.2</b>	<b>-0.1</b>	<b>-704.3%</b>	<b>-0.4</b>
Allocation of financing expenses	-0.1	-0.2	-25.7%	-0.3	-0.4	-21.2%	-0.8
<b>Operating profit</b>	<b>-1.1</b>	<b>-0.3</b>	<b>-260.6%</b>	<b>-1.5</b>	<b>-0.5</b>	<b>-175.4%</b>	<b>-1.2</b>
Full-time personnel, average	28	12	130.1%	25	12	104.7%	17
Assets under management, EUR billion	0.9	0.6		0.9	0.6		0.6

### April-June 2021

The continuing earnings from the real estate, bioindustry and infrastructure businesses grew in April-June by 40.6% to EUR 1.3 (1.0) million, and the income remained unchanged at EUR 1.0 (1.0) million. Taaleri is investing in the growth of the private asset management business in accordance with its strategy, and this is reflected in the increase in the number of employees and personnel costs. The operating expenses of Other Private Asset Management totalled EUR 2.0 (1.1) million, of which personnel



costs amounted to EUR 0.9 (0.2) million and fee and commission expenses to EUR 0.7 (0.7) million. Operating profit before allocation of financing expenses was EUR -0.9 (-0.1) million and operating profit -1.1 (-0.3) million.

The real estate business expanded to external portfolio management mandates during the review period in connection with the wealth management operations transaction with Aktia. Aktia Fund Management Company Ltd outsourced the portfolio management of the Non-UCITS Fund Aktia Commercial Properties (AIF), and Aktia Life Insurance Ltd the real estate asset management of its real estate portfolio, to Taaleri. At the same time, it was agreed that Taaleri will continue to act as the external portfolio manager of Taaleri Real Estate special investment fund (now Aktia Residential Fund+ (non-UCITS)), which was transferred to Aktia. The gross assets under management of the portfolio management mandates and the market value of the real estate portfolios managed by other real estate management mandates are included in the assets under management of the business. The real estate business continued to grow funds in the investment phase during the review period. During the review period, closed private equity funds in the exit phase sold their real estate holdings.

During the review period, the bioindustry business continued to identify investments for its first fund. In June, Taaleri decided to invest in Tracegrow Ltd, which produces organic certified fertiliser from used batteries. Through the investment of EUR 1.5 million, the first bioindustry business private equity fund will be able to participate in the financing of Tracegrow's future factory investments. In addition, Taaleri's Biorefinery co-investment's investment and Taaleri's associated company Fintoil secured EUR 80 million in debt financing in June. The biorefinery project has now been fully financed.

Taaleri's infrastructure business was launched in May 2021 after the implementation of Taaleri's wealth management operations transaction, when Aktia's infrastructure business team was transferred to Taaleri. Taaleri Infra I, the first fund of the infrastructure business, started its investment activity and made its first investment in a local energy company.

### January-June 2021

The continuing earnings from the real estate, bioindustry and infrastructure businesses grew in January-June by 16.5% to EUR 2.4 (2.0) million, and the income by 8.4% to EUR 2.2 (2.0) million. Operating expenses totalled EUR 3.4 (2.2) million, of which fee and commission expenses were EUR 1.4 (1.3) million and personnel costs EUR 1.4 (0.5) million. Operating profit before allocation of financing expenses was EUR -1.2 (-0.1) million and operating profit -1.5 (-0.5) million.

The real estate business continued to grow funds in the investment phase, prepared for the divestment of funds in the exit phase and expanded to external portfolio management mandates during the review period. During January-June, a total of ten new properties were acquired for three closed private equity funds and Aktia Residential Fund+ (non-UCITS). Furthermore, in the period under review, closed private equity funds in the exit phase sold their real estate holdings.

During the review period, the bioindustry business focused on launching its operations, identifying investments for its first fund and marketing the first fund to be launched. The core team of the bioindustry business was recruited during January-June. Taaleri's investment in Tracegrow Ltd will accelerate the launch of the bioindustry business by offering a potential investment target for the first bioindustry fund. In addition, Taaleri's Biorefinery co-investment's investment and Taaleri's associated company Fintoil secured EUR 80 million in debt financing in June.

Taaleri's infrastructure business was launched in May 2021 after the implementation of Taaleri's wealth management operations transaction, when Aktia's infrastructure business team was transferred to Taaleri. Taaleri Infra I, the first fund of the infrastructure business, started its investment activity and made its first investment in a local energy company.

## Strategic Investments

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

<b>Strategic Investments, EUR million</b>	<b>4-6/2021</b>	<b>4-6/2020</b>	<b>Change, %</b>	<b>1-6/2021</b>	<b>1-6/2020</b>	<b>Change, %</b>	<b>2020</b>
Continuing earnings	4.6	3.6	25.4%	8.2	6.9	17.8%	14.6
Performance fees	-	-	-	-	-	-	-
Investment operations	2.7	4.1	-33.2%	6.1	-3.4	n/a	2.5
<b>Income</b>	<b>7.3</b>	<b>7.7</b>	<b>-5.5%</b>	<b>14.3</b>	<b>3.6</b>	<b>301.6%</b>	<b>17.2</b>
<b>Operating profit before the financing expenses</b>	<b>6.1</b>	<b>6.9</b>	<b>-11.7%</b>	<b>11.9</b>	<b>1.7</b>	<b>590.2%</b>	<b>11.9</b>
Allocation of financing expenses	-0.3	-0.4	-25.5%	-0.7	-0.9	-25.8%	-1.7
<b>Operating profit</b>	<b>5.8</b>	<b>6.5</b>	<b>-11.0%</b>	<b>11.2</b>	<b>0.8</b>	<b>&gt;100%</b>	<b>10.2</b>
Full-time personnel, average	21	22	11.5%	21	22	6.4%	21

## GARANTIA

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

Garantia, EUR million	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
Net income from guaranty insurance operations	4.5	3.6	25.4%	8.1	6.9	17.8%	14.6
- of which Earned premiums, net	4.4	3.7	17.7%	8.2	7.1	15.8%	14.9
- of which Claims incurred, net	0.2	-0.1	n/a	-0.1	-0.2	-59.8%	-0.3
Net income from investment operations	2.2	4.1	-45.6%	5.6	-3.4	n/a	2.5
Other income	0.0	0.0	27.1%	0.0	0.0	10.8%	0.0
Revenue	<b>6.8</b>	<b>7.7</b>	<b>-12.1%</b>	<b>13.8</b>	<b>3.6</b>	<b>287.4%</b>	<b>17.2</b>
Operating expenses	-1.2	-0.8	48.3%	-2.4	-1.8	31.0%	-5.3
<b>Operating profit before the financing expenses</b>	<b>5.6</b>	<b>6.9</b>	<b>-19.1%</b>	<b>11.4</b>	<b>1.7</b>	<b>560.9%</b>	<b>11.9</b>
Allocation of financing expenses	-0.3	-0.4	-25.5%	-0.7	-0.9	-25.8%	-1.7
Operating profit before valuations	<b>5.3</b>	<b>6.5</b>	<b>-18.7%</b>	<b>10.7</b>	<b>0.8</b>	<b>&gt;100%</b>	<b>10.2</b>
Change in fair value of investments	0.8	2.3	-65.5%	0.5	-3.1	n/a	0.2
Result at fair value before tax	6.1	8.8	-30.9%	11.3	-2.3	n/a	10.4

Garantia, EUR million <sup>1</sup>	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
Claims ratio, %	-4.1%	2.3%	-6.4%-p.	0.9%	2.6%	-1.7%-p.	1.8%
Expense ratio, %	27.2%	21.6%	5.6%-p.	29.3%	25.9%	3.4%-p.	35.5%
Combined ratio, %	23.1%	23.9%	-0.8%-p.	30.2%	28.5%	1.7%-p.	37.3%
Return on investments at fair value, %	2.0%	4.8%	-2.8%-p.	4.1%	-4.5%	8.6%-p.	1.8%
Number of full-time personnel, average	21	22	-4.7%	21	22	-4.2%	21

Garantia, EUR million	30.6.2021	31.12.2020	Change, %
Investment portfolio, fair value, MEUR	159	159	-0.3%
Guaranty insurance portfolio, MEUR	1,725	1,817	-5.0%
Solvency ratio, %	241.6%	229.4%	12.2%-p.
Credit rating (S&P)	A-	A-	-

### April-June 2021

Garantia's revenue in April-June 2021 reached EUR 6.8 (7.7) million. The net income from insurance operations grew by 25.4 per cent to EUR 4.5 (3.6) million. Net income from investment operations decreased to EUR 2.2 (4.1) million. The growth in net income from insurance operations was mainly attributable to continued growth in earned premiums, combined with a low level of claims. The net income from investment operations was significantly higher in the period of comparison as the market recovered from the fall caused by the COVID-19 pandemic.

Operating expenses were EUR 1.2 (0.8) million, of which personnel expenses were EUR 0.8 (0.5) million. The operating profit before valuations was EUR 5.3 (6.5) million. The result at fair value before tax was EUR 6.1 (8.8) million. The combined ratio was 23.1% (23.9%).

### January-June 2021

Garantia's revenue in January-June 2021 reached EUR 13.8 (3.6) million. The net income from insurance operations grew by 17.8 per cent to EUR 8.1 (6.9) million. Net income from investment operations grew to EUR 5.6 (-3.4) million. The growth in net income from insurance operations was especially attributable to continued growth in earned premiums combined with a low level of claims expense. The net income from investment operations grew significantly, as in the period of comparison net income from investment was heavily affected by the market reactions caused by the COVID-19 pandemic.

Operating expenses were EUR 2.4 (1.8) million, of which personnel expenses were EUR 1.6 (1.1) million. The operating profit before valuations was EUR 10.7 (0.8) million. The result at fair value before tax was EUR 11.3 (-2.3) million. The combined ratio was 30.2% (28.5%).

### Insurance operations

Garantia's earned premiums grew 15.8 per cent in January-June 2021 compared to the corresponding period last year and amounted to EUR 8.2 (7.1) million. The increase in earned premiums has mainly been attributable to the growth in residential mortgage guaranty operations. The growth in residential mortgage guaranty volume has been significantly affected by the sales

<sup>1</sup> The accounting principles for the claims ratio and the expense ratio have been amended, and the figures for the periods of comparison have been restated accordingly. The accounting principles for the key figures are presented on page 22.

volume brought in by the new distribution channel that opened in October 2020. In addition, growth in the residential mortgage guaranties has been supported by the positive development of the housing market. Earned premiums from corporate exposure decreased from the corresponding period last year, as the demand for corporate financing was particularly strong in the period of comparison due to the uncertainty brought in by the COVID-19 pandemic.

Gross guaranty insurance exposure contracted 5.0 per cent in the first half of the year and amounted to EUR 1,725 (1,817) million at the end of June 2021. The contraction in gross exposure has mainly been the result of the company's strategic decision to cease underwriting new construction sector related commercial bonds as of 1 January 2020. The commercial bond exposure forms a part of the corporate exposure. The development of consumer exposures was favorable in the reporting period, and the volume of these exposures grew.

Claims incurred in January-June amounted to EUR 0.1 (0.2) million. Claims ratio was 0.9 (2.6) per cent, and the ratio of claims incurred in the first half of the year, as a percentage of the guaranty insurance exposure<sup>2</sup>, was 0.00 (0.01) per cent. The level of claims incurred in the review period remained low.

The expense ratio increased in January-June to 29.3 (25.9) per cent and the combined ratio stood at 30.2 (28.5) per cent.

### **Investment operations**

Net income from investment operations in January-June was EUR 5.6 (-3.4) million and it mainly consisted of interest income and fair value changes. In addition, the change in the fair value of investment assets recognized in comprehensive income before taxes was EUR 0.5 (-3.1) million. Hence, investment income at fair value totaled EUR 6.2 (-6,1) million, resulting in a return of 4.1 (-4.5) per cent. During the period of comparison, investment return was significantly affected by the market reactions caused by the spreading of the COVID-19 pandemic. The investment portfolio was valued at EUR 159 (159) million at the end of June.

### **Risk position**

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

The risk position of Garantia's insurance operations has remained stable. Of the company's gross guaranty insurance exposure of EUR 1,725 (1,817) million in the end of June, 59 (54) percent or EUR 1,019 (972) million was made up of consumer exposures, and 41 (46) percent or EUR 705 (844) of corporate exposures. The consumer exposures include residential mortgage guaranties and rent guaranties, where underwriting risk relates to the credit risk of households. The corporate exposure is made up of corporate loan guaranties, commercial bonds, and other business-related guaranties, where underwriting risk relates to the credit risk of companies and other organizations.

Regarding the risk position of the consumer exposures, the company's residential mortgage guaranty portfolio plays a central part. No significant changes concerning the risk position of the residential mortgage guaranty portfolio took place during the first half of the year. The portfolio is well diversified by counterparty, geographical location of collateral property and underwriting year. The counterparties in the residential mortgage guaranty portfolio have on average very good creditworthiness. In addition, the credit risks of the portfolio are managed through an excess of loss portfolio reinsurance arrangement, that came in to force on 1 January 2021.

At the end of June, the share of corporate exposures with investment grade ratings of AAA...BBB- was 18.7 per cent (15.6). Exposures rated BB- or better made up 74.5 per cent (73.2) of corporate exposures. The share of exposures with weak ratings of C+ or lower increased somewhat and stood at 4.4 per cent (3.7). The principal industry sectors in the corporate portfolio were construction at 30.1 per cent (35.4), and manufacturing at 25.0 per cent (24.7). Moreover, 46.8 per cent (48.8) of the construction sector exposure is reinsured. The economic recession related to the COVID-19 pandemic, that emerged in 2020, has had limited effect on the creditworthiness of the counterparties of the corporate portfolio. This is mainly since the proportion of service sector exposures, the sector that has particularly suffered from the crisis, is small.

Garantia has in 2017 received information that a matter concerning a potential insurance event and a related claim has become pending in the Helsinki District Court. The process has continued in 2021 and the court proceedings are currently ongoing in the district court. The amount of the claim is EUR 5 million, with added penalty interest and legal expenses. The claim concerns a pension fund, a guaranty insurance customer of Garantia, that was placed in liquidation in 2011, and subsequently declared bankrupt in 2018. Garantia considers the claim unfounded, and hence no provision for an outstanding claim has been booked.

As a part of Taaleri Group, Garantia falls within the sphere of regulation of large customer exposures determined in the EU Capital Requirements Regulation. At the end of June 2021 Garantia's largest single customer exposure amounted to 12.6 (31 Dec. 2020: 21.5) per cent of Taaleri Group's own funds.

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

The risk level of investment operations was kept low, as in previous years. At the end of June, fixed income investments made up 84.6 per cent (86.4), equity & private equity investments 14.4 per cent (12.5) and real estate investments 1.0 per cent (1.1) of the investment portfolio (incl. cash and bank balances). Fixed income investments mainly consist of investments in bonds of Finnish and Nordic companies and credit institutions with strong creditworthiness. The proportion of investment grade rated fixed income investments was 66.8 per cent (61.4). The modified duration of bond investments was 3.7 (3.5).

### Credit rating

No changes took place in Garantia's credit rating or its outlook during January-June.

On 14 October 2020, Standard & Poor's Global Ratings (S&P) confirmed Garantia Insurance Company Ltd.'s Issuer Credit Rating (ICR), Financial Strength Rating (FSR) and the Financial Enhancement Rating (FER) reflecting the company's solvency and willingness to meet its financial commitments at A- with stable outlook.

### SHAREHOLDING IN AKTIA BANK PLC

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

#### Shareholding in Aktia Bank Plc, EUR million

	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
Continuing earnings	-	-	-	-	-	-	-
Performance fees	-	-	-	-	-	-	-
Investment operations	0.5	-	n/a	0.5	-	n/a	-
<b>Income</b>	<b>0.5</b>	<b>-</b>	<b>n/a</b>	<b>0.5</b>	<b>-</b>	<b>n/a</b>	<b>-</b>
<b>Operating profit before the financing expenses</b>	<b>0.5</b>	<b>-</b>	<b>n/a</b>	<b>0.5</b>	<b>-</b>	<b>n/a</b>	<b>-</b>
<b>Allocation of financing expenses</b>	<b>0.5</b>	<b>-</b>	<b>n/a</b>	<b>0.5</b>	<b>-</b>	<b>n/a</b>	<b>-</b>
Operating profit	-	-	-	-	-	-	-

### April-June 2021

Taaleri's shareholding in Aktia Bank Plc was received on 30 April 2021 as part of the transaction amount as a result of the sale of the wealth management operations. The shareholding has produced EUR 0.5 (0.0) million of change in fair value investments during the review period.

### Other

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. On 30 June 2021, Taaleri's non-strategic investments totalled EUR 29.1 (30.5) million. The Group investments are presented in further detail under segment information on page 30.

Other, EUR million	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
Continuing earnings	1.0	1.0	-6.0%	2.0	1.6	28.0%	2.7
Performance fees	-	-	-	-	-	-	-
Investment operations	0.8	0.1	479.9%	1.2	-2.6	n/a	-1.8
<b>Income</b>	<b>1.7</b>	<b>1.2</b>	<b>50.2%</b>	<b>3.2</b>	<b>-1.0</b>	<b>n/a</b>	<b>0.9</b>
<b>Operating profit before the financing expenses</b>	<b>-0.5</b>	<b>-0.6</b>	<b>18.8%</b>	<b>-0.9</b>	<b>-4.2</b>	<b>78.4%</b>	<b>-5.8</b>
<b>Operating profit</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-43.8%</b>	<b>-1.0</b>	<b>-3.7</b>	<b>74.4%</b>	<b>-4.8</b>
Full-time personnel, average	22	27	-16,6 %	24	26	-8,0 %	24

#### Non-strategic investments, EUR million

	30.6.2021	31.12.2020	Change, %
<b>Investments and receivables, fair value</b>	<b>29.1</b>	<b>30.5</b>	<b>-4.4%</b>
Real estate	12.2	11.3	8.0%
Other investments	16.9	19.1	-11.8%

### April-June 2021

In April-June 2021, the income of the Other group totalled EUR 1.7 (1.2) million, consisting of continuing earnings of EUR 1.0 (1.0) million and earnings from investment operations of EUR 0.8 (0.1) million. During the review period, Mobify Invoices Oy, a subsidiary of Taaleri, was completely divested, which reduced the number of employees in the Group by 6 persons from the beginning of June. The personnel changes in the Group operations are visible from the third quarter onwards. The Group recorded a total loss of EUR 0.6 million from the divestment.

The Other group's operating expenses were EUR 2.2 (1.7) million, of which personnel costs amounted to EUR 1.1 (0.8) million. External interest and finance costs were EUR 1.0 million (0.9). In May, Taaleri prematurely redeemed its bond maturing in December and repaid its bank loan, and in June, Taaleri announced the new share incentive scheme to the Group's key personnel. The Other group's operating profit in the review period was EUR -0.7 (-0.5) million.

#### January-June 2021

In April-June 2021, the income of the Other group totalled EUR 3.2 (-1.0) million, consisting of continuing earnings of EUR 2.0 (1.6) million and earnings from investment operations of EUR 1.2 (-2.6) million. The Group's operating expenses were EUR 4.1 (3.2) million, of which personnel costs amounted to EUR 2.3 (1.7) million. External interest and finance costs were EUR 1.8 million (1.6). The operating result of the Other group in January-June was EUR -1.0 (-3.7) million.

During the review period, Taaleri completely divested Mobify Invoices Oy, a subsidiary, and reorganised its financing.

## DISCONTINUED OPERATIONS

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

Discontinued operations, EUR million	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	2020
Wealth management fees	2.7	7.2	-63.1%	10.7	14.7	-27.5%	29.3
Performance fees	1.2	1.1	13.9%	4.5	2.2	104.0%	6.1
Investment operations	0.4	0.0	100.0%	0.4	0.0	100.0%	0.0
<b>Income</b>	<b>4.3</b>	<b>8.2</b>	<b>-47.8%</b>	<b>15.6</b>	<b>16.9</b>	<b>-7.9%</b>	<b>35.5</b>
<b>Operating profit of the business</b>	<b>-0.2</b>	<b>1.7</b>	<b>n/a</b>	<b>3.3</b>	<b>3.9</b>	<b>-17.0%</b>	<b>8.5</b>
Group's gain on the sale	111.1	0.0	100.0%	111.1	0.0	100.0%	0.0
<b>Operating profit the discontinued operations</b>	<b>110.9</b>	<b>1.7</b>	<b>&gt;100%</b>	<b>114.4</b>	<b>3.9</b>	<b>&gt;100%</b>	<b>8.5</b>
Full-time personnel, average	33	101	-67.6%	66	101	-34.7%	106

The periods presented in the table are not fully comparable with each other because the wealth management operations were consolidated in the Taaleri Group until 30 April 2021. In the table, the April-June 2021 period includes only one month (corresponding period three months) and the January-June 2021 period includes four months (corresponding period six months).

#### January-April 2021

The income of wealth management operations classified as discontinued operations in January-April 2021 was EUR 15.6 (January-June 2020 16.9) million. The continuing earnings of wealth management were EUR 10.7 (January-June 2020 14.7) million. The performance of Taaleri's investment funds was excellent, and performance fees accrued from several funds in January-April totalled EUR 4.5 (January-June 2020 2.2) million. Operating expenses of discontinued operations in January-April totalled EUR 12.3 (January-June 2020 13.0) million, of which fee and commission expenses amounted to EUR 1.9 (January-June 2020 1.7) million and personnel costs to EUR 7.1 (January-June 2020 5.6) million. The operating expenses of discontinued operations include direct costs related to the divestment of wealth management operations in the January-April period amounting to EUR 1.6 (January-June 2020 0.8) million. The operating profit for January-April was EUR 3.3 (January-June 2020 3.9) million.

## ANNUAL GENERAL MEETINGS 2021

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

### Decisions of Taaleri Plc's Annual General Meeting

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

#### Deciding on dividend distribution

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## TAALERI'S PERSONNEL

The continuing operations of the Group employed an average of 106 (86) full-time people during the review period. There were 61 (39) full-time employees in the Private Asset Management segment and 21 (22) in Strategic Investments segment. The full-time personnel in the Other group averaged 24 (26), including 6 employees in Mobify Invoices Oy until May 2021. Of the personnel, 96 (97) per cent were employed in Finland.

Personnel costs for Taaleri Group's continuing operations in April-June were EUR 4.2 (2.4) million, of which fixed personnel expenses were EUR 3.5 (2.5) million. During January-June, personnel costs for continuing operations were EUR 8.4 (4.9) million, of which fixed personnel expenses were EUR 6.3 (4.9) million.

During the review period, Taaleri supplemented its Executive Management Team to strengthen the implementation of the company's renewed strategy. As of June 17, 2021, Tero Saarno, Director of Taaleri's Bioindustry business, and Siri Markula, who is responsible for Communications, Investor Relations, Sustainability and Marketing, were appointed to the Group's Executive Management Team.

In addition, Taaleri announced a new share incentive plan to the Group's key personnel in June. The gross rewards to be paid for the earning period 2021-2023 correspond to a maximum total value of 185,000 Taaleri Plc's shares, including the part to be paid in cash, and the plan includes approximately 10 key personnel, including members of the Executive Management Team.

## SHARES AND SHARE CAPITAL

### Taaleri's share on Nasdaq Helsinki

1-6/2021	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	5,396,732	53,258,257	12.50	7.80	9.87	10.75

\* Volume weighted average

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

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

### Flaggings during January-June 2021

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

## CAPITAL ADEQUACY OF TAALERI

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

For the time being Taaleri Group continues to form a financing and insurance conglomerate, according to the Act on the Supervision of Financial and Insurance Conglomerates (RaVa) (2004/699).

As a RaVa conglomerate, Taaleri Group discloses its own funds and capital adequacy in accordance with the capital adequacy regulations for financial and insurance conglomerates. At the end of June 2021 Taaleri RaVa conglomerate's Tier 1 capital amounted EUR 193.3 (97.1) million, Tier 2 capital amounted EUR 14.8 (14.8) million and own funds amounted EUR 208.2 (111.9) million, with the minimum requirement being EUR 59.6 (61.7) million. Contrary to the previous practice, Taaleri has reduced the equalization amount exceeding Garantia's solvency requirement (a total of EUR 19.6 million) and restated the comparison period accordingly. The conglomerate's capital adequacy was EUR 133.8 (50.3) million ja the capital adequacy ratio was 349.6 (181.5) per cent, with the minimum requirement being 100 per cent.

Within the Taaleri Group, the regulatory capital according to Solvency II is determined and reported not only for Garantia Insurance Company Ltd but also for Taaleri Plc as a part of the RaVa conglomerate. The total solvency capital requirement (SCR) of the parent company Taaleri Plc and the subsidiary Garantia Insurance Company Ltd was EUR 55.0 (50.0) million.

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

<b>Capital adequacy of RaVa conglomerate, EUR 1,000</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
<b>Shareholders' equity of the Taaleri Group</b>	<b>216,671</b>	<b>133,209</b>
Goodwill and other intangible assets	-1,021	-6,778
Non-controlling interests	691	1,134
Dividend for 2020	-	-9,072
Own funds attributable only to insurance sector	-19,591	-21,387
Tier 1 capital	193,310	97,105
Tier 2 capital	14,846	14,839
<b>Conglomerate's own funds, total</b>	<b>208,157</b>	<b>111,945</b>
Financing business' requirement for own funds	4,545	11,783
Insurance business' requirement for own funds	55,005	49,900
<b>Minimum amount of own funds of the conglomerate, total</b>	<b>59,550</b>	<b>61,683</b>
<b>Conglomerate's capital adequacy</b>	<b>133,761</b>	<b>50,261</b>
<b>Conglomerate's capital adequacy ratio</b>	<b>349.6%</b>	<b>181.5%</b>

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

Garantia's solvency strengthened. The company's basic own funds amounted to EUR 124.0 (114.1) million at the end of June. Solvency capital requirement was EUR 51.3 (49.7) million. The solvency ratio, or the ratio of basic own funds to the solvency capital requirement, was 241.6 per cent (229.4).

In the first half of the year, basic own funds grew due to accumulated profits and the increases in the fair values of investment assets. The solvency capital requirement grew as a result of increased capital requirement for market risks and an increase in the capital add-on. The growth in the capital requirement for market risks was attributable to increasing equity and foreign exchange risks.

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

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

### **SHORT TERM RISKS AND CONCERNS**

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

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

Garantia's guaranty insurance business and investment activities have a major impact on Taaleri's operational income and capital adequacy.

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

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

## MATERIAL EVENTS AFTER THE REVIEW PERIOD

Taaleri Private Equity Funds Ltd has sold the shares of Taaleri Housing Fund VI Ky to a fund managed by the German PATRIZIA AG with a deed of sale signed 8 July 2021. The purchase price was approximately EUR 145 million. The fund clearly exceeded its targets and almost doubled the capital invested by investors.

After the review period, Fellow Finance Plc and Evli Bank Plc announced on 14 July 2021 that Fellow Finance Plc and Evli Bank Plc's banking operations will be merged. Taaleri's shareholding in the new Fellow Bank will be 17.6% after the reorganisation.

Helsinki, 19 August 2021  
Taaleri Plc  
Board of Directors

### Additional info

CEO Robin Lindahl, +358 50 595 9616, robin.lindahl@taaleri.com  
CFO Minna Smedsten, +358 40 700 1738, minna.smedsten@taaleri.com  
Head of Communications and IR Siri Markula, +358 40 743 2177, siri.markula@taaleri.com

### Webcast presentation for analysts and media

A live webcast for analysts and the media will be held on August 19, 2021, at 11 a.m. The event is in Finnish. The webcast can be followed online at <https://taaleri.videosync.fi/2021-08-19-taaleriosavuosiraporttiq2>. The event will be recorded and will be available later on Taaleri's investor pages at [www.taaleri.com/investors/reports-and-presentations](http://www.taaleri.com/investors/reports-and-presentations).

### Financial information

Taaleri reports its result in 2021 as follows:

- 5 November 2021: Interim Statement for the period 1 January to September 30, 2021

### Taaleri in brief

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

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

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

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

## ACCOUNTING POLICIES TO THE HALF YEAR FINANCIAL REPORT

Taaleri's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This half-year financial report 1.1.-30.6.2021 has been prepared in accordance with IAS 34. The half-year financial report is unaudited. The half-year financial report has been published in Finnish and English. The Finnish half-year financial report is official and is used if there is a discrepancy between the language versions.

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

### Discontinued operations

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

### Segment reporting

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

There are differences in the figures in the Group's consolidated income statement and segment reporting due to the application of IFRS 5. In the consolidated income statement (p. 23), intra-group income and expenses between discontinued and continuing operations have been eliminated. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. In addition, the consolidated income statement in the period from 1 January to 30 June 2021 includes EUR 2.1 million (in the period from 1 January to 30 June 2020 EUR 0.9 million) direct costs related to the sale of the discontinued operations, which are presented in the segment reporting as part of the discontinued operations. The earnings figures in the explanatory section in this half-year financial report represents the Group's continuing operations according to segment reporting, unless otherwise stated. The chosen presentation will improve the comparability of segment reporting in the coming years.

### Change in presentation of consolidated income statement

Following the sale of the asset management business, Taaleri's business no longer includes the investment services business. Due to the change in the Group's business, Taaleri has decided to change the order of the consolidated income statement items so that the item "Interest expenses" has been moved down the income statement and the item has been renamed "Interest and other financial expenses". The content of the financial statement line item and thus the size of the item has not changed. Interest and other financial expenses for continuing operations in the period from 1 January to 30 June 2021 were EUR -1,786 thousand, in the period from 1 January to 30 June 2020 EUR -1,680 thousand and in the period from 1 January to 31 December 2020 EUR -3,294 thousand. The change in presentation does not affect the subtotals presented in the consolidated income statement or the result for the financial year. The presentation of data for the comparison period has been adjusted accordingly.

## KEY FIGURES

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

### Group

Group	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
Income, EUR 1,000	17,025	12,109	29,163	9,885	33,950
Operating profit (-loss), EUR 1,000	2,734	5,666	7,450	-2,445	6,532
- as percentage of income	16.1%	46.8%	25.5%	neg	19.2%
Net profit for the period, EUR 1,000	114,084	7,119	120,906	1,443	13,102
- as percentage of income	670.1%	58.8%	414.6%	14.6%	38.6%
Basic earnings per share, EUR	4.03	0.25	4.27	0.04	0.46
Diluted earnings per share, EUR	3.94	0.24	4.18	0.04	0.45
Return on equity % (ROE) <sup>1)</sup>	262.7%	24.3%	138.2%	2.4%	10.1%
Return on equity at fair value % (ROE) <sup>1)</sup>	265.0%	28.4%	139.2%	-2.3%	10.0%
Return on assets % (ROA) <sup>1)</sup>	159.8%	10.8%	85.2%	1.1%	4.9%
Cost/income ratio	66.4%	52.3%	64.1%	124.4%	80.5%
Cost/income ratio excluding investment operations	98.8%	79.9%	94.5%	76.8%	83.9%
Price/earnings (P/E) <sup>1)</sup>	0.7	6.8	1.3	77.1	17.7
Number of full-time employees, avg	141	189	172	185	192
Equity ratio -%	72.3%	46.0%	72.3%	46.0%	49.7%
Net gearing -%	-19.6%	35.5%	-19.6%	35.5%	29.2%
Equity/share, EUR	7.68	4.24	7.68	4.24	4.75
Dividend or distribution of funds /share, EUR	-	-	1.00	-	0.32
Dividend or distribution of funds / earnings, %	-	-	23.5%	-	69.6%
Effective dividend yield, %	-	-	9.3%	-	3.9%
Loan receivables, EUR 1,000	5,303	8,461	5,303	8,461	6,699
Conglomerate's capital adequacy ratio, %	349.6%	161.5%	349.6%	161.5%	181.5%
Financing sector capital adequacy ratio, % <sup>2)</sup>	-	34.2%	-	34.2%	37.9%
Number of shares at the end of period <sup>3)</sup>	28,305,620	28,305,620	28,305,620	28,305,620	28,305,620
Average number of shares <sup>3)</sup>	28,305,620	28,305,620	28,305,620	28,305,620	28,305,620
Share average price, EUR	10.85	6.48	9.87	7.50	7.26
- highest price, EUR	12.50	7.16	12.50	9.76	9.76
- lowest price, EUR	9.52	5.92	7.80	5.82	5.82
- closing price, EUR	10.75	6.72	10.75	6.72	8.12
Market capitalization, EUR 1,000 <sup>3)</sup>	304,285	190,214	304,285	190,214	229,842
Shares traded, thousands	2,820	715	5,397	1,848	4,104
Shares traded, %	10%	3%	19%	7%	14%

<sup>1)</sup> Annualized

<sup>2)</sup> Investment services business is no longer part of Taaleri Group starting 1 May 2021 and therefore Taaleri does not report its financing sector capital adequacy anymore.

<sup>3)</sup> 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	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
<b>Net income from insurance</b>	<b>4,531</b>	<b>3,613</b>	<b>8,139</b>	<b>6,910</b>	<b>14,614</b>
Earned premiums, net	4,351	3,697	8,212	7,093	14,885
Claims incurred, net	180	-84	-74	-183	-270
<b>Other income</b>	<b>25</b>	<b>20</b>	<b>27</b>	<b>24</b>	<b>33</b>
<b>Net income from investment operations</b>	<b>2,211</b>	<b>4,065</b>	<b>5,638</b>	<b>-3,371</b>	<b>2,534</b>
<b>Operating expenses</b>	<b>-1,184</b>	<b>-799</b>	<b>-2,410</b>	<b>-1,839</b>	<b>-5,281</b>
<b>Operating profit before valuations</b>	<b>-267</b>	<b>-358</b>	<b>-667</b>	<b>-899</b>	<b>-1,738</b>
<b>Change in fair value of investments</b>	<b>5,317</b>	<b>6,541</b>	<b>10,727</b>	<b>825</b>	<b>10,163</b>
<b>Profit before taxes and non-controlling interests</b>	<b>791</b>	<b>2,303</b>	<b>539</b>	<b>-3,124</b>	<b>195</b>
Combined ratio, %	23.1%	23.9%	30.2%	28.5%	37.3%
Claims ratio, %	-4.1%	2.3%	0.9%	2.6%	1.8%
Expense ratio, %	27.2%	21.6%	29.3%	25.9%	35.5%
Return on investments at fair value, %	2.0%	4.8%	4.1%	-4.5%	1.8%
Solvency ratio (S2), % <sup>1)</sup>	241.6%	232.4%	241.6%	232.4%	229.4%
Insurance exposure, EUR billion	1.73	1.85	1.73	1.85	1.82
Number of employees, avg	21	22	21	22	21

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

## KEY FIGURES ACCOUNTING PRINCIPLES

**Basic earnings per share, EUR**

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

**Diluted earnings per share, EUR**

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

## Alternative performance measures

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

**Return on equity (ROE), %**

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

**Return on equity at fair value %, (ROE)**

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

**Return on assets (ROA), %**

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

**Cost/income ratio, %**

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

**Cost/income ratio, % excluding investment operations**

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

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

## Key figures for insurance operations

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

## CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1.4.-30.6.2021	1.4.-30.6.2020	1.1.-30.6.2021	1.1.-30.6.2020
Fee and commission income	2	6,202	3,801	10,213	7,119
Net income from insurance	3	6,743	7,678	13,776	3,539
From guaranty insurance operations		4,531	3,613	8,139	6,910
From investment operations		2,211	4,065	5,638	-3,371
Net gains or net losses on trading in securities and foreign currencies	4	567	688	1,036	148
Income from equity investments	5	3,026	-487	2,940	-2,648
Interest income	6	321	398	778	778
Other operating income	7	165	29	420	949
<b>TOTAL INCOME</b>		<b>17,025</b>	<b>12,109</b>	<b>29,163</b>	<b>9,885</b>
Fee and commission expense		-1,654	-313	-2,007	-604
Administrative expenses					
Personnel costs		-5,507	-2,585	-9,771	-5,216
Other administrative expenses		-1,222	-1,069	-2,109	-2,174
Depreciation, amortisation and impairment of tangible and intangible assets		-222	-195	-420	-399
Other operating expenses		-1,420	-1,196	-2,377	-2,023
Interest and other financing expenses		-1,058	-904	-1,786	-1,680
Expected credit losses from financial assets measured at amortised cost	12	-2,240	-51	-2,276	-71
Impairment losses on loans and other receivables		-638	-	-638	-
Share of associates' profit or loss		-329	-129	-329	-163
<b>OPERATING PROFIT</b>		<b>2,734</b>	<b>5,666</b>	<b>7,450</b>	<b>-2,445</b>
Income tax expense		-399	-585	-1,446	-808
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>2,335</b>	<b>5,081</b>	<b>6,004</b>	<b>-3,252</b>
<b>DISCONTINUED OPERATIONS</b>					
Profit from discontinued operations (attributable to owners of the parent company)		111,749	2,038	114,902	4,696
<b>PROFIT FOR THE PERIOD</b>		<b>114,084</b>	<b>7,119</b>	<b>120,906</b>	<b>1,443</b>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1.4.-30.6.2021	1.4.-30.6.2020	1.1.-30.6.2021	1.1.-30.6.2020
<b>Profit for the period</b>	<b>114,084</b>	<b>7,119</b>	<b>120,906</b>	<b>1,443</b>
<b>Items that may be reclassified to profit or loss</b>				
Translation differences	-10	-552	22	-266
Changes in the fair value reserve	791	2,303	539	-3,124
Income tax	-158	-572	-108	513
<b>Items that may be reclassified to profit or loss in total</b>	<b>623</b>	<b>1,179</b>	<b>454</b>	<b>-2,877</b>
<b>Items that may not be reclassified to profit or loss</b>				
Changes in the fair value reserve	498	40	481	35
Income tax	-98	-9	-96	-8
<b>Items that may not be reclassified to profit or loss in total</b>	<b>391</b>	<b>31</b>	<b>385</b>	<b>27</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>115,098</b>	<b>8,329</b>	<b>121,744</b>	<b>-1,406</b>

### Profit for the period attributable to:

Owners of the parent company	113,931	6,959	120,868	1,233
Non-controlling interests	153	159	38	210
<b>Total</b>	<b>114,084</b>	<b>7,119</b>	<b>120,906</b>	<b>1,443</b>

### Total comprehensive income for the period attributable to:

Owners of the parent company	114,946	8,169	121,706	-1,617
Non-controlling interests	153	159	38	210
<b>Total</b>	<b>115,098</b>	<b>8,329</b>	<b>121,744</b>	<b>-1,406</b>

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

<b>Earnings per share for profit attributable to the shareholders of the parent company</b>	<b>1.4.-30.6.2021</b>	<b>1.4.-30.6.2020</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
Basic earnings per share, continuing operations	0.08	0.17	0.21	-0.12
Diluted earnings per share, continuing operations	0.08	0.17	0.21	-0.12
Basic earnings per share, discontinued operations	3.95	0.07	4.06	0.17
Diluted earnings per share, discontinued operations	3.87	0.07	3.97	0.16
Basic earnings per share, profit for the period	4.03	0.25	4.27	0.04
Diluted earnings per share, profit for the period	3.94	0.24	4.18	0.04

## CONSOLIDATED BALANCE SHEET

<b>Assets, EUR 1,000</b>	<b>Note</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
Receivables from credit institutions	8, 9	57,299	25,786
Receivables from the public and general government	8, 9	5,303	6,699
Debt securities	8, 9	1,498	1,498
Shares and units	8, 9	36,231	21,971
Assets classified as held for sale	10	6,465	5,357
Participating interests	8, 9, 17	8,953	9,248
Insurance assets	8, 9	157,665	160,410
Insurance assets		2,383	3,705
Investments		155,282	156,705
Intangible assets		1,019	6,775
Goodwill		646	5,097
Other intangible assets		373	1,679
Tangible assets	11	1,385	2,944
Owner-occupied properties		1,013	2,427
Other tangible assets		372	517
Other assets		12,061	14,455
Accrued income and prepayments		9,391	11,237
Deferred tax assets		2,226	1,611
		<b>299,496</b>	<b>267,990</b>

<b>Liabilities, EUR 1,000</b>	<b>Note</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
<b>LIABILITIES</b>		<b>82,825</b>	<b>134,781</b>
Liabilities to credit institutions	8, 9	-	14,939
Debt securities issued to the public	8, 9, 13	-	34,937
Insurance liabilities		35,726	34,676
Other liabilities		6,800	5,401
Accrued expenses and deferred income		9,605	14,623
Deferred tax liabilities		15,847	15,366
Subordinated debt		14,846	14,839
<b>EQUITY CAPITAL</b>	15	<b>216,671</b>	<b>133,209</b>
Share capital		125	125
Reserve for invested non-restricted equity		18,831	35,814
Fair value reserve		-48	-864
Translation difference		-66	-89
Retained earnings or loss		77,654	86,344
Profit or loss for the period		120,868	13,012
Non-controlling interest		-691	-1,134
		<b>299,496</b>	<b>267,990</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1.1.-30.6.2021	1.1.-30.6.2020
<b>Cash flow from operating activities:</b>		
Operating profit (loss)	7,450	-2,445
Depreciation	420	399
Other adjustments		
Changes in fair value of investments	-5,382	10,567
Other adjustments	-455	-616
Cash flow before change in working capital	2,032	7,906
Change in working capital		
Increase (-)/decrease (+) in loan receivables	1,203	-96
Increase (-)/decrease (+) in current interest-free receivables	1,815	3,557
Increase (+)/decrease (-) in current interest-free liabilities	2,448	-3,208
Cash flow from operating activities before financial items and taxes	7,497	8,159
Direct taxes paid (-)	-1,907	-900
<b>Cash flow from operating activities from continuing operations</b>	<b>5,590</b>	<b>7,258</b>
Cash flow from operating activities from discontinued operations	115,339	6,021
<b>Cash flow from operating activities (A)</b>	<b>120,929</b>	<b>13,279</b>
<b>Cash flow from investing activities:</b>		
Investments in tangible and intangible assets	-424	345
Investments in subsidiaries and associated companies net of cash acquired	-418	-2,625
Other investments	704	-584
<b>Cash flow from investing activities from continuing operations</b>	<b>-138</b>	<b>-2,865</b>
Cash flow from investing activities from discontinued operations	-382	-1,123
<b>Cash flow from investing activities (B)</b>	<b>-520</b>	<b>-3,988</b>
<b>Cash flow from financing activities:</b>		
Changes in synthetic options	-1,305	483
Decrease in debt securities issued to the public	-35,000	-
Increase in non-current liabilities	-	20,000
Decrease in non-current liabilities	-15,000	-20,000
Dividends paid and other distribution of profit		
To parent company shareholders	-37,363	-4,529
To non-controlling shareholders	-228	-997
<b>Cash flow from financing activities from continuing operations</b>	<b>-88,896</b>	<b>-5,042</b>
Cash flow from financing activities from discontinued operations	-	-10
<b>Cash flow from financing activities (C)</b>	<b>-88,896</b>	<b>-5,052</b>
<b>Increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>31,513</b>	<b>4,239</b>
Cash and cash equivalents at beginning of period	25,786	29,102
Cash and cash equivalents at end of period / Group	57,299	22,478
Cash and cash equivalents at end of period / Discontinued operations	-	10,863
<b>Net change in cash and cash equivalents</b>	<b>31,513</b>	<b>4,239</b>



## CHANGES IN GROUP EQUITY CAPITAL

	Share capital	Fair value reserve	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
<b>2021, EUR 1,000</b>								
<b>1.1.2021</b>	<b>125</b>	<b>-864</b>	<b>35,814</b>	<b>-89</b>	<b>99,357</b>	<b>134,343</b>	<b>-1,134</b>	<b>133,209</b>
Total comprehensive income for the financial period		816		22	120,868	121,706	38	121,744
Earnings for the period					120,868	120,868	38	120,906
Other comprehensive income items		816		22		838		838
Distribution of profit			-16,983		-20,380	-37,363	-228	-37,591
Dividend EUR 0.72/share					-20,380	-20,380		-20,380
Return of capital EUR 0.60/share			-16,983			-16,983		-16,983
Distribution of profit for subgroup							-228	-228
Share-based payments payable as equity					-1,324	-1,324		-1,324
Transactions with non-controlling interests							635	635
Other					1	1	-2	-1
<b>30.6.2021</b>	<b>125</b>	<b>-48</b>	<b>18,831</b>	<b>-66</b>	<b>198,522</b>	<b>217,363</b>	<b>-691</b>	<b>216,671</b>
<b>2020, EUR 1,000</b>								
<b>1.1.2020</b>	<b>125</b>	<b>-935</b>	<b>35,814</b>	<b>236</b>	<b>90,671</b>	<b>125,911</b>	<b>-182</b>	<b>125,729</b>
Total comprehensive income for the financial period		-2,583		-266	1,233	-1,617	210	-1,406
Earnings for the period					1,233	1,233	210	1,443
Other comprehensive income items		-2,583		-266		-2,850		-2,850
Distribution of profit					-4,529	-4,529	-1,007	-5,536
Dividend EUR 0.16/share					-4,529	-4,529		-4,529
Distribution of profit for subgroup							-1,007	-1,007
Share-based payments payable as equity					483	483		483
Other					-132	-132	14	-118
<b>30.6.2020</b>	<b>125</b>	<b>-3,519</b>	<b>35,814</b>	<b>-30</b>	<b>87,726</b>	<b>120,116</b>	<b>-964</b>	<b>119,152</b>

## SEGMENT INFORMATION - EARNINGS 1.4.-30.6.2021

1.4.-30.6.2021, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	5,648	4,309	1,338	4,556	956	11,160
Performance fees	14	-	14	-	-	14
Investment operations	-329	-5	-324	2,717	773	3,161
<b>Total income</b>	<b>5,333</b>	<b>4,304</b>	<b>1,028</b>	<b>7,273</b>	<b>1,729</b>	<b>14,335</b>
Fee and commission expense	-1,773	-1,075	-698	-	-70	-1,843
Personnel costs	-2,347	-1,403	-944	-769	-1,120	-4,236
Direct expenses	-784	-471	-313	-410	-993	-2,188
Depreciation, amortisation and impairment	-35	-13	-23	-5	-6	-46
Impairment losses on loans and other receivables	-535	-535	-	-	-25	-559
<b>Operating profit before the financing expenses</b>	<b>-141</b>	<b>807</b>	<b>-948</b>	<b>6,089</b>	<b>-485</b>	<b>5,463</b>
Interest expenses	-1	-1	-	-	-1,039	-1,040
Allocation of financing expenses	-510	-367	-143	-267	777	-
<b>Operating profit</b>	<b>-652</b>	<b>440</b>	<b>-1,092</b>	<b>5,822</b>	<b>-746</b>	<b>4,424</b>
<b>Operating profit, %</b>	<b>neg</b>	<b>10.2%</b>	<b>neg</b>	<b>80.1%</b>	<b>neg</b>	<b>30.9%</b>
Change in fair value of investments	-13	-	-13	791	-7	771
<b>Profit before taxes and NCI</b>	<b>-665</b>	<b>440</b>	<b>-1,105</b>	<b>6,614</b>	<b>-754</b>	<b>5,195</b>
<b>1.4.-30.6.2020, EUR 1,000</b>						
Continuing earnings	4,121	3,169	952	3,632	1,018	8,771
Performance fees	19	-	19	-	-	19
Investment operations	-1	-	-1	4,065	133	4,198
<b>Total income</b>	<b>4,139</b>	<b>3,169</b>	<b>970</b>	<b>7,698</b>	<b>1,151</b>	<b>12,987</b>
Fee and commission expense	-1,698	-1,023	-675	-	-591	-2,288
Personnel costs	-1,153	-916	-237	-468	-817	-2,438
Direct expenses	-819	-657	-162	-321	-281	-1,421
Depreciation, amortisation and impairment	-14	-8	-5	-9	-8	-31
Impairment losses on loans and other receivables	-	-	-	-	-51	-51
<b>Operating profit before the financing expenses</b>	<b>456</b>	<b>565</b>	<b>-109</b>	<b>6,899</b>	<b>-597</b>	<b>6,758</b>
Interest expenses	-1	-	-1	-	-886	-887
Allocation of financing expenses	-606	-413	-193	-358	964	-
<b>Operating profit</b>	<b>-151</b>	<b>152</b>	<b>-303</b>	<b>6,541</b>	<b>-519</b>	<b>5,871</b>
<b>Operating profit, %</b>	<b>neg</b>	<b>4.8%</b>	<b>neg</b>	<b>85.0%</b>	<b>neg</b>	<b>45.2%</b>
Change in fair value of investments	1	-	1	2,303	-	2,304
<b>Profit before taxes and NCI</b>	<b>-150</b>	<b>152</b>	<b>-302</b>	<b>8,844</b>	<b>-519</b>	<b>8,175</b>

### Reconciliations

Reconciliation of total income	1.4.-30.6.2021	1.4.-30.6.2020
Total income of segments	14,335	12,987
Share of associates' profit or loss allocated to total income of segments	329	129
Transactions between continuing and discontinued operations <sup>1)</sup>	-529	-1,008
Transit items eliminated in segment reporting	571	-
Transfer of impairments to investment operations	2,318	-
<b>Consolidated total income</b>	<b>17,025</b>	<b>12,109</b>
Reconciliation of operating profit	1.4.-30.6.2021	1.4.-30.6.2020
Total earnings of segments before taxes and NCI	5,195	8,175
Change in fair value of investments	-771	-2,304
IFRS 16 Leases <sup>2)</sup>	-3	-2
Transactions between continuing and discontinued operations <sup>1)</sup>	73	438
Direct costs related to the sale of the discontinued operations <sup>3)</sup>	-1,760	-642
<b>Consolidated operating profit</b>	<b>2,734</b>	<b>5,666</b>

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

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

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

## SEGMENT INFORMATION - EARNINGS 1.1.-30.6.2021

1.1.-30.6.2021, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	9,861	7,503	2,358	8,165	2,040	20,066
Performance fees	811	797	14	-	-	811
Investment operations	-166	-5	-161	6,144	1,152	7,129
<b>Total income</b>	<b>10,505</b>	<b>8,294</b>	<b>2,210</b>	<b>14,309</b>	<b>3,192</b>	<b>28,005</b>
Fee and commission expense	-3,549	-2,131	-1,418	-	-178	-3,727
Personnel costs	-4,520	-3,139	-1,380	-1,583	-2,257	-8,359
Direct expenses	-1,537	-1,000	-537	-814	-1,591	-3,942
Depreciation, amortisation and impairment	-65	-23	-42	-13	-10	-88
Impairment losses on loans and other receivables	-534	-535	-	-	-61	-595
<b>Operating profit before the financing expenses</b>	<b>300</b>	<b>1,466</b>	<b>-1,166</b>	<b>11,899</b>	<b>-905</b>	<b>11,295</b>
Interest expenses	-2	-2	-	-	-1,751	-1,753
Allocation of financing expenses	-1,037	-730	-307	-667	1,703	-
<b>Operating profit</b>	<b>-739</b>	<b>735</b>	<b>-1,473</b>	<b>11,233</b>	<b>-953</b>	<b>9,542</b>
<b>Operating profit, %</b>	<b>neg</b>	<b>8.9%</b>	<b>neg</b>	<b>78.5%</b>	<b>neg</b>	<b>34.1%</b>
Change in fair value of investments	-13	-	-13	539	-16	510
<b>Profit before taxes and NCI</b>	<b>-751</b>	<b>735</b>	<b>-1,486</b>	<b>11,772</b>	<b>-969</b>	<b>10,052</b>
<b>1.1.-30.6.2020, EUR 1,000</b>						
Continuing earnings	8,681	6,658	2,023	6,934	1,593	17,209
Performance fees	20	-	20	-	-	20
Investment operations	888	892	-4	-3,371	-2,566	-5,049
<b>Total income</b>	<b>9,588</b>	<b>7,550</b>	<b>2,038</b>	<b>3,563</b>	<b>-972</b>	<b>12,179</b>
Fee and commission expense	-3,370	-2,031	-1,338	-	-666	-4,036
Personnel costs	-2,127	-1,640	-487	-1,051	-1,744	-4,922
Direct expenses	-1,615	-1,267	-348	-770	-717	-3,101
Depreciation, amortisation and impairment	-29	-19	-11	-18	-17	-64
Impairment losses on loans and other receivables	-	-	-	-	-71	-71
<b>Operating profit before the financing expenses</b>	<b>2,448</b>	<b>2,593</b>	<b>-145</b>	<b>1,724</b>	<b>-4,186</b>	<b>-14</b>
Interest expenses	-1	-1	-	-	-1,642	-1,644
Allocation of financing expenses	-1,207	-817	-390	-899	2,106	-
<b>Operating profit</b>	<b>1,240</b>	<b>1,775</b>	<b>-535</b>	<b>825</b>	<b>-3,723</b>	<b>-1,658</b>
<b>Operating profit, %</b>	<b>12.9%</b>	<b>23.5%</b>	<b>neg</b>	<b>23.2%</b>	<b>neg</b>	<b>neg</b>
Change in fair value of investments	1	-	1	-3,124	-	-3,123
<b>Profit before taxes and NCI</b>	<b>1,241</b>	<b>1,775</b>	<b>-534</b>	<b>-2,298</b>	<b>-3,723</b>	<b>-4,781</b>

### Reconciliations

Reconciliation of total income	1.1.-30.6.2021	1.1.-30.6.2020
Total income of segments	28,005	12,179
Share of associates' profit or loss allocated to total income of segments	329	163
Transactions between continuing and discontinued operations <sup>1)</sup>	-2,061	-2,457
Transit items eliminated in segment reporting	571	-
Transfer of impairments to investment operations	2,318	-
<b>Consolidated total income</b>	<b>29,163</b>	<b>9,885</b>

Reconciliation of operating profit	1.1.-30.6.2021	1.1.-30.6.2020
Total earnings of segments before taxes and NCI	10,052	-4,781
Change in fair value of investments	-510	3,123
IFRS 16 Leases <sup>2)</sup>	-5	-12
Transactions between continuing and discontinued operations <sup>1)</sup>	23	151
Direct costs related to the sale of the discontinued operations <sup>3)</sup>	-2,109	-927
<b>Consolidated operating profit</b>	<b>7,450</b>	<b>-2,445</b>

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

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

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

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

<b>Private Asset Management segment's investments, EUR 1,000</b>	<b>Investment type</b>	<b>Purchase price 30.6.2021</b>	<b>Fair value 30.6.2021</b>	<b>Holding 30.6.2021</b>
<b>Renewable energy investments</b>				
Truscott Gililand East Wind	Shares and participations	8,872	8,872	7.0%
<b>Real estate investments</b>				
Sepos Oy	Shares and participations	2,500	2,383	30.0%
Sepos Oy	Loan	1,475	1,514	-
Turun Toriparkki Oy	Shares and participations	3,502	2,615	48.2%
<b>Infrastructure investments</b>				
Taaleri Infra I Ky	Shares and participations	1,950	1,950	50.0%
<b>Bioindustry investments</b>				
Fintoil Oy	Shares and participations	3,425	3,425	27.4%
Tracegrow Oy	Shares and participations, prepayment	1,500	1,500	-

<b>Strategic investments, EUR 1,000</b>	<b>Investment type</b>	<b>Purchase price 30.6.2021</b>	<b>Fair value 30.6.2021</b>	<b>Holding 30.6.2021</b>
Aktia Bank Plc	Shares and participations	10,000	10,506	1.4%

<b>Non-strategic investments, EUR 1,000</b>	<b>Investment type</b>	<b>Purchase price 30.6.2021</b>	<b>Fair value 30.6.2021</b>	<b>Holding 30.6.2021</b>
<b>Real estate investments</b>				
Taaleri Datacenter Ky (Ficolo)	Shares and participations	2,900	2,910	29.5%
TT Canada RE Holdings Corporation	Loan	6,729	8,573	-
<b>Other investments</b>				
Inderes Oy	Shares and participations	448	1,463	10.8%
Fellow Finance Plc	Shares and participations	2,974	6,465	25.7%
Fellow Finance Plc	Loan	1,500	1,508	-
Taaleri Telakka Ky	Shares and participations	3,430	3,267	16.1%

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

<b>Private Asset Management segment's investments, EUR 1,000</b>	<b>Investment type</b>	<b>Purchase price 31.12.2020</b>	<b>Fair value 31.12.2020</b>	<b>Holding 31.12.2020</b>
<b>Renewable energy investments</b>				
Truscott Gililand East Wind	Shares and participations	8,872	8,872	7.0%
<b>Real estate investments</b>				
Sepos Oy	Shares and participations	2,500	2,439	30.0%
Turun Toriparkki Oy	Shares and participations	3,502	3,026	48.2%
Munkkiniemi Group Oy	Shares and participations	5	303	47.0%
Munkkiniemi Group Oy	Loan	2,360	2,409	-
<b>Bioindustry investments</b>				
Fintoil Oy	Shares and participations	3,425	3,425	27.4%

<b>Non-strategic investments, EUR 1,000</b>	<b>Investment type</b>	<b>Purchase price 31.12.2020</b>	<b>Fair value 31.12.2020</b>	<b>Holding 31.12.2020</b>
<b>Real estate investments</b>				
Taaleri Datacenter Ky (Ficolo)	Shares and participations	2,900	2,908	29.5%
TT Canada RE Holdings Corporation	Loan	6,729	7,687	-
<b>Other investments</b>				
Inderes Oy	Shares and participations	448	1,463	10.8%
Fellow Finance Plc	Shares and participations	2,974	5,357	25.9%
Fellow Finance Plc	Loan	1,500	1,508	-
Taaleri Telakka Ky	Shares and participations	3,430	3,293	16.1%

## NOTES TO THE HALF YEAR FINANCIAL REPORT

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# 1 DISCONTINUED OPERATIONS AND SALE OF THE SUBSIDIARY

## Description of the sale of discontinued operations

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

<b>Profit from discontinued operations, EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
Income	15,578	16,452
Expenses	-10,603	-11,212
<b>Operating profit</b>	<b>4,975</b>	<b>5,240</b>
Income tax expense	-1,205	-544
<b>Profit after income tax of discontinued operations</b>	<b>3,769</b>	<b>4,696</b>
Gain on sale of the subsidiary after income tax	111,133	-
<b>Profit from discontinued operations</b>	<b>114,902</b>	<b>4,696</b>

## Details of the sale of the subsidiary

<b>Sale of the subsidiary, EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
Consideration received in cash	113,680	-
Consideration received in shares	10,000	-
<b>Total disposal consideration</b>	<b>123,680</b>	-
Carrying amount of net assets sold	12,548	-
<b>Gain on sale before income tax</b>	<b>111,133</b>	-
Income tax expense on gain	-	-
<b>Gain on sale after income tax</b>	<b>111,133</b>	-

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

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

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

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

## 2 FEE AND COMMISSION INCOME

<b>1.1.-30.6.2021, EUR 1,000</b>	<b>Private Asset Management</b>	<b>Renewable energy</b>	<b>Other private asset management</b>	<b>Strategic Investments</b>	<b>Other</b>	<b>Total</b>
Continuing earnings	8,435	6,677	1,758	-	967	9,402
Performance fees	811	798	14	-	-	811
<b>Total</b>	<b>9,247</b>	<b>7,475</b>	<b>1,772</b>	<b>-</b>	<b>967</b>	<b>10,213</b>

<b>1.1.-30.6.2020, EUR 1,000</b>	<b>Private Asset Management</b>	<b>Renewable energy</b>	<b>Other private asset management</b>	<b>Strategic Investments</b>	<b>Other</b>	<b>Total</b>
Continuing earnings	5,730	4,889	841	-	1,370	7,100
Performance fees	20	-	20	-	-	20
<b>Total</b>	<b>5,750</b>	<b>4,889</b>	<b>860</b>	<b>-</b>	<b>1,370</b>	<b>7,119</b>

## 3 NET INCOME FROM INSURANCE

<b>EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
<b>Earned premiums, net</b>		
Premiums written	10,488	7,864
Reinsurers' share	-500	-179
Change in provision for unearned premiums	-1,854	-341
Reinsurers' share	78	-251
<b>Total</b>	<b>8,212</b>	<b>7,093</b>
<b>Claims incurred, net</b>		
Claims paid	-380	-959
Reinsurers' share	99	517
Change in provision for outstanding claims	753	503
Reinsurers' share	-545	-245
<b>Total</b>	<b>-74</b>	<b>-183</b>
<b>Net income from investment operations</b>		
<b>Financial assets at fair value through other comprehensive income (Available for sale)</b>	<b>1,811</b>	<b>1,218</b>
Interest income	930	737
From dividends	990	463
Others	-109	19
- of which change in expected credit loss	73	19
<b>Financial assets at fair value through profit or loss</b>	<b>3,827</b>	<b>-4,589</b>
Financial assets that need to be measured at fair value through profit or loss		
Interest income	561	1,105
Change in fair value	3,208	-5,520
Profit or loss from sales	8	-163
Others	51	-11
<b>Total</b>	<b>5,638</b>	<b>-3,371</b>
<b>Net income from insurance, total</b>	<b>13,776</b>	<b>3,539</b>

## 4 NET GAINS OR NET LOSSES ON TRADING IN SECURITIES AND FOREIGN CURRENCIES

<b>Net gains or net losses on trading in securities, EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
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	633	480
<b>Total</b>	<b>633</b>	<b>480</b>

<b>Net gains or net losses on trading in securities and foreign currencies, EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
Net gains or net losses on trading in securities by type		
From shares and units	633	480
Sales profit and loss	15	72
Changes in fair value	618	408
Net gains or net losses on trading in securities, total	633	480
Net gains or net losses on trading in foreign currencies	403	3
<b>Total</b>	<b>1,036</b>	<b>483</b>

## 5 INCOME FROM EQUITY INVESTMENTS

<b>EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
From financial assets recognized at fair value in profit or loss	102	71
Dividend income	102	71
From assets classified as held for sale	1,108	-2,863
Changes in fair value	1,108	-2,863
From associated companies	-100	-
Profit or loss from divestments	-100	-
From group companies	1,830	144
Profit or loss from divestments	1,830	144
<b>Total</b>	<b>2,940</b>	<b>-2,648</b>

## 6 INTEREST INCOME

<b>EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
Interest income from other loans and receivables		
From receivables from the public and general government	720	725
From debt securities	43	43
From net investments in leases	6	-
Other interest income	9	10
<b>Total</b>	<b>778</b>	<b>778</b>

## 7 OTHER OPERATING INCOME

<b>EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-30.6.2020</b>
Rental income	2	3
Project sales	191	-
Other income	227	946
<b>Total</b>	<b>420</b>	<b>949</b>



## 8 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

### Financial assets and liabilities 30 June 2021, EUR 1,000

Financial assets	Amortised cost	At fair value through other comprehensive income		At fair value through profit or loss		Total	Fair value
		Equity instruments <sup>3)</sup>	Others	Equity instruments	Others		
Receivables from credit institutions <sup>1)</sup>	57,299					57,299	57,299
Receivables from the public and general government	3,705				1,597	5,303	5,303
Debt securities	1,498					1,498	1,508
Shares and units		987		35,245		36,231	36,231
Insurance assets			94,977	41,343	18,962	155,282	155,282
Other financial assets						15,420	
<b>Financial assets total</b>	<b>62,502</b>	<b>987</b>	<b>94,977</b>	<b>76,588</b>	<b>20,559</b>	<b>271,033</b>	
Participating interests						8,953	
Other than financial assets						19,511	
<b>Assets in total 30.6.2021</b>						<b>299,496</b>	

Financial liabilities	At fair value through profit or loss	Other liabilities	Total	Fair value
Subordinated debt		14,846	14,846	15,526
Other financial liabilities		11,164	11,164	
<b>Financial liabilities total</b>		<b>26,011</b>	<b>26,011</b>	
Other than financial liabilities			56,814	
<b>Liabilities in total 30.6.2021</b>			<b>82,825</b>	

### Financial assets and liabilities 31.12.2020, EUR 1,000

Financial assets	Amortised cost	At fair value through other comprehensive income		At fair value through profit or loss		Total	Fair value
		Equity instruments <sup>3)</sup>	Others	Equity instruments	Others		
Receivables from credit institutions <sup>1)</sup>	25,786					25,786	25,786
Receivables from the public and general government	2,764				3,935	6,699	6,699
Debt securities	1,498					1,498	1,508
Shares and units		497		20,857	617	21,971	21,971
Insurance assets			100,348	39,717	16,640	156,705	156,705
Other financial assets						20,309	
<b>Financial assets total</b>	<b>30,048</b>	<b>497</b>	<b>100,348</b>	<b>60,575</b>	<b>21,191</b>	<b>232,969</b>	
Participating interests						9,248	
Other than financial assets						25,774	
<b>Assets in total 31.12.2021</b>						<b>267,990</b>	

Financial liabilities	At fair value through profit or loss	Other liabilities	Total	Fair value
Liabilities to credit institutions		14,939	14,939	15,000
Debt securities issued to the public <sup>2)</sup>		34,937	34,937	35,485
Subordinated debt		14,839	14,839	15,154
Other financial liabilities		16,349	16,349	
<b>Financial liabilities total</b>		<b>81,063</b>	<b>81,063</b>	
Other than financial liabilities			53,717	
<b>Liabilities in total 31.12.2021</b>			<b>134,781</b>	

<sup>1)</sup> The carrying amount of these receivables are seen as the best estimate of their fair values.

<sup>2)</sup> Bonds included in Debt securities issued to the public are carried at amortised cost.

<sup>3)</sup> At initial recognition the Group's non-strategic investments are specifically classified as measured at fair value through profit or loss. Thus, dividend yields 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. These are not later recycled to profit or loss. The classification as a non-strategic investment is made instrument-by-instrument by management. Non-strategic investments include small investments in limited partnerships associated to Taaleri's private equity funds and equity investments in private companies not directly associated to Taaleri's business strategy. On 30 June 2021 the fair value of non-strategic investments were 327 (31 Dec 2020 478) thousand euros, of which none paid dividends in 2021 or 2020. No non-strategic investments were derecognized during the financial year.

## 9 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

<b>Fair value of assets 30.6.2021, EUR 1,000</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value total</b>
Receivables from credit institutions		57,299		57,299
Receivables from the public and general government		4,467	836	5,303
Debt securities		1,508		1,508
Shares and units	10,553		25,679	36,231
Insurance assets	149,753		5,529	155,282
<b>Total</b>	<b>160,305</b>	<b>63,274</b>	<b>32,043</b>	<b>255,623</b>

<b>Fair value of liabilities 30.6.2021, EUR 1,000</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value total</b>
Liabilities to credit institutions				-
Debt securities issued to the public				-
Subordinated debt		15,526		15,526
<b>Total</b>		<b>15,526</b>		<b>15,526</b>

<b>Fair value of assets 31.12.2020, EUR 1,000</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value total</b>
Receivables from credit institutions		25,786		25,786
Receivables from the public and general government		5,964	735	6,699
Debt securities		1,508		1,508
Shares and units	654		21,317	21,971
Insurance assets	151,610		5,095	156,705
<b>Total</b>	<b>152,264</b>	<b>33,258</b>	<b>27,147</b>	<b>212,670</b>

<b>Fair value of liabilities 31.12.2020, EUR 1,000</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value total</b>
Liabilities to credit institutions		15,000		15,000
Debt securities issued to the public		35,485		35,485
Subordinated debt		15,154		15,154
<b>Total</b>		<b>65,639</b>		<b>65,639</b>

### 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, stocks and debt securities. Shares in private equity funds are mainly measured at the latest fair value received from the management company. Unquoted shares are measured at fair value using discounted cash flow analysis or, if it is determined that fair value cannot be measured reliably, at acquisition cost.

<b>Reconciliation of assets categorised within level 3, EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-31.12.2020</b>
Fair value January 1	27,147	13,907
Assets of discontinued operations	-1	-
Purchases	4,274	4,343
Sales and deductions	-541	-615
Change in fair value - income statement	674	635
Change in fair value - comprehensive income statement	491	6
Reclassifications from subsidiaries to assets	-	8,872
<b>Fair value at end of period</b>	<b>32,043</b>	<b>27,147</b>

<b>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</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-31.12.2020</b>
Net income from insurance	627	21
Net gains or net losses on trading in securities and foreign currencies	47	614
<b>Total</b>	<b>674</b>	<b>635</b>

## 10 ASSETS CLASSIFIED AS HELD FOR SALE

<b>Assets classified as held for sale, EUR 1,000</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
Investments in associates	6,465	5,357
<b>Total</b>	<b>6,465</b>	<b>5,357</b>

As Taaleri's associated company Fellow Finance Plc was listed on the First North exchange in October 2018, Taaleri Plc decided to reclassify the holding as an asset held for sale. Taaleri Plc has promoted actively and continuously the sale. Fellow Finance Plc and Evli Bank Plc announced on 14 July 2021 that Fellow Finance Plc and Evli Pankki Plc's banking business will merge. Taaleri's holding in the new Fellow Bank will be 17.6 per cent. The implementation of the arrangement requires the approval of both companies' extraordinary general meetings and several authority authorisations and approvals. The arrangement is intended to be carried out in full during the first half of 2022. Fellow Finance Plc is part of Other group.

## 11 TANGIBLE ASSETS

<b>EUR 1,000</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
Other tangible assets	1,385	2,944
<b>Total</b>	<b>1,385</b>	<b>2,944</b>

	<b>1.1.-30.6.2021</b>	<b>1.1.-31.12.2020</b>
Acquisition cost January 1	8,084	8,008
Additions	186	76
Assets classified as held for sale and other disposals	-3,271	-
Acquisition cost at end of period	5,000	8,084
Accrued depreciation, amortisation and impairment January 1	5,140	3,573
Depreciation in the financial period	367	1,567
Assets classified as held for sale and other disposals	-1,892	-
Accrued depreciation, amortisation and impairment at end of period	3,615	5,140
Book value on January 1	2,944	4,435
<b>Book value at end of period</b>	<b>1,385</b>	<b>2,944</b>

## 12 IMPAIRMENT LOSSES ON RECEIVABLES

<b>EUR 1,000</b>	<b>Amortised cost</b>	<b>At fair value through other comprehensive income <sup>1)</sup></b>	<b>Total</b>
ECL 1.1.2021	830	504	1,334
Additions due to initial issue and purchases	2,269	130	2,399
Deductions due to derecognitions	12	-123	-111
Changes in risk parameters	-	-80	-80
<b>Recognised in profit or loss</b>	<b>2,281</b>	<b>-73</b>	<b>2,208</b>
<b>ECL 30.6.2021</b>	<b>3,111</b>	<b>431</b>	<b>3,542</b>

<b>EUR 1,000</b>	<b>Amortised cost</b>	<b>At fair value through other comprehensive income <sup>1)</sup></b>	<b>Total</b>
ECL 1.1.2020	665	434	1,099
Additions due to initial issue and purchases	38	79	118
Deductions due to derecognitions	127	-53	74
Changes in risk parameters	-	44	44
<b>Recognised in profit or loss</b>	<b>165</b>	<b>70</b>	<b>235</b>
<b>ECL 31.12.2020</b>	<b>830</b>	<b>504</b>	<b>1,334</b>

All financial assets subject to ECL calculations are on level 1, i.e. the credit risk has not increased significantly. There are no realised credit losses recognised in the presented financial periods.

<sup>1)</sup> 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 investment operations. See note 3.

<b>EUR 1,000</b>	<b>1.1.-30.6.2021</b>	<b>1.1.-31.12.2020</b>
Received payments related to loans that have been written-off	5	65
Change in ECL	-2,281	-165
<b>Expected credit losses from financial assets measured at amortised cost recognised in profit or loss</b>	<b>-2,276</b>	<b>-100</b>

## 13 DEBT SECURITIES ISSUED TO THE PUBLIC

<b>EUR 1,000</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
Publicly issued bonds	-	34 937
<b>Total</b>	<b>-</b>	<b>34 937</b>

Taaleri Plc has issued a bond of EUR 35 million in 2016 that was listed on the Nasdaq HEL Corporate Bond market.

In May 2021 Taaleri Plc exercised its right to redeem prematurely its outstanding 4.250% Senior Bond due 20 December 2021 issued in 2016. The bond was redeemed in full on 28 May 2021 in accordance with the terms and conditions of the bond.

Further information about the bond programme can be found on the company's website (only in Finnish): [www.taaleri.com/sijoittajat/taaleri-sijoituskohteena/velkasijoittajat](http://www.taaleri.com/sijoittajat/taaleri-sijoituskohteena/velkasijoittajat).

## 14 SUBORDINATED DEBTS

<b>EUR 1,000</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
Tier 2 bond	14,846	14,839
<b>Total</b>	<b>14,846</b>	<b>14,839</b>

On 18 October 2019 Taaleri Plc issued Tier 2 notes totalling EUR 15 million. The Tier 2 notes 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.

## 15 EQUITY CAPITAL

### Share capital

The company's share capital on 30 June 2021 was EUR 125,000 and the amount of shares 28,350,620. The company's shares do not have a nominal value. Taaleri Plc's shares are traded on the Nasdaq Helsinki main market. The shares' trading code is "TAALA" and ISIN code FI4000062195. The parent company possesses 45,000 of its own shares. All shares issued have been paid for in full. The group uses share-based incentive schemes. The company has not issued convertible bonds or other than the above-mentioned special rights.

## 16 INVESTMENTS IN SUBSIDIARIES

### Changes in subsidiary shareholdings 1.1.-30.6.2021

During the first half of 2021 Taaleri sold its wealth management operations to Aktia Bank Plc. In the transaction, Taaleri Wealth Management Ltd, Taaleri Fund Management Company Ltd, Taaleri Tax Services Ltd and Evervest Ltd were transferred to Aktia (see Note 1 Discontinued Operations and the sale of subsidiary). In addition, Taaleri Sijoitus Oy has sold its entire holding of 61.8 per cent in Mobify Invoices Oy.

In connection with the sale of Taaleri's wealth management operations, Taaleri Pääomarahastot Oy acquired from Aktia its shares in Taaleri Infra I GP Oy (formerly Aktia Infra Rahasto GP Oy), a total of 80.0 per cent of the company's shares. The company belongs to the infrastructure business that started operations at Taaleri and thus belongs to the Private Asset Management segment. The purchase price was EUR 300.0 thousand and the full purchase price was paid in cash. At the time of the acquisition, Taaleri Infra I GP Oy's assets were EUR 1.3 thousand and consisted entirely of cash. The company had no debt at the time of acquisition. Goodwill of EUR 298.7 thousand was recorded and is based on the expertise of the persons transferred to Taaleri in the transaction. The company has been consolidated into the Taaleri Group as of April 30, 2021. Goodwill arising on the transaction will be tested annually.

Additionally, during the first half of 2021, there were established and merged some management - and project companies under Taaleri Pääomarahastot, Taaleri Sijoitus and Taaleri Energia.

### Changes in subsidiary shareholdings 1.1.-31.12.2020

During 2020 Taaleri divested its holding in wind farm project located in Texas, USA, by reducing its holding in TGE Taaleri LLC and its subsidiary TG East Wind Project LLC to seven (100.0) per cent. In addition, during 2020 Taaleri acquired all of the non-controlling interests in Taaleri Veropalvelut Oy and at the end of the financial year Taaleri's holding in Taaleri Veropalvelut Oy was 100.0 (95.0). Taaleri Sijoitus Oy's holding in Mobify Invoices Oy decreased to 61.82 (68.00) percent with the share issue.

Additionally, during 2020, there were established and merged some management - and project companies under Taaleri Pääomarahastot, Taaleri Sijoitus and Taaleri Energia. All group companies are listed in the financial statements of the parent company.

### 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

	1.1.-30.6.2021	1.1.-31.12.2020
From an addition to the share owned in subsidiaries	-	-246
From a reduction in the share owned in subsidiaries, without loss of control	-	93
<b>Net effect on equity</b>	<b>-</b>	<b>-153</b>

There is not a material non-controlling interest in the group.

## 17 INVESTMENTS IN ASSOCIATED COMPANIES

### Changes in associated company shareholdings 1.1.-30.6.2021

On 30 June 2021 the group had ten associated companies: Fellow Finance Plc, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Taaleri Datacenter Ky, Fintoil Oy, Taaleri SolarWind II SPV, Turun Toriparkki Oy, Masdar Taaleri Generation, Surazo Sp.z o.o. and Sepos Oy. None of these is considered material to the group. The associated companies, except for Fellow Finance Plc and Fintoil Oy, are consolidated using the equity method. Fellow Finance Plc is classified as held for sale (see note 10) and Fintoil as an investment that is valued at fair value. A loss of 329 thousand euros from continuing operations of the associated companies has been recognised in the Group in the income statement item 'Share of associates' profit or loss'. The associated companies have neither discontinued operations nor comprehensive income items.

During the reporting period Taaleri acquired a 50.0 per cent share in Surazo Sp.z o.o. after which it is consolidated as associated company.

### Changes in associated company shareholdings 1.1.-31.12.2020

On 31 December 2020 the group had nine associated companies: Fellow Finance Plc, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Taaleri Datacenter Ky, Fintoil Oy, Taaleri SolarWind II SPV, Turun Toriparkki Oy, Masdar Taaleri Generation and Sepos Oy. None of these is considered material to the group. The associated companies, except for Fellow Finance Plc and Fintoil Oy, are consolidated using the equity method. Fellow Finance Plc is classified as held for sale (see Note 23). Venture capital investment committed to associated company Fintoil is decided to measure at fair value through profit or loss in accordance with IFRS 9. A profit of 73 thousand euros from continuing operations of the associated companies has been recognised in the Group in the income statement item 'Share of associates' profit or loss'. The associated companies have neither discontinued operations nor comprehensive income items.

During the reporting period Taaleri acquired a 30.0 percent share in Sepos Oy after which it is consolidated as associated company. In addition, Taaleri's holding in Taaleri Datacenter Ky decreased to 29.5 per cent and holding in Fintoil Oy increased to 27.4 per cent.

## 18 CONDITIONAL LIABILITIES AND CONTINGENT LIABILITIES

<b>Commitments not recognised as liabilities, EUR 1,000</b>	<b>30.6.2021</b>	<b>31.12.2020</b>
Total gross exposures of guaranty insurance	1,724,973	1,816,527
Guarantees	-	2,000
Investment commitments	6,995	4,658
Pledged securities	-	15,000
Credit limits (unused)	5,000	10,200
<b>Total</b>	<b>1,736,967</b>	<b>1,848,385</b>

Garantia has in 2017 received information about a possible insurance event and the related claim in the Helsinki District Court. The amount of the claim is EUR 5 million added with penalties for late payment and legal costs. The insurance claim concerns a pension fund which was a loan guaranty customer of Garantia, which was placed in liquidation in 2011 and afterwards declared bankrupt in 2018. The case concerning the claim is pending in the district court. Garantia considers that the claim for insurance indemnity is unfounded, which is why it has not been entered in the profit and loss account as a provision for outstanding claims.

## 19 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.

In June 2021, Taaleri sold the shares of its subsidiary, Mobify Invoices Oy. One of the buyer parties belongs to Taaleri's other related parties. The transaction and related trade receivable are included in the table below of related party transactions.

### Related party transactions with associated companies and related parties, EUR 1,000

<b>1.1.-30.6.2021</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
Associated companies	210	-	3,095	-
Other related parties	279	-	4,035	-

  

<b>1.1.-30.6.2020</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
Associated companies	421	-	6,357	-
Other related parties	76	-	796	-

# TAALERI

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