

TAALERI

Q4

Taaleri Plc  
Financial Statements Bulletin

1 January–31 December 2021

# Taaleri Plc Financial Statements Bulletin 1 Jan–31 Dec 2021

A very strong last quarter for Taaleri – operating profit more than doubled to EUR 14.7 million and was 50% of income

## October–December 2021, segment reporting, continuing operations

- The income according to the segment reporting grew by 87.7% to EUR 29.4 (15.7) million.
- Continuing earnings grew by 16.3% to EUR 11.4 (9.8) million. The continuing earnings of the Private Asset Management segment grew by 2.9% to EUR 5.4 (5.3) million, and the continuing earnings of the Strategic Investments segment by 45.6% to EUR 5.5 (3.8) million.
- Performance fees accrued at record levels being EUR 10.6 (0.9) million and investment operations generated EUR 7.4 (4.9) million.
- According to segment reporting, operating profit more than doubled to EUR 14.7 (6.6) million, corresponding to 49.9% (42.0) of income.
- The assets under management in the Private Asset Management segment grew by 34.6% to EUR 2.2 (1.7) billion.

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

- The income according to the segment reporting grew by 74.1% to EUR 69.7 (40.0) million, mostly due to changes in the fair value of investment operations and performance fees.
- Continuing earnings grew by 13.5% to EUR 40.7 (35.9) million. The continuing earnings of the Private Asset Management segment grew by 8.7% to EUR 20.1 (18.5) million, and the continuing earnings of the Strategic Investments segment by 20.2% to EUR 17.6 (14.6) million.
- Performance fees accumulated at record levels being EUR 11.4 (1.0) million and investment operations generated EUR 17.6 (3.2) million.
- According to segment reporting, operating profit was EUR 30.8 (12.3) million, corresponding to 44.2% (30.8) of income.
- The operating profit from discontinued operations for January–April was EUR 3.3 (January–December 2020: 8.5), including EUR 1.6 million of costs related to the sale of the wealth management operations.

## October–December 2021, IFRS reporting, continuing operations

- Income from continuing operations in accordance with IFRS grew by 119.3% to EUR 30.2 (13.8) million.
- Operating profit was EUR 14.7 (5.9) million and profit for the period in accordance with IFRS was EUR 12.1 (6.8) million, taking into account the discontinued operations.
- Earnings per share were EUR 0.42 (0.13) for continuing operations.

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

- Income from continuing operations in accordance with IFRS amounted to EUR 72.6 (34.0) million and operating profit to EUR 28.8 (9.6) million. A total of EUR 2.1 million in non-recurring expenses were attributed to the divestment of the wealth management operations.
- The operating profit of discontinued operations totalled EUR 116.1 (11.0) million, which consists of a profit of EUR 111.1 million from the sale of the wealth management operations and EUR 5.0 million of net operating profit from the wealth management operations in January–April.
- The profit for the financial year from continuing and discontinued operations was EUR 136.1 (13.0) million.
- Earnings per share were EUR 0.75 (0.11) for continuing operations, EUR 4.06 (0.35) for discontinued operations and EUR 4.81 (0.45) for the profit of the period.
- The Extraordinary General Meeting decided on 28 May 2021 to pay an additional distribution of assets of EUR 1.00 per share.
- The Board of Directors proposes a dividend of EUR 1.20 per share for 2021.

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

There are differences in the figures in the Group's consolidated income statement and segment reporting due to the application of IFRS 5. In the consolidated income statement (p. 28), intra-group income and expenses between discontinued and continuing operations have been eliminated. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. The earnings figures in the explanatory section in this Financial Statements Bulletin represents the Group's continuing operations according to segment reporting, unless otherwise stated. The chosen presentation will improve the comparability of segment reporting in the coming years.

Taaleri has changed the definition of Operating profit as of the 2021 Financial Statements. The interest and other financing expenses has been moved down the income statement below the Operating profit. In Taaleri's view, the chosen presentation is more in line with market practice and after the change, the Operating profit subtotal in the income statement better reflects Taaleri's operative profit. The change in presentation has no effect on the result for the financial year. The presentation of data for the comparison period has been adjusted accordingly.

This Financial Statements Bulletin has been prepared in accordance with IAS 34. The Financial Statements Bulletin is based on the audited Financial Statements of 2021. The auditor's report has been issued on 16 February 2022. See page 23 for further information of the accounting policies of this Financial Statements Bulletin.

## Key figures

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

	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
<b>Earnings key figures</b>						
Continuing earnings, MEUR	11.4	9.8	16.3	40.7	35.9	13.5
Income, MEUR	29.4	15.7	87.7	69.7	40.0	74.1
Operating profit, MEUR	14.7	6.6	123.3	30.8	12.3	149.8
Operating profit, %	49.9	42.0		44.2	30.8	
Profit for the period in consolidated income statement, MEUR	12.1	6.8	77.8	136.1	13.0	>100.0
Return on equity*, %	21.5	21.0		75.0	10.0	
<b>Balance sheet key figures</b>						
Equity ratio, %	72.1	49.7		72.1	49.7	
<b>Other key figures</b>						
Cost/income ratio excluding investment operations	68.0	92.0		77.9	83.6	
Cost/income ratio	51.0	63.1		58.3	77.0	
Full-time personnel in continuing operations, at the end of the period	104	92	13.0	104	92	13.0
Assets under management in Private Asset Management segment, BEUR	2.2	1.7		2.2	1.7	34.6
Guaranty insurance portfolio, BEUR	1.7	1.8		1.7	1.8	

\* Annualised

# Q4

Growth in continuing earnings, %

**16.3**

Operating profit, %

**49.9**

(Q4 2020: 42.0)

Income, EUR million

**29.4**

(Q4 2020: 15.7)

Assets under management, BEUR

**2.2**

(31.12.2020: 1.7)

## Review by CEO Peter Ramsay

Taaleri's last quarter of 2021 was very strong. The group income was EUR 29.4 million and the operating profit was 50%, as significant performance fees, strong investment income and more than 16% growth in continuing earnings boosted operating profit to EUR 14.7 million.

We can be very pleased with 2021, a year of big changes. We sold our wealth management operations to Aktia in the spring, renewed our strategy and developed our private asset management business in line with our plans. We focus on renewable energy and other alternative investments that create not only financial returns but also positive and sustainable impacts on the environment and society. The launch of the Taaleri Bioindustry I fund at the end of the year is an important step in this direction.

The income from continuing operations in 2021 grew to EUR 69.7 million and operating profit grew to EUR 30.8 million, representing 44% of income. The Group's profit for the financial period, including the profit from the sales of the wealth management operations, was EUR 136.1 million. The assets under our management grew to EUR 2.2 billion.

In the Private Asset Management segment, during the last quarter we prepared and launched new funds and promoted the projects in the funds in investment phase. In line with the nature of the private asset management business, we will make early-stage investments in the growth of the business during the current year. Income will begin to accrue once a new fund is successfully launched, and the first round of fundraising is completed.

The largest business in the Private Asset Management segment, the renewable energy business, completed four international investments in the Taaleri SolarWind II fund and the refinancing of the Taaleri Wind II and Wind III funds during the last quarter, which increased the funds' performance fee potential to an estimated EUR 20 million. In addition, Taaleri Energia raised EUR 44 million to accelerate project development and secure quality investments for future funds.

In the real estate business, the newest fund, Taaleri Housing Fund VIII, raised EUR 58 million in its first round of funding. The fund is the first to be set up jointly by Taaleri and Aktia. The fund launched its investment activities at the beginning of 2022. In addition, during the last quarter we recognized EUR 3.9 million in net performance fees from the sale of Taaleri Housing Fund VI, which was completed in the summer. It has been decided to merge the infrastructure business, which previously operated as its own business, with the real estate business as of February 2022.

As a European pioneer, the bioindustry business launched a fund, which focuses on industrial-scale bioindustry projects that promote sustainable development. Taaleri Bioindustry I was one of Finland's first private equity funds to be classified as dark green, i.e., funds compliant with Article 9 of the EU's Sustainable Finance Disclosure Regulation.

In the Strategic Investments segment, Garantia continued its very strong business and achieved its best full-year result in its history with an operating profit of EUR 22.0 million. In the last quarter, net income from guaranty insurance operations increased by 45% and the combined ratio describing the profitability of insurance operations was 39.9%, while claims incurred remained low.

2021 was the second year of the coronavirus pandemic, and we got better at living with it. I would like to warmly thank our staff for their excellent work during a challenging year, and our customers and partners for their trust and cooperation. I would also like to welcome our new shareholders to our journey - the number of our shareholders increased by 1,700, or more than a quarter, over the past year.

We at Taaleri want to be a pioneer in alternative investments focusing on sustainability. I believe that we have an excellent chance of achieving our goal with the help of all our employees, customers, and partners.

## Outlook and financial targets

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

Taaleri's long-term targets include:

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

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

## Operating environment and market prospects

Taaleri's operating environment developed positively during the last quarter of 2021. In the coronavirus pandemic, the omicron variant, which was much more infectious than previous variants but caused a milder form of the disease, spread worldwide. This has led to new restrictions, but the impact on Taaleri's business has been relatively limited. Uncertainty about central bank actions, the growth of geopolitical risks, and concerns about rising inflation and interest rates may cause stock markets to fluctuate.

The alternative asset classes offered by Taaleri's investment products grew in popularity in 2021, and the trend is expected to continue. The popularity of alternative investments is influenced, among other things, by low interest rates and the growth of institutional and private assets. In addition, sustainability and impact have become very important requirements for investors. Also, among other things, the EU's Sustainable Finance Disclosure Regulation is guiding both investors and financial actors towards sustainable investments.

The operating environment of renewable energy remained good during the review period. The global transition to renewable energy and a general energy price rise support the operating environment, and we expect the solar and wind power market in particular to continue to grow well. The global rise in the price of raw materials and delays in logistics chains can affect the progress of projects and development projects. However, this is expected to be a temporary phenomenon.

### The EU's Sustainable Finance Disclosure Regulation is guiding both investors and financial actors towards sustainable investments.

The attractiveness of real estate as an investment continues to be sustained by relatively low interest rates and its ability to protect against inflation. Financing for real estate investments is relatively easy to obtain. The position of residential real estate continues to be strong, although the increased supply of rental housing, especially in Greater Helsinki, has slightly depressed occupancy rates and slowed the rise in rents. Despite this, a large amount of new capital is expected to flow into housing investments also in the near future. Foreign players are expected to remain interested in the Finnish real estate market during 2022, while domestic fund managers will continue to grow their portfolios. Interest in real estate investing is also growing among private investors and savers.

In the bioindustry business, the operating environment offers significant opportunities, and the sector is attracting much investor interest, as sustainability and ESG considerations are becoming a threshold issue in investment discussions. The rise of bioindustry in the public eye and to the selection the financial sector's investment products means that competition for projects is intensifying. At the same time, new companies as potential investments have emerged in different segments of the market.

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

## The sale of wealth management operations

Taaleri announced on 10 March 2021 to sell its wealth management operations to Aktia Bank Plc by the agreement signed at the same date. As part of the transaction, the companies agreed to a cooperation that supports the strategies of both

companies, in which Aktia will sell Taaleri's alternative investment products to its customers. In the transaction Taaleri's wealth management operations were transferred to Aktia, including Taaleri Wealth Management Ltd, Taaleri Fund Management Company Ltd, Taaleri Tax Services Ltd and Evervest Ltd. Approximately 100 employees of Taaleri transferred to Aktia, and five employees of Aktia's real estate and infrastructure business shifted to Taaleri. Taaleri also acquired business operations for the portfolio management of Aktia's special investment fund investing in real estate as well as the Aktia Infra I Ky fund. The agreement also stipulates that Taaleri will act as the portfolio manager for Aktia's special investment funds investing in real estate in the future.

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

The sale of the wealth management operations had significant effects on the strategy, regulation, administration and earnings development of the entire Taaleri Group. Taaleri renewed its strategy in the spring and will focus on private equity funds focusing on renewable energy and other alternative investments. Taaleri's regulatory framework changed significantly with the sale of the investment services business, and according to the decision issued by the Financial Supervisory Authority on 29 October 2021, Taaleri no longer forms the RaVa conglomerate. In the future, the parent company's operations will be regulated especially by the requirements of a listed company and the regulations of the Financial Supervision Authority concerning the company's licensed subsidiaries.

## Financial result

### Continuing earnings, income, and operating profit

Group's continuing operations in segment reporting, EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
<b>Continuing earnings</b>	<b>11.4</b>	<b>9.8</b>	<b>16.3%</b>	<b>40.7</b>	<b>35.9</b>	<b>13.5%</b>
Private Asset Management	5.4	5.3	2.9%	20.1	18.5	8.7%
Strategic Investments	5.5	3.8	45.6%	17.6	14.6	20.2%
Other	0.5	0.7	-37.6%	3.0	2.7	9.4%
<b>Income</b>	<b>29.4</b>	<b>15.7</b>	<b>87.7%</b>	<b>69.7</b>	<b>40.0</b>	<b>74.1%</b>
Private Asset Management	16.2	7.0	132.0%	31.0	21.9	41.4%
Strategic Investments	9.4	7.5	25.8%	30.3	17.2	76.4%
Other	3.8	1.2	218.8%	8.4	0.9	>100.0%
<b>Operating profit</b>	<b>14.7</b>	<b>6.6</b>	<b>123.3%</b>	<b>30.8</b>	<b>12.3</b>	<b>149.8%</b>
Private Asset Management	7.3	2.6	184.8%	7.5	6.2	20.2%
Strategic Investments	7.3	5.2	41.4%	24.4	11.9	105.0%
Other	0.0	-1.2	n/a	-1.0	-5.8	n/a

The Group's share of the result of associated companies is taken into account in the segment income. Segment information is presented on pages 33-35.

#### October-December 2021

The Group income increased by 87.7% to EUR 29.4 (15.7) million in the period under review, thanks to significant performance fees and strong performance of investment operations. The continuing earnings grew by 16.3% to EUR 11.4 (9.8) million. The continuing earnings grew by 2.9% in the Private Asset Management segment and by 45.6% in the Strategic Investments segment. A total of EUR 10.6 (0.9) million in performance fees were recognized for the Taaleri Wind II fund and the exit from Taaleri Housing Fund VI. The result for investment operations grew to EUR 7.4 (4.9) million.

The Group's operating profit more than doubled to EUR 14.7 (6.6) million and represented 49.9% (42.0) of income. The Group's operating expenses were EUR 14.7 (9.1) million, of which personnel costs amounted to EUR 7.1 (5.0) million. The increase in personnel costs was due to one-off payments related to the termination of the CEO's contract totalling EUR 1.8 million and investments in the private asset management business, and thus an increase in fixed personnel costs.

In the consolidated income statement, which applies the IFRS 5 standard, the income from continuing operations more than doubled to EUR 30.2 (13.8) million. The net income from insurance operations totalled EUR 8.4 (7.5) million, consisting of net income from guaranty insurance operations of EUR 5.5 (3.8) million and net income from investment operations of EUR 2.8 (3.7)

million. The return on investment of insurance operations at fair value was 0.9% (3.8). In the consolidated income statement, the profit of continuing operations was EUR 12.1 (3.9) million, the profit of discontinued operations was EUR 0.0 (2.9) million, the profit for the period was EUR 12.1 (6.8) million and the Group's comprehensive income was EUR 10.9 (8.4) million.

### January–December 2021

During the review period, the Group's income from continuing operations grew by 74.1% to EUR 69.7 (40.0) million. The continuing earnings grew by 13.5% to EUR 40.7 (35.9) million. The performance fees of continuing operations were EUR 11.4 (1.0) million and the earnings from investment operations were EUR 17.6 (3.2) million.

The Group's operating profit from continuing operations was EUR 30.8 (12.3) million, corresponding to 44.2% (30.8) of the income from continuing operations. The Group's operating expenses of continuing operations were EUR 38.9 (27.7) million, of which personnel costs amounted to EUR 19.0 (13.3) million.

In the consolidated income statement, which applies the IFRS 5 standard, the income from continuing operations totalled EUR 72.6 (34.0) million. The net income from insurance operations totalled EUR 27.9 (17.1) million, consisting of net income from guaranty insurance operations of EUR 17.6 (14.6) million and net income from investment operations of EUR 10.3 (2.5) million. The return on investment of insurance operations at fair value was 6.1% (1.8). In the consolidated income statement, the profit of continuing operations was EUR 21.2 (3.2) million, the profit of discontinued operations was EUR 114.9 (9.8) million, the profit for the period was EUR 136.1 (13.0) million and the Group's comprehensive income was EUR 135.8 (12.8) million.

## Balance sheet, investments, and financing

The balance sheet structure of Taaleri Group changed significantly as a result of the divestment of the wealth management operations. During the year 2021, Taaleri's equity strengthened by EUR 96.6 million to EUR 229.7 million. Taaleri distributed a total of EUR 37.4 million to shareholders during the second quarter and reorganised its financing in May.

At the end of the financial year, the Group's cash and cash equivalents totalled EUR 53.3 (25.8) million, and Taaleri Group's balance sheet total was EUR 318.7 (267.8) million. The investments were EUR 221.5 (194.8) million, corresponding to 69.5% (72.7) of the Group's balance sheet total. The liabilities of the Group totalled EUR 89.0 (134.8) million, of which interest-bearing liabilities were EUR 14.9 (64.7) million. The bond of EUR 35.0 million due in December 2021 was redeemed on 28 May 2021, and debts to credit institutions of EUR 12.4 million were repaid in May.

Profit for the financial period attributable to owners of the parent company was EUR 136.1 (12.9) million. Equity at end of the review period was EUR 229.7 (133.1) million, with an equity ratio of 72.1% (49.7). The Group's return on equity for the period was 75.0% (10.0), in which the sale of the wealth management operations having a significant positive impact.

## Business segments, continuing operations

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

The segment-specific income statements are presented on pages 33–35.

### Private Asset Management

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

Private Asset Management, EUR million	10–12/2021	10–12/2020	Change, %	1–12/2021	1–12/2020	Change, %
Continuing earnings	5.4	5.3	2.9%	20.1	18.5	8.7%
Performance fees	10.6	0.9	>100.0%	11.4	1.0	>100.0%
Investment operations	0.2	0.8	-78.1%	-0.5	2.4	n/a
<b>Income</b>	<b>16.2</b>	<b>7.0</b>	<b>132.0%</b>	<b>31.0</b>	<b>21.9</b>	<b>41.4%</b>
<b>Operating profit</b>	<b>7.3</b>	<b>2.6</b>	<b>184.8%</b>	<b>7.5</b>	<b>6.2</b>	<b>20.2%</b>
Allocation of financing expenses	-0.6	-0.6	2.4%	-2.3	-2.5	-8.1%
<b>Operating profit after the financing expenses</b>	<b>6.7</b>	<b>1.9</b>	<b>243.8%</b>	<b>5.2</b>	<b>3.7</b>	<b>38.9%</b>
Full-time personnel, at the end of the period	67	47	43.0%	67	47	43.0%

Private Asset Management segment's investments, EUR million	31.12.2021	31.12.2020	Change, %
<b>Investments and receivables, fair value</b>	<b>34.1</b>	<b>23.6</b>	<b>44.8%</b>
Renewable energy	16.9	10.1	68.3%
Real estate	6.5	9.0	-27.9%
Bioindustry	6.8	4.0	68.9%
Other investments	3.9	0.5	690.0%

Group investments supporting the core business and the development of the businesses reported under Private Asset Management segment are reported under the segment. Such investments include, for example, seed investments in new funds. Group investments are presented in further detail under segment information on page 35.

## Renewable energy

Renewable energy, EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Continuing earnings	4.2	4.2	0.0%	15.2	14.3	6.4%
Performance fees	5.4	0.9	>100.0%	6.2	1.0	>100.0%
Investment operations	0.6	0.5	30.1%	0.6	2.1	-70.7%
<b>Income</b>	<b>10.2</b>	<b>5.5</b>	<b>83.1%</b>	<b>22.0</b>	<b>17.4</b>	<b>26.5%</b>
<b>Operating profit</b>	<b>5.3</b>	<b>2.7</b>	<b>94.9%</b>	<b>7.6</b>	<b>6.6</b>	<b>15.5%</b>
Allocation of financing expenses	-0.4	-0.4	1.0%	-1.5	-1.7	-7.8%
<b>Operating profit after the financing expenses</b>	<b>4.9</b>	<b>2.3</b>	<b>112.5%</b>	<b>6.1</b>	<b>4.9</b>	<b>23.5%</b>
Full-time personnel, at the end of the period	36	32	12.5%	36	32	12.5%
Assets under management, EUR billion	1.2	1.1		1.2	1.1	

### October–December 2021

The continuing earnings of the renewable energy business remained at the comparison period level of EUR 4.2 (4.2) million. During the review period, EUR 5.4 million in performance fees were recognized from the Taaleri Wind II fund following the refinancing of the fund, and the income increased to EUR 10.2 (5.5) million as a result of the performance fees. The operating expenses totalled EUR 4.8 (2.8) million, of which fee and commission expenses were EUR 1.9 (1.2) million and personnel costs EUR 1.7 (1.1) million. The fixed personnel costs were EUR 1.2 (0.9) million and the variable personnel costs were EUR 0.6 (0.2) million. The operating profit of the renewable energy business was EUR 5.3 (2.7) million, corresponding to 52.6% (49.4) of income.

During the review period, the renewable energy business focused on investments and project development of the Taaleri SolarWind II fund. During the review period, the fund invested in a solar energy project in Spain and a set of three wind power projects in Lithuania. Projects in the construction phase of the fund in Finland, Norway, Poland, and the United States proceeded as planned during the review period, and three wind farms that had been in the construction phase entered production.

During the review period, Taaleri Energia secured EUR 44 million in financing for wind and solar power project development. The project development aims to develop industrial-scale wind and solar energy projects and create high-quality investment opportunities for Taaleri's future renewable energy funds. Taaleri Energia's own development projects also proceeded as planned during the review period.

### January–December 2021

The continuing earnings of the renewable energy business grew during the period by 6.4% to EUR 15.2 (14.3) million, and performance fees of EUR 6.2 (1.0) million were recognized. The income increased by 26.5% to EUR 22.0 (17.4) million. The operating expenses totalled EUR 14.4 (10.8) million, of which fee and commission expenses were EUR 5.0 (4.3) million and personnel costs EUR 6.1 (4.3) million. The fixed personnel costs were EUR 4.3 (3.1) million and the variable personnel costs were EUR 1.8 (1.2) million. The increase in fixed personnel costs is mainly due to the increase in the number of employees, and of the variable personnel costs, a total of EUR 0.4 million were allocated to the previous financial year. The operating expenses for the second quarter of the year also include a write-down of the advance payment of EUR 0.5 million. The operating profit for the renewable energy business was EUR 7.6 (6.6) million, corresponding to 34.5% (37.8) of income.

The Taaleri SolarWind II fund reached investment commitments of EUR 354 million in the last fundraising round that ended in June. During the financial year, the fund invested in two wind farms in Finland, a solar energy project in Spain and three wind power projects in Lithuania. The projects under construction for the Taaleri SolarWind II fund in Finland, Norway, Poland, and the United States progressed according to plan during the financial year.

During the last quarter, the renewable energy business also completed the refinancing of the Taaleri Wind II and Taaleri Wind III funds, which significantly increased the return potential of the funds, and the funds returned a significant portion of the



investor's original capital invested. At the same time, Taaleri's estimate of the funds' performance fee potential under the current market conditions increased to approximately EUR 20 million, of which EUR 5.4 million of unrealized performance fee adjusted by the discount factor and based on a conservative scenario, was recognized in the 2021 financial year.

In addition, Taaleri Energia secured EUR 44 million in financing in the last quarter of the year to accelerate project development and also to secure quality investment opportunities for future funds.

## Other private asset management

Other private asset management, EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Continuing earnings	1.3	1.1	13.4%	4.9	4.2	16.6%
Performance fees	5.2	0.0	>100.0%	5.2	0.0	>100.0%
Investment operations	-0.5	0.3	n/a	-1.2	0.3	n/a
<b>Income</b>	<b>6.1</b>	<b>1.4</b>	<b>&gt;100.0%</b>	<b>9.0</b>	<b>4.5</b>	<b>98.5%</b>
<b>Operating profit</b>	<b>2.0</b>	<b>-0.2</b>	<b>n/a</b>	<b>-0.2</b>	<b>-0.4</b>	<b>60.1%</b>
Allocation of financing expenses	-0.2	-0.2	5.2%	-0.7	-0.8	-8.9%
<b>Operating profit after the financing expenses</b>	<b>1.8</b>	<b>-0.4</b>	<b>n/a</b>	<b>-0.9</b>	<b>-1.2</b>	<b>25.5%</b>
Full-time personnel, at the end of the period	31	15	108.0%	31	15	108.0%
Assets under management, EUR billion	1.0	0.6		1.0	0.6	

### October–December 2021

The continuing earnings of Taaleri's real estate, bioindustry and other businesses grew in the last quarter of the year by 13.4% to EUR 1.3 (1.1) million, and performance fees of EUR 5.2 (0.0) million were recognized. Thanks to the performance fees, the income increased to EUR 6.1 (1.4) million. Taaleri is investing in the growth of the private asset management business in accordance with its strategy, and this is reflected in the increase in the number of employees and personnel costs. The operating expenses of Other private asset management totalled EUR 4.1 (1.6) million, of which personnel costs amounted to EUR 1.6 (0.5) million and fee and commission expenses to EUR 1.9 (0.7) million. The operating profit was EUR 2.0 (-0.2) million, corresponding to 33.1% of income.

In July, the real estate business completed the sale of the shares in Taaleri Housing Fund VI, and a performance fee of EUR 5.2 million was recognized on the sale during the review period, after the final purchase price was confirmed. The retail sale of Taaleri Housing Fund VIII, which invests in rental housing under construction launched by the real estate business, started in Aktia, and the fund raised EUR 58 million in its first round of funding during the review period. The fund is a pioneer in the Finnish real estate investment market as it is a real estate investment fund under Article 8 of the EU Disclosure Regulation.

The bioindustry business was a European pioneer in launching its first private equity fund, Taaleri Bioindustry I, which is one of the first private equity funds in Finland to be classified as a dark green fund, i.e., a private equity fund in accordance with Article 9 of the EU Disclosure Regulation. In addition, the bioindustry business continued the sale of a co-investment project in Joensuu Biocoal Oy, a bioindustrial plant to be built in Joensuu. The investment decision for the torrefied biomass plant was made after the end of the review period in January.

### January–December 2021

The continuing earnings of Taaleri's real estate, bioindustry and other businesses increased by 16.6% to EUR 4.9 (4.2) million during the financial year, and performance fees amounted to EUR 5.2 (0.0) million. The income almost doubled to EUR 9.0 (4.5) million. The operating expenses totalled EUR 9.2 (4.9) million, of which fee and commission expenses were EUR 3.9 (2.7) million and personnel costs EUR 3.7 (1.2) million. The operating profit was EUR -0.2 (-0.4) million.

The real estate business expanded to external portfolio management mandates during the financial year in connection with the wealth management operations transaction with Aktia. In July, the real estate business completed very successfully the sale of Taaleri Housing Fund VI and, in the same connection, the real estate business concluded the first international management agreement. A performance fee of EUR 5.2 million was recognized on the sale during the financial period. The real estate business continued to grow its investment-stage funds during the financial year and several new properties were acquired in three closed-end private equity funds and in the special investment fund Aktia Asunnot+. Furthermore, other closed-end private equity funds in the exit phase sold their real estate holdings. Taaleri Housing Fund VIII, the first private equity fund established jointly by Taaleri and Aktia, raised EUR 58 million in its first round of funding, which ended at the end of the financial year.

The bioindustry business was launched at the beginning of the financial year and its core team was recruited during the first half of the year. During the financial year, the bioindustry business focused on launching its first investment products and identifying investment opportunities for these products. Taaleri's investment of EUR 2.0 million in Tracegrow Ltd, made in June, will accelerate the launch of the bioindustry business by offering a potential investment for the first bioindustry fund. In

addition, Taaleri's Biorefinery co-investment's investment and Taaleri's associated company Fintoil secured EUR 80 million in debt financing in June. At the end of the financial year, the bioindustry business launched its first private equity fund, Taaleri Bioindustry I, which is classified as a dark green private equity fund under Article 9 of the EU Disclosure Regulation, and started the sale of a co-investment project in Joensuu Biocoal Oy.

## Strategic Investments

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

Strategic Investments, EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Continuing earnings	5.5	3.8	45.6%	17.6	14.6	20.2%
Performance fees	-	-	-	-	-	-
Investment operations	3.9	3.7	5.4%	12.7	2.5	>100.0%
<b>Income</b>	<b>9.4</b>	<b>7.5</b>	<b>25.8%</b>	<b>30.3</b>	<b>17.2</b>	<b>76.4%</b>
<b>Operating profit</b>	<b>7.3</b>	<b>5.2</b>	<b>41.4%</b>	<b>24.4</b>	<b>11.9</b>	<b>105.0%</b>
Allocation of financing expenses	-0.5	-0.4	17.5%	-1.8	-1.7	2.2%
<b>Operating profit after the financing expenses</b>	<b>6.9</b>	<b>4.8</b>	<b>43.4%</b>	<b>22.6</b>	<b>10.2</b>	<b>122.6%</b>
Full-time personnel, at the end of the period	22	22	0.0%	22	22	0.0%

## Garantia

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

Garantia, EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Net income from guaranty insurance operations	5.5	3.8	45.4%	17.6	14.6	20.2%
- of which Earned premiums, net	5.7	3.8	49.5%	17.9	14.9	20.0%
- of which Claims incurred, net	-0.2	-0.0	>100.0%	-0.3	-0.3	12.5%
Net income from investment operations	2.8	3.7	-23.2%	10.3	2.5	>100.0%
Other income	0.0	0.0	>100.0%	0.0	0.0	32.7%
<b>Revenue</b>	<b>8.4</b>	<b>7.5</b>	<b>11.6%</b>	<b>27.9</b>	<b>17.2</b>	<b>62.5%</b>
Operating expenses	-2.1	-2.3	-9.3%	-5.9	-5.3	11.9%
<b>Operating profit</b>	<b>6.3</b>	<b>5.2</b>	<b>20.9%</b>	<b>22.0</b>	<b>11.9</b>	<b>85.0%</b>
Allocation of financing expenses	-0.5	-0.4	17.5%	-1.8	-1.7	2.2%
<b>Operating profit after the financing expenses</b>	<b>5.8</b>	<b>4.8</b>	<b>21.2%</b>	<b>20.2</b>	<b>10.2</b>	<b>99.1%</b>
Return on investments at fair value, %	-1.4	1.9	n/a	-1.0	0.2	n/a
Result at fair value before tax	4.4	6.7	-34.6%	19.3	10.4	86.0%
Full-time personnel, at the end of the period	22	22	0.0%	22	22	0.0%

Garantia <sup>1</sup>	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Claims ratio, %	3.1%	0.4%	2.7%-p.	1.7%	1.8%	-0.1%-p.
Expense ratio, %	36.8%	60.7%	-23.9%-p.	33.1%	35.5%	-2.4%-p.
Combined ratio, %	39.9%	61.1%	-21.2%-p.	34.8%	37.3%	-2.5%-p.
Return on investments at fair value, %	0.9%	3.8%	-2.9%-p.	6.1%	1.8%	4.3%-p.

Garantia	31.12.2021	31.12.2020	Change, %
Investment portfolio, fair value, MEUR	170	159	6.9%
Guaranty insurance portfolio, MEUR	1,695	1,817	-6.7%
Solvency ratio, %	219.2%	229.4%	-10.3%-p.
Credit rating (S&P)	A-	A-	-

<sup>1</sup> The accounting principles for the claims ratio and the expense ratio have been amended, and the figures for the periods of comparison have been restated accordingly. The accounting principles for the financial ratios are presented on page 27.

### October–December 2021

Garantia's revenue in October-December 2021 was EUR 8.4 (7.5) million. The net income from guaranty insurance operations grew by 45.4 per cent from the period of comparison and amounted to EUR 5.5 (3.8) million. Net income from investment operations decreased by 23.2 per cent to EUR 2.8 (3.7) million. In the period of comparison, net income from investment operations was significantly higher than usual, as the market recovered from the fall caused by the COVID-19 pandemic.

Operating expenses were EUR 2.1 (2.3) million, of which personnel expenses were EUR 1.2 (1.5) million. The operating profit was EUR 6.3 (5.2) million. The result at fair value before tax was EUR 4.4 (6.7) million. The combined ratio stood at 39.9 (61.1) per cent.

### January–December 2021

Garantia's revenue in January–December 2021 reached EUR 27.9 (17.2) million. The net income from guaranty insurance operations grew by 20.2 per cent to EUR 17.6 (14.6) million. Net income from investment operations grew to EUR 10.3 (2.5) million. The growth in net income from guaranty insurance operations was due to an increase in earned premiums. The net income from investment operations grew significantly, as in the period of comparison net income from investment was substantially depressed by the market reactions of the COVID-19 pandemic.

Operating expenses were EUR 5.9 (5.3) million, of which personnel expenses were EUR 3.7 (3.3) million. The operating profit was EUR 22.0 (11.9) million. The result at fair value before tax was EUR 19.3 (10.4) million. The combined ratio stood at 34.8 (37.3) per cent.

### Insurance operations

Garantia's earned premiums grew 20.0 per cent in January–December 2021 compared to the corresponding period last year and amounted to EUR 17.9 (14.9) million. The increase in earned premiums was mainly attributable to the growth in residential mortgage guaranty operations. The growth in residential mortgage guaranty operations was significantly affected by the new distribution channel opened in the previous year, and the favourable market conditions of the housing market. Earned premiums from corporate exposure decreased as compared against the corresponding period last year, as the demand for corporate financing decreased in the review period. In addition, the demand for corporate financing was exceptionally strong in the period of comparison due to the increased uncertainty brought in by the COVID-19 pandemic.

Gross guaranty insurance exposure contracted 6.7 per cent during the financial year and amounted to EUR 1,695 (1,817) million at the end of December. The contraction in gross exposure has mainly been the result of the company's strategic decision to cease underwriting new construction sector related commercial bonds as of 1 January 2020. However, the volume of consumer exposure grew as the strategy progressed according to plan.

Claims incurred in January-December amounted to EUR 0.3 (0.3) million. Claims ratio was 1.7 (1.8) per cent, and the ratio of claims, as a percentage of the guaranty insurance exposure<sup>2</sup>, was 0.04 (0.03) per cent. The level of claims incurred in the review period remained low.

The expense ratio increased in January–December to 33.1 (35.5) per cent and the combined ratio stood at 34.8 (37.3) per cent.

### Investment operations

Net income from investment operations amounted to EUR 10.3 (2.5) million in the financial year, mainly consisting of interest income and fair value changes. The change in the fair value of investment assets recognized in comprehensive income before taxes was EUR -1.0 (0.2) million. Hence, investment income at fair value totalled EUR 9.3 (2.7) million, resulting in a return of 6.1 (1.8) per cent. Investment market development was favourable in the review period. In addition, the returns in the period of comparison were significantly negatively affected by the market reactions caused by the spreading of the COVID-19 pandemic. At the end of the year, the investment portfolio was valued at EUR 170 (159) million.

### Risk position

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

The risk position of Garantia's insurance operations has remained stable. Of the company's gross guaranty insurance exposure of EUR 1,695 (1,817) million at the end of the financial year, EUR 1,130 (972) million, or 67 (54) per cent, was made up of consumer exposures, and EUR 565 (844), or 33 (46) per cent, of corporate exposures. The consumer exposures include residential mortgage guaranties and rent guaranties, where underwriting risk relates to the credit risk of households. The corporate exposures are made up of corporate loan guaranties, commercial bonds, and other business-related guaranties, where underwriting risk relates to the credit risk of companies and other organizations.

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<sup>2</sup> The ratio of claims as a percentage of total guaranty insurance exposure is based on Garantia's FAS accounts. The total guaranty insurance exposure figure used is that from the end of the review period.

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

The share of corporate exposures with investment grade ratings of AAA...BBB- was 20.6 (15.6) per cent., and exposures rated BB- or better made up 78.4 (73.2) per cent of rated corporate exposures. The share of exposures with weak ratings of C+ or lower remained near levels seen in the previous year and stood at 3.9 (3.7) per cent. The creditworthiness of the company's corporate counterparties has remained good.

The principal industry sectors in the corporate exposure portfolio were manufacturing at 28.3 (24.7) per cent, construction at 25.6 (35.4) per cent and wholesale and retail trade at 10.4 (8.1) per cent. The shares of other industry sectors were all less than ten per cent each. 40.6 (48.8) per cent of the construction sector exposure is reinsured.

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

The risk level of investment operations was slightly increased compared to the previous year by increasing the share of equity and private equity investments in the investment portfolio. At the end of the year, fixed income investments made up 83.2 (86.4) per cent, equity & private equity investments 15.9 (12.5) per cent and real estate investments 0.9 (1.1) per cent of the investment portfolio (incl. cash and bank balances). Fixed income investments mainly consist of investments in bonds of Nordic companies and credit institutions with strong creditworthiness. The proportion of investment grade rated fixed income investments was 73.4 (61.4) per cent of all fixed income investments. The modified duration of bond investments was 3.9 (3.5).

#### Credit rating

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

#### Shareholding in Aktia Bank Plc

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

Shareholding in Aktia Bank Plc, EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Continuing earnings	-	-	-	-	-	-
Performance fees	-	-	-	-	-	-
Investment operations	1.1	-	n/a	2.4	-	n/a
<b>Income</b>	<b>1.1</b>	<b>-</b>	<b>n/a</b>	<b>2.4</b>	<b>-</b>	<b>n/a</b>
<b>Operating profit</b>	<b>1.1</b>	<b>-</b>	<b>n/a</b>	<b>2.4</b>	<b>-</b>	<b>n/a</b>
<b>Operating profit after the financing expenses</b>	<b>1.1</b>	<b>-</b>	<b>n/a</b>	<b>2.4</b>	<b>-</b>	<b>n/a</b>

#### April-December 2021

Taaleri's shareholding in Aktia Bank Plc was received on 30 April 2021 as part of the transaction amount as a result of the sale of the wealth management operations. The shareholding produced EUR 1.1 (0.0) million in October-December and EUR 2.4 (0.0) million in April-December of change in fair value and dividends.

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

## Other

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. On 31 December 2021, Taaleri's non-strategic investments totalled EUR 23.7 (30.5) million. The Group investments are presented in further detail under segment information on page 35.

Other, EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Continuing earnings	0.5	0.7	-37.6%	3.0	2.7	9.4%
Performance fees	-	-	-	-	-	-
Investment operations	3.3	0.4	>100.0%	5.4	-1.8	n/a
<b>Income</b>	<b>3.8</b>	<b>1.2</b>	<b>218.8%</b>	<b>8.4</b>	<b>0.9</b>	<b>&gt;100.0%</b>
<b>Operating profit</b>	<b>0.0</b>	<b>-1.2</b>	<b>n/a</b>	<b>-1.0</b>	<b>-5.8</b>	<b>82.2%</b>
<b>Operating profit after the financing expenses</b>	<b>0.9</b>	<b>-0.9</b>	<b>n/a</b>	<b>0.7</b>	<b>-4.8</b>	<b>n/a</b>
Full-time personnel, at the end of the period	15	28	-47.1%	15	28	-47.1%

Non-strategic investments, EUR million	31.12.2021	31.12.2020	Change, %
<b>Investments and receivables, fair value</b>	<b>23.7</b>	<b>30.5</b>	<b>-22.3%</b>
Real estate	12.9	11.3	13.6%
Other investments	10.8	19.1	-43.5%

### October–December 2021

In last quarter of the year, the income of the Other group totalled EUR 3.8 (1.2) million, consisting of continuing earnings of EUR 0.5 (0.7) million and earnings from investment operations of EUR 3.3 (0.4) million. Taaleri continued to exit from non-strategic investments and reduced its holdings in Inderes Plc and Betolar Plc in connection with their listings during the review period. In addition, Taaleri sold its holding in Oima Oy. Taaleri recognized a total of EUR 3.8 million of these in realized capital gain and change in fair value during the period.

The Other group's operating expenses were EUR 3.8 (2.4) million, of which personnel costs amounted to EUR 2.6 (1.8) million. The personnel expenses for the last quarter of the year include EUR 1.8 million in one-off payments related to the termination of employment of the former CEO of Taaleri Plc. Excluding one-off payments, the Other group's personnel costs were half the level of those during the comparison period. External interest and finance costs decreased to EUR 0.2 million (0.8). The Other group's operating profit in the review period was EUR 0.0 (-1.2) million.

### January–December 2021

In the period, the income of the Other group totalled EUR 8.4 (0.9) million, consisting of continuing earnings of EUR 3.0 (2.7) million and earnings from investment operations of EUR 5.4 (-1.8) million. The Other group's operating expenses were EUR 9.4 (6.7) million, of which personnel costs amounted to EUR 5.6 (4.5) million. Excluding the one-off payments related to the termination of the former CEO's contract, of EUR 1.8 million in personnel costs, Other group's personnel expenses decreased from the comparison period. External interest and finance costs were EUR 2.3 (3.2) million with the funding reorganisation. The operating profit of the Other group in the period was EUR -1.0 (-5.8) million.

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

During the financial year, Taaleri reduced its holding in several non-strategic investments. During the review period, Mobify Invoices Oy, a subsidiary of Taaleri, was completely divested, which reduced the number of employees in the group by 6 persons from the beginning of June. The Group recognized a total loss of EUR 0.6 million from the divestment. Taaleri reduced its shareholdings in Inderes Plc and Betolar Plc in connection with their listings and sold its holding in Oima Oy. During the second half of the year, Taaleri recognized of these a total of EUR 6.9 million in realised capital gains and fair value gains.

## Discontinued operations

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

Discontinued operations, EUR million	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Wealth management fees	-	8.5	-100.0%	10.7	29.3	-63.6%
Performance fees	-	2.1	-100.0%	4.5	6.1	-27.2%
Investment operations	-	0.0	-100.0%	0.4	0.0	100.0%
<b>Income</b>	-	<b>10.5</b>	<b>-100.0%</b>	<b>15.6</b>	<b>35.5</b>	<b>-56.1%</b>
<b>Operating profit of the business</b>	-	<b>3.3</b>	<b>-100.0%</b>	<b>3.3</b>	<b>8.5</b>	<b>-61.2%</b>
Group's gain on the sale	-	0.0	-100.0%	111.1	0.0	100.0%
<b>Operating profit the discontinued operations</b>	-	<b>3.3</b>	<b>-100.0%</b>	<b>114.4</b>	<b>8.5</b>	<b>&gt;100.0%</b>
Full-time personnel, at the end of the period	-	103	-100.0%	-	103	-100.0%

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

### January-December 2021

The income of wealth management operations classified as discontinued operations in January-April 2021 was EUR 15.6 (January-December 2020 EUR 35.5) million. The continuing earnings of wealth management were EUR 10.7 (January-December 2020 EUR 29.3) million. The performance of Taaleri's investment funds was excellent, and performance fees accrued from several funds in January-April totalled EUR 4.5 (January-December 2020 EUR 6.1) million. Operating expenses of discontinued operations in January-April totalled EUR 12.3 (January-December 2020 EUR 27.0) million, of which fee and commission expenses amounted to EUR 1.9 (January-December 2020 EUR 3.9) million and personnel costs to EUR 7.1 (January-December 2020 EUR 11.9) million. The operating expenses of discontinued operations include direct costs related to the divestment of wealth management operations in the January-April period amounting to EUR 1.6 (January-December 2020 EUR 1.6) million. The operating profit for January-April was EUR 3.3 (January-December 2020 EUR 8.5) million.

## Sustainability

In the last quarter of 2021, the publication of our Net Zero Asset Managers (NZAM) commitment and the introduction of the first Group-wide sustainability policy were particularly timely in our sustainability work. The NZAM commitment applies to all assets under management in our Private Asset Management segment and supports the climate work of our entire Group. The sustainability policy applies to all Taaleri Group employees and members of management and the Board of Directors. The policy is also available to external stakeholders on our website.

We also developed fund-specific EU regulatory disclosures, business-specific sustainability principles, partnership guidance documents, project-specific operating principles, group-level sustainability reporting and strategic sustainability objectives as part of our short-term remuneration policy and promoted the introduction of a new whistleblowing reporting channel. We will publish more information on these in early 2022 in our Annual Report and on our website.

We promoted cooperation on sustainability issues, among other things, internally through regular meetings of the ESG Committee and externally through participation in the Finnish Venture Capital Association's Sustainable Finance Working Group and by presenting at an event organized by the association. Our activities aim to ensure compliance, and to improve, for example, the analysis of our investments and data collection. Taaleri's Executive Management Team, Audit Committee and Board of Directors discussed, among other things, compliance and the content of the Group's sustainability policy at their meetings.

## Changes in Group structure

During the financial year of 2021 Taaleri Plc sold its wealth management operations to Aktia Bank Plc. In the transaction, Taaleri Wealth Management Ltd, Taaleri Fund Management Company Ltd, Taaleri Tax Services Ltd and Evervest Ltd were transferred to Aktia. For further information, see Note 47 Discontinued Operations and the Sale of the subsidiary. In addition, Taaleri Investment Ltd sold its entire holding of 61.8 per cent in Mobify Invoices Oy.

In connection with the sale of Taaleri's wealth management operations, Taaleri Private Equity Funds Ltd acquired from Aktia Bank Plc its shares in Taaleri Infra I GP Ltd (formerly Aktia Infra Rahasto GP Ltd), a total of 80.0 per cent of the company's shares. Taaleri Plc established Taaleri Real Estate Ltd during the financial year and sold 20.0 per cent of the company to the key personnel in the real estate business. Additionally, during 2021, there were acquired and established some management - and project companies under Taaleri Private Equity Funds Ltd and Taaleri Energia Ltd. In two project companies acquired, Taaleri Energia holds 50.0 per cent and Surazo Sp.z o.o. and Domerel Nieruchomo ci Sp.z, have been consolidated into the Group as associated companies from the date of acquisition.

## Changes in Group management

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

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

## Annual General Meetings 2021

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

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

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

#### Deciding on dividend distribution

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## Taaleri's personnel

The continuing operations of the Group employed 104 (92) full-time personnel at the end of the financial year of 2021. There were 67 (47) full-time employees in the Private Asset Management segment and 22 (22) in Strategic Investments segment. The full-time personnel in the Other group were 15 (28) at the end of the period. Of the personnel, 97 (97) per cent were employed in Finland.

During October-December, the personnel costs of the continuing operations of the Group totalled EUR 7.1 (5.0) million, of which fixed personnel costs totalled EUR 3.4 (2.8) million. Personnel costs for Taaleri Group's continuing operations in January-December were EUR 19.0 (13.3) million, of which fixed personnel expenses were EUR 12.1 (9.4) million.

### Incentive schemes

Taaleri has two share-based incentive schemes for the Group's key personnel.

The 2017 share-based incentive scheme for key personnel consists of three three-year earnings periods. At the beginning of each period, the Board of Directors has decided on the earnings criteria and has set the performance targets. The potential rewards from the scheme in every earnings period are based on the total return of Taaleri Plc's share. The first earnings period expired on 31 October 2020 as worthless and the rewards paid for the second earnings period ended on 31 October 2021 corresponded to 102,790 Taaleri Plc shares, including the portion paid in cash. The rewards to be paid for the third earnings period 2019–2022 correspond to a maximum of 243,455 Taaleri Plc shares, including the portion to be paid in cash. The reward is paid partly in company shares and partly in cash. If the key employee's employment or managerial relationship ends before the reward is paid, the reward will generally not be paid. In connection with the sale of the wealth management operations, Taaleri Plc's Board of Directors decided to proportionate the shares earned through the incentive scheme to the persons belonging to the wealth management operations sold.

The 2021 share-based incentive scheme for key personnel consists of three three-year earnings periods. The Board of Directors decides on the scheme's earnings criteria and the targets to be set for each earnings period at the beginning of each earnings period. The reward of the scheme in the first earnings period 2021–2023 is based on the total return per share (TSR) of Taaleri Plc. Any reward earned for the earnings period 2021–2023 will be paid at the end of the earnings period in the spring of 2024, partly in company shares and partly in cash. If a participant's employment or managerial contract expires before the reward is paid, the rewards of the plan will generally not be paid. The gross rewards to be paid for the earning period 2021–2023 correspond to a maximum total value of 185,000 Taaleri Plc shares, including the portion to be paid in cash.

During the financial year, the company also had a share-based incentive scheme for the company's CEO. In the scheme, the CEO acquired the company's shares for at least EUR 200,000. The share-based incentive scheme was a one-off, five-year scheme, and the earnings period was 1 June 2019–15 June 2024. The earnings period included three measuring periods, which commenced at the beginning of the earnings period and ended on 15 September in years 2022, 2023 and 2024. Any reward earned under the scheme was based on Taaleri Plc's total shareholder return (TSR). The reward corresponded at the establishment to the value of no more than 249,000 Taaleri Plc shares, including the part to be paid in cash. On October 25, 2021, Taaleri Plc's Board of Directors decided to pay 148,006 shares to Taaleri Plc's CEO. The total payable is EUR 1,709,464.68 of which EUR 854,732.35 was paid during the financial year of 2021.

## Shares and share capital

### Taaleri's share on Nasdaq Helsinki

1–12/2021	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	7,825,864	79,421,917	12.50	7.80	10.15	11.20

\* Volume weighted average

Taaleri's share has been listed on Nasdaq Helsinki, among mid-cap companies, since 2016. The trading code is TAALA. On 31 December 2021, the company possessed 45,000 (45,000) treasury shares.

On 31 December 2021, Taaleri Plc's shareholders' equity was EUR 125,000.00 and the company had 28,350,620 registered shares.

### Flaggings during January–December 2021

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

## Shareholders by sector 31.12.2021

Sector	Shares	Of shares, %
Private companies	9,527,592	33.6%
Financial and insurance corporations	2,055,343	7.2%
Public sector organizations	30,837	0.1%
Non-profit institutions	14,132,839	49.9%
Households	226,317	0.8%
Nominee registrations and direct foreign shareholders	2,377,692	8.4%
<b>Total</b>	<b>28,350,620</b>	<b>100.0%</b>

## Shareholders by the number of shares held 31.12.2021

Number of shares	Shareholders	Of shareholders, %	Shares	Of shares, %
1-100	3,415	44.4%	161,823	0.6%
101-500	2,509	32.6%	658,859	2.3%
501-1,000	749	9.7%	594,134	2.1%
1,001-5,000	627	8.1%	1,363,984	4.8%
5,001-10,000	153	2.0%	1,164,649	4.1%
10,001-50,000	186	2.4%	3,866,191	13.6%
50,001-100,000	23	0.3%	1,644,765	5.8%
100,001-500,000	25	0.3%	5,817,385	20.5%
500,001-	8	0.1%	13,078,830	46.1%
<b>Total</b>	<b>7,695</b>	<b>100.0%</b>	<b>28,350,620</b>	<b>100.0%</b>

## Ten biggest shareholders 31.12.2021

Shareholder	Shares	Of shares, %
1. Veikko Laine Oy	3,248,582	11.5%
2. Oy Hermitage Ab	2,920,308	10.3%
3. Elomaa Juhani	1,793,690	6.3%
4. Vakuutusosakeyhtiö Henki-Fennia	1,525,155	5.4%
5. Haaparinne Karri	1,453,223	5.1%
6. Swiss Life Luxembourg S.A.	890,394	3.1%
7. Mathur Ranjit	513,000	1.8%
8. Lampinen Petri	496,000	1.8%
9. AC Invest Five B.V.	464,792	1.6%
10. Lehto Vesa	330,000	1.2%
<b>Total</b>	<b>13,635,144</b>	<b>48.1%</b>
Nominee registrations	939,815	3.3%

## Shares owned by the Board of Directors 31.12.2021

The shareholdings include organizations with controlling interests.

Shareholder	Shares	Of shares and voting rights, %	
Chairperson	Juhani Elomaa	1,793,690	6.3%
Member	Elina Björklund	12,000	0.0%
Member	Hanna Maria Sievinen	7,900	0.0%
Member	Tuomas Syrjänen	7,782	0.0%
Member	Petri Castrén	4,000	0.0%
<b>Total</b>		<b>1,825,372</b>	<b>6.4%</b>

## Shares owned by the Group Executive Management Team 31.12.2021

The shareholdings include organizations with controlling interests.

Shareholder		Shares	Of shares and voting rights, %
CEO, Garantia Insurance Company Ltd	Titta Elomaa	45,554	0.2%
CFO	Minna Smedsten	23,313	0.1%
Group CEO	Peter Ramsay	10,054	0.0%
General Counsel	Janne Koikkalainen	5,006	0.0%
Director, Bioindustry	Tero Saarno	5	0.0%
<b>Total</b>		<b>83,932</b>	<b>0.3%</b>

## Share price development

The chart represents the price development of Taaleri's share since listing from April 20, 2013, to December 31, 2021.



## Capital adequacy

On October 29, 2021, the Financial Supervision Authority decided that the Taaleri Group would no longer fall within the scope of the Act on the Supervision of Financial and Insurance Conglomerates (RaVa) after the sale of its wealth management operations.

Taaleri Private Equity Funds Ltd and Taaleri Energia Funds Management Ltd are licensed as alternative fund managers by the Financial Supervisory Authority. Garantia Insurance Company Ltd is an insurance company operating under the supervision of the Finnish Financial Supervisory Authority. In the future, Taaleri Plc's operations will be regulated especially by the requirements of a listed company, and Garantia will be mainly responsible for meeting the requirements set by the Insurance Companies Act in the Taaleri Group.

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

Garantia's solvency decreased slightly from the previous year. The company's basic own funds amounted to EUR 117.0 (114.1) million at the end of December. Solvency capital requirement was EUR 53.4 (49.7) million. The solvency ratio, or the ratio of basic own funds to the solvency capital requirement, was 219.2 (229.4) per cent.

Basic own funds grew due to accumulated profits and the increases in the fair values of investment assets. Basic own funds include the foreseeable dividend distribution as a deduction, the amount of which increased when compared against the previous year.

Most of the growth in the solvency capital requirement was attributable to the increased capital requirement for market risks. The capital requirement for market risks was especially augmented by the increased market value of the investment portfolio of the company, and increased equity and foreign exchange risks. The growth in the solvency capital requirement was on the other hand restricted by a decrease in the capital add-on and increases of diversification benefits and loss absorbing capacity.

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

## Risk management and risk position

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

Risk management aims to mitigate the likelihood of unforeseeable risks being realized, and their influence on and the threat they present to Taaleri Group's business operations. Risk management supports achievement of strategic goals by promoting better utilization of opportunities in all activities and more efficient distribution of risk-taking capacity to the different functions and projects within the defined risk appetite framework.

Taaleri Group's risks are divided into five main categories: strategic and business risk, credit risk, liquidity risk, market risk and operational risk (including compliance risk). The principles of Taaleri's risk and capital adequacy management are described in note 38 to the 2020 financial statements.

The risk capacity of the Taaleri Group consists of a properly optimized capital structure, profitability of business operations and qualitative factors, including good corporate governance, internal control, and proactive risk and capital adequacy management. Taaleri Group's attitude towards risk-taking is based on careful consideration of an adequate risk/return relationship. Taaleri Plc's Board of Directors has decided that the Group may not in its activities take a risk that jeopardizes the target level set for the company's own funds.

## Segment-specific risks

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

### Private Asset Management segment

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

The main risks of Taaleri's private equity fund operations consist mainly of operational risks and, to a slight extent, credit risks. The result of the business is influenced by the development of assets under management, which depends among other things on the progress of private equity fund projects, the development of capital markets and the success of the cooperation with Aktia. The profit development is also influenced by the realization of performance fee and the success of own investment projects. On the other hand, private equity fund management fees are based on long-term contracts that bring in a steady cash flow.

The objective of the renewable energy business is to channel assets under management to renewable energy production projects and to other energy projects supporting sustainability. The goal is to internationalize and expand the renewable energy business considerably, which naturally increase the risks relating to the growth and internationalization of the operations. The earnings of the renewable energy business are impacted by its success in finding suitable projects, its ability to identify all risks related to renewable energy's international development, construction, financing and operations, and its success in the internationalization of its operations. The earnings of the renewable energy business are also affected by the success of its own investments in energy projects.

### Strategic Investments segment

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

The insurance and investment activities carried out by Garantia Insurance Company are central to Taaleri's risk position. The main risks associated with Garantia's business operations are credit risks arising from guaranty operations, the market risk regarding investment assets, and regulatory risks. In residential mortgage guaranties, Garantia is dependent on cooperation with its distribution partners. Garantia's capital adequacy is strong, and its risk position has remained stable.

### Other group

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. The most significant risks of the Other group consist primarily of private investments and financing granted by Taaleri Sijoitus Oy as well as of credit risks related to Taaleri Plc's granted loans and receivables from credit institutions. In addition to the commission income of Taaleri Kapitaali, the Other group's earnings consist of the fair value changes in investments and of profits/losses gained in connection with the sales of its investments. The earnings and results of the Other group may thus vary significantly between periods under review.

## Short term risks and concerns

The coronavirus pandemic will continue to cause uncertainty in 2022, with the more infectious but less severe variant spreading globally. The economic response to the pandemic has contributed to a significant degree of uncertainty about the development of capital markets and the economy. Uncertainty about central bank actions, the growth of geopolitical risks, and concerns about rising inflation and interest rates may cause stock markets to fluctuate. However, the global economy should continue to grow as the lockdown measures caused by the pandemic ease. The most significant external uncertainties affecting the Group's operating profit are changes in the operating and regulatory environment and the development of the global and especially the Finnish economy.

Taaleri's operating environment developed positively during the last quarter of 2021. In the coronavirus pandemic, the omicron variant, which was much more infectious than previous variants but caused a milder form of the disease, spread worldwide. This has led to new restrictions, but the impact on Taaleri's business has been relatively limited. Uncertainty about central bank actions and concerns about rising inflation and interest rates have caused fluctuations in stock markets.

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

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

The Other group's 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.

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

## Material events after the financial period

Taaleri's Shareholders' Nomination Board proposes to the next Annual General Meeting, which is planned to be held on 6 April 2022, that the number of members of the Board of Directors will be six (6), and that Juhani Elomaa, Hanna Maria Sievinen, Tuomas Syrjänen, Elina Björklund and Petri Castrén are re-elected as Board members and Jouni Takakarhu is elected as new member of the Board, Juhani Elomaa is elected as the Chairperson of the Board and Hanna Maria Sievinen as the Deputy Chairperson of the Board.

## Dividend proposal of the Board of Directors

The Board of Directors proposes that a dividend of EUR 1.20 per share, a total of EUR 33,966,744.00 will be paid for the financial year 2021. The dividend proposal is to distribute EUR 0.40 as a dividend based on the profit for the period of continuing operations, and EUR 0.80 as a dividend based on the sale of the wealth management operations. The parent company's distributable funds were EUR 158,613,591.09, which includes EUR 138,692,090.36 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 11 April 2022. The dividend payment date proposed by the Board of Directors is 20 April 2022.

The Board of Directors' report and financial statements will be available at [www.taaleri.com](http://www.taaleri.com) on 16 March 2022 at the latest.

Helsinki, 16 February 2022  
Taaleri Plc  
Board of Directors

### Additional info

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## Webcast presentation for analysts and media

A live webcast for analysts and the media will be held on February 16, 2022, at 11:30 a.m. The event is in Finnish. The webcast can be followed online at <https://taaleri.videosync.fi/osavuositiedot-q4-2021/>. The event will be recorded and available later on Taaleri's investor pages at [www.taaleri.com/investors/reports-and-presentations](http://www.taaleri.com/investors/reports-and-presentations).

## Taaleri in brief

Taaleri is a Nordic investment and asset manager with an emphasis on renewable energy and other alternative investments. We channel capital towards economically profitable undertakings that have a lasting positive impact on the environment and society. We combine capital with talent, expertise, entrepreneurship, and a bold sense of purpose. We are 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 be a Nordic forerunner in alternative investments focusing on sustainability.

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

Taaleri has EUR 2.2 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 Statement Bulletin has been prepared in accordance with IAS 34. The Financial Statements Bulletin is based on the audited Financial Statements of 2021. The auditor's report has been issued on 16 February 2022. 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 accounts 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 2020, except for the amendments listed below and the amendments to IFRS standards that came into force on 1 January 2021. The revised standards and interpretations do not have a material impact on the reported result or financial position.

## Discontinued operations

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

## Segment reporting

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

There are differences in the figures in the Group's consolidated income statement and segment reporting due to the application of IFRS 5. In the consolidated income statement (p. 28), intra-group income and expenses between discontinued and continuing operations have been eliminated. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. In addition, the consolidated income statement in the period from 1 January to 31 December 2021 includes EUR 2.1 million (in the period from 1 January to 31 December 2020 EUR 1.6 million) direct costs related to the sale of the discontinued operations, which are presented in the segment reporting as part of the discontinued operations. The earnings figures in the explanatory section in this Financial Statements Bulletin represents the Group's continuing operations according to segment reporting, unless otherwise stated. The chosen presentation will improve the comparability of segment reporting in the coming years.

## Change in presentation of consolidated income statement

Following the sale of the wealth management operations, Taaleri's business no longer includes the investment services business. Due to the change in the Group's business, Taaleri has decided to change the order of the consolidated income statement items so that the item Interest expenses has been moved down the income statement and the item has been renamed Interest and other financial expenses. The content of the financial statement line item and thus the size of the item has not changed. Interest and other financial expenses for continuing operations in the period from 1 January to 31 December 2021 were EUR 2.5 million and in the period from 1 January to 31 December 2020 EUR 3.3 million.

As of the Financial Statements Bulletin for 2021, Taaleri has decided to present the item below the Operating profit -subtotal presented in the income statement. In Taaleri's view, the chosen presentation is more in line with market practice and after the change, the Operating profit -subtotal in the income statement better reflects Taaleri's operative profit. The change in presentation has no effect on the result for the financial year. The presentation of data for the comparison period has been adjusted accordingly.

## Developing expenses of cloud computing services

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

If the control of the acquired cloud computing service is not transferred to the company, the expense will not be capitalized as an intangible asset in accordance with IAS 38. In this case, the cloud computing service is treated as a service contract and the costs do not generally constitute an asset to be recognized in the balance sheet, but the expense is recognized as an expense when the service is received. The implementation costs related to the implementation of such cloud computing services are recognized as an advance payment and recognized as operative expense when the service is received, if the implementation is performed by the cloud computing service provider, or the supplier's subcontractor, and the implementation costs are not distinct services from the software. In other cases, the implementation costs associated with deploying the cloud computing service are expensed as soon as the service is received. Taaleri has changed its accounting principles to reflect the agenda decision. The change has not had an effect on earnings per share in 2020 or 2021, expressed to two decimals.

As a result, Taaleri's balance sheet for the comparison period has changed as follows:

EUR 1,000	31.12.2020 Before	Change	31.12.2020 After
Intangible assets	6,775	-338	6,437
Accrued income and prepayments	11,237	162	11,399
Deferred tax assets	1,611	35	1,646
Other assets	248,367		248,367
<b>Assets total</b>	<b>267,990</b>	<b>-141</b>	<b>267,849</b>
Equity	133,209	-141	133,068
Other equity	33,852		33,852
Retained earnings or loss	86,344		86,344
Profit or loss for the period	13,012	-141	12,871
Liabilities	134,781		134,781
<b>Equity and liabilities total</b>	<b>267,990</b>	<b>-141</b>	<b>267,849</b>



# Key figures

## The Group

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

	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Income, EUR 1,000	30,245	13,795	72,629	33,950
Operating profit (-loss), EUR 1,000	14,686	5,925	28,785	9,649
- as percentage of income	48.6%	43.0%	39.6%	28.4%
Net profit for the period, EUR 1,000	12,071	6,790	136,126	12,961
- as percentage of income	39.9%	49.2%	187.4%	38.2%
Basic earnings per share, EUR	0.42	0.24	4.81	0.45
Diluted earnings per share, EUR	0.42	0.23	4.71	0.44
Return on equity % (ROE) <sup>1)</sup>	21.5%	21.0%	75.0%	10.0%
Return on equity at fair value % (ROE) <sup>1)</sup>	19.4%	26.0%	74.8%	9.9%
Return on assets % (ROA) <sup>1)</sup>	15.0%	10.3%	46.4%	4.8%
Cost/income ratio	51.8%	63.8%	58.9%	81.0%
Cost/income ratio excluding investment operations	67.2%	98.1%	80.7%	84.4%
Price/earnings (P/E) <sup>1)</sup>	6.6	8.6	2.3	17.9
Full-time employees, at the end of the period	104	200	104	200
Equity ratio -%	72.1%	49.7%	72.1%	49.7%
Net gearing -%	-16.7%	29.3%	-16.7%	29.3%
Equity/share, EUR	8.14	4.74	8.14	4.74
Dividend or distribution of funds /share, EUR <sup>2)</sup>	-	-	2.20	0.32
Dividend or distribution of funds / earnings, %	-	-	45.8%	70.4%
Effective dividend yield, %	-	-	19.6%	3.9%
Loan receivables, EUR 1,000	6,021	6,699	6,021	6,699
Conglomerate's capital adequacy ratio, % <sup>3)</sup>	-	181.5%	-	181.5%
Financing sector capital adequacy ratio, % <sup>3)</sup>	-	37.9%	-	37.9%
Number of shares at the end of period <sup>4)</sup>	28,305,620	28,305,620	28,305,620	28,305,620
Average number of shares <sup>4)</sup>	28,305,620	28,305,620	28,305,620	28,305,620
Share average price, EUR	10.80	7.14	10.15	7.26
- highest price, EUR	11.50	8.24	12.50	9.76
- lowest price, EUR	9.82	6.56	7.80	5.82
- closing price, EUR	11.20	8.12	11.20	8.12
Market capitalization, EUR 1,000 <sup>4)</sup>	317,023	229,842	317,023	229,842
Shares traded, thousands	1,051	1,168	7,826	4,104
Shares traded, %	4%	4%	28%	14%

1) Annualized.

2) Distribution of funds EUR 2.20 per share for the financial year 2021 is distributed as follows: Board of Directors' proposal for the result of the financial year 2021 EUR 1.20 per share and an additional dividend and return of capital of EUR 1.00 per share distributed in the summer of 2021.

3) According to the decision of the Financial Supervisory Authority on 29 October 2021, Taaleri no longer forms a RaVa conglomerate, and Taaleri no longer reports the conglomerate's solvency ratio. Investment services business is no longer part of Taaleri Group starting 1.5.2021 and therefore Taaleri does not report its financing sector capital adequacy anymore.

4) 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	10-12/2021	10-12/2020	1-12/2021	1-12/2020
<b>Net income from insurance</b>	<b>5,519</b>	<b>3,794</b>	<b>17,561</b>	<b>14,614</b>
Earned premiums, net	5,694	3,808	17,865	14,885
Claims incurred, net	-175	-14	-304	-270
<b>Other income</b>	<b>11</b>	<b>4</b>	<b>44</b>	<b>33</b>
<b>Net income from investment operations</b>	<b>2,844</b>	<b>3,705</b>	<b>10,315</b>	<b>2,534</b>
Operating expenses	-2,096	-2,311	-5,907	-5,281
Allocation of financing expenses	-475	-404	-1,775	-1,738
<b>Operating profit after the financing expenses</b>	<b>5,803</b>	<b>4,788</b>	<b>20,237</b>	<b>10,163</b>
Change in fair value of investments	-1,425	1,905	-967	195
<b>Profit before taxes and non-controlling interests</b>	<b>4,378</b>	<b>6,693</b>	<b>19,270</b>	<b>10,359</b>
Combined ratio, %	39.9%	61.1%	34.8%	37.3%
Claims ratio, %	3.1%	0.4%	1.7%	1.8%
Expense ratio, %	36.8%	60.7%	33.1%	35.5%
Return on investments at fair value, %	0.9%	3.8%	6.1%	1.8%
Solvency ratio (S2), % <sup>1)</sup>	219.2%	229.4%	219.2%	229.4%
Insurance exposure, EUR million	1,695	1,817	1,695	1,817

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

## Key figures accounting principles

Basic earnings per share, EUR

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

Diluted earnings per share, EUR

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

## Alternative performance measures

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

Return on equity (ROE), %

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

Return on equity at fair value %, (ROE)

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

Return on assets (ROA), %

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

Cost/income ratio, %

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

Cost/income ratio, % excluding investment operations

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

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

## Key figures for insurance operations

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

## Consolidated income statement

EUR 1,000	Note	1.10.-31.12.2021	1.10.-31.12.2020	1.1.-31.12.2021	1.1.-31.12.2020
Fee and commission income	2	16,642	4,821	32,211	14,615
Net income from insurance	3	8,363	7,499	27,875	17,149
From guaranty insurance operations		5,519	3,794	17,561	14,614
From investment operations		2,844	3,705	10,315	2,534
Net gains or net losses on trading in securities and foreign currencies	4	3,845	324	8,038	369
Income from equity investments	5	585	595	2,163	-1,610
Interest income	6	388	546	1,475	1,710
Other operating income	7	421	10	867	1,717
<b>Total income</b>		<b>30,245</b>	<b>13,795</b>	<b>72,629</b>	<b>33,950</b>
Fee and commission expense		-4,267	-639	-8,325	-1,584
Administrative expenses					
Personnel costs		-7,227	-5,138	-20,674	-13,878
Other administrative expenses		-1,880	-1,081	-5,295	-4,177
Depreciation, amortisation and impairment of tangible and intangible assets		-205	-180	-788	-769
Other operating expenses		-1,596	-1,186	-4,615	-3,863
Expected credit losses from financial assets measured at amortised cost	12	25	36	-2,235	-105
Impairment losses on loans and other receivables		-11	-	-649	-
Share of associates' profit or loss		-398	318	-1,263	74
<b>Operating profit</b>		<b>14,686</b>	<b>5,925</b>	<b>28,785</b>	<b>9,649</b>
Interest and other financing expenses		-272	-776	-2,362	-3,294
Income tax expense		-2,343	-1,291	-5,199	-3,181
<b>Profit from continuing operations</b>		<b>12,071</b>	<b>3,859</b>	<b>21,224</b>	<b>3,174</b>
<b>Discontinued operations</b>					
Profit from discontinued operations (attributable to owners of the parent company)		-	2,931	114,902	9,786
<b>Profit for the period</b>		<b>12,071</b>	<b>6,790</b>	<b>136,126</b>	<b>12,961</b>
<b>Consolidated statement of comprehensive income</b>					
		<b>1.10.-31.12.2021</b>	<b>1.10.-31.12.2020</b>	<b>1.1.-31.12.2021</b>	<b>1.1.-31.12.2020</b>
<b>Profit for the period</b>		<b>12,071</b>	<b>6,790</b>	<b>136,126</b>	<b>12,961</b>
<b>Items that may be reclassified to profit or loss</b>					
Translation differences		24	-32	71	-325
Changes in the fair value reserve		-1,425	1,905	-967	195
Income tax		285	-269	193	-39
<b>Items that may be reclassified to profit or loss in total</b>		<b>-1,116</b>	<b>1,604</b>	<b>-703</b>	<b>-169</b>
<b>Items that may not be reclassified to profit or loss</b>					
Changes in the fair value reserve		-40	-4	441	6
Income tax		8	1	-88	-2
<b>Items that may not be reclassified to profit or loss in total</b>		<b>-32</b>	<b>-3</b>	<b>353</b>	<b>4</b>
<b>Total comprehensive income for the period</b>		<b>10,923</b>	<b>8,390</b>	<b>135,775</b>	<b>12,796</b>
<b>Profit for the period attributable to:</b>					
Owners of the parent company		11,997	6,700	136,088	12,871
Non-controlling interests		74	90	38	89
<b>Total</b>		<b>12,071</b>	<b>6,790</b>	<b>136,126</b>	<b>12,961</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the parent company		10,849	8,301	135,737	12,707
Non-controlling interests		74	90	38	89
<b>Total</b>		<b>10,923</b>	<b>8,390</b>	<b>135,775</b>	<b>12,796</b>

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

<b>Earnings per share for profit attributable to the shareholders of the parent company</b>	<b>1.10.-31.12.2021</b>	<b>1.10.-31.12.2020</b>	<b>1.1.-31.12.2021</b>	<b>1.1.-31.12.2020</b>
Basic earnings per share, continuing operations	0.42	0.13	0.75	0.11
Diluted earnings per share, continuing operations	0.42	0.13	0.73	0.11
Basic earnings per share, discontinued operations	0.00	0.10	4.06	0.35
Diluted earnings per share, discontinued operations	0.00	0.10	3.98	0.34
Basic earnings per share, profit for the period	0.42	0.24	4.81	0.45
Diluted earnings per share, profit for the period	0.42	0.23	4.71	0.44

## Consolidated balance sheet

<b>Assets, EUR 1,000</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Receivables from credit institutions	8, 9	53,255	25,786
Receivables from the public and general government	8, 9	6,021	6,699
Debt securities	8, 9	-	1,498
Shares and units	8, 9	41,546	21,971
Assets classified as held for sale	10	5,246	5,357
Participating interests	8, 9, 18	8,889	9,248
Insurance assets	8, 9	168,973	160,410
Insurance assets		3,119	3,705
Investments		165,854	156,705
Intangible assets		711	6,437
Goodwill		696	5,097
Other intangible assets		15	1,340
Tangible assets	11	1,149	2,944
Owner-occupied properties		746	2,427
Other tangible assets		403	517
Other assets		13,669	14,455
Accrued income and prepayments		16,921	11,399
Deferred tax assets		2,343	1,646
		<b>318,723</b>	<b>267,849</b>

<b>Liabilities, EUR 1,000</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Liabilities</b>		<b>88,975</b>	<b>134,781</b>
Liabilities to credit institutions	8, 9	-	14,939
Debt securities issued to the public	8, 9, 13	-	34,937
Insurance liabilities		39,421	34,676
Other liabilities		3,318	5,401
Accrued expenses and deferred income		14,172	14,623
Deferred tax liabilities		16,580	15,366
Derivative contracts	14	630	-
Subordinated debt	15	14,854	14,839
<b>Equity Capital</b>	16	<b>229,747</b>	<b>133,068</b>
Share capital		125	125
Reserve for invested non-restricted equity		18,831	35,814
Fair value reserve		-1,285	-864
Translation difference		-18	-89
Retained earnings or loss		76,694	86,344
Profit or loss for the period		136,088	12,871
Non-controlling interest		-687	-1,134
		<b>318,723</b>	<b>267,849</b>

## Consolidated statement of cash flows

EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
<b>Cash flow from operating activities:</b>		
Operating profit (loss)	28,785	9,649
Depreciation	788	769
Other adjustments		
Changes in fair value of investments	-9,784	2,645
Other adjustments	1,061	69
Interest and other financing expenses	-2,362	-3,294
Cash flow before change in working capital	18,487	9,838
Change in working capital		
Increase (-)/decrease (+) in loan receivables	500	1,760
Increase (-)/decrease (+) in current interest-free receivables	-8,348	8,519
Increase (+)/decrease (-) in current interest-free liabilities	7,066	331
Cash flow from operating activities before financial items and taxes	17,705	20,448
Direct taxes paid (-)	-3,774	-1,323
<b>Cash flow from operating activities from continuing operations</b>	<b>13,931</b>	<b>19,125</b>
Cash flow from operating activities from discontinued operations	115,339	12,000
<b>Cash flow from operating activities (A)</b>	<b>129,270</b>	<b>31,125</b>
<b>Cash flow from investing activities:</b>		
Investments in tangible and intangible assets	-360	684
Investments in subsidiaries and associated companies net of cash acquired	-1,186	-2,750
Other investments	-10,830	-14,891
<b>Cash flow from investing activities from continuing operations</b>	<b>-12,376</b>	<b>-16,957</b>
Cash flow from investing activities from discontinued operations	-382	-1,635
<b>Cash flow from investing activities (B)</b>	<b>-12,759</b>	<b>-18,593</b>
<b>Cash flow from financing activities:</b>		
Changes in synthetic options	-1,479	897
Transactions with non-controlling interests	29	-199
Decrease in debt securities issued to the public	-35,000	-
Increase in non-current liabilities	-	20,000
Decrease in non-current liabilities	-15,000	-31,000
Dividends paid and other distribution of profit		
To parent company shareholders	-37,363	-4,529
To non-controlling shareholders	-228	-1,017
<b>Cash flow from financing activities from continuing operations</b>	<b>-89,042</b>	<b>-15,848</b>
Cash flow from financing activities from discontinued operations	-	-
<b>Cash flow from financing activities (C)</b>	<b>-89,042</b>	<b>-15,848</b>
<b>Increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>27,469</b>	<b>-3,315</b>
Cash and cash equivalents at beginning of period	25,786	29,102
Cash and cash equivalents at end of period / Group	53,255	25,786
<b>Net change in cash and cash equivalents</b>	<b>27,469</b>	<b>-3,315</b>

## Changes in group equity capital

	Share capital	Fair value reserve	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
<b>2021, EUR 1,000</b>								
<b>1.1.2021</b>	125	-864	35,814	-89	99,215	134,202	-1,134	133,068
Total comprehensive income for the financial period		-421		71	136,088	135,737	38	135,775
Earnings for the period					136,088	135,088	38	136,126
Other comprehensive income items		-421		71		-351		-351
Distribution of profit			-16,983		-20,380	-37,363	-228	-37,591
Dividend EUR 0.72/share					-20,380	-20,380		-20,380
Return of capital EUR 0.60/share			-16,983			-16,983		-16,983
Distribution of profit for subgroup						-	-228	-228
Share-based payments payable as equity					-2,168	-2,168		-2,168
Transactions with non-controlling interests					29	29	635	663
Other					-2	-2	2	
<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>
<b>2020, EUR 1,000</b>								
<b>31.12.2019</b>	<b>125</b>	<b>-935</b>	<b>35,814</b>	<b>236</b>	<b>90,671</b>	<b>125,911</b>	<b>-182</b>	<b>125,729</b>
Changes to previous periods		-89			89	-		-
<b>1.1.2020</b>	<b>125</b>	<b>-1,024</b>	<b>35,814</b>	<b>236</b>	<b>90,760</b>	<b>125,911</b>	<b>-182</b>	<b>125,729</b>
Total comprehensive income for the financial period		160		-325	12,871	12,707	89	12,796
Earnings for the period					12,871	12,871	89	12,961
Other comprehensive income items		160		-325		-165		-165
Distribution of profit					-4,529	-4,529	-1,017	-5,546
Dividend EUR 0.16/share					-4,529	-4,529		-4,529
Distribution of profit for subgroup						-	-1,017	-1,017
Share-based payments payable as equity					897	897		897
Transactions with non-controlling interests					-153	-153	-49	-202
Other					-631	-631	24	-606
<b>31.12.2020</b>	<b>125</b>	<b>-864</b>	<b>35,814</b>	<b>-89</b>	<b>99,215</b>	<b>134,202</b>	<b>-1,134</b>	<b>133,068</b>



## Segment information, earnings 1.10.-31.12.2021

1.10.-31.12.2021, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	5,439	4,152	1,287	5,530	466	11,435
Performance fees	10,601	5,374	5,227	-	-	10,601
Investment operations	173	632	-459	3,906	3,293	7,372
<b>Total income</b>	<b>16,212</b>	<b>10,157</b>	<b>6,055</b>	<b>9,437</b>	<b>3,759</b>	<b>29,408</b>
Fee and commission expense	-3,753	-1,878	-1,875	-220	-70	-4,044
Personnel costs	-3,331	-1,728	-1,602	-1,170	-2,575	-7,077
Direct expenses	-1,790	-1,216	-574	-700	-1,115	-3,605
Depreciation, amortisation, and impairment	8	7	1	-6	-13	-11
Impairment losses on loans	-	-	-	-	14	14
<b>Operating profit</b>	<b>7,346</b>	<b>5,342</b>	<b>2,004</b>	<b>7,340</b>	<b>-1</b>	<b>14,685</b>
<b>Operating profit, %</b>	<b>45.3%</b>	<b>52.6%</b>	<b>33.1%</b>	<b>77.8%</b>	<b>neg</b>	<b>49.9%</b>
Interest expenses	-7	-7	-	-	-248	-255
Allocation of financing expenses	-638	-429	-209	-475	1,113	-
<b>Operating profit after the financing expenses</b>	<b>6,701</b>	<b>4,906</b>	<b>1,795</b>	<b>6,865</b>	<b>863</b>	<b>14,429</b>
Change in fair value of investments	-	-	-	-1,425	-40	-1,465
<b>Profit before taxes and NCI</b>	<b>6,701</b>	<b>4,906</b>	<b>1,795</b>	<b>5,440</b>	<b>823</b>	<b>12,964</b>

### 1.10.-31.12.2020, EUR 1,000

Continuing earnings	5,288	4,153	1,135	3,799	747	9,834
Performance fees	910	910	-	-	-	910
Investment operations	789	485	304	3,705	433	4,926
<b>Total income</b>	<b>6,987</b>	<b>5,548</b>	<b>1,439</b>	<b>7,504</b>	<b>1,179</b>	<b>15,670</b>
Fee and commission expense	-1,883	-1,161	-722	-228	-223	-2,335
Personnel costs	-1,625	-1,121	-505	-1,547	-1,843	-5,016
Direct expenses	-886	-517	-368	-527	-335	-1,747
Depreciation, amortisation, and impairment	-14	-9	-5	-10	-8	-32
Impairment losses on loans	-	-	-	-	35	35
<b>Operating profit</b>	<b>2,579</b>	<b>2,741</b>	<b>-162</b>	<b>5,192</b>	<b>-1,196</b>	<b>6,575</b>
<b>Operating profit, %</b>	<b>36.9%</b>	<b>49.4%</b>	<b>neg</b>	<b>69.2%</b>	<b>neg</b>	<b>42.0%</b>
Interest expenses	-2	-3	1	-	-758	-760
Allocation of financing expenses	-628	-429	-199	-404	1,032	-
<b>Operating profit after the financing expenses</b>	<b>1,949</b>	<b>2,309</b>	<b>-360</b>	<b>4,788</b>	<b>-921</b>	<b>5,816</b>
Change in fair value of investments	-4	-	-4	1,905	-	1,901
<b>Profit before taxes and NCI</b>	<b>1,946</b>	<b>2,309</b>	<b>-364</b>	<b>6,693</b>	<b>-921</b>	<b>7,717</b>

### Reconciliations

Reconciliation of total income, EUR 1,000	1.10.-31.12.2021	1.10.-31.12.2020
Total income of segments	29,408	15,670
Share of associates' profit or loss allocated to total income of segments	398	-318
Transactions between continuing and discontinued operations <sup>1)</sup>	-	-1,557
Transit items eliminated in segment reporting	439	-
<b>Consolidated total income</b>	<b>30,245</b>	<b>13,795</b>

Reconciliation of operating profit, EUR 1,000	1.10.-31.12.2021	1.10.-31.12.2020
Total earnings of segments before taxes and NCI	12,964	7,717
Change in fair value of investments	1,465	-1,901
Interest and other financing expenses (excl. IFRS 16)	272	776
IFRS 16 Leases <sup>2)</sup>	-2	-4
Transactions between continuing and discontinued operations <sup>1)</sup>	-	-116
Direct costs related to the sale of the discontinued operations <sup>3)</sup>	-13	-370
Change in accounting principles not restated for 2020 figures in segment reporting	-	-177
<b>Consolidated operating profit</b>	<b>14,686</b>	<b>5,925</b>

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

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

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

## Segment information, earnings 1.1.-31.12.2021

1.1.-31.12.2021, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	20,145	15,232	4,913	17,604	2,962	40,711
Performance fees	11,411	6,171	5,240	-	-	11,411
Investment operations	-530	623	-1,153	12,701	5,421	17,593
<b>Total income</b>	<b>31,026</b>	<b>22,026</b>	<b>9,000</b>	<b>30,306</b>	<b>8,383</b>	<b>69,715</b>
Fee and commission expense	-8,901	-5,025	-3,876	-321	-369	-9,590
Personnel costs	-9,836	-6,088	-3,748	-3,659	-5,552	-19,046
Direct expenses	-4,260	-2,747	-1,513	-1,906	-3,450	-9,616
Depreciation, amortisation, and impairment	-42	-25	-17	-22	-8	-71
Impairment losses on loans	-534	-535	-	-	-31	-565
<b>Operating profit</b>	<b>7,454</b>	<b>7,606</b>	<b>-152</b>	<b>24,399</b>	<b>-1,026</b>	<b>30,827</b>
<b>Operating profit, %</b>	<b>24,0%</b>	<b>34,5%</b>	<b>neg</b>	<b>80,5%</b>	<b>neg</b>	<b>44,2%</b>
Interest expenses	-10	-9	-	-	-2,283	-2,293
Allocation of financing expenses	-2,258	-1,539	-719	-1,775	4,033	-
<b>Operating profit after the financing expenses</b>	<b>5,186</b>	<b>6,058</b>	<b>-872</b>	<b>22,624</b>	<b>724</b>	<b>28,534</b>
Change in fair value of investments	-	13	-13	-967	441	-526
<b>Profit before taxes and NCI</b>	<b>5,186</b>	<b>6,071</b>	<b>-885</b>	<b>21,656</b>	<b>1,165</b>	<b>28,007</b>

### 1.1.-31.12.2020, EUR 1,000

Continuing earnings	18,530	14,318	4,212	14,647	2,707	35,885
Performance fees	985	965	20	-	-	985
Investment operations	2,429	2,127	302	2,534	-1,795	3,169
<b>Total income</b>	<b>21,944</b>	<b>17,410</b>	<b>4,533</b>	<b>17,182</b>	<b>913</b>	<b>40,038</b>
Fee and commission expense	-7,014	-4,294	-2,720	-228	-950	-8,192
Personnel costs	-5,524	-4,278	-1,246	-3,340	-4,450	-13,314
Direct expenses	-3,145	-2,216	-929	-1,676	-1,135	-5,956
Depreciation, amortisation, and impairment	-57	-36	-21	-37	-34	-128
Impairment losses on loans	-	-	-	-	-105	-105
<b>Operating profit</b>	<b>6,203</b>	<b>6,585</b>	<b>-383</b>	<b>11,901</b>	<b>-5,761</b>	<b>12,342</b>
<b>Operating profit, %</b>	<b>28,3%</b>	<b>37,8%</b>	<b>neg</b>	<b>69,3%</b>	<b>neg</b>	<b>30,8%</b>
Interest expenses	-3	-4	1	-	-3,222	-3,225
Allocation of financing expenses	-2,465	-1,676	-789	-1,738	4,202	-
<b>Operating profit after the financing expenses</b>	<b>3,734</b>	<b>4,905</b>	<b>-1,171</b>	<b>10,163</b>	<b>-4,781</b>	<b>9,117</b>
Change in fair value of investments	-3	-	-3	195	-26	167
<b>Profit before taxes and NCI</b>	<b>3,732</b>	<b>4,905</b>	<b>-1,174</b>	<b>10,359</b>	<b>-4,807</b>	<b>9,284</b>

### Reconciliations

Reconciliation of total income, EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
Total income of segments	69,715	40,038
Share of associates' profit or loss allocated to total income of segments	1,263	-74
Transactions between continuing and discontinued operations <sup>1)</sup>	-2,061	-6,013
Transit items eliminated in segment reporting	1,393	-
Transfer of impairments to investment operations	2,318	-
<b>Consolidated total income</b>	<b>72,629</b>	<b>33,950</b>

Reconciliation of operating profit, EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
Total earnings of segments before taxes and NCI	28,007	9,284
Change in fair value of investments	526	-167
Interest and other financing expenses (excl. IFRS 16)	2,362	3,294
IFRS 16 Leases <sup>2)</sup>	-11	-15
Transactions between continuing and discontinued operations <sup>1)</sup>	23	-927
Direct costs related to the sale of the discontinued operations <sup>3)</sup>	-2,122	-1,643
Change in accounting principles not restated for 2020 figures in segment reporting	-	-177
<b>Consolidated operating profit</b>	<b>28,785</b>	<b>9,649</b>

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

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

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

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

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021
<b>Renewable energy investments</b>				
Truscott Gilliland East Wind	Shares and participations	10,973	10,973	7.0%
Taaleri SolarWind II	Shares and participations	2,085	2,085	-
Taaleri Debt Ky	Shares and participations	1,300	1,300	15.0%
Masdar Taaleri Generation d.o.o.	Shares and participations	1,174	1,174	50.0%
<b>Real estate investments</b>				
Sepos Oy	Shares and participations	2,500	2,534	30.0%
Sepos Oy	Loan	1,675	1,737	-
Turun Toriparkki Oy	Shares and participations	3,502	1,682	48.2%
<b>Bioindustry investments</b>				
Fintoil Oy	Shares and participations	3,025	3,025	24.2%
Tracegrow Ltd	Shares and participations	1,992	1,992	7.9%
<b>Other investments</b>				
Taaleri Infra I Ky	Shares and participations	1,950	1,881	50.0%

Strategic investments, EUR 1,000	Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021
Aktia Bank Plc	Shares and participations	10,000	11,968	1.4%

Non-strategic investments EUR 1,000	Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021
<b>Real estate investments</b>				
Taaleri Datacenter Ky (Ficolo)	Shares and participations	2,900	2,910	22.6%
TT Canada RE Holdings Corporation	Loan	6,729	9,195	-
<b>Other investments</b>				
Inderes Plc	Shares and participations + Derivative contract	150	1,259	3.1%
Fellow Finance Plc	Shares and participations	2,974	5,246	25.7%
Taaleri Telakka Ky	Shares and participations	3,430	1,620	16.1%
Betolar Plc		808	2,063	1.7%

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

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

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# 1 Discontinued operations and sale of the subsidiary

## Description of the sale of discontinued operations

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

## Profit from discontinued operations

Profit from discontinued operations, EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
Income	15,578	35,456
Expenses	-10,603	-24,439
<b>Operating profit</b>	<b>4,975</b>	<b>11,017</b>
Income tax expense	-1,205	-1,231
<b>Profit after income tax of discontinued operations</b>	<b>3,769</b>	<b>9,786</b>
Gain on sale of the subsidiary after income tax	111,133	-
<b>Profit from discontinued operations</b>	<b>114,902</b>	<b>9,786</b>

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

## Details of the sale of the subsidiary

Sale of the subsidiary, EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
Consideration received in cash	113,680	-
Consideration received in shares	10,000	-
<b>Total disposal consideration</b>	<b>123,680</b>	-
Carrying amount of net assets sold	12,548	-
<b>Gain on sale before income tax</b>	<b>111,133</b>	-
Income tax expense on gain	-	-
<b>Gain on sale after income tax</b>	<b>111,133</b>	-

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

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

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

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

## 2 Fee and commission income

1.1.-31.12.2021, EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	19,425	14,820	4,605	-	1,373	20,798
Performance fees	11,412	6,172	5,240	-	-	11,412
<b>Total</b>	<b>30,837</b>	<b>20,992</b>	<b>9,845</b>	<b>-</b>	<b>1,373</b>	<b>32,211</b>

  

1.1.-31.12.2020, EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	12,405	10,666	1,739	-	1,226	13,631
Performance fees	985	-	985	-	-	985
<b>Total</b>	<b>13,390</b>	<b>10,666</b>	<b>2,724</b>	<b>-</b>	<b>1,226</b>	<b>14,615</b>

During the financial year 2021, a total of EUR 11.4 (1.0) million in performance fees were recognized in the income statement, of which EUR 5.4 (0.0) million is based on the management's conservative estimate and is unrealized at the balance sheet date. On December 31, 2021, Taaleri has unrealized performance fees recognized in fee and commission income totalling EUR 5.4 (0.0) million.

## 3 Net income from insurance

EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
<b>Earned premiums, net</b>		
Premiums written	25,142	18,988
Reinsurers' share	-532	-243
Change in provision for unearned premiums	-6,520	-3,395
Reinsurers' share	-225	-465
<b>Total</b>	<b>17,865</b>	<b>14,885</b>
<b>Claims incurred, net</b>		
Claims paid	-1,739	-1,080
Reinsurers' share	843	547
Change in provision for outstanding claims	1,965	592
Reinsurers' share	-1,373	-329
<b>Total</b>	<b>-304</b>	<b>-270</b>
<b>Net income from investment operations</b>		
<b>Financial assets at fair value through other comprehensive income (Available for sale)</b>	<b>3,610</b>	<b>2,326</b>
Interest income	2,034	1,878
From dividends	1,714	518
Others	-138	-70
- of which change in expected credit loss	44	-70
<b>Financial assets at fair value through profit or loss</b>	<b>6,705</b>	<b>208</b>
Financial assets that need to be measured at fair value through profit or loss	6,705	208
Interest income	5,540	-1,102
Change in fair value	1,093	1,622
Profit or loss from sales	-92	-77
Other	164	-234
<b>Total</b>	<b>10,315</b>	<b>2,534</b>
<b>Net income from insurance, total</b>	<b>27,875</b>	<b>17,149</b>

## 4 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.-31.12.2021	1.1.-31.12.2020
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	7,480	833
<b>Total</b>	<b>7,480</b>	<b>833</b>
<b>Net gains or net losses on trading in securities and foreign currencies, EUR 1,000</b>	<b>1.1.-31.12.2021</b>	<b>1.1.-31.12.2020</b>
Net gains or net losses on trading in securities by type		
From shares and units	8,109	833
Sales profit and loss	3,413	133
Changes in fair value	4,697	700
From derivative instruments	-630	-
Changes in fair value	-630	-
Net gains or net losses on trading in securities, total	7,480	833
Net gains or net losses on trading in foreign currencies	558	-463
<b>Total</b>	<b>8,038</b>	<b>369</b>

## 5 Income from equity investments

EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
From financial assets recognized at fair value in profit or loss	521	557
Dividend income	-	71
Profit or loss from divestments	521	485
From assets classified as held for sale	-111	-2,309
Changes in fair value	-111	-2,309
From associated companies	-100	-
Profit or loss from divestments	-100	-
From group companies	1,854	142
Profit or loss from divestments	1,854	142
<b>Total</b>	<b>2,163</b>	<b>-1,610</b>

## 6 Interest income

EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
Interest income from other loans and receivables		
From receivables from the public and general government	1,359	1,537
From debt securities	57	86
From net investments in leases	20	-
Other interest income	38	86
<b>Total</b>	<b>1,475</b>	<b>1,710</b>

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

## 7 Other operating income

EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
Rental income	5	5
Project sales	553	1,642
Other income	310	70
<b>Total</b>	<b>867</b>	<b>1,717</b>

## 8 Classification of financial assets and liabilities

### Financial assets and liabilities 31.12.2021, EUR 1,000

Financial assets	Amortised cost	At fair value through other comprehensive income		At fair value through profit or loss		Total	Fair value
		Equity instruments <sup>1)</sup>	Others	Equity instruments	Others		
Receivables from credit institutions <sup>1)</sup>	53,255					53,255	53,255
Receivables from the public and general government	3,355				2,666	6,021	6,021
Shares and units		979		40,567		41,546	41,546
Insurance assets			98,844	44,819	22,191	165,854	165,854
Other financial assets						25,366	
<b>Financial assets total</b>	<b>56,610</b>	<b>979</b>	<b>98,844</b>	<b>85,386</b>	<b>24,857</b>	<b>292,042</b>	
Participating interests						8,889	
Other than financial assets						17,792	
<b>Assets in total 31.12.2021</b>						<b>318,723</b>	

Financial liabilities	At fair value through profit or loss	Other liabilities	Total	Fair value
Derivative instruments	630		630	630
Subordinated debt		14,854	14,854	15,526
Other financial liabilities		15,168	15,168	
<b>Financial liabilities total</b>	<b>630</b>	<b>30,022</b>	<b>30,651</b>	
Other than financial liabilities			58,324	
<b>Liabilities in total 31.12.2021</b>			<b>88,975</b>	

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

Financial assets	Amortised cost	At fair value through other comprehensive income		At fair value through profit or loss		Total	Fair value
		Equity instruments <sup>1)</sup>	Others	Equity instruments	Others		
Receivables from credit institutions <sup>1)</sup>	25,786					25,786	25,786
Receivables from the public and general government	2,764				3,935	6,699	6,699
Debt securities	1,498					1,498	1,508
Shares and units		497		20,857	617	21,971	21,971
Insurance assets			100,348	39,717	16,640	156,705	156,705
Other financial assets						20,309	
<b>Financial assets total</b>	<b>30,048</b>	<b>497</b>	<b>100,348</b>	<b>60,575</b>	<b>21,191</b>	<b>232,969</b>	
Participating interests						9,248	
Other than financial assets						25,632	
<b>Assets in total 31.12.2020</b>						<b>267,849</b>	

Financial liabilities	At fair value through profit or loss	Other liabilities	Total	Fair value
Liabilities to credit institutions		14,939	14,939	15,000
Debt securities issued to the public <sup>2)</sup>		34,937	34,937	35,485
Subordinated debt		14,839	14,839	15,154
Other financial liabilities		16,349	16,349	
<b>Financial liabilities total</b>		<b>81,063</b>	<b>81,063</b>	
Other than financial liabilities			53,717	
<b>Liabilities in total 31.12.2020</b>			<b>134,781</b>	

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

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

<sup>3)</sup> At initial recognition the Group's non-strategic investments are specifically classified as measured at fair value through profit or loss. Thus, dividend yields are recognised in profit or loss, but changes in fair value, foreign exchange rate gains and losses as well as sales gains and losses are recognised in other comprehensive income. These are not later recycled to profit or loss. The classification as a non-strategic investment is made instrument-by-instrument by management. Non-strategic investments include small investments in limited partnerships associated to Taaleri's private equity funds and equity investments in private companies not directly associated to Taaleri's business strategy. On 31 December 2021 the fair value of non-strategic investments were EUR 979 thousand (31 December 2020 EUR 497 thousand), of which none paid dividends in 2021 or 2020. No non-strategic investments were derecognized during the financial year.



## 9 Fair value of financial instruments

Fair value of assets 31.12.2021, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Receivables from credit institutions		53,255		53,255
Receivables from the public and general government		5,107	914	6,021
Shares and units	15,972		25,574	41,546
Insurance assets	159,360		6,494	165,854
<b>Total</b>	<b>175,332</b>	<b>58,362</b>	<b>32,982</b>	<b>266,676</b>

Fair value of liabilities 31.12.2021, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Derivative instruments		630		630
Subordinated debt		15,526		15,526
<b>Total</b>		<b>16,156</b>		<b>16,156</b>

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

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

### Fair value hierarchy

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

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

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

### Assets classified at level 3

Assets categorised within level 3 consist of unquoted shares in private equity funds, stocks and debt securities. Shares in private equity funds are mainly measured at the latest fair value received from the management company. Unquoted shares are measured at fair value using discounted cash flow analysis or, if it is determined that fair value cannot be measured reliably, at acquisition cost.

<b>Reconciliation of assets categorised within level 3, EUR 1,000</b>	<b>1.1.-31.12.2021</b>	<b>1.1.-31.12.2020</b>
Fair value January 1	27,147	13,907
Purchases	9,810	4,343
Sales and deductions	-2,707	-615
Change in fair value - income statement	1,493	635
Change in fair value - comprehensive income statement	475	6
Transfers to level 1	-3,236	-
Reclassifications from subsidiaries to assets	-	8,872
<b>Fair value at end of period</b>	<b>32,982</b>	<b>27,147</b>

<b>Unrealised gains or losses attributable to fair value measurements of assets or liabilities categorised within level 3 held at the end of the reporting period recognised in profit or loss, EUR 1,000</b>	<b>1.1.-31.12.2021</b>	<b>1.1.-31.12.2020</b>
Net income from insurance	1,473	21
Net gains or net losses on trading in securities and foreign currencies	20	614
<b>Total</b>	<b>1,493</b>	<b>635</b>

## 10 Assets classified as held for sale

<b>Assets classified as held for sale, EUR 1,000</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Investments in associates	5,246	5,357
<b>Total</b>	<b>5,246</b>	<b>5,357</b>

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

## 11 Tangible assets

<b>EUR 1,000</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Other tangible assets	1,149	2,944
<b>Total</b>	<b>1,149</b>	<b>2,944</b>

	<b>1.1.-30.6.2021</b>	<b>1.1.-31.12.2020</b>
Acquisition cost January 1	8,084	8,008
Additions	360	76
Assets classified as held for sale and other disposals	-3,271	-
Acquisition cost at end of period	5,174	8,084
Accrued depreciation, amortisation and impairment January 1	5,140	3,573
Depreciation in the financial period	776	1,567
Assets classified as held for sale and other disposals	-1,892	-
Accrued depreciation, amortisation and impairment at end of period	4,025	5,140
Book value on January 1	2,944	4,435
<b>Book value at end of period</b>	<b>1,149</b>	<b>2,944</b>

## 12 Impairment losses on receivables

EUR 1,000	Amortised cost	At fair value through other comprehensive income <sup>2)</sup>	Total
ECL 1.1.2021	691	504	1,195
Additions due to initial issue and purchases	2,393	204	2,598
Deductions due to derecognitions	-164	-248	-412
Changes in risk parameters	-	-	-
<b>Recognised in profit or loss</b>	<b>2,229</b>	<b>-44</b>	<b>2,185</b>
<b>ECL 31.12.2021</b>	<b>2,920</b>	<b>460</b>	<b>3,380</b>

EUR 1,000	Amortised cost	At fair value through other comprehensive income <sup>2)</sup>	Total
ECL 1.1.2020	658	434	1,092
Additions due to initial issue and purchases	38	79	118
Deductions due to derecognitions	-6	-53	-59
Changes in risk parameters	-	44	44
<b>Recognised in profit or loss</b>	<b>32</b>	<b>70</b>	<b>102</b>
<b>ECL 31.12.2020</b>	<b>691</b>	<b>504</b>	<b>1,195</b>

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

<sup>2)</sup> Expected credit losses from financial assets measured at fair value through other comprehensive income all pertain to the insurance business, and therefore the expected credit loss has been recognised in net income from insurance investment operations. See note 3.

EUR 1,000	1.1.-31.12.2021	1.1.-31.12.2020
Received payments related to loans that have been written-off	50	60
Change in ECL	-2,229	-32
Realized credit losses	-56	-133
<b>Expected credit losses from financial assets measured at amortised cost recognised in profit or loss</b>	<b>-2,235</b>	<b>-105</b>

## 13 Debt securities issued to the public

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

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

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

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

## 14 Derivative contracts

### Derivative risks

EUR 1,000	31.12.2021			
	Nominal value of underlying, gross	Fair value	Asset	Liability
Held for trading				
Equity-linked derivatives				
Options granted	1,259	-630	-	-630
<b>Derivative contracts, total</b>	<b>1,259</b>	<b>-630</b>	<b>-</b>	<b>-630</b>

The option granted is a call option on shares of Inderes Plc that Taaleri holds. At the balance sheet date, Taaleri holds 50,364 Inderes Plc shares and all of the shares held are accompanied by a unilateral call option on the part of Inderes Plc. The option is valid until June 30, 2022. Taaleri has committed to restrictions on the transfer of the number of shares subject to the option. The shares subject to the option have been valued at fair value and presented under Shares and units. The option has been valued at fair value and presented as a separate agreement under Derivative contracts.

EUR 1,000	31.12.2020			
	Nominal value of underlying, gross	Fair value	Asset	Liability
Held for trading				
Equity-linked derivatives				
Options granted	-	-	-	-
<b>Derivative contracts, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 15 Subordinated debts

EUR 1,000	31.12.2021	31.12.2020
Tier 2 bond	14,854	14,839
<b>Total</b>	<b>14,854</b>	<b>14,839</b>

On 18 October 2019 Taaleri Plc issued Tier 2 notes totalling EUR 15 million. The Tier 2 notes constitute a subordinated debt instrument, which is included in the Tier 2 capital referred to in Article 63 of Regulation (EU) No 575/2013 of the European Parliament and of the Council. The notes mature in ten years and bear a fixed interest rate of 5.0 per cent until 18 October 2024 and then onwards EUR 5-year mid-swap rate plus 5.33 per cent. The terms and conditions of the notes include a call option after five years from the issuance and the company is also entitled to an early repayment before the call option under certain preconditions provided in the terms and conditions of the notes.

## 16 Equity capital

### Share capital

The company's share capital on 31 December 2021 was EUR 125,000 and the amount of shares 28,350,620. The company's shares do not have a nominal value. Taaleri Plc's shares are traded on the Nasdaq Helsinki main market. The shares' trading code is "TAALA" and ISIN code FI4000062195. The parent company possesses 45,000 of its own shares. All shares issued have been paid for in full. The group uses share-based incentive schemes. The company has not issued convertible bonds or other than the above-mentioned special rights.

## 17 Investments in subsidiaries

### Changes in subsidiary shareholdings 1.1.-31.12.2021

During the financial year of 2021 Taaleri Plc sold its wealth management operations to Aktia Bank Plc. In the transaction, Taaleri Wealth Management Ltd, Taaleri Fund Management Company Ltd, Taaleri Tax Services Ltd and Evervest Ltd were transferred to Aktia. For further information, see Note 47 Discontinued Operations and the Sale of the subsidiary. In addition, Taaleri Investment Ltd sold its entire holding of 61.8 per cent in Mobify Invoices Oy.

In connection with the sale of Taaleri's wealth management operations, Taaleri Private Equity Funds Ltd acquired from Aktia Bank Plc its shares in Taaleri Infra I GP Ltd (formerly Aktia Infra Rahasto GP Ltd), a total of 80.0 per cent of the company's shares. The company belongs to the infrastructure business that started operations at Taaleri and thus belongs to the Private Asset Management segment. The purchase price, including the contingent consideration, was EUR 350.0 thousand and the full purchase price was paid in cash. At the time of the acquisition, Taaleri Infra I GP Ltd's assets were EUR 1.3 thousand and consisted entirely of cash. The company had no debt at the time of acquisition. Goodwill of EUR 348.7 thousand was recorded and is based on the expertise of the persons transferred to Taaleri in the transaction. The company has been consolidated into the Taaleri Group as of April 30, 2021. Goodwill arising on the transaction will be tested annually.

Taaleri Plc established Taaleri Real Estate Ltd during the financial year and sold 20.0 per cent of the company to the key personnel in the real estate business. Additionally, during 2021, there were acquired and established some management - and project companies under Taaleri Private Equity Funds Ltd and Taaleri Energia Ltd.

### Changes in subsidiary shareholdings 1.1.-31.12.2020

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

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

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

	1.1.-31.12.2021	1.1.-31.12.2020
From an addition to the share owned in subsidiaries	-	-246
From a reduction in the share owned in subsidiaries, without loss of control	29	93
<b>Net effect on equity</b>	<b>29</b>	<b>-153</b>

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

## 18 Investments in associated companies

### Changes in associated company shareholdings 1.1.-31.12.2021

On 31 December 2021 the group had eleven associated companies: Fellow Finance Plc, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Taaleri Datacenter Ky, Fintoil Oy, Taaleri SolarWind II SPV, Turun Toriparkki Oy, Masdar Taaleri Generation, Surazo Sp.z o.o., Domerel Nieruchomo ci Sp.z and Sepos Oy. None of these is considered material to the group. The associated companies, except for Fellow Finance Plc and Fintoil Oy, are consolidated using the equity method. Fellow Finance Plc is classified as held for sale (see note 23) and Fintoil as an investment that is valued at fair value. A loss of EUR -1.3 million from continuing operations of the associated companies has been recognised in the Group in the income statement item Share of associates' profit or loss. The share of the result of associated companies in 2021 includes an impairment loss on the shares of Hernesaaren Kehitys Oy totaling EUR 0.2 million. The associated companies have neither discontinued operations nor comprehensive income items.

During the reporting period Taaleri Energia acquired a 50.0 per cent share in two project companies, in Surazo Sp.z o.o. and Domerel Nieruchomo ci Sp.z, after which they were consolidated as associated company.

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

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

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

## 19 Conditional liabilities and contingent liabilities

Commitments not recognised as liabilities, EUR 1,000	31.12.2021	31.12.2020
Total gross exposures of guaranty insurance	1,694,866	1,816,527
Guarantees	-	2,000
Investment commitments	7,008	4,658
Pledged securities	-	15,000
Credit limits (unused)	200	10,200
<b>Total</b>	<b>1,702,074</b>	<b>1,848,385</b>

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

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. For further details, please see Note 1 Discontinued operations and sale of the subsidiary.

## 20 Related party disclosures

The parent company and its subsidiaries and associated companies belong to the group's related parties. Related parties also include the members of the Board of Directors and the executive board as well as their related parties.

The following belong to the company's related parties:

- 1) Someone who, by virtue of shareholding, options or convertible bonds has or may have at least 20 percent of the company's stocks or shares, or the voting rights attached to them, or a corresponding shareholding or voting right in an organisation belonging to the group, or in an organisation exercising control in the company, unless the significance of the company that is the subject of ownership is minor in terms of the whole group.
- 2) A member and deputy member of the Board of Directors, CEO and Deputy CEO, and somebody in a similar position in a company as referred to in point 1.
- 3) The children and spouse of someone as referred to in point 2, or someone in a marital relationship with that person.
- 4) An organisation and foundation in which an above-mentioned person, either alone or with another person, has control as specified in Chapter 1, Paragraph 5 of the Accounting Act.

Business transactions made with the company and companies belonging to the group have been carried out on terms equivalent to those that prevail in arm's length transactions. Companies belonging to the Group are listed in the financial statements of the parent company.

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

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

<b>1.1.-31.12.2021</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
Associated companies	301	-	1,841	-
Other related parties	279	-	3,819	-

  

<b>1.1.-31.12.2020</b>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Liabilities</b>
Associated companies	761	-	4,713	-
Other related parties	200	-	5,002	-

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