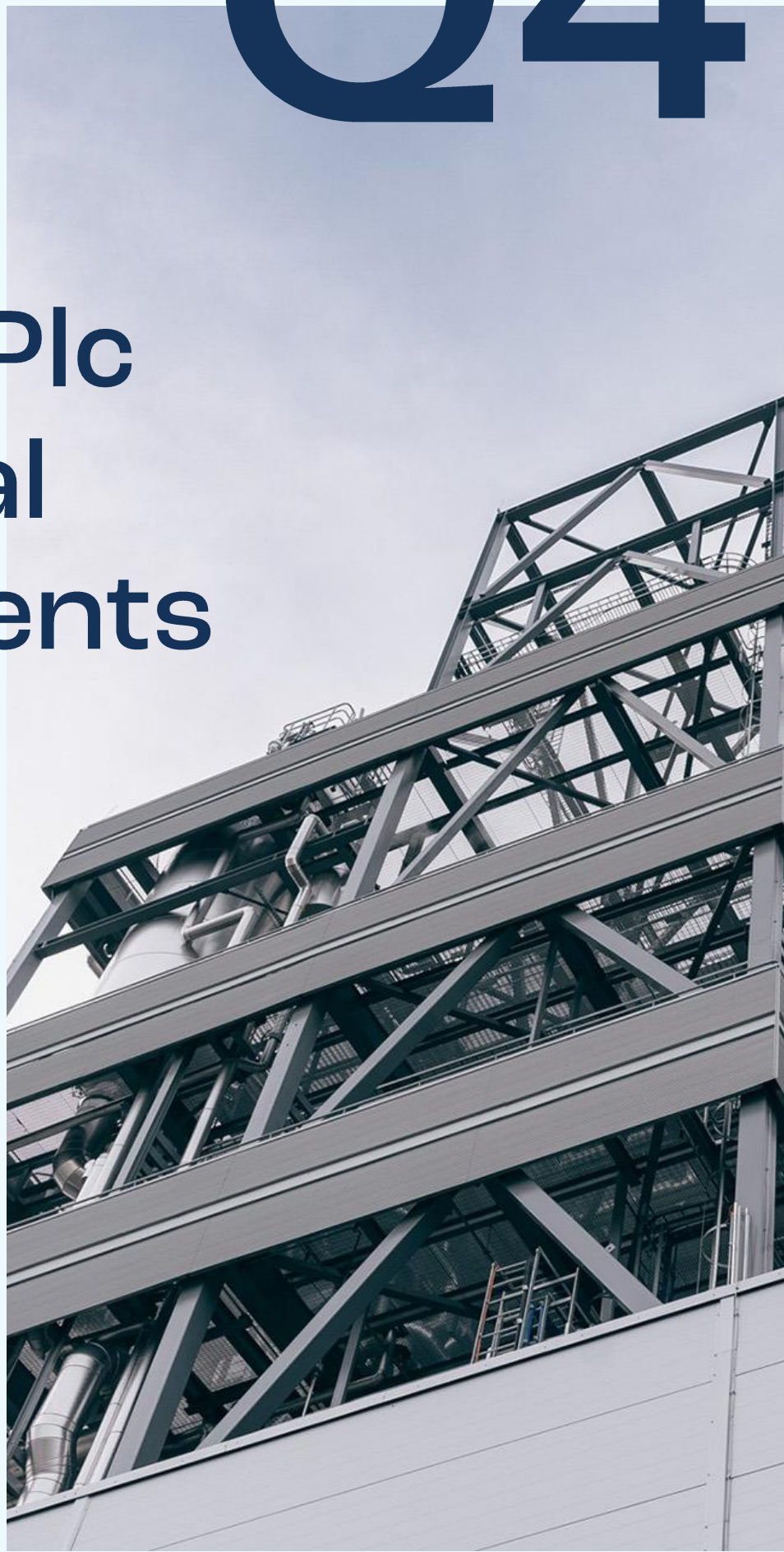


**TAALERI**

**Q4**

# **Taaleri Plc Financial Statements Bulletin**

1 January–  
31 December 2023



# Taaleri Plc Financial Statements Bulletin 1.1.–31.12.2023

Strong result in Taaleri's investment operations, operating profit 39% of total income in the last quarter of the year

## October–December 2023

- Continuing earnings fell by 6.6% to EUR 9.9 (10.6) million. The Private Asset Management segment's continuing earnings grew by 18.5% to EUR 6.7 (5.7) million, but the Strategic Investments segment's continuing earnings fell by 39.3% to EUR 2.8 (4.6) million.
- Performance fees were EUR 0.0 (12.4) million, and net income from investment operations was EUR 7.8 (-6.7) million.
- Income increased by 9.0% to EUR 17.7 (16.2) million.
- Operating profit was EUR 6.9 (7.2) million, corresponding to 38.9% of income.
- The assets under management in the Private Asset Management segment grew by 5.0% to EUR 2.6 (31 December 2022: 2.5) billion.
- Earnings per share were 0.14 (0.20) EUR.

## January–December 2023

- Continuing earnings grew by 8.4% to EUR 39.9 (36.8) million. The Private Asset Management segment's continuing earnings grew by 17.8% to EUR 24.4 (20.7) million, but the Strategic Investments segment's continuing earnings fell by 1.0% to EUR 13.6 (13.7) million.
- Performance fees were EUR 1.5 (19.4) million, and net income from investment operations grew to EUR 25.0 (2.8) million.
- Income increased by 12.5% to EUR 66.3 (58.9) million.
- Operating profit was EUR 31.9 (27.3) million, corresponding to 48.1% of income.
- Earnings per share were 0.81 (0.73) EUR.
- The Board of Directors proposes that a dividend of EUR 1.00 per share be paid for 2023.

Taaleri has implemented the IFRS 17 Insurance Contracts standard on 1 January 2023, and the adjusted comparative financial information for 2022 was published on 30 March 2023. The figures for the comparison period in this Financial Statements Bulletin are adjusted comparison figures.

This Financial Statements Bulletin has been prepared in accordance with IAS 34. The Financial Statements Bulletin is based on the audited Financial Statements of 2023. The auditor's report has been issued on 14 February 2024. Unless otherwise stated, the figures in parentheses in the Financial Statements Bulletin refer to the corresponding period of the previous year. See page 23 for further information of the accounting policies of this Financial Statements Bulletin.

Growth in continuing earnings, %

**-6.6**

(Q4 2022: n/a)

Income, EUR million

**17.7**

(Q4 2022: 16.2)

Operating profit, %

**38.9**

(Q4 2022: 44.6)

Assets Under Management, BEUR

**2.6**

(31.12.2022: 2.5)

## Key figures

Group key figures	10–12/2023	10–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
<b>Earnings key figures</b>						
Continuing earnings, MEUR	9.9	10.6	-6.6	39.9	36.8	8.4
Income, MEUR	17.7	16.2	9.0	66.3	58.9	12.5
Operating profit, MEUR	6.9	7.2	-4.8	31.9	27.3	16.8
Operating profit, %	38.9	44.6		48.1	46.3	
Profit for the period in consolidated income statement, MEUR	5.0	5.7	-12.0	26.5	21.3	24.6
Return on equity, annualised %	9.7	11.6		13.0	10.0	
<b>Balance sheet key figures</b>						
Equity ratio, %	67.8	66.9		67.8	66.9	
<b>Other key figures</b>						
Cost/income ratio, %	59.0	57.0		52.8	55.2	
Full-time permanent personnel, at the end of the period	111	106	4.7	111	106	4.7
Assets under management in Private Asset Management segment, BEUR	2.6	2.5	5.0	2.6	2.5	5.0
Guaranty insurance portfolio, BEUR	1.7	1.9	-6.0	1.7	1.9	-6.0

## Review by CEO Peter Ramsay

During 2023, Taaleri strongly promoted its strategy based on renewable energy, bioindustry and real estate business, despite the challenging operating environment. We can be pleased with the Group's profit development over the entire year. The Group's continuing earnings for the financial year grew by 8.4%. Income increased by 12.5% to EUR 66.3 million and operating profit by 16.8% to EUR 31.9 million. The operating profit margin was 48.1.

The Group's continuing earnings fell in the last quarter of the year, mainly due to the inter-quarter volatility caused by the valuation and recognition principles of IFRS 17 standard applied to the figures of Garantia Insurance Company Ltd. The Group's income in the last quarter grew but operating profit fell from the corresponding period due to, among other things, performance fees recorded in the corresponding period.

In the Private Asset Management segment, continuing earnings grew by 19% in the last quarter, but income and operating profit fell from the corresponding period, during which earnings were boosted by considerable performance fees. No performance fees were recognised in the last quarter of 2023.

At the end of the last quarter, the renewable energy business announced that it had raised EUR 430 million in investment commitments for its sixth fund, Taaleri SolarWind III, at the second close. We consider the result a success in the current operating environment, and we will continue active fundraising at least until the end of 2024. Our goal is to raise EUR 700 million from investors in the fund. During the review period, we continued preparations to exit the Taaleri Wind II and Taaleri Wind III Funds, which are at the end of their lifecycle. In addition, the renewable energy business recorded an operating profit of EUR 4.1 million related to development activities in Texas between 2018 and 2021.

In the bioindustry business, we focused in the last quarter on supporting the growth of the portfolio companies of the Taaleri Bioindustry I Fund and mapping and evaluating new potential investees. We also continued the preparations for the venture capital fund and started the construction work for a torrefied biomass plant to be built in Joensuu. We launched several recruitment processes to support direct investments and international growth in line with the updated strategy.

In the real estate business, the new business director started in early 2024, and we are currently working on an updated strategy for the business. During the review period, we continued to develop new investment products and optimise the profitability of the real estate portfolios owned by the funds. The business also continued the preparations to exit funds at the end of their lifecycle.

In the Strategic Investments segment, the development of Garantia's key figures in the last quarter reflects the inter-quarter profit fluctuation characteristic of the IFRS 17 standard. The insurance service result was EUR 2.7 million and the combined ratio was 42.0%. However, the profitability of Garantia's insurance operations remained at a good level, although the insurance service expenses grew and revaluation of insurance contract liabilities during the quarter decreased insurance revenue from the comparison period. The insurance service result for the entire year was EUR 13.5 million and the combined ratio was excellent at 28.7%. Garantia's net income from investment operations increased to EUR 1.4 million in the last quarter and to EUR 4.7 million in the whole year as the investment market strengthened from the corresponding period.

One of our priorities during the year was a strategy update, which we published in November. The biggest changes to our strategy are bringing direct bioindustry investments to the forefront of the business alongside the private asset management business and seeking strong international growth.

Our vision is to become a leading investment manager operating internationally in bioindustry and renewable energy. Our goal is to increase the assets under management to EUR 4 billion and the Group's direct industrial investments to at least EUR 100 million by the end of 2026. The goals are ambitious, but I believe we have every opportunity to achieve them.



## Dividend proposal of the Board of Directors

The Board of Directors proposes that a dividend of EUR 1.00 per share, a total of EUR 28,285,593 will be paid for the financial year 2023. The dividend proposal is to distribute EUR 0.50 as a dividend based on the profit for the period of continuing operations, and EUR 0.50 as a dividend based on the sale of the wealth management operations. The parent company's distributable funds were EUR 129,588,048.17, which includes EUR 10,180,208.95 in net profit for the financial year. The dividend is to be paid in one instalment.

The dividend will be paid to shareholders who are registered in the list of shareholders maintained by Euroclear Finland Ltd on the record date, which is 12 April 2024. The dividend payment date proposed by the Board of Directors is 19 April 2024.

No dividend is paid to the shares held by the parent company. The amount of the proposed dividend distribution is based on the number of shares outstanding at the balance sheet date. The actual dividend payment is determined based on the number of shares outstanding on the record date.

The Board of Directors' report and financial statements for 2023 will be available at [www.taaleri.com](http://www.taaleri.com) on 15 March 2024 at the latest.

## Outlook and financial targets

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

Taaleri's updated long-term targets are:

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

## Promoting the strategy

The year 2023 was the last year of Taaleri's strategy period that began in 2021, and we can be satisfied with the implementation of the strategy. The aim for the strategy period was to drive growth through private equity funds focusing on renewable energy and other alternative investments. In 2023, the main priorities of the implementation of the strategy were the fundraising of the Taaleri SolarWind III Fund and the promotion of bioindustry business's private equity funds and co-investments. The objective of the strategy period was to increase the assets under management to more than EUR 3 billion. At the end of 2023, assets under management amounted to EUR 2.6 billion.

Taaleri had four strategic priorities during the strategy period ended. Below, we outline how we advanced each of the priorities during 2023.

### 1. We put impact and renewable energy at the heart of our operations

We develop and expand private equity funds that seek not only economic returns but also measurable benefits for the environment and society. In 2023, we managed nine private equity funds that fall under Articles 9 and 8 of the EU's Sustainable Finance Disclosure Regulation (SFDR), i.e. they either make only sustainable investments or contribute to select sustainability factors. Approximately 75% of our assets under management are in Article 9 and 8 funds.

All six of our renewable energy business's funds and Taaleri Bioindustry I Fund have been classified as dark green, i.e. Article 9 funds. In addition, two real estate funds, Taaleri Housing Fund VIII and Taaleri Rental Home, are classified as Article 8 funds.

### 2. We seek to scale up all our businesses

In our private equity funds, we aim to significantly increase the average size of funds and our assets under management, which will increase continuing earnings and improve the profitability of the funds. This increases our resources, enabling us to hire the best experts to ensure a good return for our investors.

Assets under Taaleri's management increased during 2023 from EUR 2.5 billion to EUR 2.6 billion. During the year, we raised funds mainly for the Taaleri SolarWind III Fund. The assets under management were reduced by, among other things, the exit of Taaleri Forest Fund III in June and the ending of the asset management mandate of the real estate business in July.

Taaleri's latest renewable energy fund, Taaleri SolarWind III, progressed as planned during the year. In July, the fund announced that it had raised EUR 286 million in the first closing, and the second closing in December increased the fund size to EUR 430 million. The fundraising was supported by a project development portfolio that included 61 projects at the end of the financial year.

At Garantia Insurance Company Ltd, we continued to advance a strategy based on a scalable business model, risk diversification and an extensive distribution network, which produced an extraordinarily strong performance in insurance operations despite the challenging operating environment.

### **3. We expand the sales and distribution of our private equity funds**

In addition to our significant domestic cooperation with Aktia, we strengthened our own institutional and international sales during 2023. In the renewable energy business, Taaleri has its own sales organisation, which has focused on large domestic institutions as well as international investors. During the year, we entered into distribution partnerships for our funds in Europe, North America and Asia. We also met with a number of European institutional and family offices focusing on impact investing, to whom we presented Taaleri's operations and the SolarWind III Fund. This work will continue and expand as we focus on internationalisation under the updated strategy.

### **4. We optimise return on capital and balance sheet usage**

In accordance with our strategy, we enhanced the use of our equity and distributed to shareholders the capital that the company does not need for growth investments or to fulfil its solvency targets. Taaleri distributed a dividend of EUR 0.70 per share for 2022. The amount of the dividend was based on the distribution of EUR 0.45 as a dividend based on the operating profit of continuing operations and EUR 0.25 as a dividend based on the profit from the sale of the wealth management operations.

## **Operating environment and market prospects**

Development of the global economy and of the capital markets was still marked by a high degree of uncertainty in late 2023. Interest rate increases during the year curbed strong inflation, and the US and European central banks stopped their interest rate increases during the second half of the year. According to the prevailing market view, 2024 will bring a soft landing; the economy will slow down moderately while avoiding a more serious recession, and interest rates will start to decline in 2024.

The operating environment of the capital market has been challenging due to, for example, rising interest rates and inflation. The growth of alternative investments has slowed, but the asset class has become a significant part of the portfolios of institutional investors, as it offers the opportunity to diversify risks and smooth out returns. The EU's Sustainable Finance regulation guides both investors and financial actors towards sustainable investments. In particular, more private capital will be needed in the future to achieve the global emission reduction, energy self-sufficiency and circular economy targets. Europe's desire to break away from Russian energy sources and to increase its self-sufficiency will strengthen the operating environment for renewable energy and bioindustry, in particular.

**The growth of alternative investments has slowed, but the asset class has become a significant part of the portfolios of institutional investors, as it offers the opportunity to diversify risks and smooth out returns**

In the renewable energy business, the operating environment remained good, although the war in Ukraine, higher interest rates and inflation have all increased the costs of project construction. The war in Ukraine has contributed to the acceleration of the green transition, but it has also created uncertainty among investors. While Europe has succeeded in reducing its dependence on Russian energy, the price of energy is very sensitive to changes in the global market. The price of electricity has fallen significantly from the peak level of last year, but is still higher than in previous years, especially in Central and Southern Europe. The lower price level of electricity has reduced uncertainty related to possible electricity price regulation and increased discussion on new support mechanisms that would increase investments in renewable energy in Europe.

In the operating environment of bioindustry business, the challenging financial situation has prolonged the implementation of financing arrangements. Schedules have stretched, but market valuation levels have declined. The poor availability and/or high price of certain raw materials and tightened loan conditions of banks continue to create uncertainty. Uncertainty in the market complicates and slows down the emergence of new products and solutions of companies in the scale-up phase of the operating environment, as many customers stick to traditional operating models during uncertain times. However, there are already signs of stabilisation in the operating environment, and the policies of the COP28 climate summit held in Dubai in early December are expected to have a positive impact on it.

In the operating environment of Taaleri's associated company Fintoil's biorefinery in Hamina, the prices of raw materials have also started to fall in Europe and, in addition to the main product, the demand for other end products has also started to rise. The tight situation is expected to ease during the first half of the year.

The real estate market continued to be challenging. Transaction volumes remained clearly lower than in previous years, but there was a slight increase in activity in the last quarter. Inflation continued to fall strongly in the last quarter, which increased the pressure on the European Central Bank to lower its key interest rate. However, yield requirements continued to rise. In the rental market, occupancy rates and rental levels remained good. The long-term fundamentals supporting real estate investments, such as urbanisation, are still seen as strong in the Finnish real estate market. Sustainability and impact will continue to be at the core of investment activities, and capital will increasingly seek out key locations and sustainable investments.

In the operating environment of Garantia Insurance Company Ltd inflation, rising interest rates and economic uncertainty kept consumer confidence low. As a result, the volumes of housing transactions and new mortgage loans raised decreased significantly from previous years, which affected the sales of residential mortgage guarantees. However, the creditworthiness of the company's consumer and corporate customers remained good, and no material changes occurred in the risk position of the guaranty insurance portfolio. Positive investment market performance affected positively to Garantia's investment performance as market interest rate started to decrease in the second half of the year and optimism returned to equity market.

## Financial result

### Continuing earnings, income, and operating profit

Group, EUR million	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
<b>Continuing earnings</b>	<b>9.9</b>	<b>10.6</b>	<b>-6.6%</b>	<b>39.9</b>	<b>36.8</b>	<b>8.4%</b>
Private Asset Management	6.7	5.7	18.5%	24.4	20.7	17.8%
Strategic Investments	2.8	4.6	-39.3%	13.6	13.7	-1.0%
Other	0.4	0.4	14.5%	1.9	2.4	-18.6%
<b>Income</b>	<b>17.7</b>	<b>16.2</b>	<b>9.0%</b>	<b>66.3</b>	<b>58.9</b>	<b>12.5%</b>
Private Asset Management	12.7	18.9	-32.9%	42.3	42.6	-0.5%
Strategic Investments	4.5	1.8	148.1%	17.9	3.8	>100.0%
Other	0.5	-4.5	n/a	6.1	12.6	-52.0%
<b>Operating profit</b>	<b>6.9</b>	<b>7.2</b>	<b>-4.8%</b>	<b>31.9</b>	<b>27.3</b>	<b>16.8%</b>
Private Asset Management	4.0	12.3	-67.5%	14.9	18.6	-19.9%
Strategic Investments	4.0	1.7	130.2%	16.5	3.1	>100.0%
Other	-1.1	-6.8	-83.7%	0.5	5.5	-90.9%

The Group's share of the result of associated companies is taken into account in the segment income. In addition, transit items that have no effect on the result for the financial year have been eliminated from segment income. Segment information and the reconciliation statement to the IFRS income statement are presented on pages 35–36.

#### October–December 2023

The Group's continuing earnings fell in the last quarter by 6.6% to EUR 9.9 (10.6) million. The Private Asset Management segment's continuing earnings grew by 18.5%, but the Strategic Investments segment's continuing earnings fell by 39.3%. The fall in the continuing earnings of the Strategic Investments segment was due to the decline in Garantia's insurance revenue, which is explained, among other things, by the entries due to the revaluation of insurance contract liabilities. In the comparison period, corresponding entries increased insurance revenue. Insurance service expenses also increased from the comparison period.

No performance fees were recognised in the last quarter of 2023, while EUR 12.4 million in performance fees was recognised in the corresponding period. The Group's net income from investment operations was EUR 7.8 (-6.7) million, of which EUR 6.0 (0.8) million was from the Private Asset Management segment, EUR 1.7 (-2.8) million from the Strategic Investments segment and EUR 0.1 (-4.8) million from the Other group. The Group's income grew to EUR 17.7 (16.2) million.

The Group's operating expenses totalled EUR 10.8 (9.0) million, of which personnel costs were EUR 4.1 (3.2) million and fee and commission expenses EUR 1.7 (2.8) million. The Group's operating profit was EUR 6.9 (7.2) million, corresponding to 38.9% (44.6) of income.

In the Group's consolidated IFRS income statement, income fell by 4.6% to EUR 18.2 (19.1) million, the profit for the period was EUR 5.0 (5.7) million and the Group's total comprehensive income was EUR 5.4 (7.6) million.

#### January–December 2023

The Group's continuing earnings grew by 8.4% to EUR 39.9 (36.8) million during 2023. The Private Asset Management segment's continuing earnings grew by 17.8% to EUR 24.4 (20.7) million. The continuing earnings of the Strategic Investments segment, on the other hand, fell by 1.0%, largely due to the growth in insurance service expenses.

A performance fee of EUR 3.6 million was realised from the sale of Taaleri Forest Fund III in the summer, from which a previously unrecognised proportion of EUR 1.6 million was recorded as income for the period. A total of EUR 19.4 million was recognised as performance fees in the corresponding period.

The Group's net income from investment operations was EUR 25.0 (2.8) million, of which EUR 16.5 (2.5) million was from the Private Asset Management segment, EUR 4.4 (-9.9) million from the Strategic Investments segment and EUR 4.1 (10.2) million from the Other group. The Group's net income from investment operations included EUR 15.2 million of realised capital gains, most of which were represented by EUR 8.9 million of capital gains from the sale of the renewable energy project development portfolio, adjusted by the purchase price specified in the second half of the year, and EUR 5.5 million of income from renewable energy development activities in Texas between 2018 and 2021. The Group's income grew by 12.5% to EUR 66.3 (58.9) million.

The Group's operating expenses totalled EUR 34.5 (31.6) million, of which personnel costs were EUR 16.1 (14.0) million and fee and commission expenses EUR 6.6 (8.7) million. The Group's operating profit was EUR 31.9 (27.3) million, corresponding to 48.1% (46.3) of income.

In the Group's consolidated IFRS income statement, income grew by 15.6% to EUR 65.6 (56.8) million, the profit for the period was EUR 26.5 (21.3) million and the Group's total comprehensive income was EUR 28.5 (9.3) million.

## Balance sheet, investments, and financing

At the end of the review period, the Group's cash and cash equivalents totalled EUR 38.3 (46.8) million, and Taaleri Group's balance sheet total was EUR 307.9 (299.9) million. Investments were EUR 212.1 (200.7) million, corresponding to 68.9% (66.9) of the Group's balance sheet total. At the end of the review period, the Group's accrued income included unrealised performance fees of EUR 14.2 (16.2) million.

The liabilities of the Group totalled EUR 99.3 (99.4) million, of which insurance contract liabilities were EUR 45.6 (46.5) million, deferred tax liabilities were EUR 16.5 (16.9) million and interest-bearing liabilities were 14.9 (15.3) million. The interest-bearing liabilities comprised of EUR 14.9 (14.9) million of Taaleri Plc's Tier 2 bond.

At the end of December, Taaleri Group's equity was EUR 208.6 (200.5) million. The Group's equity ratio remained strong at 67.8% (66.9), and the Group's return on equity during the financial period stood at 13.0% (10.0%).

## Business segments

Taaleri's continuing operations include two reported segments: Private Asset Management, which is divided to Renewable energy and Other private asset management, and 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.

The segment-specific income statements are presented on pages 35–36.

### 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 and energy storage systems. It also manages investments throughout their lifecycle. The other areas within Private Asset Management include Taaleri's real estate, bioindustry and other businesses. Group investments that support the core business and the development of the businesses reported under the Private Asset Management segment are reported under the segment. Such investments include, for example, seed investments in new funds. Group investments are presented in further detail under segment information on pages 37–38.

Private Asset Management, EUR million	10–12/2023	10–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Continuing earnings	6.7	5.7	18.5%	24.4	20.7	17.8%
Performance fees	0.0	12.4	-100.0%	1.5	19.4	-92.3%
Investment operations	6.0	0.8	613.7%	16.5	2.5	562.8%
<b>Income</b>	<b>12.7</b>	<b>18.9</b>	<b>-32.9%</b>	<b>42.3</b>	<b>42.6</b>	<b>-0.5%</b>
<b>Operating profit</b>	<b>4.0</b>	<b>12.3</b>	<b>-67.5%</b>	<b>14.9</b>	<b>18.6</b>	<b>-19.9%</b>
Allocation of financing expenses	-0.4	-0.4	8.2%	-2.1	-1.8	17.4%
<b>Profit before tax</b>	<b>3.6</b>	<b>11.9</b>	<b>-70.1%</b>	<b>12.8</b>	<b>16.8</b>	<b>-24.0%</b>
Full-time permanent personnel, at the end of the period	78	72	8.3%	78	72	8.3%

Private Asset Management segment's investments, EUR million	31.12.2023	31.12.2022	Change, %
<b>Investments and receivables, fair value</b>	<b>32.3</b>	<b>28.8</b>	<b>12.2%</b>
Renewable energy	19.3	19.1	1.2%
Real estate	0.2	0.2	0.0%
Bioindustry	12.8	9.4	35.5%
Other investments	0.0	0.1	-100.0%

## Renewable energy

Renewable energy, EUR million	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Continuing earnings	5.2	3.8	37.7%	18.1	14.6	24.5%
Performance fees	0.0	10.3	-100.0%	0.0	10.3	-100.0%
Investment operations	6.7	-1.0	n/a	17.2	0.9	>100.0%
<b>Income</b>	<b>11.9</b>	<b>13.1</b>	<b>-9.3%</b>	<b>35.4</b>	<b>25.8</b>	<b>37.3%</b>
<b>Operating profit</b>	<b>5.7</b>	<b>9.0</b>	<b>-36.5%</b>	<b>16.3</b>	<b>11.5</b>	<b>41.7%</b>
Allocation of financing expenses	-0.3	-0.3	-0.3%	-1.6	-1.3	26.6%
<b>Profit before tax</b>	<b>5.4</b>	<b>8.7</b>	<b>-37.8%</b>	<b>14.7</b>	<b>10.2</b>	<b>43.6%</b>
Full-time permanent personnel, at the end of the period	46	42	9.5%	46	42	9.5%
Assets under management, EUR billion	1.6	1.4	19.6%	1.6	1.4	19.6%

### October–December 2023

The continuing earnings of the renewable energy business grew in the last quarter by 37.7% to EUR 5.2 (3.8) million, of which EUR 0.5 million was non-recurring fees related to the second close of the Taaleri SolarWind III Fund. No performance fees were recognised in the review period, but EUR 10.3 million in performance fees were recognised in the corresponding period. Net income from investment operations was EUR 6.7 (-1.0) million, EUR 5.5 million of which was generated from renewable energy development activities in Texas between 2018 and 2021. The deed of sale for the development activities also includes the possibility of additional returns. In addition, EUR 1.3 million of invoicing related to renewable energy projects was also recognised in net income from investment operations, the corresponding costs of which were recognised in operating expenses in the same amount. Income from the renewable energy business fell by 9.3% to EUR 11.9 (13.1) million.

Operating expenses totalled EUR 6.2 (4.1) million, of which fee and commission expenses were EUR 1.1 (1.9) million and personnel costs were EUR 1.5 (1.1) million. The number of personnel in the renewable energy business increased from the corresponding period due to the resourcing of the Taaleri SolarWind III Fund and the expansion of the business. Other operating expenses include EUR 1.3 million of fully billable expenses and EUR 1.4 million of write-downs of project costs. Operating profit for the renewable energy business was EUR 5.7 (9.0) million, corresponding to a profit margin of 48.1% (68.6).

The renewable energy business continued fundraising for the Taaleri SolarWind III Fund during the review period and announced at the end of December that it had raised EUR 430 million in investment commitments by the second closing. The assets under management generating continuing earnings of the renewable energy business increased with the second funding round of the Taaleri SolarWind III Fund, but they also decreased with the transition of the Taaleri SolarWind II Fund to the stage where the fund has made all its investments, and the amount of the management fee is based on the capital committed to the investments. In addition, during the review period, the renewable energy business continued preparations to exit the Taaleri Wind II and Taaleri Wind III Funds, which are at the end of their lifecycle.

### January–December 2023

The continuing earnings of the renewable energy business grew during the financial period 2023 by 24.5% to EUR 18.1 (14.6) million, mainly due to the successful fundraising of the Taaleri SolarWind III Fund. No performance fees were recognised in the financial period, while EUR 10.3 million in performance fees were recognised in the corresponding period. Net income from investment operations was strong at EUR 17.2 (0.9) million, most of which was represented by EUR 8.9 million of capital gains from the sale of the project development portfolio to the Taaleri SolarWind III Fund, adjusted by the purchase price specified in the second half of the year, and EUR 5.5 million from renewable energy development activities in Texas between 2018 and 2021. The income from investment operations for the financial year 2023 also included income of EUR 2.9 million from expenses billed from the funds. Income from the renewable energy business grew by 37.3% to EUR 35.4 (25.8) million.

Operating expenses totalled EUR 19.0 (14.2) million, of which fee and commission expenses were EUR 4.2 (5.3) million and personnel costs were EUR 7.6 (5.8) million. Personnel costs included EUR 2.0 (1.2) million in variable personnel costs. EUR 2.9 million of operating expenses was billable expenses and thus has no impact on profit or loss. However, a total of EUR 1.4 million in project costs was written down during the financial year, which weakened the operating profit for the financial year. Operating profit for the renewable energy business in the financial year ended was EUR 16.3 (11.5) million, corresponding to 46.2% (44.7) of income.



During the period, the renewable energy business continued fundraising for the Taaleri SolarWind III Fund, which is classified as a dark green fund under Article 9 of the EU SFDR. The fund held its first closing at the beginning of July after it had raised EUR 286 million and held a second closing in December. At the end of the financial year, the fund had raised EUR 430 million in investment commitments, and fundraising will continue in the coming financial year. The Taaleri SolarWind III Fund's investment strategy is to acquire, develop, construct, and operate a portfolio of utility-scale onshore wind farms, photovoltaic solar parks, and battery storage assets. The fund's target markets are the Nordic countries, the Baltic countries, South-East Europe, Spain and Texas. The fund is based on a project development portfolio of 50 projects compiled by Taaleri Energia, which Taaleri Energia sold to the fund at the end of June. In addition to the capital gain of EUR 8.9 million recognised from the sale for the period, the transaction involves the possibility of an earn-out if the fund's projects progress in accordance with the agreed terms.

Furthermore, during the financial period, the renewable energy business started preparations to exit the Taaleri Wind II and Taaleri Wind III Funds, which are at the end of their lifecycle. In previous financial years, Taaleri has recognised a total of EUR 14.2 million in performance fees from the Taaleri Wind II and Taaleri Wind III Funds, which have been based on management estimates. The amount of the performance fees is determined, and the fees are realised upon the exit of the funds.

## Other private asset management

Other private asset management, EUR million	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Continuing earnings	1.5	1.9	-19.4%	6.2	6.1	1.7%
Performance fees	0.0	2.0	-100.0%	1.5	9.0	-83.5%
Investment operations	-0.7	1.8	n/a	-0.8	1.6	n/a
<b>Income</b>	<b>0.8</b>	<b>5.8</b>	<b>-86.4%</b>	<b>7.0</b>	<b>16.8</b>	<b>-58.5%</b>
<b>Operating profit</b>	<b>-1.7</b>	<b>3.3</b>	<b>n/a</b>	<b>-1.4</b>	<b>7.1</b>	<b>n/a</b>
Allocation of financing expenses	-0.1	-0.1	34.4%	-0.5	-0.5	-5.4%
<b>Profit before tax</b>	<b>-1.8</b>	<b>3.2</b>	<b>n/a</b>	<b>-1.9</b>	<b>6.6</b>	<b>n/a</b>
Full-time permanent personnel, at the end of the period	32	30	6.7%	32	30	6.7%
Assets under management, EUR billion	1.0	1.1	-12.8%	1.0	1.1	-12.8%

### October–December 2023

Continuing earnings from Taaleri's real estate, bioindustry and other businesses in the last quarter fell by 19.4% to EUR 1.5 (1.9) million. The decrease in continuing earnings was partly due to the fund exits carried out between the review periods and the decrease in the fees based on mandates for the real estate business, but also due to Taaleri's share of the profit of WasteWise Group, which has been consolidated in the bioindustry business as an associated company. No performance fees were recognised during the review period ended, while EUR 2.0 million in performance fees were recognised in the corresponding period. Among other things, changes in the fair value of Taaleri's own balance sheet investments reported under the Private Asset Management segment are recorded in the net income from investment operations of Other private asset management. In the quarter ended, changes in fair value were negative, while in the corresponding period, they were positive. Thus, income from the real estate, bioindustry and other businesses fell to EUR 0.8 (5.8) million in the quarter ended.

Operating expenses in Other private asset management totalled EUR 2.5 (2.4) million, of which fee and commission expenses were EUR 0.5 (0.9) million and personnel costs EUR 1.3 (0.9) million. The fixed personnel costs were EUR 0.9 (0.7) million and the variable personnel costs were EUR 0.4 (0.1) million. Fee and commission expenses in the corresponding period included EUR 0.4 million in expenses related to performance fees. Operating profit from Taaleri's real estate, bioindustry and other businesses was EUR -1.7 (3.3) million.

The new director was appointed to the real estate business in November, and he took up his duties after the end of the review period in January. The real estate business continued to develop new investment products in the last quarter and focused on optimising the profitability of the real estate portfolios owned by its funds. In addition, the business continued the preparations to exit funds at the end of their lifecycle.

During the review period, the bioindustry business continued to support the growth of the investee companies of the Taaleri Bioindustry I Fund and to map new potential investees. In addition to the preparations for the new venture capital fund, the business also launched the construction work of the torrefied biomass plant to be built in Joensuu. According to Taaleri's updated strategy, bioindustry will play an even greater role in building the growth of the portfolio of direct investments in the Private Asset Management segment and Taaleri's internationalisation. During the review period, the business launched several recruitment processes to achieve the objectives of the updated strategy.

### January–December 2023

Continuing earnings from Taaleri's real estate, bioindustry and other businesses during the financial period 2023 grew by 1.7% to EUR 6.2 (6.1) million. Continuing earnings were boosted by successful product launches in the bioindustry business in 2022. However, continuing earnings were reduced by both the exits carried out in 2023 and a decrease in fees based on real estate mandates.

During the financial period, Taaleri received a performance fee of EUR 3.6 million for the sale of Taaleri Forest Fund III, of which EUR 1.6 million was recognised as income during the financial period ended and EUR 2.0 million as income in 2022. The transaction involves the possibility of an earn-out. In addition to the performance fee of EUR 2.0 million recorded for Taaleri Forest Fund III, the performance fees of EUR 9.0 million for the corresponding period consisted primarily of a transaction concerning the shares of Ficolo Ltd owned by Taaleri's co-investment and associated company Taaleri Datacenter Ky. Among other things, changes in the fair value of Taaleri's own balance sheet investments reported under the Private Asset Management segment are recorded in the investment result of Other private asset management. In the financial period ended, changes in fair value were negative, while in the corresponding period they were positive. Income from Taaleri's real estate, bioindustry and other businesses fell to EUR 7.0 (16.8) million due to decreased performance fees and a decreased net income from investment operations.

In line with its strategy, Taaleri is investing in the growth of the private asset management business, and this is reflected on a front-loaded basis in the increase in the number of employees and personnel costs. Operating expenses in Other private asset management in the financial period ended totalled EUR 8.4 (9.7) million, of which EUR 2.3 (3.1) million was fee and commission expenses. The decreased proportion of fee and commission expenses was due to higher fee and commission expenses associated with performance fees in the corresponding period. Personnel costs decreased from the level of the corresponding period to EUR 4.0 (4.2) million due to a decrease in variable personnel costs. Operating profit from Taaleri's real estate, bioindustry and other businesses was EUR -1.4 (7.1) million.

During the financial period, the real estate business focused on the active development of new investment products and the preparations to exit old funds. The business successfully implemented the sale of Taaleri Forest Fund III and its forest holding portfolio during the first half of the financial year, and the asset management mandate of an international client's real estate portfolio ended at the beginning of July in accordance with the agreement. At the end of the financial year, the real estate business welcomed the new director, who took up his duties after the end of the financial year in January 2024.

During the financial year, the bioindustry business focused on mapping new investees for its first fund, Taaleri Bioindustry I, and on promoting due diligence processes of potential investments. The fund made its third investment in the Nordic Bioproducts Group, a Finnish company producing cellulose-based materials with a high processing value, during the period. The bioindustry business also prepared its next fund, the strategy of which would be to invest in start-up companies in the bioindustry sector. The goal of the venture capital fund would be to offer early-stage companies the opportunity to grow into the next scale-up phase. The construction work of the torrefied biomass plant to be built in Joensuu as a co-investment project of Taaleri's bioindustry business started during the financial year.

During the financial period, Taaleri acquired shares in WasteWise Group, a Finnish company, increasing its shareholding to 34.1%. The technology developed by WasteWise Group enables the recycling of difficult-to-recycle plastics, and the pyrolysis oil resulting from the process can be used to replace crude oil, for example in the raw material chain of plastics production. One of the aims of the investment is to accelerate the growth of Taaleri's bioindustry business. The company has been consolidated into the bioindustry business as an associated company since July 2023.

At the end of the financial year, the bioindustry business began several recruitment processes to support direct investments and international growth in line with Taaleri's strategy updated in late 2023.

## Taaleri's private equity funds in a table

Renewable energy, EUR million	Founded	Product	Business area	AUM Q4 2023	Stage of the fund
Taaleri Wind Fund II Ky	2014	Private equity fund	Renewable energy		Invested
Taaleri Wind Fund III Ky	2016	Private equity fund	Renewable energy		Invested
Taaleri SolarWind I Ky	2016	Private equity fund	Renewable energy		Invested
Taaleri SolarWind II Feeder Fund Ky	2019	Feeder fund	Renewable energy		Invested
Taaleri Wind Fund IV Ky	2019	Co-investment fund	Renewable energy		Invested
Taaleri SolarWind II	2019	Private equity fund	Renewable energy		Invested
Taaleri SolarWind III	2023	Private equity fund	Renewable energy		Fundraising
Managed accounts	2019-	Managed accounts	Renewable energy		Invested
<b>Renewable energy total</b>				<b>1,649</b>	
Other private asset management, EUR million	Founded	Product	Business area	AUM Q4 2023	Stage of the fund
Taaleri Real Estate Development Fund Ky	2015	Private equity fund	Real estate		Invested
Taaleri Housing Fund IV Ky	2010	Private equity fund	Real estate		Invested
Taaleri Multifunctional Properties Ky	2018	Private equity fund	Real estate		Invested
Taaleri Property Fund I Ky	2015	Private equity fund	Real estate		Invested
Taaleri Property Fund II Ky	2016	Private equity fund	Real estate		Invested
Taaleri Rental Home Ky	2016	Private equity fund	Real estate		Investing period
Taaleri Housing Fund VIII Ky	2021	Private equity fund	Real estate		Investing period
Managed accounts	2021-	Managed accounts	Real estate		Investing period
<b>Real estate total</b>				<b>675</b>	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry		Invested
Joensuu Biocoal	2021	Co-investment	Bioindustry		Investing period
Taaleri Bioindustry I Ky	2021	Private equity fund	Bioindustry		Fundraising
<b>Bioindustry total</b>				<b>164</b>	
<b>Other funds total</b>				<b>152</b>	
<b>Other private asset management total</b>				<b>991</b>	
<b>Taaleri's Private Asset Management segment total, EUR million</b>				<b>2,641</b>	

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

## Strategic Investments

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

Strategic Investments, EUR million	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Continuing earnings	2.8	4.6	-39.3%	13.6	13.7	-1.0%
Performance fees	-	-	-	-	-	-
Investment operations	1.7	-2.8	n/a	4.4	-9.9	n/a
<b>Income</b>	<b>4.5</b>	<b>1.8</b>	<b>148.1%</b>	<b>17.9</b>	<b>3.8</b>	<b>&gt;100.0%</b>
<b>Operating profit</b>	<b>4.0</b>	<b>1.7</b>	<b>130.2%</b>	<b>16.5</b>	<b>3.1</b>	<b>&gt;100.0%</b>
Allocation of financing expenses	-0.5	-0.5	0.0%	-1.9	-1.9	0.0%
<b>Profit before tax</b>	<b>3.5</b>	<b>1.3</b>	<b>179.4%</b>	<b>14.6</b>	<b>1.2</b>	<b>&gt;100.0%</b>
Full-time permanent personnel, at the end of the period	19	18	5.6%	19	18	5.6%

## Garantia

The objective of Garantia is to modernise 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	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Insurance service result	2.7	4.7	-43.0%	13.5	14.1	-3.9%
Insurance revenue	4.6	5.6	-17.3%	19.0	19.1	-0.5%
Insurance service expenses	-1.8	-0.7	145.9%	-4.9	-4.3	14.1%
- of which incurred claims	-0.3	-0.3	-0.6%	-1.2	-1.2	1.2%
- of which other insurance administrative expenses	-0.9	-0.8	11.0%	-3.2	-3.1	5.1%
- of which losses on onerous contracts	-0.8	0.3	n/a	-0.5	-0.2	106.4%
- of which changes in liability of incurred claims	0.3	0.3	-19.8%	0.8	1.0	-20.3%
- of which insurance acquisition costs	-0.1	-0.2	-70.8%	-0.8	-0.8	-1.1%
Net expenses from reinsurance contracts	-0.1	-0.2	-3.0%	-0.5	-0.7	-22.5%
Net finance income and expense from insurance	0.1	-0.1	n/a	-0.0	-0.4	-96.7%
Net income from investment operations	1.4	-3.3	n/a	4.7	-8.5	n/a
Other income	0.0	0.0	177.6%	0.0	0.0	195.2%
<b>Income</b>	<b>4.2</b>	<b>1.3</b>	<b>227.3%</b>	<b>18.3</b>	<b>5.3</b>	<b>248.6%</b>
Other expenses	-0.5	-0.1	491.3%	-1.5	-0.6	129.8%
<b>Operating profit</b>	<b>3.7</b>	<b>1.2</b>	<b>207.3%</b>	<b>16.8</b>	<b>4.6</b>	<b>265.2%</b>
Allocation of financing expenses	-0.5	-0.5	0.0%	-1.9	-1.9	0.0%
<b>Profit before tax</b>	<b>3.2</b>	<b>0.7</b>	<b>344.0%</b>	<b>14.9</b>	<b>2.7</b>	<b>451.4%</b>
Change in the fair value of investments	3.2	2.7	19.3%	5.7	-10.1	n/a
Result at fair value before tax	6.4	3.4	87.3%	20.6	-7.4	n/a
Full-time permanent personnel, at the end of the period	19	18	5.6%	19	18	5.6%

Garantia	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Claims ratio (IFRS), %	17.6%	-5.8%	23.4%-p.	4.5%	2.1%	2.4%-p.
Expense ratio (IFRS), %	21.2%	18.8%	2.3%-p.	21.5%	20.6%	0.9%-p.
Reinsurance ratio (IFRS), %	3.2%	2.8%	0.5%-p.	2.7%	3.5%	-0.8%-p.
Combined ratio (IFRS), %	42.0%	15.8%	26.2%-p.	28.7%	26.2%	2.6%-p.
Return on investments at fair value, %	3.0%	-0.4%	3.4%-p.	6.9%	-11.2%	18.1%-p.

Garantia	31.12.2023	31.12.2022	Change, %
Investment portfolio, fair value, MEUR	164	155	6.0%
Guaranty insurance portfolio, MEUR	1,749	1,862	-6.0%
Solvency ratio, %	245.7%	231.3%	14.4%-p.
Credit rating (S&P)	A-	A-	-

### October–December 2023

Garantia's income in October–December was EUR 4.2 (1.3) million. The increase in income was a result of higher net investment income compared to the period of comparison.

Insurance service result decreased by 43% to EUR 2.7 (4.7) million in the review period. Insurance service result was affected by lower insurance revenue and higher insurance service expenses. Insurance service expenses increased due to losses related to onerous contracts. The decrease in insurance revenue was mainly the result of changes in future estimates applied in the valuation of insurance contract liabilities. The development of the insurance service result in the last quarter of the year reflects the inter-quarter profit volatility characteristic of the valuation principles according to the IFRS 17 standard. The combined ratio (IFRS) weakened to 42.0 % (15.8) in the last quarter as a result of reduced insurance revenue and increased insurance service expenses due to losses related to onerous contracts. However, the profitability of insurance operations remained good.

Net investment income stood at EUR 1.4 (-3.3) million. The decrease in market interest rates during the last quarter together with increased market optimism in equity market improved net income from investment operations.

Other expenses amounted to EUR 0.5 (0.1) million. Other expenses include the proportion of the company's expenses that is not related to insurance operations, such as variable personnel costs.

Operating profit amounted to EUR 3.7 (1.2) million. The result at fair value before tax was EUR 6.4 (3.4) million.

### January–December 2023

Garantia's income in 2023 was EUR 18.3 (5.3) million. Income grew as the insurance service result remained excellent and especially as the net investment income increased from year 2022.

Insurance service result decreased by 3.9% to EUR 13.5 (14.1) million in 2023. The result was especially affected by increased insurance service expenses as a result of increase in losses on onerous contracts. Insurance revenue remained stable despite the subtle decrease in the volume of guaranty insurance portfolio. The combined ratio (IFRS) was 28.7% (26.2). As in the period of comparison, the profitability of insurance operations was very good.

Net investment income grew to EUR 4.7 (-8.5) million. Net investment income significantly exceeded the level seen in the corresponding period last year, as the market interest rates levelled since the inflation lowered faster than expected, and the start of the war in Ukraine and the surge in market interest rates depressed investment markets during the period of comparison.

Other expenses amounted to EUR 1.5 (0.6) million. Other expenses include the proportion of the company's expenses that is not related to insurance operations, such as variable personnel expenses.

Operating profit amounted to EUR 16.8 (4.6) million. The result at fair value before tax was EUR 20.6 (-7.4) million.

### Insurance operations

Garantia's insurance revenue decreased by 3.9% in 2023 and amounted to EUR 19.0 (19.1) million. The decrease in insurance revenue was mainly a result of lower volume of the guaranty insurance portfolio.

Guaranty insurance exposure contracted by 6.0 % in 2023 and amounted to EUR 1,749 (1,862) million at the end of the year. The guaranty insurance exposure contracted, as new underwriting was not entirely sufficient to cover the amortisation of existing exposures.

Of the total guaranty insurance exposure, EUR 1,397 (1,343) million, or 80% (72), was made up of consumer exposure and EUR 352 (519) million, or 20% (28), of corporate exposure. The consumer exposure includes residential mortgage guaranties and rent guarantees underwritten to private households. The corporate exposure includes corporate loan guaranties, commercial bonds, and other business-related guarantees underwritten to corporates and other organisations.

Insurance service expenses amounted to EUR 4.9 (4.3) million in 2023. Insurance service expenses were mainly increased due to losses on onerous contracts. Claims ratio (IFRS) for 2023 remained low at 4.5% (2.1) although it increased due to losses on onerous contracts. Expense ratio (IFRS) slightly increased to 21.5% (20.6).

Net expenses from reinsurance contracts amounted to EUR 0.5 (0.7) million during the review period. Reinsurance ratio (IFRS) stood at 2.7% (3.5).

Garantia's combined ratio (IFRS) was 28.7% (26.2) in 2023. The profitability of insurance operations in 2023 was very good.

## Investment operations

Net income from investment operations amounted to EUR 4.7 (-8.5) million in 2023, and mainly consisted of interest income, fair value changes and realized gains and losses. The change in the fair value of investment assets recognised in comprehensive income before taxes was EUR 5.7 (-10.1) million. Hence, the return on investments at fair value was 6.9% (-11.2).

The market interest rate levelled in the last quarter of 2023 which affected the investment market widely. Stock markets were fuelled by the risen optimism and the return on fixed-income products turned back positive. Equity prices rose in the US and the S&P500 index rose 24.2% in 2023. Lowered inflation allowed ECB to stop rate hikes until further notice and market rates started to lower at the end of the year. Euribor 12 which is used as a reference rate for most of the mortgages in Finland, ended up to 3.5% which was 0.2 pp. higher as year before. Credit spreads tightened slightly during 2023.

At the end of the review period, the fair value of Garantia's investment portfolio was EUR 164 (155) million. In addition to accumulated investment returns and insurance cashflow, the value of the investment portfolio was affected by the EUR 10 million dividend payment to the parent company in the first quarter.

## Risk position

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

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

The risk position of Garantia's guaranty insurance operations has remained stable. Total guaranty insurance exposure contracted slightly compared to the end of the previous year, and the shares of consumer exposure increased and the share of corporate exposure decreased compared to the end of the previous year.

Consumer exposures amounted to EUR 1,397 (1,343) million at the end of September and represented 80% (72) of the total guaranty insurance exposure. The consumer exposures are made up of residential mortgage guaranties and rent guarantees underwritten to private households. The residential mortgage guaranty is a supplementary collateral underwritten to cover a housing loan. The rent guarantee protects landlords against tenants defaulting on their lease contract obligations.

Most of the consumer exposure is made up of the residential mortgage guaranty portfolio, the risk position of which did not see any material changes during the first nine months of the year. The portfolio is well diversified with respect to counterparty, geographical location of collateral property and underwriting year, and the creditworthiness of the counterparties in the portfolio is very good on average. The credit risks of the portfolio are in addition limited by means of an excess-of-loss portfolio reinsurance arrangement.

Corporate exposure amounted to EUR 352 (519) million at the end of the review period and represented 20% (28) of the total guaranty insurance exposure. The corporate exposure is made up of corporate loan guarantees, commercial bonds, and other business-related guarantees. The guaranteed companies in the corporate portfolio mainly include medium and large Finnish companies and other organisations. The credit risks in the portfolio are, in addition to risk selection, managed by applying reinsurance, collaterals and risk-mitigating contractual arrangements.

The share of corporate exposures with investment grade ratings of AAA...BBB- amounted to 31.1% (23.0), and the share of exposures rated BB- or better made up 71.4% (67.0) of all rated corporate exposures. The share of exposures with weak ratings of C+ or lower remained low at 2.8% (2.2). The creditworthiness of the corporate counterparties in the company's guaranty insurance portfolio has remained good on average, despite the weakened economic environment.

The principal industry sectors in the corporate portfolio were wholesale trade at 20.8% (15.6), manufacturing at 19.1% (23.8), construction at 12.3% (17.2), financial and insurance services at 11.7% (13.1) and water and sewage services 10.3% (9.4). The shares of other industry sectors were all less than 10%.

In investment operations, the risk level remained stable. At the end of the review period, fixed-income investments (incl. cash) made up 86.6% (88.2), equity & private equity investments 12.0% (10.4) and real estate investments 1.4% (1.4) of the investment portfolio. The majority of the fixed income investments was made up of investments in bonds of Nordic companies, credit institutions and insurance companies with strong creditworthiness. The proportion of investment grade-rated fixed-income investments was 61.2% (68.8). The modified duration of the fixed-income investments was 2.4 (2.3).

## Credit rating

On 14<sup>th</sup> December 2023, Standard & Poor's Global Ratings (S&P) affirmed the credit rating of A- with stable outlook for Garantia Insurance Company<sup>1</sup>.

## 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	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Continuing earnings	-	-	-	-	-	-
Performance fees	-	-	-	-	-	-
Investment operations	0.3	0.5	-41.9%	-0.4	-1.5	-75.3%
<b>Income</b>	<b>0.3</b>	<b>0.5</b>	<b>-41.9%</b>	<b>-0.4</b>	<b>-1.5</b>	<b>-75.3%</b>
<b>Operating profit</b>	<b>0.3</b>	<b>0.5</b>	<b>-41.9%</b>	<b>-0.4</b>	<b>-1.5</b>	<b>-75.3%</b>
<b>Profit before tax</b>	<b>0.3</b>	<b>0.5</b>	<b>-41.9%</b>	<b>-0.4</b>	<b>-1.5</b>	<b>-75.3%</b>

### October–December 2023

The shareholding produced EUR 0.3 (0.5) million of changes in fair value in October–December.

### January–December 2023

During the financial year 2023, the shareholding generated EUR -0.8 (-2.0) million in changes in fair value and EUR 0.4 (0.5) million in dividend income. The closing price for Aktia's share at the end of the financial year was EUR 9.42 (31 December 2022: 10.22), and the market value of the shareholding was EUR 9.2 (10.0) million.

## 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 31 December 2023, Taaleri's non-strategic investments totalled EUR 26.4 (25.2) million. The change in the portfolio during the period is mainly due to the EUR 2.3-million capitalisation of Turun Toriparkki Oy and its change in value, the exit from Taaleri Infra Ky and other changes in the portfolio's fair value. The most significant negative change in fair value during the period, total EUR -2.9 million, was recorded from Alisa Bank Plc's shares in the Group's other comprehensive income items. The Group investments are presented in further detail under segment information on pages 37–38.

Other, EUR million	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Continuing earnings	0.4	0.4	14.5%	1.9	2.4	-18.6%
Performance fees	-	-	-	-	-	-
Investment operations	0.1	-4.8	n/a	4.1	10.2	-59.7%
<b>Income</b>	<b>0.5</b>	<b>-4.5</b>	<b>n/a</b>	<b>6.1</b>	<b>12.6</b>	<b>-52.0%</b>
<b>Operating profit</b>	<b>-1.1</b>	<b>-6.8</b>	<b>-83.7%</b>	<b>0.5</b>	<b>5.5</b>	<b>-90.9%</b>
<b>Profit before tax</b>	<b>-0.4</b>	<b>-6.2</b>	<b>-93.5%</b>	<b>3.4</b>	<b>8.3</b>	<b>-59.5%</b>
Full-time permanent personnel, at the end of the period	14	16	-12.5%	14	16	-12.5%

Non-strategic investments, EUR million	31.12.2023	31.12.2022	Change, %
<b>Investments and receivables, fair value</b>	<b>26.4</b>	<b>25.2</b>	<b>4.4%</b>
Real estate	22.7	16.4	38.4%
Other investments	3.7	8.9	-58.3%

### October–December 2023

In the last quarter of the year, the income of the Other group totalled EUR 0.5 (-4.5) million, consisting of continuing earnings of EUR 0.4 (0.4) million and net income from investment operations of EUR 0.1 (-4.8) million. Net income from investment operations for the corresponding period was influenced by impairments made on non-strategic investments of EUR -3.8 million and negative exchange rate changes of EUR -0.5 million.

Operating expenses were EUR 1.6 (2.4) million, of which personnel costs amounted to EUR 0.7 (1.1) million. The Other group's operating profit (loss) in the last quarter of the year was EUR -1.1 (-6.8) million.

<sup>1</sup> The credit rating concerns the company's Issuer Credit Rating (ICR), Financial Strength Rating (FSR) and Financial Enhancement Rating (FER).

## January–December 2023

In the financial year 2023, the income of the Other group totalled EUR 6.1 (12.6) million, consisting of continuing earnings of EUR 1.9 (2.4) million and net income from investment operations of EUR 4.1 (10.2) million. The EUR 0.9 million return recognised from the exit from Taaleri Infra I Ky and the EUR 3.0 million in unrealised changes in fair value and exchange rate changes had an impact on the net income from investment operations in the financial period. The most significant positive change in value of EUR 3.3 million was recognised due to the successful refinancing of Taaleri's associated company Turun Toriparkki Oy. The net income from investment operations in the corresponding period included an earn-out of EUR 6.7 million for the Finsilva holding sold in 2016 and, as a result of a transaction involving the shares of Ficolo Ltd owned by Taaleri Datacenter Ky, a profit of EUR 7.5 million for an associated company consolidated into the Taaleri Group.

Operating expenses were EUR 5.6 (7.1) million, of which personnel costs amounted to EUR 3.1 (3.4) million. The operating profit of the Other group in the financial year 2023 was EUR 0.5 (5.5) million.

## Sustainability

### Focuses in 2023

- Planning and implementing the climate roadmap and preparing NZAM reporting
- Sustainable partnerships: better understanding of sustainability impacts in the value chain, due diligence and audits
- Sustainability data and reporting: regulatory compliance and preparation for regulatory developments, ensuring data availability and accuracy
- Promoting the wellbeing of personnel and expanding and developing related measurement

### Progress Q4/2023

- Processing the results of UNPRI/NZAM reporting on sustainable investing and progress towards the climate target
- Processing the results of a comprehensive personnel survey and conducting a survey of personnel diversity and experiences of diversity, equity, and inclusion (DEI)
- Developing the sustainability data management of private equity funds
- Updating the Sustainability Policy and Sustainability Risk Policy
- Continuing to implement the Partner Code of Conduct

In the fourth quarter of the year, we received the results of extensive external and internal stakeholder reviews central to our sustainability work. We achieved excellent results in several areas, and we will use the assessments in the development of our operations.

Taaleri excelled in an international PRI assessment of responsible investment, scoring a full five or four stars for each of the areas assessed. Taaleri's scores clearly exceeded the median scores of other PRI respondents in all areas. The results are strongly linked to our strategic focus on developing impact and sustainability in all our investments throughout their lifecycle. In the 2022 PRI assessment, Taaleri received a full five stars for the sections related to overall policy, governance, strategy, infrastructure, and real estate investments. Taaleri received four stars in the general section on confidence-building measures and the section on private equity investments. The section on infrastructure investments consists of our renewable energy investments. The section on private equity investments includes not only our private equity investments in bioindustry, but also Taaleri's older investments through non-strategic private equity funds. The PRI reporting also includes a section describing the progress of our climate target (NZAM). Taaleri's assessment report and responses are available on our website.

According to the results of a broader personnel survey conducted in the autumn, Taaleri employees are satisfied with their workplace. The thing Taaleri employees agreed most strongly about was that they can be themselves in the work community. The results were at a good or excellent level in all five overarching themes of the survey, and the overall rating was also at a good level (4.04 out of 5). Experience of the employer's sustainability was at an excellent level (at least 4.3). The survey's employee net promoter score (eNPS), which measures the willingness of Taaleri employees to recommend their employer, was at a good level at 38. The response rate in the anonymous survey was very high at 91%.

In November, we also conducted an anonymous survey mapping employees' experiences related to diversity, equity and inclusion (DEI) at Taaleri. The results of the DEI survey supported the results of the personnel survey. A strong culture of cooperation and the fact that Taaleri employees can be their true selves in the workplace indicated a high level of psychological safety in the work community. At the same time, the survey revealed that employees' different life situations could be better considered, and that older employees and men had more positive experiences of DEI themes than young people and women. The DEI survey also had a relatively high response rate of 75%.

We prepared for the obligations of the EU Corporate Sustainability Reporting Directive (CSRD) and the Sustainability Reporting Standards (ESRS), which will enter into force at the beginning of 2024, and which must be implemented in Taaleri's reporting



for the financial year 2025. In addition, we continued to implement the obligations of the EU's Sustainable Finance Disclosure Regulation (SFDR), which gradually entered into force between 2021 and 2023.

In December, we updated Taaleri's Sustainability Policy and Sustainability Risk Policy. In accordance with these, we assessed our contract partners, their business significance and compliance with the sustainability requirements at the end of the year. We ensure that our partners commit to obligations and commitments that are important to us by attaching sustainability principles to cooperation agreements. Alternatively, we check that our partners' own policy documents do not conflict with those of Taaleri. As of 2024, we do this at least in the case of ongoing or business-relevant cooperation agreements by the Group, its subsidiaries and funds that fall under Article 9 of the EU SFDR.

## Changes in Group structure

During the financial year 2023, Taaleri Plc and Taaleri Investments Ltd sold part of their holdings in Taaleri Energia Ltd to key personnel in the renewable energy business. The Taaleri Group's joint ownership of Taaleri Energia Ltd and its subgroup decreased to 76.2 (79.4) percent. In addition, Taaleri Oyj's shareholding in Taaleri Real Estate Ltd changed during the period, when Taaleri Plc first sold and later in the period acquired company's shares from key persons in the real estate business. At the end of the period, Taaleri Plc owned 100.0 (80.0) percent of Taaleri Real Estate Ltd.

During the period, Taaleri Energia Holdings Sarl sold all the shares it owned in Taaleri Energia Development Holdings Sarl, Global Evenor SL and Global Berserker SL. The transactions were carried out as part of the sale of the project development portfolio built for the Taaleri SolarWind III fund.

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

## Annual General Meeting 2023

Taaleri Plc's Annual General Meeting was held on 13 April 2023 in Helsinki.

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

The General Meeting adopted the financial statements for the 2022 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 0.70 per share be paid based on the balance sheet adopted for the financial year ended 31 December 2022. The dividend was paid to shareholders who on the dividend record date of 17 April 2023 were entered as shareholders in the company's shareholder register held by Euroclear Finland Ltd. The dividend was paid on 24 April 2023.

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

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

- EUR 6,000 for the Chairperson of the Board (2022: annual remuneration EUR 55,000 corresponding to EUR 4,583 / month)
- EUR 5,000 for the Deputy Chairperson of the Board (2022: annual remuneration EUR 41,000 corresponding to EUR 3,417 / month)
- EUR 5,000 for the Chairperson of the Audit Committee (2022: annual remuneration EUR 41,000 corresponding to EUR 3,417 / month)
- EUR 4,000 for other Members of the Board (2022: annual remuneration EUR 35,000 corresponding to EUR 2,917 / month)

The General Meeting decided that meeting-specific fees will not be paid (2022: EUR 1,000 for the Chairperson of the Audit Committee and EUR 500 for other members).

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

The 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 members of the Board of Directors be set as six (6).

The General Meeting re-elected current members of Board of Directors, Elina Björklund, Petri Castrén, Juhani Elomaa, Hanna Maria Sievinen, Tuomas Syrjänen and Jouni Takakarhu to the Board of Directors.

The Board Members were elected for a term ending at the close of the next Annual General Meeting.

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

The General Meeting decided to elect Juhani Elomaa as the Chairperson of the Board and Hanna Maria Sievinen as Deputy Chairperson of the Board.

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

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

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

The General Meeting decided to 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 6 April 2022.

#### **Authorising the Board of Directors to decide on share issue and the issuance of option rights and other special rights entitling to shares**

The General Meeting decided to authorise the Board of Directors to decide on the issue of new shares and the assignment of treasury shares in the possession of the company and/or the issuance of option rights or other special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Finnish Companies Act, on the following terms:

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

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

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

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

The Board of Directors will decide on all other factors related to share issues and the assignment of shares and decide on all terms and conditions of the option rights and other special rights entitling to shares.

The authorisation is valid until the end of the next Annual General Meeting, however no longer than 30 June 2024. This authorisation cancels the authorisation regarding the share issue issued at the General Meeting on 6 April 2022.

#### **Amendment to the Articles of Association**

The General Meeting decided to amend Article 10 of the Articles of Association so that it enables organising a general meeting entirely without a meeting venue as a so-called remote meeting in addition to the company's domicile Helsinki. The provision of the Articles of Association in question reads, as amended, as follows:

"§ 10 Notice to the general meeting of shareholders

The notice to the general meeting of shareholders must be published on the company's website no more than three (3) months and no less than three (3) weeks prior to the meeting, but always at least nine (9) days before the record date of the general meeting. The Board of Directors can also decide to publish an invitation or a notice about the invitation in one or more newspapers within the above-mentioned deadline.

The general meeting shall be organised in Helsinki. In addition, the Board of Directors may also decide that the general meeting is organised without a meeting venue so that the shareholders exercise their power of decision during the meeting in full in real time using telecommunication connection and technical means."

In other respects, the Articles of Association remained unchanged.

#### **Authorising the Board of Directors to decide on charitable contributions**

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

The authorization is valid until the end of the next Annual General Meeting.

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

Hanna Maria Sievinen, Petri Castrén and Jouni Takakarhu were elected as members of the Board of Directors' Audit Committee. The Board of Directors elected Hanna Maria Sievinen as Chairperson of the Audit Committee.

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

## **Changes in Taaleri's management**

On 6 October 2023, Taaleri announced that Minna Smedsten, Taaleri's CFO, had resigned and would move on to a new position outside the company. She has worked at Taaleri since 2013. Smedsten left her positions as Taaleri's CFO and member of the Executive Management Team in December 2023. After the end of the review period, on 12 January 2024, Taaleri announced that Taaleri had on that day appointed Ilkka Laurila as the Group's CFO and a member of the Executive Management Team. He took up his position on 6 February 2024.

On 21 November 2023, Taaleri announced that the director of Taaleri's real estate business changes. The former director Essi Sten left her position and Taaleri Group's Executive Management Team on that day. The company appointed Mikko Krootila to the position and as a member of the Executive Management Team as of 1 January 2024.

On 4 December 2023, Taaleri announced that Taaleri's Head of Investor Relations, Sustainability and Communications Siri Markula has resigned and is moving to a new position outside the company. She has worked at Taaleri since January 2021. Markula will leave her position and Taaleri's Executive Management Team in February 2024.

## **Taaleri's personnel**

The number of permanent full-time employees in the Group at the end of the financial year was 111 (106). The number of permanent full-time employees in the Private Asset Management segment was 78 (72) and in the Strategic Investments segment 19 (18). The number of permanent full-time employees in the Other group was 14 (16). 95% (96) of the personnel were employed in Finland.

Taaleri Group's personnel costs in the last quarter totalled EUR 4.1 (3.2) million, consisting of fixed personnel costs of EUR 3.0 (2.9) million and variable personnel costs of EUR 1.1 (0.3) million. In the whole financial year of 2023, Taaleri Group's personnel costs totalled EUR 16.1 (14.0) million, consisting of fixed personnel costs of EUR 11.5 (10.3) million and variable personnel costs of EUR 4.7 (3.7) million.

## Incentive schemes

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

No new share-based incentive schemes were launched during the review period. Further information on share-based incentive schemes can be found in Note 43 on pages 112–115 of Taaleri's Consolidated Financial Statements included in the Annual Report 2022.

## Shares and share capital

### Taaleri's share on Nasdaq Helsinki

1-12/2023	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	2,748,751	28,121,671	12.94	8.27	10.23	8.99

\* Volume weighted average

Taaleri's share has been listed on Nasdaq Helsinki, among mid-cap companies, since 2016. The trading code is TAALA. At the end of the review period, the company had 11,382 (31.12.2022: 10,201) shareholders.

On 31 December 2023, Taaleri Plc's shareholders' equity was EUR 125,000.00 and the company had 28,350,620 registered shares.

### Share repurchase program

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

The repurchase of own shares started on 20 December 2023 and ends on 10 April 2024 at the latest. The company can acquire the shares for use as part of the company's incentive schemes, or it can decide to cancel any or all of the repurchased shares. When the program started, the total number of shares in Taaleri Plc was 28,350,620. When the program started, the company held 45,000 of its own shares, which corresponded to 0.16 per cent of all shares.

On 31 December 2023, the company held 65,027 (45,000) own shares, which corresponds to 0.23 percent of all shares. During the fiscal year 2023, a total of 20,027 shares were acquired, which corresponds to 0.07 percent of all shares. A total of EUR 175,141.02 was paid for the 20,027 shares acquired, which has been recorded as a reduction of the parent company's and the Group's equity.

## Flaggings during financial year 2023

During the review period, there were no changes in shareholdings that would have required a flagging notification.

## Share price development

The chart represents the price development of Taaleri's share since listing from April 20, 2013, to December 31, 2023:



## Capital adequacy

The Taaleri Group forms an insurance company group according to Chapter 26 of the Insurance Companies Act and is supervised by the Finnish Financial Supervisory Authority. According to the FSA's decision, as the parent company of an insurance company group, Taaleri Plc fulfills the definition of a multi-sector holding company according to Chapter 26, section 1, subsection 1, point 10 of the Insurance Companies Act.

Garantia Insurance Company Ltd is an insurance company operating under the supervision of the Finnish Financial Supervisory Authority. Taaleri Plc's operations are regulated especially by the requirements of a listed company, and Garantia is mainly responsible for meeting the requirements set by the Insurance Companies Act in the Taaleri Group.

Taaleri Private Equity Funds Ltd and Taaleri Energia Funds Management Ltd are licensed as alternative fund managers by the Financial Supervisory Authority. Alternative fund managers are subject to their own capital adequacy requirements.

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

Garantia's solvency strengthened during 2023, thanks to an increase in basic own funds and a reduced solvency capital requirement. At the end of 2023, the company's basic own funds amounted to EUR 109.2 (105.3) million, and the solvency capital requirement (SCR) amounted to EUR 44.4 (45.5) million. The solvency ratio, or the ratio of basic own funds to the solvency capital requirement, was 245.7% (231.3).

The solvency capital requirement decreased due to lesser solvency capital requirements for underwriting risk, market risks of investment assets.

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

## Short term risks and concerns

Geopolitical risks and tensions such as the war of aggression started by Russia in Ukraine and the conflict in the Middle East continue to cause uncertainty in the operating environment. Since Taaleri had no business operations or investments in Russia or Ukraine, the war did not have a direct impact on our business. However, the war may increase the country risk in Finland and cause uncertainty among investors, but Finland's Nato membership brought stability to the situation. The tightening of monetary policy by central banks has curbed inflation, slowed down economic growth and stopped the rise in interest rates. Inflation and the increased price levels of raw materials can be seen in the costs of project development and funds' investees.

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

Garantia's guaranty insurance business and investment activities have a major impact on Taaleri's operational income and capital adequacy. Garantia's risk position is described in more detail on page 14.

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

## Material events after the financial period

On 12 January 2024, Taaleri announced that Taaleri had on that day appointed Ilkka Laurila as the Group's CFO and a member of the Executive Management Team. He took up his position on 6 February 2024.

On 24 January 2024, Taaleri announced that the Board of Directors of Taaleri Plc has resolved to establish a new share-based incentive plan for the company's CFO. The aim of the new plan is to align the objectives of the shareholders and the CFO in order to increase the value of Taaleri in the long-term as well as to retain the CFO at the company and offer him a competitive reward plan that is based on investing and accumulating the company's shares. The plan consists of one matching period starting on 6 February 2024 and ending on 6 February 2027. In the plan, it is possible to earn matching shares from a matching period of three years.

On 1 February 2024, Taaleri announced that Taaleri's Shareholders' Nomination Board proposes to the next Annual General Meeting, which is planned to be held on 10 April 2024, that the number of members of the Board of Directors will be six (6), and that Juhani Elomaa, Hanna Maria Sievinen, Elina Björklund and Petri Castrén are re-elected as Board members and Juhani Bonsdorff and Leif Frilund are elected as new members of the Board, Juhani Elomaa is elected as the Chairperson of the Board and Hanna Maria Sievinen as the Deputy Chairperson of the Board. Tuomas Syrjänen and Jouni Takakarhu have announced that they will no longer be available for the election of Board members.

Helsinki, 14 February 2024  
Taaleri Plc  
Board of Directors

### Additional info

CEO Peter Ramsay, +358 50 343 7493, [peter.ramsay@taaleri.com](mailto:peter.ramsay@taaleri.com)

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

### Webcast presentation for analysts, investors and media

An analyst, investor and media conference will be held in English by CEO Peter Ramsay on 14 February 2024 at 11:00 EET at Event Venue Eliel in Sanomatalo, Töölönlahdenkatu 2, Helsinki. The webcast can be followed online at: <https://taaleri.videosync.fi/q4-2023>. The event will be recorded and available later on Taaleri's investor pages at <http://www.taaleri.com/en/investors/reports-and-presentations>.

### Taaleri in brief

Taaleri is a Nordic investment and asset manager that focuses on businesses with industrial-scale opportunities within bioindustry and renewable energy. We create value by combining extensive know-how, deep expertise, entrepreneurship and capital through both funds under management and direct investments. We have been a signatory of the UN Principles for Responsible Investment (UNPRI) since 2010, and we joined the Net Zero Asset Managers initiative in 2021. Taaleri's vision is to become a leading investment manager operating internationally in bioindustry and renewable energy.

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

Taaleri has EUR 2.6 bn of assets under management in its private equity funds and co-investments. The company has approximately 120 employees. Taaleri Plc is listed on Nasdaq Helsinki.

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

# Accounting policies of the Financial Statements Bulletin

Taaleri's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This Financial Statements Bulletin has been prepared in accordance with IAS 34. The Financial Statements Bulletin is based on the audited Financial Statements of 2023. The auditor's report has been issued on 14 February 2024. The Financial Statements Bulletin has been published in Finnish and English. The Finnish Financial Statements Bulletin is official and is used if there is a discrepancy between the language versions. All figures in the Financial Statements Bulletin have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The accounting policies of the Financial Statements Bulletin are substantially the same as those presented in Taaleri's Financial Statements for 2022, except for the amendments to IFRS standards that came into force on 1 January 2023 or later. The significant accounting policies for preparing Taaleri's consolidated financial statements regarding the IFRS 17 standard, which entered into force on January 1, 2023, are described below. Other revised standards and interpretations do not have a material impact on the reported result or financial position.

## IFRS 17 Insurance Contracts

### Insurance contracts

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

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

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

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

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

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

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

### Measurement of insurance contracts on initial recognition

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

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

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

Discount rates	1 y	2 y	3 y	4 y	5 y	6 y	7 y	8 y	9 y	10 y
2023	3.76%	3.14%	2.83%	2.70%	2.66%	2.67%	2.71%	2.75%	2.80%	2.85%
2022	3.37%	3.57%	3.53%	3.48%	3.45%	3.45%	3.46%	3.48%	3.49%	3.51%

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

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

Depending on insurance contract portfolio, the risk adjustment determined with cost of capital method corresponds to confidence level of 76-80 % assuming it had been calculated directly from cashflow distribution.

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

### Subsequent measurement of insurance contracts and recognition principles

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

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

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

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

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

### Onerous contracts

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

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

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

### Reinsurance contracts

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



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

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

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

### Transition approaches applied

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

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

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

### Effect on opening Group balance sheet 1 January 2022

Assets, EUR 1,000	Reported 31.12.2021	Change 1.1.2022	Adjusted 1.1.2022
Receivables from credit institutions	53,255	-	53,255
Receivables from the public and general government	6,021	-	6,021
Shares and units	41,546	-	41,546
Assets classified as held for sale	5,246	-	5,246
Participating interests	8,889	-	8,889
Insurance assets	168,973	-1,790	167,183
Insurance assets	3,119	-3,119	-
Reinsurance contract assets	-	1,329	1,329
Investments	165,854	-	165,854
Intangible assets	711	-	711
Goodwill	696	-	696
Other intangible assets	15	-	15
Tangible assets	1,149	-	1,149
Owner-occupied properties	746	-	746
Other tangible assets	403	-	403
Other assets	13,669	5	13,674
Accrued income and prepayments	16,921	-	16,921
Deferred tax assets	2,343	-	2,343
	<b>318,723</b>	<b>-1,785</b>	<b>316,938</b>

Liabilities, EUR 1,000	Reported 31.12.2021	Change 1.1.2022	Adjusted 1.1.2022
<b>Liabilities</b>	<b>88,975</b>	<b>368</b>	<b>89,344</b>
Liabilities to the public and general government	-	-	-
Insurance liabilities	39,421	-39,421	-
Insurance contract liabilities	-	41,175	41,175
Other liabilities	3,318	-416	2,902
Accrued expenses and deferred income	14,172	-431	13,741
Deferred tax liabilities	16,580	-538	16,042
Derivative contracts	630	-	630
Subordinated debt	14,854	-	14,854
<b>Equity</b>	<b>229,747</b>	<b>-2,154</b>	<b>227,594</b>
Share capital	125	-	125
Reserve for invested unrestricted equity	18,831	-	18,831
Fair value reserve	-1,285	-	-1,285
Translation difference	-18	-	-18
Retained earnings or loss	76,694	-2,154	74,541
Profit or loss for the period	136,088	-	136,088
Non-controlling interest	-687	-	-687
	<b>318,723</b>	<b>-1,785</b>	<b>316,938</b>

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

### Valuation of Garantia's insurance contract liabilities

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

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

The assumptions materially affecting the valuation of insurance contract liabilities	2023	2022
The ratio of gross claims cashflows to the gross exposure, %	0.03–0.26	0.07–0.26
The ratio of other insurance service expenses to the gross exposure, %	0.06–0.55	0.07–0.39

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

# Key figures

## The Group

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

	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Income, EUR 1,000	18,178	19,060	65,629	56,752
Operating profit (-loss), EUR 1,000	6,904	7,237	31,921	27,347
- as percentage of income	38.0%	38.0%	48.6%	48.2%
Net profit for the period, EUR 1,000	5,027	5,711	26,546	21,302
- as percentage of income	27.7%	30.0%	40.4%	37.5%
Basic earnings per share, EUR	0.14	0.20	0.81	0.73
Diluted earnings per share, EUR	0.14	0.20	0.79	0.71
Return on equity % (ROE) <sup>1)</sup>	9.7%	11.6%	13.0%	10.0%
Return on equity at fair value % (ROE) <sup>1)</sup>	10.4%	15.4%	13.9%	4.4%
Return on assets % (ROA) <sup>1)</sup>	6.6%	7.8%	8.7%	6.9%
Cost/income ratio	60.3%	57.7%	54.3%	56.7%
Price/earnings (P/E) <sup>1)</sup>	15.6	14.0	11.1	15.4
Full-time permanent personnel, at the end of the period	111	106	111	106
Equity ratio -%	67.8%	66.9%	67.8%	66.9%
Net gearing -%	-11.2%	-15.7%	-11.2%	-15.7%
Equity/share, EUR	7.29	7.10	7.29	7.10
Dividend or distribution of funds /share, EUR <sup>2)</sup>	-	-	1.00	0.70
Dividend or distribution of funds / earnings, % <sup>2)</sup>	-	-	123.1%	96.2%
Effective dividend yield, % <sup>2)</sup>	-	-	11.1%	6.3%
Loan receivables, EUR 1,000	5,142	6,243	5,142	6,243
Number of shares at the end of period <sup>3)</sup>	28,285,593	28,305,620	28,285,593	28,305,620
Average number of shares <sup>3)</sup>	28,304,221	28,305,620	28,305,267	28,305,620
Share average price, EUR	8.63	10.48	10.23	11.37
- highest price, EUR	9.39	11.60	12.94	14.82
- lowest price, EUR	8.27	8.97	8.27	8.97
- closing price, EUR	8.99	11.18	8.99	11.18
Market capitalisation, EUR 1,000 <sup>3)</sup>	254,287	316,457	254,287	316,457
Shares traded, thousands	634	746	2,749	5,606
Shares traded, %	2%	3%	10%	20%

1) Annualised

2) Distribution of funds EUR 1.00 per share for the financial year 2023 represents Board of Directors' proposal for a dividend for the result of the financial year 2023.

3) Reduced by own shares acquired

## Insurance operations key figures

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

EUR 1,000	10-12/2023	10-12/2022	1-12/2023	1-12/2022
<b>Insurance service result</b>	<b>2,686</b>	<b>4,713</b>	<b>13,549</b>	<b>14,102</b>
Insurance revenue	4,627	5,596	19,010	19,102
Insurance service expenses	-1,792	-729	-4,942	-4,330
- of which incurred claims	-308	-310	-1,197	-1,182
- of which other insurance administrative expenses	-912	-821	-3,248	-3,089
- of which losses on onerous contracts	-760	315	-471	-228
- of which changes in liability of incurred claims	256	319	813	1,019
- of which insurance acquisition costs	-67	-231	-839	-849
Net expenses from reinsurance contracts	-149	-154	-520	-670
Net finance income and expense from insurance	82	-143	-14	-409
Net income from investment operations	1,431	-3,288	4,738	-8,453
Other income	9	3	37	13
<b>Income</b>	<b>4,209</b>	<b>1,286</b>	<b>18,310</b>	<b>5,252</b>
Other expenses	-534	-90	-1,484	-646
<b>Operating profit</b>	<b>3,675</b>	<b>1,196</b>	<b>16,826</b>	<b>4,607</b>
Allocation of financing expenses	-475	-475	-1,900	-1,900
<b>Profit before tax</b>	<b>3,200</b>	<b>721</b>	<b>14,926</b>	<b>2,707</b>
Change in fair value of investments	3,245	2,721	5,655	-10,141
<b>Profit before tax at fair value</b>	<b>6,444</b>	<b>3,441</b>	<b>20,581</b>	<b>-7,434</b>
Claims ratio (IFRS), %	17.6%	-5.8%	4.5%	2.1%
Expense ratio (IFRS), %	21.2%	18.8%	21.5%	20.6%
Reinsurance ratio (IFRS), %	3.2%	2.8%	2.7%	3.5%
Combined ratio (IFRS), %	42.0%	15.8%	28.7%	26.2%
Return on investments at fair value, %	3.0%	-0.4%	6.9%	-11.2%
Investment portfolio, fair value, MEUR	164	155	164	155
Insurance exposure, EUR million	1,749	1,862	1,749	1,862
Solvency ratio (S2), % <sup>1)</sup>	245.7%	231.3%	245.7%	231.3%

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

## 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, %	$\frac{\text{Fee and commission expense} + \text{interest and other financing expense} + \text{administrative expenses} + \text{depreciation} + \text{other operating expenses}}{\text{Total income} + \text{share of associates' profit or loss}}$
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, %	$\frac{\text{Dividend/share} \times 100}{\text{Price of share at the end of the period}}$
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 (IFRS), %	Claims ratio + Expense ratio + Reinsurance ratio
Claims ratio (IFRS), %	$\frac{\text{Incurred claims} + \text{Losses on onerous contracts} + \text{Changes in liability for incurred claims}}{\text{Insurance revenue}}$
Expense ratio (IFRS), %	$\frac{\text{Insurance administrative expenses} + \text{Insurance acquisition costs}}{\text{Insurance revenue}}$
Reinsurance ratio (IFRS), %	$\frac{\text{Net expenses from reinsurance contracts}}{\text{Insurance revenue}}$
Solvency ratio (S2), %	$\frac{\text{Basic own funds}}{\text{Solvency capital requirement (SCR)}}$

## Consolidated income statement

EUR 1,000	Note	1.10.-31.12.2023	1.10.-31.12.2022	1.1.-31.12.2023	1.1.-31.12.2022
Fee and commission income	1	7,312	18,504	27,654	42,945
Net income from insurance	2	4,200	1,283	18,273	5,240
Insurance service result		2,686	4,713	13,549	14,102
Net finance expenses from insurance contracts		82	-143	-14	-409
Net income from investment operations		1,431	-3,288	4,738	-8,453
Net gains or net losses on trading in securities and foreign currencies	3	-824	-907	-989	5,454
Income from equity investments	4	-40	50	9,388	1,816
Interest income	5	340	91	1,925	1,139
Other operating income	6	7,192	39	9,378	156
<b>Total income</b>		<b>18,178</b>	<b>19,060</b>	<b>65,629</b>	<b>56,752</b>
Fee and commission expense		-2,013	-2,974	-8,252	-9,848
Administrative expenses					
Personnel costs		-4,155	-3,304	-16,409	-14,497
Other administrative expenses		-1,805	-1,525	-5,789	-4,773
Depreciation, amortisation and impairment of tangible and intangible assets		-230	-221	-472	-1,193
Other operating expenses		-2,539	-1,218	-5,114	-3,056
Expected credit losses from financial assets measured at amortised cost	9	-567	11	-607	166
Share of associates' profit or loss		35	-2,592	2,935	3,797
<b>Operating profit</b>		<b>6,904</b>	<b>7,237</b>	<b>31,921</b>	<b>27,347</b>
Interest and other financing expenses		-248	-255	-1,224	-953
Income tax expense		-1,629	-1,271	-4,150	-5,092
<b>Profit for the period</b>		<b>5,027</b>	<b>5,711</b>	<b>26,546</b>	<b>21,302</b>
<b>Consolidated statement of comprehensive income</b>					
		<b>1.10.-31.12.2023</b>	<b>1.10.-31.12.2022</b>	<b>1.1.-31.12.2023</b>	<b>1.1.-31.12.2022</b>
<b>Profit for the period</b>		<b>5,027</b>	<b>5,711</b>	<b>26,546</b>	<b>21,302</b>
<b>Items that may be reclassified to profit or loss</b>					
Translation differences		-108	-72	-83	42
Changes in the fair value reserve		3,245	2,721	5,655	-10,141
Income tax		-649	-544	-1,131	2,028
<b>Items that may be reclassified to profit or loss in total</b>		<b>2,488</b>	<b>2,105</b>	<b>4,442</b>	<b>-8,071</b>
<b>Items that may not be reclassified to profit or loss</b>					
Changes in the fair value reserve		-2,654	-259	-3,126	-3,986
Income tax		531	52	625	99
<b>Items that may not be reclassified to profit or loss in total</b>		<b>-2,123</b>	<b>-207</b>	<b>-2,501</b>	<b>-3,887</b>
<b>Total comprehensive income for the period</b>		<b>5,393</b>	<b>7,609</b>	<b>28,487</b>	<b>9,344</b>
<b>Profit for the period attributable to:</b>					
Owners of the parent company		4,085	5,652	22,985	20,597
Non-controlling interests		942	59	3,562	706
<b>Total</b>		<b>5,027</b>	<b>5,711</b>	<b>26,546</b>	<b>21,302</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the parent company		4,450	7,550	24,925	8,638
Non-controlling interests		942	59	3,562	706
<b>Total</b>		<b>5,393</b>	<b>7,609</b>	<b>28,487</b>	<b>9,344</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company</b>					
		<b>1.10.-31.12.2023</b>	<b>1.10.-31.12.2022</b>	<b>1.1.-31.12.2023</b>	<b>1.1.-31.12.2022</b>
Basic earnings per share, profit for the period		0.14	0.20	0.81	0.73
Diluted earnings per share, profit for the period		0.14	0.20	0.79	0.71

## Consolidated quarterly income statement

EUR 1,000	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Fee and commission income	7,312	6,528	7,871	5,943	18,504
Net income from insurance	4,200	4,117	5,184	4,772	1,283
Insurance service result	2,686	3,561	3,486	3,815	4,713
Net finance expenses from insurance contracts	82	-137	-9	49	-143
Net income from investment operations	1,431	692	1,707	908	-3,288
Net gains or net losses on trading in securities and foreign currencies	-824	204	809	-1,178	-907
Income from equity investments	-40	743	8,686	-	50
Interest income	340	941	417	227	91
Other operating income	7,192	966	838	382	39
<b>Total income</b>	<b>18,178</b>	<b>13,498</b>	<b>23,806</b>	<b>10,147</b>	<b>19,060</b>
Fee and commission expense	-2,013	-1,947	-2,282	-2,010	-2,974
Administrative expenses					
Personnel costs	-4,155	-3,840	-4,018	-4,397	-3,304
Other administrative expenses	-1,805	-1,101	-1,717	-1,166	-1,525
Depreciation, amortisation and impairment of tangible and intangible assets	-230	-5	-87	-150	-221
Other operating expenses	-2,539	-1,040	-994	-541	-1,218
Expected credit losses from financial assets measured at amortised cost	-567	-3	-33	-3	11
Share of associates' profit or loss	35	136	3,081	-317	-2,592
<b>Operating profit</b>	<b>6,904</b>	<b>5,699</b>	<b>17,755</b>	<b>1,562</b>	<b>7,237</b>
Interest and other financing expenses	-248	-204	-496	-276	-255
Income tax expense	-1,629	-607	-1,252	-661	-1,271
<b>Profit for the period</b>	<b>5,027</b>	<b>4,888</b>	<b>16,007</b>	<b>625</b>	<b>5,711</b>

Consolidated statement of comprehensive income	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
<b>Profit for the period</b>	<b>5,027</b>	<b>4,888</b>	<b>16,007</b>	<b>625</b>	<b>5,711</b>
Items that may be reclassified to profit or loss					
Translation differences	-108	41	1	-17	-72
Changes in the fair value reserve	3,245	1,497	-484	1,398	2,721
Income tax	-649	-299	97	-280	-544
<b>Items that may be reclassified to profit or loss in total</b>	<b>2,488</b>	<b>1,239</b>	<b>-387</b>	<b>1,101</b>	<b>2,105</b>
Items that may not be reclassified to profit or loss					
Changes in the fair value reserve	-2,654	-528	393	-338	-259
Income tax	531	106	-79	68	52
<b>Items that may not be reclassified to profit or loss in total</b>	<b>-2,123</b>	<b>-422</b>	<b>314</b>	<b>-270</b>	<b>-207</b>
<b>Total comprehensive income for the period</b>	<b>5,393</b>	<b>5,704</b>	<b>15,935</b>	<b>1,455</b>	<b>7,609</b>

### Profit for the period attributable to:

Owners of the parent company	4,085	4,602	13,774	524	5,652
Non-controlling interests	942	286	2,233	101	59
<b>Total</b>	<b>5,027</b>	<b>4,888</b>	<b>16,007</b>	<b>625</b>	<b>5,711</b>

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

Owners of the parent company	4,450	5,418	13,702	1,355	7,550
Non-controlling interests	942	286	2,233	101	59
<b>Total</b>	<b>5,393</b>	<b>5,704</b>	<b>15,935</b>	<b>1,455</b>	<b>7,609</b>

## Consolidated balance sheet

<b>Assets, EUR 1,000</b>	<b>Note</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Receivables from credit institutions	7, 8	38,302	46,817
Receivables from the public and general government	7, 8	5,142	6,243
Shares and units	7, 8	38,708	44,462
Participating interests	7, 8, 13	12,884	3,708
Insurance assets	7, 8	160,875	153,043
Reinsurance contract assets		325	526
Investments		160,551	152,517
Intangible assets		572	355
Goodwill		347	347
Other intangible assets		225	8
Tangible assets		2,406	421
Owner-occupied properties		2,022	83
Other tangible assets		384	338
Other assets		17,163	13,210
Accrued income and prepayments		26,742	28,451
Deferred tax assets		5,116	3,208
		<b>307,911</b>	<b>299,918</b>

<b>Liabilities and equity, EUR 1,000</b>	<b>Note</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Liabilities</b>		<b>99,265</b>	<b>99,397</b>
Liabilities to the public and general government	7, 8	-	410
Insurance contract liabilities		45,616	46,544
Other liabilities		4,944	1,454
Accrued expenses and deferred income		17,327	19,185
Deferred tax liabilities		16,491	16,933
Subordinated debt	10	14,886	14,870
<b>Equity capital</b>	11	<b>208,646</b>	<b>200,521</b>
Share capital		125	125
Reserve for invested unrestricted equity		18,831	18,831
Fair value reserve		-11,262	-13,285
Translation difference		-59	23
Retained earnings or loss		175,516	174,631
Profit or loss for the period		22,985	20,597
Non-controlling interest		2,511	-400
		<b>307,911</b>	<b>299,918</b>



## Consolidated statement of cash flows

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
<b>Cash flow from operating activities:</b>		
Operating profit (loss)	31,921	27,347
Depreciation	610	845
Change in goodwill	-138	348
Other adjustments		
Changes in fair value of investments	-8,546	7,118
Other adjustments	-945	3,276
Interest and other financing expenses	-806	-936
Cash flow before change in working capital	22,096	37,998
Change in working capital		
Increase (-)/decrease (+) in loan receivables	-670	-2,347
Increase (-)/decrease (+) in current interest-free receivables	-24	-10,469
Increase (+)/decrease (-) in current interest-free liabilities	-10,673	5,006
Cash flow from operating activities before financial items and taxes	10,729	30,188
Direct taxes paid (-)	-4,335	-1,798
<b>Cash flow from operating activities (A)</b>	<b>6,394</b>	<b>28,391</b>
<b>Cash flow from investing activities:</b>		
Investments in tangible and intangible assets	-871	10
Investments in subsidiaries and associated companies net of cash acquired	2,502	7,849
Other investments	2,970	-9,173
<b>Cash flow from investing activities (B)</b>	<b>4,601</b>	<b>-1,314</b>
<b>Cash flow from financing activities:</b>		
Changes in share-based incentives	442	359
Transactions with non-controlling interests	1,404	-224
Increase (+)/decrease (-) in current liabilities	-	410
Payments to acquire entity's shares	-175	-
Dividends paid and other distribution of profit		
To parent company shareholders	-19,814	-33,967
To non-controlling shareholders	-1,366	-93
<b>Cash flow from financing activities (C)</b>	<b>-19,510</b>	<b>-33,515</b>
<b>Increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>-8,515</b>	<b>-6,438</b>
Cash and cash equivalents at beginning of period	46,817	53,255
Cash and cash equivalents at end of period	38,302	46,817
<b>Net change in cash and cash equivalents</b>	<b>-8,515</b>	<b>-6,438</b>

## Changes in group equity capital

	Share capital	Fair value reserve	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
<b>2023, EUR 1,000</b>								
<b>1.1.2023</b>	<b>125</b>	<b>-13,285</b>	<b>18,831</b>	<b>23</b>	<b>195,228</b>	<b>200,922</b>	<b>-400</b>	<b>200,521</b>
Total comprehensive income for the financial period		2,023		-83	22,985	24,925	3,562	28,487
Earnings for the period					22,985	22,985	3,562	26,546
Other comprehensive income items		2,023		-83		1,940		1,940
Distribution of profit					-21,601	-21,601	-771	-22,372
Dividend EUR 0.70/share					-19,814	-19,814		-19,814
Distribution of profit for subgroup					-1,787	-1,787	-771	-2,558
Purchase of own shares					-175	-175		-175
Share-based payments payable as equity					435	435		435
Transactions with non-controlling interests					1,636	1,636	118	1,754
Other					-8	-8	3	-5
<b>31.12.2023</b>	<b>125</b>	<b>-11,262</b>	<b>18,831</b>	<b>-59</b>	<b>198,500</b>	<b>206,134</b>	<b>2,511</b>	<b>208,646</b>
<b>2022, EUR 1,000</b>								
<b>31.12.2021</b>	<b>125</b>	<b>-1,285</b>	<b>18,831</b>	<b>-18</b>	<b>212,782</b>	<b>230,435</b>	<b>-687</b>	<b>229,747</b>
Changes to previous periods *)					-979	-979	-217	-1,196
Implementation of IFRS 17 standard					-2,154	-2,154		-2,154
<b>1.1.2022</b>	<b>125</b>	<b>-1,285</b>	<b>18,831</b>	<b>-18</b>	<b>209,433</b>	<b>227,085</b>	<b>-687</b>	<b>226,398</b>
Total comprehensive income for the financial period		-12,000		42	20,597	8,638	706	9,344
Earnings for the period					20,597	20,597	706	21,302
Other comprehensive income items		-12,000		42		-11,959		-11,959
Distribution of profit					-33,967	-33,967	-93	-34,060
Dividend EUR 1.20/share					-33,967	-33,967		-33,967
Distribution of profit for subgroup							-93	-93
Share-based payments payable as equity					-848	-848		-848
Transactions with non-controlling interests					-158	-158	-109	-267
Other					-46	-46		-46
<b>31.12.2022</b>	<b>125</b>	<b>-13,285</b>	<b>18,831</b>	<b>23</b>	<b>195,228</b>	<b>200,922</b>	<b>-400</b>	<b>200,521</b>

\*) Changes to previous periods in 2022 include exchange rate adjustments of balance sheet items.

## Segment information, earnings 1.10.–31.12.2023

1.10.-31.12.2023, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	6,698	5,167	1,531	2,777	406	9,881
Performance fees	-	-	-	-	-	-
Investment operations	5,957	6,701	-744	1,742	102	7,801
<b>Total income</b>	<b>12,655</b>	<b>11,868</b>	<b>787</b>	<b>4,520</b>	<b>508</b>	<b>17,682</b>
Fee and commission expense	-1,616	-1,083	-533	-	-42	-1,658
Personnel costs	-2,840	-1,532	-1,308	-514	-729	-4,084
Direct expenses	-3,572	-2,950	-622	-20	-862	-4,454
Depreciation, amortisation, and impairment	-51	-28	-23	-	13	-38
Impairment losses on loans	-565	-565	-	-	-2	-567
<b>Operating profit</b>	<b>4,010</b>	<b>5,710</b>	<b>-1,700</b>	<b>3,986</b>	<b>-1,114</b>	<b>6,882</b>
<b>Operating profit, %</b>	<b>31.7%</b>	<b>48.1%</b>	<b>neg</b>	<b>88.2%</b>	<b>neg</b>	<b>38.9%</b>
Interest expenses	-	-	-	-	-207	-207
Allocation of financing expenses	-446	-311	-135	-475	921	-
<b>Profit before tax</b>	<b>3,563</b>	<b>5,398</b>	<b>-1,835</b>	<b>3,511</b>	<b>-399</b>	<b>6,674</b>
Change in fair value of investments	-123	-123	-	3,245	-2,654	468
<b>Profit before taxes and NCI at fair value</b>	<b>3,440</b>	<b>5,275</b>	<b>-1,835</b>	<b>6,756</b>	<b>-3,053</b>	<b>7,143</b>

### 1.10.-31.12.2022, EUR 1,000

Continuing earnings	5,653	3,753	1,900	4,574	355	10,581
Performance fees	12,373	10,326	2,048	-	-	12,373
Investment operations	835	-988	1,822	-2,752	-4,819	-6,737
<b>Total income</b>	<b>18,861</b>	<b>13,091</b>	<b>5,769</b>	<b>1,822</b>	<b>-4,465</b>	<b>16,218</b>
Fee and commission expense	-2,769	-1,892	-877	-	-61	-2,830
Personnel costs	-2,003	-1,144	-858	-67	-1,094	-3,163
Direct expenses	-1,746	-1,057	-689	-24	-1,228	-2,998
Depreciation, amortisation, and impairment	-19	-11	-8	-	9	-10
Impairment losses on loans	-	-	-	-	11	11
<b>Operating profit</b>	<b>12,324</b>	<b>8,987</b>	<b>3,337</b>	<b>1,732</b>	<b>-6,827</b>	<b>7,228</b>
<b>Operating profit, %</b>	<b>65.3%</b>	<b>68.6%</b>	<b>57.8%</b>	<b>95.0%</b>	<b>neg</b>	<b>44.6%</b>
Interest expenses	-13	-13	-	-	-238	-251
Allocation of financing expenses	-400	-300	-100	-475	875	-
<b>Profit before tax</b>	<b>11,911</b>	<b>8,674</b>	<b>3,236</b>	<b>1,257</b>	<b>-6,190</b>	<b>6,978</b>
Change in fair value of investments	-72	-72	-	2,721	-259	2,390
<b>Profit before taxes and NCI at fair value</b>	<b>11,839</b>	<b>8,603</b>	<b>3,236</b>	<b>3,977</b>	<b>-6,448</b>	<b>9,368</b>

### Reconciliations

Reconciliation of total income, EUR 1,000	1.10.-31.12.2023	1.10.-31.12.2022
Total income of segments	17,682	16,218
Share of associates' profit or loss allocated to total income of segments	-35	2,592
Transit items eliminated in segment reporting	531	562
Transfer of impairments to or out of total income	-	-312
<b>Consolidated total income</b>	<b>18,178</b>	<b>19,060</b>

Reconciliation of operating profit, EUR 1,000	1.10.-31.12.2023	1.10.-31.12.2022
Total earnings of segments before taxes and NCI	7,143	9,368
Change in fair value of investments	-468	-2,390
Interest and other financing expenses (excl. IFRS 16)	248	255
IFRS 16 Leases <sup>1)</sup>	-18	5
<b>Consolidated operating profit</b>	<b>6,904</b>	<b>7,237</b>

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

## Segment information, earnings 1.1.–31.12.2023

1.1.-31.12.2023, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	24,374	18,132	6,242	13,572	1,926	39,872
Performance fees	1,489	-	1,489	-	-	1,489
Investment operations	16,471	17,226	-755	4,377	4,131	24,979
<b>Total income</b>	<b>42,335</b>	<b>35,359</b>	<b>6,976</b>	<b>17,948</b>	<b>6,057</b>	<b>66,340</b>
Fee and commission expense	-6,495	-4,226	-2,269	-	-81	-6,576
Personnel costs	-11,634	-7,647	-3,987	-1,422	-3,084	-16,140
Direct expenses	-8,694	-6,644	-2,050	-62	-2,401	-11,157
Depreciation, amortisation, and impairment	-29	45	-74	-	54	25
Impairment losses on loans	-565	-565	-	-	-41	-607
<b>Operating profit</b>	<b>14,918</b>	<b>16,322</b>	<b>-1,404</b>	<b>16,464</b>	<b>503</b>	<b>31,885</b>
<b>Operating profit, %</b>	<b>35.2%</b>	<b>46.2%</b>	<b>neg</b>	<b>91.7%</b>	<b>8.3%</b>	<b>48.1%</b>
Interest expenses	-426	-425	-	-	-740	-1,166
Allocation of financing expenses	-1,721	-1,222	-499	-1,900	3,621	-
<b>Profit before tax</b>	<b>12,771</b>	<b>14,674</b>	<b>-1,903</b>	<b>14,564</b>	<b>3,383</b>	<b>30,719</b>
Change in fair value of investments	-98	-98	-	5,655	-3,126	2,431
<b>Profit before taxes and NCI at fair value</b>	<b>12,673</b>	<b>14,576</b>	<b>-1,903</b>	<b>20,220</b>	<b>257</b>	<b>33,150</b>

### 1.1.-31.12.2022, EUR 1,000

Continuing earnings	20,699	14,559	6,140	13,706	2,366	36,770
Performance fees	19,365	10,326	9,040	-	-	19,365
Investment operations	2,485	869	1,617	-9,915	10,241	2,812
<b>Total income</b>	<b>42,550</b>	<b>25,754</b>	<b>16,796</b>	<b>3,791</b>	<b>12,607</b>	<b>58,947</b>
Fee and commission expense	-8,338	-5,285	-3,053	-	-351	-8,689
Personnel costs	-10,027	-5,818	-4,209	-559	-3,447	-14,033
Direct expenses	-5,175	-3,114	-2,062	-87	-3,247	-8,510
Depreciation, amortisation, and impairment	-385	-20	-366	-	-9	-395
Impairment losses on loans	-	-	-	-	-17	-17
<b>Operating profit</b>	<b>18,624</b>	<b>11,518</b>	<b>7,106</b>	<b>3,145</b>	<b>5,535</b>	<b>27,304</b>
<b>Operating profit, %</b>	<b>43.8%</b>	<b>44.7%</b>	<b>42.3%</b>	<b>83.0%</b>	<b>43.9%</b>	<b>46.3%</b>
Interest expenses	-24	-23	-1	-	-892	-916
Allocation of financing expenses	-1,804	-1,278	-527	-1,900	3,704	-
<b>Profit before tax</b>	<b>16,796</b>	<b>10,217</b>	<b>6,578</b>	<b>1,245</b>	<b>8,347</b>	<b>26,388</b>
Change in fair value of investments	41	42	-	-10,141	-3,986	-14,085
<b>Profit before taxes and NCI at fair value</b>	<b>16,837</b>	<b>10,259</b>	<b>6,578</b>	<b>-8,896</b>	<b>4,361</b>	<b>12,302</b>

### Reconciliations

Reconciliation of total income, EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Total income of segments	66,340	58,947
Share of associates' profit or loss allocated to total income of segments	-2,935	-3,797
Transit items eliminated in segment reporting	2,224	2,096
Transfer of impairments to or out of total income	-	-495
<b>Consolidated total income</b>	<b>65,629</b>	<b>56,752</b>

Reconciliation of operating profit, EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Total earnings of segments before taxes and NCI	33,150	12,302
Change in fair value of investments	-2,431	14,085
Interest and other financing expenses (excl. IFRS 16)	1,224	953
IFRS 16 Leases <sup>1)</sup>	-22	7
<b>Consolidated operating profit</b>	<b>31,921</b>	<b>27,347</b>

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

Further information is provided below on Taaleri Group's own balance sheet investments, excluding personnel receivables, the fair value of which exceeds one million euros at the balance sheet date. Taaleri Group's investments that support the core business and development of the private asset management, are reported under Private Asset Management segment. 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 31.12.2023</b>	<b>Fair value 31.12.2023</b>	<b>Holding 31.12.2023</b>
<b>Renewable energy investments</b>				
Truscott Gilliland East Wind	Shares and participations	10,973	10,158	7.0%
Taaleri SolarWind II	Shares and participations	2,658	3,010	0.9%
Taaleri Debt Ky	Shares and participations	1,500	2,079	15.0%
Taaleri SolarWind III	Shares and participations	1,139	1,176	1.1%
<b>Bioindustry investments</b>				
Fintoil Oy	Shares and participations	3,000	4,800	24.0%
Tracegrow Ltd	Shares and participations	1,992	1,365	7.7%
Tracegrow Ltd	Loan	200	210	-
WasteWise Group Oy	Shares and participations	3,650	3,509	34.1%
Taaleri Biocoal Development Ky	Shares and participations	1,500	1,437	12.4%
<b>Strategic investments, EUR 1,000</b>				
	<b>Investment type</b>	<b>Purchase price 31.12.2023</b>	<b>Fair value 31.12.2023</b>	<b>Holding 31.12.2023</b>
Aktia Bank Plc	Shares and participations	10,000	9,180	1.3%
<b>Non-strategic investments EUR 1,000</b>				
	<b>Investment type</b>	<b>Purchase price 31.12.2023</b>	<b>Fair value 31.12.2023</b>	<b>Holding 31.12.2023</b>
<b>Real estate investments</b>				
TT Canada RE Holdings Corporation	Loan	6,729	10,710	-
Sepos Oy	Shares and participations	2,834	734	30.0%
Sepos Oy	Loan	1,946	2,008	-
Turun Toriparkki Oy	Shares and participations	8,503	8,091	39.3%
<b>Other investments</b>				
Alisa Bank Plc	Shares and participations	5,460	2,623	17.3%

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>Purchase price 31.12.2022</b>	<b>Fair value 31.12.2022</b>	<b>Holding 31.12.2022</b>
	<b>Investment type</b>			
<b>Renewable energy investments</b>				
Truscott Gilliland East Wind	Shares and participations	10,973	10,580	7.0%
Taaleri SolarWind II	Shares and participations	2,711	2,711	0.9%
Taaleri Debt Ky	Shares and participations	3,000	3,000	15.0%
Masdar Taaleri Generation d.o.o.	Shares and participations	50	50	50.0%
Masdar Taaleri Generation d.o.o.	Loan	1,250	1,280	-
Taaleri Aurinkotuuli Management Ky	Shares and participations	615	1,026	80.1%
<b>Bioindustry investments</b>				
Fintoil Oy	Shares and participations	3,000	4,800	24.0%
Tracegrow Ltd	Shares and participations	1,992	2,184	7.9%
WasteWise Group Oy	Loan	1,047	1,109	-
<b>Strategic investments, EUR 1,000</b>				
	<b>Investment type</b>	<b>Purchase price 31.12.2022</b>	<b>Fair value 31.12.2022</b>	<b>Holding 31.12.2022</b>
Aktia Bank Plc	Shares and participations	10,000	9,960	1.3%
<b>Non-strategic investments EUR 1,000</b>				
	<b>Investment type</b>	<b>Purchase price 31.12.2022</b>	<b>Fair value 31.12.2022</b>	<b>Holding 31.12.2022</b>
<b>Real estate investments</b>				
TT Canada RE Holdings Corporation	Loan	6,729	10,014	-
Sepos Oy	Shares and participations	2,834	606	30.0%
Sepos Oy	Loan	1,722	1,743	-
Turun Toriparkki Oy	Shares and participations	6,198	2,791	59.2%
<b>Other investments</b>				
Fellow Bank Plc	Shares and participations	5,460	5,550	17.3%
Taaleri Infra I Ky	Shares and participations	2,040	1,858	50.0%

## Notes to the Financial Statements Bulletin

1	Fee and commission income	40
2	Net income from insurance	40
3	Net gains or net losses on trading in securities and foreign currencies	41
4	Income from equity investments	41
5	Interest income	42
6	Other operating income	42
7	Classification of financial assets and liabilities	43
8	Fair value of financial instruments	44
9	Impairment losses on receivables	45
10	Subordinated debt	45
11	Equity capital	45
12	Investments in subsidiaries	46
13	Investments in associated companies	47
14	Contingent liabilities	47
15	Related party disclosures	48

## 1 Fee and commission income

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

1.1.-31.12.2022, EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	24,013	17,511	6,502	-	1,094	25,106
Performance fees	17,839	8,799	9,040	-	-	17,839
<b>Total</b>	<b>41,851</b>	<b>26,310</b>	<b>15,541</b>	<b>-</b>	<b>1,094</b>	<b>42,945</b>

During the financial year 2023, a total of EUR 1.5 (17.8) million in performance fees were recognised in the income statement. In 2023, the amounts recognised as performance fees have been recognised at the time of their realisation. In 2023 no performance fees were recognised based on the management's estimate. In the comparison period, EUR 10.8 million of recognised performance fees was based on the management's conservative estimate. On the balance sheet date of December 31, 2023, Taaleri had unrealised performance fees previously recognised in fee and commission income totalling EUR 14.2 (16.2) million.

## 2 Net income from insurance

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
<b>Insurance revenue</b>		
Amounts relating to changes in liabilities for remaining coverage		
CSM recognized for services provided	12,324	11,128
Change in risk adjustment for non-financial risk for risk expired	1,934	2,816
Expected incurred claims	1,995	2,042
Expected other insurance service expenses	2,291	2,423
Premium experience adjustments	-74	351
Recovery of insurance acquisition cash flows	540	342
<b>Insurance revenue total</b>	<b>19,010</b>	<b>19,102</b>
<b>Insurance service expenses</b>		
Incurring claims	-1,197	-1,182
Changes in liabilities for incurred claims	813	1,019
Incurring other insurance service expenses	-3,248	-3,089
Losses on onerous contracts	-471	-228
Insurance acquisition cash flows	-839	-849
<b>Insurance service expenses total</b>	<b>-4,942</b>	<b>-4,330</b>
<b>Net expenses from reinsurance contracts</b>	<b>-520</b>	<b>-670</b>
<b>Insurance service result</b>	<b>13,549</b>	<b>14,102</b>
<b>EUR 1,000</b>	<b>1.1.-31.12.2023</b>	<b>1.1.-31.12.2022</b>
<b>Net finance income and expense from insurance</b>		
Net finance income and expense from insurance	-33	-401
Interest accreted to insurance contracts	-284	-48
Effect of changes in financial assumptions through P/L	58	-314
Other	193	-40
Net finance expenses from reinsurance contracts	20	-8
Interest accreted to reinsurance contracts	19	-4
Other	1	-4
<b>Net finance income and expense from insurance</b>	<b>-14</b>	<b>-409</b>



EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
<b>Net income from investment operations</b>		
<b>Financial assets at fair value through other comprehensive income</b>	<b>893</b>	<b>-1,442</b>
Interest income	2,373	1,876
Profit or loss from sales	-896	-3,487
Others	-585	170
- of which change in expected credit loss	-585	170
<b>Financial assets at fair value through profit or loss</b>	<b>3,845</b>	<b>-7,012</b>
<b>Financial assets that need to be measured at fair value through profit or loss</b>	<b>3,845</b>	<b>-7,012</b>
Interest income	1,204	1,061
Change in fair value	1,980	-8,214
From dividends	478	84
Profit or loss from sales	258	-115
Others	-76	172
<b>Net income from insurance investment operations</b>	<b>4,738</b>	<b>-8,453</b>
<b>Net income from insurance total</b>	<b>18,273</b>	<b>5,240</b>

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

Net gains or net losses on trading in securities, EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
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	-446	4,760
<b>Total</b>	<b>-446</b>	<b>4,760</b>

Net gains or net losses on trading in securities and foreign currencies, EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Net gains or net losses on trading in securities by type		
From shares and units	-446	4,760
Sales profit and loss	939	5,798
Changes in fair value	-1,385	-1,038
Net gains or net losses on trading in securities, total	-446	4,760
Net gains or net losses on trading in foreign currencies	-543	695
<b>Total</b>	<b>-989</b>	<b>5,454</b>

### 4 Income from equity investments

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Financial assets that need to be measured at fair value through P/L	415	620
Dividend income	419	586
Profit or loss from divestments	-4	34
From assets classified as held for sale	-	1,244
Changes in fair value	-	1,244
From associated companies	-	10
Profit or loss from divestments	-	10
From group companies	8,973	-58
Profit or loss from divestments	8,973	-58
<b>Total</b>	<b>9,388</b>	<b>1,816</b>

## 5 Interest income

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Interest income from other loans and receivables		
From receivables from credit institutions	216	13
From receivables from the public and general government	1,707	1,113
From net investments in leases		12
Other interest income	2	1
<b>Total</b>	<b>1,925</b>	<b>1,139</b>

Interest income does not include profits from financial assets, which value is reduced.

## 6 Other operating income

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Billed expenses recorded as income	3,550	84
Income from Private Asset Management segment's projects	5,503	-
Other income	325	72
<b>Total</b>	<b>9,378</b>	<b>156</b>

## 7 Classification of financial assets and liabilities

### Financial assets and liabilities 31.12.2023, 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>2)</sup>	Others	Equity instruments	Others		
Receivables from credit institutions <sup>1)</sup>	38,302					38,302	38,302
Receivables from the public and general government	3,824				1,318	5,142	5,142
Shares and units		2,768		35,941		38,708	38,708
Insurance assets			104,123	29,935	26,493	160,551	160,551
Other financial assets						42,226	
<b>Financial assets total</b>	<b>42,126</b>	<b>2,768</b>	<b>104,123</b>	<b>65,876</b>	<b>27,811</b>	<b>284,930</b>	
Participating interests						12,884	
Other than financial assets						10,097	
<b>Assets in total 31.12.2023</b>						<b>307,911</b>	

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

### Financial assets and liabilities 31.12.2022, 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>2)</sup>	Others	Equity instruments	Others		
Receivables from credit institutions <sup>1)</sup>	46,817					46,817	46,817
Receivables from the public and general government	3,861				2,383	6,243	6,243
Shares and units		6,277		38,185		44,462	44,462
Insurance assets			88,155	36,606	27,755	152,517	152,517
Other financial assets						38,163	
<b>Financial assets total</b>	<b>50,677</b>	<b>6,277</b>	<b>88,155</b>	<b>74,792</b>	<b>30,138</b>	<b>288,202</b>	
Participating interests						3,708	
Other than financial assets						8,008	
<b>Assets in total 31.12.2022</b>						<b>299,918</b>	

Financial liabilities	At fair value through profit or loss	Other liabilities	Total	Fair value
Liabilities to the public and general government		410	410	410
Subordinated debt		14,870	14,870	15,154
Other financial liabilities		16,150	16,150	
<b>Financial liabilities total</b>	-	<b>31,429</b>	<b>31,429</b>	
Other than financial liabilities			67,967	
<b>Liabilities in total 31.12.2022</b>			<b>99,397</b>	

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

<sup>2)</sup> At the time of initial recognition of an equity instrument, the management may make an irrevocable choice concerning a procedure according to which changes in fair value are recognised in other comprehensive income and will not later be recycled to profit or loss. In this case, dividends received are recognised in profit or loss, but changes in fair value, foreign exchange rate gains and losses as well as sales gains and losses are recognised in other comprehensive income. This group includes limited partner contributions to such limited partnerships related to Taaleri's private asset management business that are not actual private equity fund investments, as well as equity investments in companies that are not considered to be closely related to the Group's strategy. On 31 December 2023, the fair value of equity instruments that are specifically valued at fair value through other comprehensive income items was EUR 2.8 (31.12.2022 6.3) million. The investments belonging to the group have not produced dividend income in the financial periods presented. During the presented financial periods, no investments belonging to the group have been sold or otherwise written off the balance sheet.

## 8 Fair value of financial instruments

Fair value of assets 31.12.2023, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Receivables from credit institutions		38,302		38,302
Receivables from the public and general government		4,345	797	5,142
Shares and units	11,868		26,840	38,708
Insurance assets	153,071		7,480	160,551
<b>Total</b>	<b>164,939</b>	<b>42,647</b>	<b>35,118</b>	<b>242,703</b>

Fair value of liabilities 31.12.2023, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Subordinated debt		15,154		15,154
<b>Total</b>	<b>-</b>	<b>15,154</b>	<b>-</b>	<b>15,154</b>

Fair value of assets 31.12.2022, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Receivables from credit institutions		46,817		46,817
Receivables from the public and general government		5,218	1,026	6,243
Shares and units	15,623		28,839	44,462
Insurance assets	144,965		7,552	152,517
<b>Total</b>	<b>160,588</b>	<b>52,034</b>	<b>37,417</b>	<b>250,038</b>

Fair value of liabilities 31.12.2022, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Liabilities to the public and general government		410		410
Subordinated debt		15,154		15,154
<b>Total</b>	<b>-</b>	<b>15,564</b>	<b>-</b>	<b>15,564</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, other stocks, and share units. Shares in private equity funds are mainly measured at the latest fair value received from the management company. Unquoted stocks are valued either at the latest trading price used on the unregulated market, at the book value of the entity subject to the investment, using the cash flow-based return value method, or if it is estimated that the fair value cannot be determined with sufficient accuracy, at the acquisition cost.

Reconciliation of assets categorised within level 3, EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Fair value January 1		32,982
Purchases	3,603	6,123
Sales and deductions	-4,905	-1,888
Change in fair value - income statement	-797	833
Change in fair value - comprehensive income statement	-200	-633
<b>Fair value at end of period</b>	<b>35,118</b>	<b>37,417</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	1.1.-31.12.2023	1.1.-31.12.2022
Net income from insurance	237	765
Net gains or net losses on trading in securities and foreign currencies	-1,034	68
<b>Total</b>	<b>-797</b>	<b>833</b>

## 9 Impairment losses on receivables

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

EUR 1,000	Amortised cost	At fair value through other comprehensive income <sup>1)</sup>	Total
ECL 1.1.2022	2,920	460	3,380
Additions due to initial issue and purchases	62	62	123
Deductions due to derecognitions	-1,726	-202	-1,929
Changes in risk parameters	-	-29	-29
<b>Recognised in profit or loss</b>	<b>-1,664</b>	<b>-170</b>	<b>-1,834</b>
<b>ECL 31.12.2022</b>	<b>1,255</b>	<b>290</b>	<b>1,545</b>

All financial assets subject to ECL calculations are on level 1, i.e. the credit risk has not increased significantly.

<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 2.

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Change in ECL	-607	1,664
Realized credit losses	-	-1,498
<b>Expected credit losses from financial assets measured at amortised cost recognised in profit or loss</b>	<b>-607</b>	<b>166</b>

## 10 Subordinated debts

EUR 1,000	31.12.2023	31.12.2022
Tier 2 bond	14,886	14,870
<b>Total</b>	<b>14,886</b>	<b>14,870</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 percent until 18 October 2024 and then onwards EUR 5-year mid-swap rate plus 5.33 percent. 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.

## 11 Equity capital

### Share capital

The company's share capital on 31 December 2023 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. 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.

### Share repurchase program

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

The repurchase of own shares started on 20 December 2023 and ends on 10 April 2024 at the latest. The company can acquire the shares for use as part of the company's incentive schemes, or it can decide to cancel any or all of the repurchased shares. When the program started, the total number of shares in Taaleri Plc was 28,350,620. When the program started, the company held 45,000 of its own shares, which corresponded to 0.16 per cent of all shares.

On 31 December 2023, the company held 65,027 (45,000) own shares, which corresponds to 0.23 percent of all shares. During the fiscal year 2023, a total of 20,027 shares were acquired, which corresponds to 0.07 percent of all shares. A total of EUR 175,141.02 was paid for the 20,027 shares acquired, which has been recorded as a reduction of the parent company's and the Group's equity.

## 12 Investments in subsidiaries

### Changes in subsidiary shareholdings 1.1.–31.12.2023

During the period, Taaleri Plc and Taaleri Investments Ltd sold part of their holdings in Taaleri Energia Ltd to key personnel in the renewable energy business. The Taaleri Group's joint ownership of Taaleri Energia Ltd and its subgroup decreased to 76.2 (79.4) percent. In addition, Taaleri Oyj's shareholding in Taaleri Real Estate Ltd changed during the period, when Taaleri Plc first sold and later in the period acquired company's shares from key persons in the real estate business. At the end of the period, Taaleri Plc owned 100.0 (80.0) per cent of Taaleri Real Estate Ltd.

During the period, Taaleri Energia Holdings Sarl sold all the shares it owned in Taaleri Energia Development Holdings Sarl, Global Evenor SL and Global Berserker SL. The transactions were carried out as part of the sale of the project development portfolio built for the Taaleri SolarWind III fund.

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

### Changes in subsidiary shareholdings 1.1.–31.12.2022

Taaleri Plc established Taaleri Bioindustry Ltd during the financial year and sold 25.0 percent of the company to the key personnel in the bioindustry business. Taaleri Investments Ltd sold part of its holding in Taaleri Kapitaali Oy to the company's minority shareholders, and Taaleri's holding in Taaleri Kapitaali Oy decreased to 50.0 (70.0) percent. Additionally, Taaleri Investments Ltd acquired few holdings from non-controlling interest holders of Taaleri Energia Ltd, and Taaleri Group's joint holding in Taaleri Energia Ltd and the subgroup it forms, increased to 79.4 (78.6) percent.

During the financial year, Taaleri decided to wind down the infrastructure business that was part of the Private Asset Management segment. As a result of the decision, Taaleri Private Equity Funds Ltd redeemed a 20.0 percent non-controlling interest in Taaleri Infra I GP Oy, and the Taaleri Group wrote down of the goodwill arising from the company's acquisition in 2021 of EUR 0.3 million.

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

#### Effects on the equity attributable to owners of the parent of any changes in its ownership interest in a subsidiary that do not result in a loss of control, EUR 1,000

	1.1.-31.12.2023	1.1.-31.12.2022
From an addition to the share owned in subsidiaries	-	-48
From a reduction in the share owned in subsidiaries, without loss of control	1,636	-110
<b>Net effect on equity</b>	<b>1,636</b>	<b>-158</b>

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

## 13 Investments in associated companies

### Changes in associated company shareholdings 1.1.–31.12.2023

On 31 December 2023 Taaleri had ten associated companies: Taaleri Datacenter Ky, Sepos Oy, Turun Toriparkki Oy, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Fintoil Oy, Taaleri SolarWind II SPV, Taaleri SolarWind III SPV, Masdar Taaleri Generation, and WasteWise Group Oy. None of these is considered material to the Group.

During the period, Taaleri Investments Ltd participated with EUR 2.3 million in the financing round of Turun Toriparkki Oy, but due to the new investors who joined the company, Taaleri's ownership in Turun Toriparkki Oy was diluted to 39.3 (59.2) percent.

WasteWise Group Oy's convertible bond previously held by Taaleri Investments Ltd, was converted into company's shares during the financial year, and in addition Taaleri Sijoitus Oy made a EUR 2.5 million additional investment in the company. Taaleri's shareholding in the company grew to 34.1 per cent with the additional investment, and from this point on, the company has been consolidated into the Taaleri Group as an associated company.

After Taaleri Energia Holdings Sarl sold all the shares it owned in Taaleri Energia Development Holdings Sarl, Domerel Nieruchomo ci Sp.z, which had previously been an associated company to Taaleri Group, also left the group.

Other associated companies, with the exception of Fintoil Oy, have been consolidated into the Group using the equity method. Regarding the capital investment made in Fintoil Oy, a decision has been made to value the associated company at fair value with effect on profit and loss in accordance with IFRS 9. During 2023, from the results of the review period of the associated companies and other changes in their equity, a total of EUR 2.9 million has been consolidated into the Group and presented in the line item "Share of the result of associated companies". Associated companies have no discontinued operations, and no items of comprehensive income that would have been consolidated into the Group.

### Changes in associated company shareholdings 1.1.–31.12.2022

On 31 December 2022 Taaleri had nine associated companies: Taaleri Datacenter Ky, Sepos Oy, Turun Toriparkki Oy, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Fintoil Oy, Taaleri SolarWind II SPV, Masdar Taaleri Generation and Domerel Nieruchomo ci Sp.z. None of these is considered material to the Group.

After the merger between Fellow Finance Plc and Evli Bank Plc that took place during the financial year, Taaleri owned 17.50 percent of the new Fellow Bank Plc, while at the beginning of the financial year, Taaleri's holding in Fellow Finance Plc exceeded the associate company limit and was 25.7 percent. Taaleri's shareholding in Turku Toriparkki Oy, on the other hand, increased to 59.2 percent during the financial year, but Taaleri owned 48.15 percent of the controlling shares, and therefore Turun Toriparkki Oy was still consolidated into the Group using the equity method. In addition, Taaleri sold its holding in Surazo Sp.z o.o. associated company during the financial year.

Other associated companies, with the exception of Fintoil Oy, have been consolidated into the Group using the equity method. Regarding the capital investment made in Fintoil Oy, a decision has been made to value the associated company at fair value with effect on profit and loss in accordance with IFRS 9. From the financial year's results of the continuing operations of the associated companies, profits totaling EUR 3.8 million was consolidated in the Group during the period, which is presented in the item "Share of associates' profit or loss". The share of the result of associated companies in 2022 includes also an impairment loss on the shares of Sepos Oy totaling EUR -2.3 million. Associated companies have no discontinued operations, and no items of comprehensive income that would have been consolidated into the group.

## 14 Conditional liabilities and contingent liabilities

Commitments not recognised as liabilities, EUR 1,000	31.12.2023	31.12.2022
Total gross exposures of guaranty insurance	1,749,104	1,861,598
Guarantees <sup>1)</sup>	1,875	-
Investment commitments	11,830	10,148
Credit limits (unused)	200	200
<b>Total</b>	<b>1,763,009</b>	<b>1,871,946</b>

<sup>1)</sup> Taaleri has granted a guarantee in the amount of EUR 1.9 million to an entity outside the Group, but a full counter-guarantee has been received for the liability. Original guarantee EUR 1.9 million, however, has been included in the table above.

On March 10, 2021, Taaleri announced the sale of the Wealth Management business to Aktia. The disposal consideration will depend in part on the business of the coming years. 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. Liabilities related to the transaction are not included in the table above.

Taaleri has signed the Net Zero Asset Managers (NZAM) initiative, in which Taaleri, both as a company and for Taaleri's assets under management, commits to the goal of net zero greenhouse gas emissions by 2050 in accordance with the Paris Climate Agreement. Taaleri's interim target is to manage 75% of the assets under management in accordance with the initiative by 2030. Taaleri will report annually on the progress starting year 2023. Liabilities related to the initiative are not included in the table above.

## 15 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.

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

<b>1.1.-31.12.2023</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
Associated companies	646	-	2,307	-
Other related parties	15	10	15	-
<b>1.1.-31.12.2022</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
Associated companies	387	-	1,905	-
Other related parties	100	10	25	-



# TAALERI

Taaleri Plc  
Kasarmikatu 21 B  
00130 Helsinki