

TAALERI

Q3

Taaleri Plc Interim Statement

1 January–
30 September 2023



Taaleri Plc Interim Statement 1 January–30 September 2023

Taaleri's continuing earnings grew by 9.8% to EUR 10.3 million in the third quarter due to the successful fundraising of the Taaleri SolarWind III Fund

July–September 2023

- Continuing earnings grew by 9.8% to EUR 10.3 (9.4) million. The continuing earnings from the Private Asset Management segment grew by 21.6% to EUR 6.5 (5.3) million and the continuing earnings from the Strategic Investments segment by 4.2% to EUR 3.4 (3.3) million.
- Performance fees were EUR 0.0 (6.5) million, and net income from investment operations was EUR 2.8 (9.9) million. Profits totalling EUR 14.0 million were recognised in the corresponding period due to a successful exit.
- Income fell 49.2% to EUR 13.1 (25.8) million.
- Operating profit was EUR 5.7 (18.3) million, corresponding to 43.5% of income.
- The assets under management in the Private Asset Management segment grew by 4.5% to EUR 2.6 (31 December 2022: 2.5) billion.
- Earnings per share were 0.16 (0.51) EUR.

January–September 2023

- Continuing earnings grew by 14.5% to EUR 30.0 (26.2) million. The continuing earnings from the Private Asset Management segment grew by 17.5% to EUR 17.7 (15.0) million and the continuing earnings from the Strategic Investments segment by 18.2% to EUR 10.8 (9.1) million.
- Performance fees were EUR 1.5 (7.0) million, and net income from investment operations almost doubled to EUR 17.2 (9.5) million.
- Income increased by 13.9% to EUR 48.7 (42.7) million.
- Operating profit was EUR 25.0 (20.1) million, corresponding to 51.4% of income.
- Earnings per share were 0.67 (0.53) EUR.

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

This Interim Statement has not been prepared in accordance with IAS 34. The Interim Statement is unaudited. Unless otherwise stated, the figures in parentheses in the Interim Statement refer to the corresponding period of the previous year. See page 20 for further information of the accounting policies of this Interim Statement.

Growth in continuing earnings, %

9.8

(Q3 2022: n/a)

Income, EUR million

13.1

(Q3 2022: 25.8)

Operating profit, %

43.5

(Q3 2022: 71.1)

Assets Under Management, BEUR

2.6

(31.12.2022: 2.5)

Key figures

Group key figures	7–9/2023	7–9/2022	Change, %	1–9/2023	1–9/2022	Change, %	1–12/2022
Earnings key figures							
Continuing earnings, MEUR	10.3	9.4	9.8	30.0	26.2	14.5	36.8
Income, MEUR	13.1	25.8	-49.2	48.7	42.7	13.9	58.9
Operating profit, MEUR	5.7	18.3	-68.9	25.0	20.1	24.5	27.3
Operating profit, %	43.5	71.1		51.4	47.0		46.3
Profit for the period in consolidated income statement, MEUR	4.9	14.7	-66.8	21.5	15.6	38.0	21.3
Return on equity, annualised %	9.6	31.2		14.1	9.9		10.0
Balance sheet key figures							
Equity ratio, %	67.7	67.2		67.7	67.2		66.9
Other key figures							
Cost/income ratio excluding investment operations	73.8	48.2		78.1	70.2		58.0
Cost/income ratio	58.0	29.7		50.5	54.5		55.2
Full-time permanent personnel, at the end of the period	112	107	4.7	112	107	4.7	106
Assets under management in Private Asset Management segment, BEUR	2.6	2.5		2.6	2.5		2.5
Guaranty insurance portfolio, BEUR	1.8	1.8		1.8	1.8		1.9

Review by CEO Peter Ramsay

We promoted our strategy focused on renewable energy, real estate and bioindustry as planned during the third quarter of 2023. Although the operating environment has been challenging, our private equity funds supporting the green transition have responded to investor demand.

Both the private asset management business and Garantia's guaranty insurance operations developed well during the third quarter, and the Group's continuing earnings increased by 9.8%. The Group's income was EUR 13.1 million and operating profit EUR 5.7 million, corresponding to a profit margin of 43.5%. Income and operating profit decreased as expected due to the successful exit in the corresponding period.

The continuing earnings from the Private Asset Management segment grew by 21.6% to EUR 6.5 million and operating profit was EUR 2.7 million, corresponding to a profit margin of 32.3%.

At the beginning of the third quarter, the renewable energy business held the first closing for its sixth fund, Taaleri SolarWind III, having raised EUR 286 million. We consider the result a success in the current operating environment. With a significant number of investors in active due diligence, we expect that there will be continued strong demand in future closings. Our goal is to raise EUR 700 million from investors for the Taaleri SolarWind III Fund. During the review period, the business launched preparations to exit the Taaleri Wind II and Taaleri Wind III Funds, which are at the end of their lifecycle.

The real estate business continued to develop new investment products during the third quarter. In addition, it focused on optimising the profitability of the real estate portfolios owned by the funds, as well as the preparations to exit funds that are at the end of their lifecycle.

During the review period, the bioindustry business continued to map potential investees for the Taaleri Bioindustry I Fund and the due diligence processes of potential investments. In addition to the preparations for the new venture capital fund, the business promoted the construction phase of the torrefied biomass plant to be built in Joensuu and finalised the financing of the project. The construction of the biomass plant started after the review period.

In the Strategic Investments segment, Garantia has continued its good profit performance despite the tepid housing market. Garantia's insurance service result was EUR 3.6 million and the combined ratio improved further from the already excellent level to 22.0%. Garantia's net income from investment operations was EUR 0.7 million and the return on investment at fair value 14%, as the interest rates continued to rise.

We have been preparing Taaleri's strategy update and will publish our updated strategy before the Capital Markets Day on 22 November. The Capital Markets Day presentations will shed light on Taaleri's plans for implementing the strategy, creating value and achieving financial targets. The Capital Markets Day can be followed through a webcast open to all at <https://taaleri.videosync.fi/cmd-2023/register> starting at 13.00 EET. I invite all our shareholders and capital market representatives to follow the event and join Taaleri in the new strategy period!



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 percent
- Operating profit at least 25 percent of income
- Return on equity at least 15 percent.

The company's goal is to distribute to its shareholders at least 50 percent 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

Development of the global economy and of the capital markets is still marked by a high degree of uncertainty. Unusually strong inflation has prompted central banks to tighten monetary policy considerably, which is slowing down economic growth worldwide. The outlook for the rest of the year in Finland is weak, but the direction of the economy is expected to change next year.

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

Europe's desire to break away from Russian energy sources and to increase its self-sufficiency will strengthen the operating environment for renewable energy and bioindustry, in particular.

The price of electricity has fallen significantly from the peak level of last year, but is still higher than in previous years, especially in Central and Southern Europe.

In the renewable energy business, the operating environment remained good, although the war in Ukraine, higher interest rates and inflation have all increased the costs of project development and project construction. The war in Ukraine has contributed to the acceleration of the green transition, but it has also created uncertainty among investors. The price of electricity has fallen significantly from the peak level of last year, but is still higher than in previous years, especially in Central and Southern Europe. The volatility of electricity prices contributed to increased uncertainty about future regulation and increased discussion on new support mechanisms that would increase investments in renewable energy.

The real estate market continued to be challenging. Transaction volumes remained clearly lower than in previous years. The rise in interest rates was moderate in the third quarter, and the return requirements continued to show a slight rise. In the rental market, however, occupancy rates and rent levels remained good. The long-term fundamentals supporting real estate investments, such as urbanisation, are still seen as strong in the Finnish real estate market. Sustainability and impact will continue to be at the core of investment activities, and capital will increasingly seek out key locations and sustainable investments.

The general economic uncertainty and recession also affected the financial arrangements and timetables of the bioindustry operating environment. Planned funding rounds have stretched, and there is downward pressure on the valuation levels of investees. The poor availability and/or high price of some raw materials and tightened financing conditions of banks create pressure on the timetables and costs of projects of potential investees and investments.

In the European operating environment of Taaleri's associated company Fintoil's biorefinery in Hamina, the market situation remains tight, but the prices of raw materials have already started to fall in North America.

The operating environment of Garantia Insurance Company Ltd's insurance operations was sluggish during the first nine months of the year. Inflation, rising interest rates and economic uncertainty kept consumer confidence low. The volumes of housing transactions and new mortgage loans raised decreased significantly from previous years, which affected the sales of residential mortgage guarantees. However, the creditworthiness of the company's consumer and corporate customers remained good, and no material changes occurred in the risk position of the guaranty insurance portfolio. Investment market performance was varied during the first nine months of the year. Equity prices increased, but on the other hand the continued increase in market interest rates depressed returns from fixed-income investments.

Financial result

Continuing earnings, income, and operating profit

Group, EUR million	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Continuing earnings	10.3	9.4	9.8%	30.0	26.2	14.5%	36.8
Private Asset Management	6.5	5.3	21.6%	17.7	15.0	17.5%	20.7
Strategic Investments	3.4	3.3	4.2%	10.8	9.1	18.2%	13.7
Other	0.4	0.7	-49.2%	1.5	2.0	-24.4%	2.4
Income	13.1	25.8	-49.2%	48.7	42.7	13.9%	58.9
Private Asset Management	8.4	12.6	-33.3%	29.7	23.7	25.3%	42.6
Strategic Investments	3.9	4.9	-19.9%	13.4	2.0	>100.0%	3.8
Other	0.8	8.3	-90.5%	5.5	17.1	-67.5%	12.6
Operating profit	5.7	18.3	-68.9%	25.0	20.1	24.5%	27.3
Private Asset Management	2.7	7.0	-61.3%	10.9	6.3	73.1%	18.6
Strategic Investments	3.7	4.7	-22.1%	12.5	1.4	>100.0%	3.1
Other	-0.7	6.6	n/a	1.6	12.4	-86.9%	5.5

The Group's share of the result of associated companies is taken into account in the segment income. In addition, transit items that have no effect on the result for the financial year have been eliminated from segment income. Segment information and the reconciliation statement to the IFRS income statement are presented on pages 33–34.

July–September 2023

The Group's continuing earnings grew by 9.8% to EUR 10.3 (9.4) million during the third quarter of the year. The Private Asset Management segment's continuing earnings grew by 21.6%, and the Strategic Investments segment's continuing earnings grew by 4.2%. No performance fees were recognised during the review period. The Group's net income from investment operations was EUR 2.8 (9.9) million, of which EUR 1.9 (0.7) million was from the Private Asset Management segment, EUR 0.5 (1.6) million from the Strategic Investments segment and EUR 0.4 (7.5) million from the Other group.

The Group's income fell to EUR 13.1 (25.8) million. A transaction concerning the shares of Ficolo Ltd owned by Taaleri's co-investment and associated company Taaleri Datacenter Ky had a significant impact on income in the corresponding period. In the corresponding period, a total profit of EUR 14.0 million was recognised from the sale, of which EUR 6.5 million was recognised as performance fees and EUR 7.5 million was consolidated as income from the associated company into net income from investment operations.

The Group's operating expenses totalled EUR 7.4 (7.5) million, of which personnel costs were EUR 3.8 (3.6) million and fee and commission expenses EUR 1.5 (2.4) million. The Group's operating profit excluding net income from investment operations was EUR 2.9 (8.4) million, corresponding to 28.0% (53.0) of income excluding net income from investment operations. The Group's operating profit was EUR 5.7 (18.3) million, corresponding to 43.5% (71.1) of income.

In the Group's consolidated IFRS income statement, income fell by 28.1% to EUR 13.5 (18.8) million. In the consolidated IFRS income statement, the profit for the period was EUR 4.9 (14.7) million and the Group's total comprehensive income was EUR 5.7 (11.9) million.

January–September 2023

The Group's continuing earnings grew by 14.5% to EUR 30.0 (26.2) million in January–September. The Private Asset Management segment's continuing earnings grew by 17.5% to EUR 17.7 (15.0) million. The continuing earnings of the Strategic Investments segment grew by 18.2% after the insurance service result improved due to the growth in insurance revenue and the decrease in insurance service expenses. During the summer, a performance fee of EUR 3.6 million was realised from the sale of Taaleri Forest Fund III, a previously unrecognised proportion of EUR 1.6 million of which was recognised as income for the period. A total of EUR 7.0 million was recognised as performance fees in the corresponding period.

The Group's net income from investment operations was EUR 17.2 (9.5) million, of which EUR 10.5 (1.7) million was from the Private Asset Management segment, EUR 4.0 (15.1) million from the Other group and EUR 2.6 (-7.2) million from the Strategic Investments segment. EUR 10.1 million of the Group's net income from investment operations consisted of realised capital gains, most of which comprised of EUR 9.0 million of capital gains from the sale of the renewable energy project development portfolio, adjusted by the purchase price specified in the third quarter of the year. The Group's income grew by 13.9% to EUR 48.7 (42.7) million.

The Group's operating expenses totalled EUR 23.7 (22.7) million, of which personnel costs were EUR 12.1 (10.9) million and fee and commission expenses EUR 4.9 (5.9) million. The Group's operating profit excluding net income from investment operations was EUR 7.8 (10.5) million, corresponding to 24.9% (31.7) of income excluding net income investment operations. The Group's operating profit was EUR 25.0 (20.1) million, corresponding to 51.4% (47.0) of income.

In the Group's consolidated IFRS income statement, income grew by 25.9% to EUR 47.5 (37.7) million. In the consolidated IFRS income statement, the profit for the period was EUR 21.5 (15.6) million and the Group's total comprehensive income was EUR 23.1 (1.7) million.

Balance sheet, investments, and financing

At the end of the review period, the Group's cash and cash equivalents totalled EUR 34.7 (46.8) million, and Taaleri Group's balance sheet total was EUR 304.1 (299.9) million. The investments were EUR 210.8 (200.7) million, corresponding to 69.3% (66.9) of the Group's balance sheet total. The liabilities of the Group totalled EUR 98.2 (99.4) million, of which insurance contract liabilities were EUR 45.2 (46.5) million, deferred tax liabilities were EUR 16.5 (16.9) million and interest-bearing liabilities were 14.9 (15.3) million. The interest-bearing liabilities comprised EUR 14.9 (14.9) million of Taaleri Plc's Tier 2 bond.

At the end of September, Taaleri Group's equity was EUR 205.9 (200.5) million. The Group's equity ratio remained strong at 67.7% (66.9), and the Group's annualised return on equity in January–September stood at 14.1% (9.9).

Business segments

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

The segment-specific income statements are presented on pages 33–34.

Private Asset Management

In reporting, the Private Asset Management segment is divided into Renewable energy and Other private asset management. Renewable energy includes Taaleri Energia, which develops and invests in industrial-scale wind and solar power projects and energy storage systems. It also manages investments throughout their lifecycle. The other areas within Private Asset Management include Taaleri's real estate, bioindustry and other businesses. Group investments that support the core business and the development of the businesses reported under the Private Asset Management segment are reported under the segment. Such investments include, for example, seed investments in new funds. Group investments are presented in further detail under segment information on pages 35–36.

Private Asset Management, EUR million	7–9/2023	7–9/2022	Change, %	1–9/2023	1–9/2022	Change, %	1–12/2022
Continuing earnings	6.5	5.3	21.6%	17.7	15.0	17.5%	20.7
Performance fees	0.0	6.5	n/a	1.5	7.0	-78.7%	19.4
Investment operations	1.9	0.7	154.5%	10.5	1.7	537.0%	2.5
Income	8.4	12.6	-33.3%	29.7	23.7	25.3%	42.6
Operating profit	2.7	7.0	-61.3%	10.9	6.3	73.1%	18.6
Allocation of financing expenses	-0.5	-0.4	10.7%	-1.7	-1.4	20.1%	-1.8
Profit before tax	2.2	6.6	-65.9%	9.2	4.9	88.5%	16.8
Full-time permanent personnel, at the end of the period	78	70	11.4%	78	70	11.4%	72

Private Asset Management segment's investments, EUR million	30.9.2023	31.12.2022	Change, %
Investments and receivables, fair value	34.6	28.8	20.2%
Renewable energy	20.9	19.1	9.2%
Real estate	0.2	0.2	0.0%
Bioindustry	13.5	9.4	43.6%
Other investments	0.0	0.1	-100.0%

Renewable energy

Renewable energy, EUR million	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Continuing earnings	5.1	3.7	36.0%	13.0	10.8	20.0%	14.6
Performance fees	0.0	0.0	0.0%	0.0	0.0	0.0%	10.3
Investment operations	1.9	0.8	138.1%	10.5	1.9	>100.0%	0.9
Income	7.0	4.5	54.1%	23.5	12.7	85.5%	25.8
Operating profit	2.8	1.5	86.4%	10.6	2.5	>100.0%	11.5
Allocation of financing expenses	-0.3	-0.3	1.5%	-1.3	-1.0	35.1%	-1.3
Profit before tax	2.5	1.2	108.1%	9.3	1.5	>100.0%	10.2
Full-time permanent personnel, at the end of the period	46	41	12.2%	46	41	12.2%	42
Assets under management, EUR billion	1.6	1.4		1.6	1.4		1.4

July–September 2023

The continuing earnings of the renewable energy business grew during the third quarter by 36.0% to EUR 5.1 (3.7) million, of which EUR 0.6 million was non-recurring fees. No performance fees were recognised during the review period. Net income from investment operations was EUR 1.9 (0.8) million, of which EUR 0.9 million was from invoicing related to renewable energy projects, the corresponding costs of which were recognised in operating expenses in the same amount. In addition, EUR 0.7 million was recorded in the net income from investment operations as a revision of the purchase price of the project development portfolio sold to the Taaleri SolarWind III Fund earlier in June and EUR 0.3 million as exchange rate changes from the ownership of a wind power project in the United States. Income from the renewable energy business grew by 54.1% to EUR 7.0 (4.5) million.

Operating expenses totalled EUR 4.1 (3.0) million, of which fee and commission expenses were EUR 1.0 (1.1) million and personnel costs were EUR 1.9 (1.5) million. The number of personnel in the renewable energy business increased from the corresponding period due to the resourcing of the Taaleri SolarWind III fund and the expansion of the business. EUR 0.9 million of other operating expenses were billable expenses. Operating profit for the renewable energy business was EUR 2.8 (1.5) million, corresponding to a profit margin of 40.5% (33.5).

The renewable energy business made its first closing of the Taaleri SolarWind III Fund at the beginning of July, by which time EUR 286 million had been raised for the fund. Several investors are currently conducting due diligence on the fund, and fundraising continues, supported by strong demand despite the challenging operating environment. In addition, during the review period, the renewable energy business launched preparations to exit the Taaleri Wind II and Taaleri Wind III Funds, which are at the end of their lifecycle. In previous accounting periods, Taaleri has recorded from the Taaleri Wind II and Taaleri Wind III Funds a total of EUR 14.2 million in performance fees, which have been based on the management's estimate. The total amount of the performance fees is determined, and the fees are realized when the funds are exited.

January–September 2023

Continuing earnings from the renewable energy business grew by 20.0% to EUR 13.0 (10.8) million in January–September. No performance fees were recognised during the review period. Net income from investment operations was EUR 10.5 (1.9) million, most of which comprised of EUR 9.0 million of capital gains from the sale of the project development portfolio to the Taaleri SolarWind III Fund, adjusted by the purchase price specified in the third quarter of the year, and EUR 1.6 million in billable expenses.

Income from the renewable energy business grew by 85.5% to EUR 23.5 (12.7) million due to net income from investment operations. Operating expenses totalled EUR 12.9 (10.1) million, of which fee and commission expenses were EUR 3.1 (3.4) million and personnel costs were EUR 6.1 (4.7) million. Personnel costs included EUR 2.0 (1.3) million in variable personnel costs. EUR 1.6 million of operating expenses was billable expenses, and thus has no impact on profit or loss. Operating profit for the renewable energy business in January–September was EUR 10.6 (2.5) million, corresponding to 45.2% (20.0) of income.

During the review period, the renewable energy business continued fundraising for the Taaleri SolarWind III Fund, which is classified as a dark green fund under Article 9 of the EU's Sustainable Finance Disclosure Regulation. The fund made its first closing at the beginning of July, having raised EUR 286 million, and the fundraising has continued since then. The Taaleri SolarWind III Fund's investment strategy is to acquire, develop, construct and operate a portfolio of utility-scale onshore wind farms, photovoltaic solar parks and battery storage assets. The fund's target markets are the Nordic countries, the Baltic countries, South-East Europe, Spain and Texas in the United States. The fund is based on a project development portfolio of 50 projects compiled by Taaleri Energia, which Taaleri Energia sold to the fund at the end of June. In addition to the capital gain of EUR 9.0 million recognised from the sale for the period, the transaction involves the possibility of an earn-out of similar amount if the fund's projects progress in accordance with the agreed terms.

Other private asset management

Other private asset management, EUR million	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Continuing earnings	1.4	1.6	-11.6%	4.7	4.2	11.1%	6.1
Performance fees	0.0	6.5	n/a	1.5	7.0	-78.7%	9.0
Investment operations	0.0	-0.1	n/a	0.0	-0.2	n/a	1.6
Income	1.4	8.1	-82.3%	6.2	11.0	-43.9%	16.8
Operating profit	-0.1	5.5	n/a	0.3	3.8	-92.1%	7.1
Allocation of financing expenses	-0.1	-0.1	36.5%	-0.4	-0.4	-14.8%	-0.5
Profit before tax	-0.3	5.4	n/a	-0.1	3.3	n/a	6.6
Full-time permanent personnel, at the end of the period	32	29	10.3%	32	29	10.3%	30
Assets under management, EUR billion	1.0	1.1		1.0	1.1		1.1

July-September 2023

Continuing earnings from Taaleri's real estate, bioindustry and other businesses in the third quarter fell by 11.6% to EUR 1.4 (1.6) million. The decrease in continuing earnings was partly due to Taaleri's share of the profit of WasteWise Group, which is consolidated in the bioindustry business as an associated company, as well as the fund exits carried out between the review periods. No performance fees were recognised in the review period ended, but a performance fee of EUR 6.5 million for the comparison period arose from a transaction concerning the shares of Ficolo Ltd owned by Taaleri's co-investment and associated company Taaleri Datacenter Ky. Thus, income from the real estate, bioindustry and other businesses fell to EUR 1.4 (8.1) million in the quarter ended.

Operating expenses in Other private asset management totalled EUR 1.5 (2.6) million, of which fee and commission expenses were EUR 0.5 (1.1) million and personnel costs EUR 0.7 (1.0) million. Fixed personnel costs remained at the level of the corresponding period at EUR 0.6 (0.6) million, but variable personnel costs decreased to EUR 0.1 (0.4) million. Fee and commission expenses in the corresponding period included EUR 0.6 million in expenses related to performance fees. Operating profit (loss) from Taaleri's real estate, bioindustry and other businesses was EUR -0.1 (5.5) million.

During the review period, the real estate business continued to develop new investment products and focused on optimising the profitability of the real estate portfolios owned by its funds. In addition, the business continued the preparations to exit funds that are at the end of their lifecycle. The asset management mandate of an international client's real estate portfolio ended at the beginning of July in accordance with the agreement.

During the review period, the bioindustry business continued to map potential investees for the Taaleri Bioindustry I Fund and the due diligence processes of potential investments, as well as to prepare further financing arrangements for the fund's current investments. In addition to the preparations for the new venture capital fund, the business also promoted the construction phase of the torrefied biomass plant to be built in Joensuu and finalised the financing of the project.

January-September 2023

Continuing earnings from Taaleri's real estate, bioindustry and other businesses grew by 11.1% to EUR 4.7 (4.2) million in January-September due to successful product launches in the bioindustry business in 2022. During the review period, Taaleri received a performance fee of EUR 3.6 million for the sale of Taaleri Forest Fund III, of which EUR 1.6 million was recognised as income during the review period and EUR 2.0 million was recognised as income in 2022. The transaction involves the possibility of an earn-out. The performance fees of EUR 7.0 million for the comparison period consisted primarily of a transaction concerning the shares of Ficolo Ltd owned by Taaleri's co-investment and associated company Taaleri Datacenter Ky. Income from Taaleri's real estate, bioindustry and other businesses fell to EUR 6.2 (11.0) million due to decreased performance fees.

In line with its strategy, Taaleri is investing in the growth of the private asset management business, and this is reflected on a front-loaded basis in the increase in the number of employees and personnel costs. Operating expenses in Other private asset management totalled 5.9 (7.3) million, of which EUR 1.7 (2.2) million was fee and commission expenses. The smaller proportion of fee and commission expenses was due to higher fee and commission expenses associated with performance fees in the corresponding period. Personnel costs decreased from the level of the corresponding period to EUR 2.7 (3.4) million due to a decrease in variable personnel costs. Operating profit from Taaleri's real estate, bioindustry and other businesses was EUR 0.3 (3.8) million.

During the review period, the real estate business focused on the active development of new investment products and the preparations to exit old funds. In addition, the business successfully implemented the sale of Taaleri Forest Fund III and its forest estate portfolio.

During the review period, the bioindustry business focused on mapping new investees for its first fund, Taaleri Bioindustry I, and on promoting due diligence processes. The fund made its third investment in the Nordic Bioproducts Group, a Finnish

company producing cellulose-based materials with a high processing value. The bioindustry business also prepared its next fund, the strategy of which would be to invest in start-up companies in the bioindustry sector. The goal of the venture capital fund would be to offer early-stage companies the opportunity to grow into the next scale-up phase.

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

Taaleri's private equity funds in a table

Renewable energy, EUR million	Founded	Product	Business area	AUM Q3 2023	Stage of the fund
Taaleri Wind Fund II Ky	2014	Private equity fund	Renewable energy		Invested
Taaleri Wind Fund III Ky	2016	Private equity fund	Renewable energy		Invested
Taaleri SolarWind I Ky	2016	Private equity fund	Renewable energy		Invested
Taaleri SolarWind II Feeder Fund Ky	2019	Feeder fund	Renewable energy		Invested
Taaleri Wind Fund IV Ky	2019	Co-investment fund	Renewable energy		Invested
Taaleri SolarWind II	2019	Private equity fund	Renewable energy		Invested
Taaleri SolarWind III	2023	Private equity fund	Renewable energy		Fundraising
Managed accounts	2019-	Managed accounts	Renewable energy		Invested
Renewable energy total				1,623	
Other private asset management, EUR million	Founded	Product	Business area	AUM Q3 2023	Stage of the fund
Taaleri Real Estate Development Fund Ky	2015	Private equity fund	Real estate		Invested
Taaleri Housing Fund IV Ky	2010	Private equity fund	Real estate		Invested
Taaleri Multifunctional Properties Ky	2018	Private equity fund	Real estate		Invested
Taaleri Property Fund I Ky	2015	Private equity fund	Real estate		Invested
Taaleri Property Fund II Ky	2016	Private equity fund	Real estate		Invested
Taaleri Rental Home Ky	2016	Private equity fund	Real estate		Investing period
Taaleri Housing Fund VIII Ky	2021	Private equity fund	Real estate		Fundraising
Managed accounts	2021-	Managed accounts	Real estate		Investing period
Real estate total				685	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry		Invested
Joensuu Biocoal	2021	Co-investment	Bioindustry		Investing period
Taaleri Bioindustry I Ky	2021	Private equity fund	Bioindustry		Fundraising
Bioindustry total				164	
Other funds total				157	
Other private asset management total				1,007	
Taaleri's Private Asset Management segment total, EUR million				2,629	

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

Strategic Investments

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

Strategic Investments, EUR million	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Continuing earnings	3.4	3.3	4.2%	10.8	9.1	18.2%	13.7
Performance fees	-	-	-	-	-	-	-
Investment operations	0.5	1.6	-69.1%	2.6	-7.2	n/a	-9.9
Income	3.9	4.9	-19.9%	13.4	2.0	>100.0%	3.8
Operating profit	3.7	4.7	-22.1%	12.5	1.4	>100.0%	3.1
Allocation of financing expenses	-0.5	-0.5	0.0%	-1.4	-1.4	0.0%	-1.9
Profit before tax	3.2	4.2	-24.6%	11.1	-0.0	n/a	1.2
Full-time permanent personnel, at the end of the period	19	19	0.0%	19	19	0.0%	18

Garantia

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

Garantia, EUR million	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Insurance service result	3.6	3.3	8.2%	10.9	9.4	15.7%	14.1
Insurance revenue	4.6	4.6	-0.3%	14.4	13.5	6.5%	19.1
Insurance service expenses	-0.9	-1.1	-25.7%	-3.2	-3.6	-12.5%	-4.3
- of which incurred claims	-0.2	-0.3	-31.4%	-0.9	-0.9	1.8%	-1.2
- of which other insurance administrative expenses	-0.7	-0.7	1.7%	-2.3	-2.3	3.0%	-3.1
- of which losses on onerous contracts	0.3	-0.1	n/a	0.3	-0.5	n/a	-0.2
- of which changes in liability of incurred claims	0.2	0.2	-7.1%	0.6	0.7	-20.5%	1.0
- of which insurance acquisition costs	-0.4	-0.2	94.6%	-0.8	-0.6	25.0%	-0.8
Net expenses from reinsurance contracts	-0.2	-0.1	6.6%	-0.4	-0.5	-28.3%	-0.7
Net finance income and expense from insurance	-0.1	-0.0	>100.0%	-0.1	-0.3	-63.9%	-0.4
Net income from investment operations	0.7	1.1	-36.8%	3.3	-5.2	n/a	-8.5
Other income	0.0	0.0	-57.8%	0.0	0.0	201.4%	0.0
Income	4.1	4.4	-6.0%	14.1	4.0	255.5%	5.3
Other expenses	-0.3	-0.2	30.1%	-1.0	-0.6	71.0%	-0.6
Operating profit	3.9	4.2	-7.8%	13.2	3.4	285.5%	4.6
Allocation of financing expenses	-0.5	-0.5	0.0%	-1.4	-1.4	0.0%	1.9
Profit before tax	3.4	3.7	-8.8%	11.7	2.0	490.4%	2.7
Change in the fair value of investments	1.5	-1.1	n/a	2.4	-12.9	n/a	-10.1
Result at fair value before tax	4.9	2.6	84.0%	14.1	-10.9	n/a	-7.4
Full-time permanent personnel, at the end of the period	19	19	0.0%	19	19	0.0%	18

Garantia	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Claims ratio (IFRS), %	-5.8%	5.0%	-10.8%-p.	0.3%	5.3%	-5.0%-p.	2.1%
Expense ratio (IFRS), %	24.4%	20.0%	4.4%-p.	21.6%	21.4%	0.2%-p.	20.6%
Reinsurance ratio (IFRS), %	3.4%	3.1%	0.2%-p.	2.6%	3.8%	-1.2%-p.	3.5%
Combined ratio (IFRS), %	22.0%	28.1%	-6.2%-p.	24.5%	30.5%	-6.0%-p.	26.2%
Return on investments at fair value, %	1.4%	0.0%	1.4%-p.	3.8%	-11.0%	14.9%-p.	-11.2%

Garantia	30.9.2023	31.12.2022	Change, %
Investment portfolio, fair value, MEUR	159	155	2.6%
Guaranty insurance portfolio, MEUR	1,848	1,862	-0.7%
Solvency ratio, %	271.1%	231.3%	39.9%-p.
Credit rating (S&P)	A-	A-	-

July–September 2023

Garantia's income in July–September was EUR 4.1 (4.4) million. The decrease in income was a result of lower net investment income and higher net finance expense from insurance compared to the period of comparison.

Insurance service result grew by 8.2% to EUR 3.6 (3.3) million in the review period. Insurance service result was lifted by decreased insurance service expenses. Insurance revenue remained at the level of comparison period. Insurance service expenses on the other hand decreased due to reversal of losses related to onerous contracts. The combined ratio (IFRS) amounted to 22.0% (28.1). As in the period of comparison the profitability of insurance operations was very good.

Net investment income decreased to EUR 0.7 (1.1) million. The continued increase in market interest rates put pressure on investment operations in the third quarter.

Other expenses amounted to EUR 0.3 (0.2) million. Other expenses include the proportion of the company's expenses that is not related to insurance operations, such as variable personnel costs.

Operating profit amounted to EUR 3.9 (4.2) million. The result at fair value before tax was EUR 4.9 (2.6) million.

January–September 2023

Garantia's income in January–September was EUR 14.1 (4.0) million. Income grew as the insurance service result and especially the net investment income increased from the corresponding period last year.

Insurance service result grew by 15.7% to EUR 10.9 (9.4) million in the review period. The result was lifted by increased insurance revenue in addition to which insurance service expenses were also somewhat lower than in the period of comparison. Insurance revenue grew as a result of increased volume and change in the product mix of the guaranty insurance portfolio, as compared to the corresponding period last year. Insurance service expenses were lower than in the period of comparison, as reversal of losses on onerous contracts were booked in the review period. The combined ratio (IFRS) strengthened to 24.5% (30.5). As in the period of comparison, the profitability of insurance operations was very good.

Net investment income grew to EUR 3.3 (-5.2) million. Net investment income significantly exceeded the level seen in the corresponding period last year, as the start of the war in Ukraine and the surge in market interest rates depressed investment markets during the period of comparison.

Other expenses amounted to EUR 1.0 (0.6) million. Other expenses include the proportion of the company's expenses that is not related to insurance operations, such as variable personnel expenses.

Operating profit amounted to EUR 13.2 (3.4) million. The result at fair value before tax was EUR 14.1 (-10.9) million.

Insurance operations

Garantia's insurance revenue increased by 6.5% compared to the corresponding period last year and amounted to EUR 14.4 (13.5) million. The growth in insurance revenue was a result of growth in the volume of the guaranty insurance portfolio, change in the product mix of the guaranty insurance portfolio and its increased relative return, as compared to the corresponding period last year.

Guaranty insurance exposure contracted by 0.7% during the first nine months of the year and amounted to EUR 1,848 (1,862) million at the end of the review period. The guaranty insurance exposure contracted, as new underwriting was not entirely sufficient to cover the amortisation of existing exposures.

Of the total guaranty insurance exposure, EUR 1,364 (1,343) million, or 74% (72), was made up of consumer exposure and EUR 484 (519) million, or 26% (28), of corporate exposure. The consumer exposure includes residential mortgage guaranties and rent guarantees underwritten to private households. The corporate exposure includes corporate loan guaranties, commercial bonds, and other business-related guarantees underwritten to corporates and other organisations.

Insurance service expenses amounted to EUR 3.2 (3.6) million during the first nine months of the year. Insurance service expenses were mainly reduced due to reversal of losses on onerous contracts. Claims ratio (IFRS) for January–September was low at 0.3% (5.3). Expense ratio (IFRS) slightly increased to 21.6% (21.4). Increased insurance revenue had a positive impact to both ratios.

Net expenses from reinsurance contracts amounted to EUR 0.4 (0.5) million during the review period. Reinsurance ratio (IFRS) stood at 2.6% (3.8).

Garantia's combined ratio (IFRS) was 24.5% (30.5) in the first nine months of the year. The profitability of insurance operations during the review period was very good.

Investment operations

Net income from investment operations amounted to EUR 3.3 (-5.2) million in the nine months of the year, and mainly consisted of interest income, fair value changes and realized gains and losses. The change in the fair value of investment assets recognised in comprehensive income before taxes was EUR 2.4 (-12.9) million. Hence, net investment income at fair value totalled EUR 5.7 (-18.0) million, implying an investment return of 3.8% (-11.0).

The development of the investment market was varied in the review period. Equity prices rose in the US and to some extent in Europe. On the other hand, market interest rates rose too, depressing the returns from fixed-income investments. Long-term rates increased especially in the third quarter, but the effects on Garantia's fixed-income investments were limited thanks to the short duration of the portfolio.

At the end of the review period, the fair value of Garantia's investment portfolio was EUR 159 (155) million. In addition to accumulated returns, the value of the investment portfolio was affected by the EUR 10 million dividend payment to the parent company in the first quarter.

Risk position

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

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

Consumer exposures amounted to EUR 1,364 (1,343) million at the end of September and represented 74% (72) of the total guaranty insurance exposure. The consumer exposures are made up of residential mortgage guaranties and rent guaranties underwritten to private households. The residential mortgage guaranty is a supplementary collateral underwritten to cover a housing loan. The rent guarantee protects landlords against tenants defaulting on their lease contract obligations.

Most of the consumer exposure is made up of the residential mortgage guaranty portfolio, the risk position of which did not see any material changes during the first nine months of the year. The portfolio is well diversified with respect to counterparty, geographical location of collateral property and underwriting year, and the creditworthiness of the counterparties in the portfolio is very good on average. The credit risks of the portfolio are in addition limited by means of an excess-of-loss portfolio reinsurance arrangement. Increased interest rates and inflation have put a strain on the debt service capacity of borrowers, and housing prices have come down during the first nine months of the year, resulting in lower residential collateral values. However, this has not materially increased claims, thanks to the good underlying creditworthiness of the borrowers.

Corporate exposure amounted to EUR 484 (519) million at the end of the review period and represented 26% (28) of the total guaranty insurance exposure. The corporate exposure is made up of corporate loan guaranties, commercial bonds, and other business-related guaranties. The guaranteed companies in the corporate portfolio mainly include medium and large Finnish companies and other organisations. The credit risks in the portfolio are, in addition to risk selection, managed by applying reinsurance, collaterals and risk-mitigating contractual arrangements.

The share of corporate exposures with investment grade ratings of AAA...BBB- amounted to 23.7% (23.0), and the share of exposures rated BB- or better made up 74.1% (67.0) of all rated corporate exposures. The share of exposures with weak ratings of C+ or lower remained low at 0.8% (2.2). The creditworthiness of the corporate counterparties in the company's guaranty insurance portfolio has remained good on average, despite the weakened economic environment.

The principal industry sectors in the corporate portfolio were manufacturing at 21.4% (23.8), construction at 16.1% (17.2), retail and wholesale trade at 15.2% (15.6), and financial and insurance services at 13.7% (13.1). The shares of other industry sectors were all less than 10%.

In investment operations, equity allocation was slightly increased in the first nine months of the year. At the end of the review period, fixed-income investments made up 86.4% (88.2), equity & private equity investments 12.1% (10.4) and real estate investments 1.5% (1.4) of the investment portfolio. The majority of the fixed income investments was made up of investments in bonds of Nordic companies, credit institutions and insurance companies with strong creditworthiness. The proportion of investment grade-rated fixed-income investments was 69.9% (71.4). The modified duration of the fixed-income investments was 1.9 (2.3).

Credit rating

On 11th October 2023, after the end of the review period, Standard & Poor's Global Ratings (S&P) published the credit rating report of Garantia and thus confirmed Garantia Insurance Company's credit rating as A- with a stable outlook¹.

Shareholding in Aktia Bank Plc

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

Shareholding in Aktia Bank Plc, EUR million	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Continuing earnings	-	-	-	-	-	-	-
Performance fees	-	-	-	-	-	-	-
Investment operations	-0.2	0.5	n/a	-0.7	-2.0	-66.3%	-1.5
Income	-0.2	0.5	n/a	-0.7	-2.0	-66.3%	-1.5
Operating profit	-0.2	0.5	n/a	-0.7	-2.0	-66.3%	-1.5
Profit before tax	-0.2	0.5	n/a	-0.7	-2.0	-66.3%	-1.5

July–September 2023

The shareholding produced EUR -0.2 (0.5) million of changes in fair value in July–September. The closing price for Aktia's share at the end of the review period was EUR 9.10 (31 December 2022: 10.22), and the market value of the shareholding was EUR 8.9 (10.0) million.

January–September 2023

During January–September, the shareholding generated EUR -1.1 (-2.5) million in changes in fair value and EUR 0.4 (0.5) million in dividend income.

Other

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. On 30 September 2023, Taaleri's non-strategic investments totalled EUR 29.1 (25.2) million. The change in the portfolio during the period is mainly due to the EUR 2.3-million capitalisation of Turun Toriparkki Oy and its change in value, the exit from Taaleri Infra Ky and other changes in the portfolio's fair value. The Group investments are presented in further detail under segment information on pages 35–36.

Other, EUR million	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
Continuing earnings	0.4	0.7	-49.2%	1.5	2.0	-24.4%	2.4
Performance fees	-	-	-	-	-	-	-
Investment operations	0.4	7.5	-94.6%	4.0	15.1	-73.2%	10.2
Income	0.8	8.3	-90.5%	5.5	17.1	-67.5%	12.6
Operating profit	-0.7	6.6	n/a	1.6	12.4	-86.9%	5.5
Profit before tax	0.1	7.3	-99.1%	3.8	14.5	-74.0%	8.3
Full-time permanent personnel, at the end of the period	15	18	-16.7%	15	18	-16.7%	16

Non-strategic investments, EUR million	30.9.2023	31.12.2022	Change, %
Investments and receivables, fair value	29.1	25.2	15.4%
Real estate	22.5	16.4	37.3%
Other investments	6.6	8.9	-25.2%

June–September 2023

In the third quarter of the year, the income of the Other group totalled EUR 0.8 (8.3) million, consisting of continuing earnings of EUR 0.4 (0.7) million and net income from investment operations of EUR 0.4 (7.5) million. The profit of EUR 7.5 million from investment operations in the corresponding period consisted mainly of the profit of an associated company consolidated into the Taaleri Group as a result of a transaction involving the shares of Ficolo Ltd owned by Taaleri Datacenter Ky.

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

Operating expenses were EUR 1.5 (1.7) million, of which personnel costs amounted to EUR 0.9 (1.0) million. The Other group's operating profit (loss) in the third quarter was EUR -0.7 (6.6) million.

January–September 2023

In January–September, the income of the Other group totalled 5.5 (17.1) million, consisting of continuing earnings of EUR 1.5 (2.0) million and net income from investment operations of EUR 4.0 (15.1) million. The EUR 0.9 million return recognised from the exit from Taaleri Infra I Ky and the EUR 3.1 million in unrealised changes in fair value and exchange rate changes had an impact on the net income from investment operations in the review period ended. The most significant positive change in value of EUR 3.3 million was recognised due to the successful refinancing of Taaleri's associated company Turun Toriparkki Oy. The net income from investment operations in the corresponding period included an earn-out of EUR 6.7 million for the Finsilva holding sold in 2016 and, as a result of a transaction involving the shares of Ficolo Ltd owned by Taaleri Datacenter Ky, a profit of EUR 7.5 million for an associated company consolidated into the Taaleri Group.

Operating expenses were EUR 3.9 (4.7) million, of which personnel costs amounted to EUR 2.4 (2.4) million. The operating profit of the Other group in January–September was EUR 1.6 (12.4) million

Sustainability

Focuses in 2023

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

Progress Q3/2023

- UNPRI/NZAM reporting on sustainable investing and progress towards the climate target
- Developing the sustainability data management of private equity funds
- Conducting a comprehensive personnel survey
- Preparing a survey of personnel's experiences of diversity, equity and inclusion (DEI)

In the third quarter of the year, we reported on the progress of sustainable investing and our climate target (NZAM net zero target) through UNPRI. UNPRI will publish these reports describing 2022 and the results of the evaluation based on them in November or December 2023.

We selected a new software tool to more efficiently manage sustainability data related to private equity funds. The tool is intended to facilitate data collection and indicator reporting in our EU SFDR Article 8 and 9 funds and to be used for impact monitoring.

At the turn of September and October, we conducted a renewed personnel survey, which mapped the experiences of our personnel more extensively than before. In addition, we prepared a survey which will be focused more in-depth on diversity, equity and inclusion (DEI), which will be carried out through an anonymous online survey in November. The results of the survey will be discussed in the last quarter of the year and in early 2024, and they will be used in the development of our operations.

We developed our processes for the management of sustainability and sustainability risks in connection with, among other things, the development of new fund products, Taaleri's own balance sheet investments, the assessment of the financial impact of sustainability risks, and the Group's sustainability reporting (the EU's new ESRS sustainability reporting standards). We also defined criteria for the Group's significant contractual partners, which we will now prioritise in encouraging commitment to Taaleri's Partner Code of Conduct or similar principles.

Annual General Meeting 2023

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

Decisions of Taaleri Plc's Annual General Meeting

The General Meeting adopted the financial statements for the 2022 financial period, granted the members of the Board of Directors and the CEO discharge from liability and approved the Remuneration Report for governing bodies.

Deciding on dividend distribution

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

Deciding on the remuneration of members of the Board of Directors

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

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

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

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

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

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

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

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

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

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

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

Selecting the auditor and deciding on the auditor's remuneration

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

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

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

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

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

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

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

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

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

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

This authorisation cancels the authorisation to purchase the company's own shares issued at the General Meeting of 6 April 2022.

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

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

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

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

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

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

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

The authorisation is valid until the end of the next Annual General Meeting, however no longer than 30 June 2024.

This authorisation cancels the authorisation regarding the share issue issued at the General Meeting on 6 April 2022.

Amendment to the Articles of Association

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

"§ 10 Notice to the general meeting of shareholders

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

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

In other respects, the Articles of Association remained unchanged.

Authorising the Board of Directors to decide on charitable contributions

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

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

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

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

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

Changes in Taaleri's management

On 16 August 2023, Taaleri announced that Titta Elomaa, a member of the Executive Management Team of Taaleri Plc and CEO of Garantia Insurance Company, had announced that she would resign from her duties as CEO of Garantia. She has been responsible for Garantia's operations since 2018. Elomaa will continue in her position in the Executive Management Team of Taaleri Plc and as the CEO of Garantia until the end of 2023. At the same time, it was announced that the Board of Directors of Garantia Insurance Company Ltd had decided to appoint Henrik Allonen, M.Sc. (Econ.), as CEO of the company as of 1 January 2024. At the same time, he will become a member of Taaleri Plc's Executive Management Team.

In addition, after the end of the review period, on 6 October 2023, Taaleri announced that Minna Smedsten, Taaleri's CFO, had resigned and would move on to a new position outside the company. She has worked at Taaleri since 2013. Smedsten will leave her positions as Taaleri's CFO and member of the Executive Management Team in December 2023. Taaleri immediately started the recruitment process for a new CFO.

Taaleri's personnel

The number of permanent full-time employees in the Group at the end of the review period was 112 (107). The number of permanent full-time employees in the Private Asset Management segment was 78 (70) and in the Strategic Investments segment 19 (19). The number of permanent full-time employees in the Other group was 15 (18). 95% (95) of the personnel were employed in Finland.

Taaleri Group's personnel costs in the third quarter totalled EUR 3.8 (3.6) million, consisting of fixed personnel costs of EUR 2.4 (2.1) million and variable personnel costs of EUR 1.4 (1.5) million. In January–September, Taaleri Group's personnel costs totalled EUR 12.1 (10.9) million, consisting of fixed personnel costs of EUR 8.5 (7.5) million and variable personnel costs of EUR 3.6 (3.4) million.

Incentive schemes

At the end of the review period, Taaleri had in force the CEO's stock option plan, two share-based incentive schemes for the Group's key personnel and an employee share savings plan. Further information on share-based incentive schemes can be found in Note 43 on pages 112–115 of Taaleri's Consolidated Financial Statements included in the Annual Report 2022.

No new share-based incentive schemes were launched during the review period, but the Board of Directors of Taaleri Plc resolved on the target group, allocations, performance criterion and targets for the performance period 1 August 2023–31 July 2026 of the Group's key employee performance share plan launched in 2021.

The main terms and conditions of the performance share plan were published in detail in the stock exchange release dated 17 June 2021. The plan includes three performance periods lasting three years each. Contrary to what was announced on 17 June 2021, the last performance period is between 1 August 2023 and 31 July 2026.

During the performance period 2023–2026, the plan's target group includes approximately 10 key employees, including some of the members of the Group's Executive Management Team. The potential reward of the plan from the performance period 2023–2026 is based on the total shareholder return of the Taaleri Plc share. The rewards to be paid based on the performance period 2023–2026 correspond to the value of approximately 140,000 Taaleri Plc shares in maximum total, also including the portion to be paid in cash.

The potential reward will be paid after the end of the performance period in autumn 2026. The reward will be paid partly in company shares and partly in cash.

Shares and share capital

Taaleri's share on Nasdaq Helsinki

1–9/2023	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	2,115,151	22,655,192	12.94	9.15	10.71	9.25

* Volume weighted average

Taaleri's share has been listed on Nasdaq Helsinki, among mid-cap companies, since 2016. The trading code is TAALA. On 30 September 2023, the company possessed 45,000 (45,000) treasury shares. At the end of the review period, the company had 11,217 (31.12.2022: 10,201) shareholders.

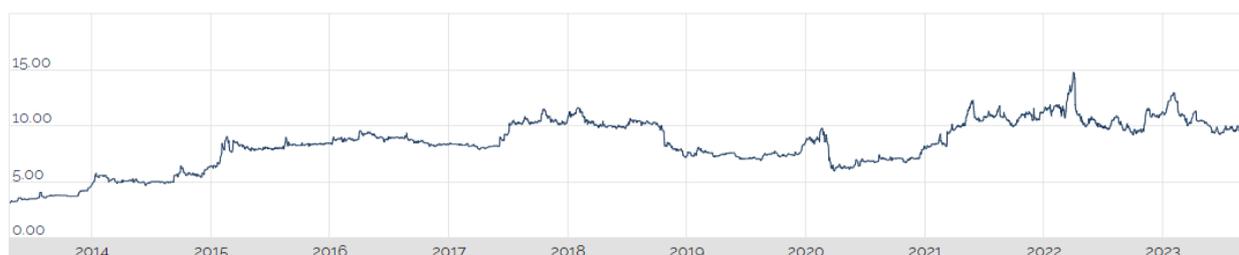
On 30 September 2023, Taaleri Plc's shareholders' equity was EUR 125,000.00 and the company had 28,350,620 registered shares.

Flaggings during January–September 2023

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

Share price development

The chart represents the price development of Taaleri's share since listing from April 20, 2013, to September 30, 2023:



Capital adequacy

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

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

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

Solvency according to the Insurance Companies Act (Solvency II)

Garantia's solvency strengthened clearly during the first nine months of the year, thanks to an increase in basic own funds and a reduced solvency capital requirement. At the end of September, the company's basic own funds amounted to EUR 118.0 (105.3) million, and the solvency capital requirement (SCR) amounted to EUR 43.5 (45.5) million. The solvency ratio, or the ratio of basic own funds to the solvency capital requirement, was 271.1% (231.3).

Basic own funds grew mainly due to profits accumulated in the review period. The solvency capital requirement decreased due to lesser solvency capital requirements for underwriting risk, market risks of investment assets and decreased capital add-on.

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

Short term risks and concerns

The Russian invasion of Ukraine in late February 2022 increased uncertainty in the operating environment. Since Taaleri has no business operations or investments in Russia or Ukraine, the changed geopolitical situation does not have a direct impact on our business. However, the war may increase the country risk in Finland and cause uncertainty among investors, but Finland's Nato membership has brought stability to the situation. Interest rates have risen, risk premiums have increased, and inflation is strong. The central banks have tightened their monetary policy, which is slowing down economic growth worldwide. In addition, inflation and the increased price levels of raw materials can be seen in the costs of project development and funds' investees.

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

Garantia's guaranty insurance business and investment activities have a major impact on Taaleri's operational income and capital adequacy. Garantia's risk position is described in more detail on page 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 37 on pages 96–107 of the 2022 Financial Statements, which is attached to the 2022 Annual Report.

Material events after the financial period

Taaleri Plc announced after the end of the review period on 6 October 2023, that Minna Smedsten, Taaleri's CFO, had resigned and would move on to a new position outside the company. She has worked at Taaleri since 2013. Smedsten will leave her positions as Taaleri's CFO and member of the Executive Management Team in December 2023. Taaleri immediately started the recruitment process for a new CFO.

Helsinki, 1 November 2023
Taaleri Plc
Board of Directors

Additional info

CEO Peter Ramsay, +358 50 343 7493, peter.ramsay@taaleri.com

CFO Minna Smedsten, +358 40 700 1738, minna.smedsten@taaleri.com

Head of Investor Relations, Sustainability and Communications Siri Markula, +358 40 743 2177, siri.markula@taaleri.com

Webcast presentation for analysts, investors and media

An analyst, investor and media conference will be held in English by CEO Peter Ramsay and CFO Minna Smedsten on 1 November 2023 at 11:00 EET at Event Venue Eliel in Sanomatalo, Töölönlahdenkatu 2, Helsinki. The webcast can be followed online at: <https://taaleri.videosync.fi/q3-2023-result>. The event will be recorded and available later on Taaleri's investor pages at <http://www.taaleri.com/en/investors/reports-and-presentations>.

Taaleri in brief

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

www.taaleri.com

Accounting policies of the Interim Statement

Taaleri's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This Interim Statement has not been prepared in accordance with IAS 34. The Interim Statement is unaudited. The Interim Statement has been published in Finnish and English. The Finnish Interim Statement is official and is used if there is a discrepancy between the language versions. All figures in the Interim Statement have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

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

IFRS 17 Insurance Contracts

Insurance contracts

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

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

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

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

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

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

Measurement of insurance contracts on initial recognition

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

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

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

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

rate on the future capital requirements. The adjustment for non-financial risk is then achieved by discounting the hypothetical future cost of capital payments to their present value, applying the discount rate discussed above.

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

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

Subsequent measurement of insurance contracts and recognition principles

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

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

The liability for incurred claims includes the capital value of future claims payments from claims that have already been incurred, and a risk adjustment reflecting the uncertainty of these cash flows. The future claims also include the estimated effects of claims recourse recoveries.

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

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

Onerous contracts

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

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

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

Reinsurance contracts

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

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

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

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

Transition approaches applied

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

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

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

Effect on opening Group balance sheet 1 January 2022

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

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

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

The measurement of Garantia's insurance contract liability according to IFRS 17 Insurance Contracts includes several factors that involve judgement and uncertainty. The most significant uncertainties are related to the estimation of future claims cashflows, and to the estimation of the amount of the adjustment for non-financial risk reflecting the variation in the claims cashflows. Also, the selection of the interest rate curve applied in cashflow discounting, and the measurement of the liquidity premium include uncertainties.

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

Key figures

The Group

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

	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Income, EUR 1,000	13,498	18,763	47,451	37,691	56,752
Operating profit (-loss), EUR 1,000	5,699	18,320	25,016	20,110	27,347
- as percentage of income	42.2%	97.6%	52.7%	53.4%	48.2%
Segments' operating profit excluding investment operations, EUR 1,000	2,882	8,412	7,825	10,528	24,493
- as percentage of segments' income	28.0%	53.0%	24.9%	31.7%	43.6%
Net profit for the period, EUR 1,000	4,888	14,715	21,519	15,591	21,302
- as percentage of income	36.2%	78.4%	45.4%	41.4%	37.5%
Basic earnings per share, EUR	0.16	0.51	0.67	0.53	0.73
Diluted earnings per share, EUR	0.16	0.50	0.65	0.52	0.71
Return on equity % (ROE) ¹⁾	9.6%	31.2%	14.1%	9.9%	10.0%
Return on equity at fair value % (ROE) ¹⁾	11.2%	25.3%	15.2%	1.1%	4.4%
Return on assets % (ROA) ¹⁾	6.5%	21.0%	9.5%	6.9%	6.9%
Cost/income ratio	59.7%	31.2%	52.5%	56.3%	56.7%
Cost/income ratio excluding investment operations	68.6%	49.7%	75.3%	71.5%	59.2%
Price/earnings (P/E) ¹⁾	14.2	4.5	10.4	13.0	15.4
Full-time permanent personnel, at the end of the period	112	107	112	107	106
Equity ratio -%	67.7%	67.2%	67.7%	67.2%	66.9%
Net gearing -%	-9.6%	-16.1%	-9.6%	-16.1%	-15.7%
Equity/share, EUR	7.19	6.87	7.19	6.87	7.10
Dividend or distribution of funds /share, EUR	-	-	-	-	0.70
Dividend or distribution of funds / earnings, %	-	-	-	-	96.2%
Effective dividend yield, %	-	-	-	-	6.3%
Loan receivables, EUR 1,000	5,562	6,270	5,562	6,270	6,243
Number of shares at the end of period ²⁾	28,305,620	28,305,620	28,305,620	28,305,620	28,305,620
Average number of shares ²⁾	28,305,620	28,305,620	28,305,620	28,305,620	28,305,620
Share average price, EUR	9.61	9.90	10.71	11.50	11.37
- highest price, EUR	10.28	10.88	12.94	14.82	14.82
- lowest price, EUR	9.15	9.10	9.15	9.10	8.97
- closing price, EUR	9.25	9.16	9.25	9.16	11.18
Market capitalisation, EUR 1,000 ²⁾	261,827	259,279	261,827	259,279	316,457
Shares traded, thousands	273	553	2,115	4,859	5,606
Shares traded, %	1%	2%	7%	17%	20%

1) Annualised

2) Reduced by own shares acquired

Insurance operations key figures

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

EUR 1,000	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Insurance service result	3,561	3,290	10,863	9,389	14,102
Insurance revenue	4,565	4,579	14,383	13,506	19,102
Insurance service expenses	-850	-1,145	-3,150	-3,601	-4,330
- of which incurred claims	-215	-314	-888	-872	-1,182
- of which other insurance administrative expenses	-731	-719	-2,336	-2,268	-3,089
- of which losses on onerous contracts	326	-80	289	-543	-228
- of which changes in liability of incurred claims	152	164	557	700	1,019
- of which insurance acquisition costs	-382	-196	-772	-617	-849
Net expenses from reinsurance contracts	-153	-144	-370	-516	-670
Net finance income and expense from insurance	-137	-10	-96	-266	-409
Net income from investment operations	692	1,094	3,306	-5,165	-8,453
Other income	6	13	28	9	13
Income	4,122	4,387	14,101	3,967	5,252
Other expenses	-271	-209	-950	-555	-646
Operating profit	3,851	4,179	13,151	3,411	4,607
Allocation of financing expenses	-475	-475	-1,425	-1,425	-1,900
Profit before tax	3,376	3,704	11,726	1,986	2,707
Change in fair value of investments	1,497	-1,055	2,411	-12,862	-10,141
Profit before tax at fair value	4,873	2,649	14,137	-10,876	-7,434
Claims ratio (IFRS), %	-5.8%	5.0%	0.3%	5.3%	2.1%
Expense ratio (IFRS), %	24.4%	20.0%	21.6%	21.4%	20.6%
Reinsurance ratio (IFRS), %	3.4%	3.1%	2.6%	3.8%	3.5%
Combined ratio (IFRS), %	22.0%	28.1%	24.5%	30.5%	26.2%
Return on investments at fair value, %	1.4%	0.0%	3.8%	-11.0%	-11.2%
Investment portfolio, fair value, MEUR	159	152	159	152	155
Insurance exposure, EUR million	1,848	1,799	1,848	1,799	1,862
Solvency ratio (S2), % ¹⁾	271.1%	245.5%	271.1%	245.5%	231.3%

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

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.

Segments' operating profit excluding investment operations, % of segments' income

$$\frac{(\text{Segments' operating profit} - \text{segments' investment operations}) \times 100}{(\text{Segments' income} - \text{segments' investment operations})}$$

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	$\frac{\text{Fee and commission expense} + \text{interest and other financing expense} + \text{administrative expenses} + \text{depreciation} + \text{other operating expenses}}{\text{Fee and commission income} + \text{insurance service result} + \text{net finance expenses from insurance contracts} + \text{interest income} + \text{other operating income}}$
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 (IFRS), %	Claims ratio + Expense ratio + Reinsurance ratio
Claims ratio (IFRS), %	$\frac{\text{Incurred claims} + \text{Losses on onerous contracts} + \text{Changes in liability for incurred claims}}{\text{Insurance revenue}}$
Expense ratio (IFRS), %	$\frac{\text{Insurance administrative expenses} + \text{Insurance acquisition costs}}{\text{Insurance revenue}}$
Reinsurance ratio (IFRS), %	$\frac{\text{Net expenses from reinsurance contracts}}{\text{Insurance revenue}}$
Solvency ratio (S2), %	$\frac{\text{Basic own funds}}{\text{Solvency capital requirement (SCR)}}$

Consolidated income statement

EUR 1,000	1.7.-30.9.2023	1.7.-30.9.2022	1.1.-30.9.2023	1.1.-30.9.2022
Fee and commission income	6,528	12,689	20,342	24,441
Net income from insurance	4,117	4,374	14,073	3,957
Insurance service result	3,561	3,290	10,863	9,389
Net finance expenses from insurance contracts	-137	-10	-96	-266
Net income from investment operations	692	1,094	3,306	-5,165
Net gains or net losses on trading in securities and foreign currencies	204	1,410	-165	6,361
Income from equity investments	743	-78	9,429	1,766
Interest income	941	318	1,586	1,048
Other operating income	966	50	2,186	118
Total income	13,498	18,763	47,451	37,691
Fee and commission expense	-1,947	-2,624	-6,238	-6,874
Administrative expenses				
Personnel costs	-3,840	-3,765	-12,255	-11,193
Other administrative expenses	-1,101	-1,002	-3,984	-3,248
Depreciation, amortisation and impairment of tangible and intangible assets	-5	-208	-242	-972
Other operating expenses	-1,040	-314	-2,575	-1,838
Expected credit losses from financial assets measured at amortised cost	-3	181	-40	155
Share of associates' profit or loss	136	7,289	2,900	6,389
Operating profit	5,699	18,320	25,016	20,110
Interest and other financing expenses	-204	-210	-977	-698
Income tax expense	-607	-3,396	-2,521	-3,821
Profit for the period	4,888	14,715	21,519	15,591
Consolidated statement of comprehensive income	1.7.-30.9.2023	1.7.-30.9.2022	1.1.-30.9.2023	1.1.-30.9.2022
Profit for the period	4,888	14,715	21,519	15,591
Items that may be reclassified to profit or loss				
Translation differences	41	35	25	113
Changes in the fair value reserve	1,497	-1,055	2,411	-12,862
Income tax	-299	211	-482	2,572
Items that may be reclassified to profit or loss in total	1,239	-809	1,953	-10,176
Items that may not be reclassified to profit or loss				
Changes in the fair value reserve	-528	-2,478	-473	-3,727
Income tax	106	496	95	47
Items that may not be reclassified to profit or loss in total	-422	-1,983	-378	-3,680
Total comprehensive income for the period	5,704	11,923	23,094	1,735
Profit for the period attributable to:				
Owners of the parent company	4,602	14,428	18,899	14,945
Non-controlling interests	286	286	2,620	647
Total	4,888	14,715	21,519	15,591
Total comprehensive income for the period attributable to:				
Owners of the parent company	5,418	11,637	20,474	1,088
Non-controlling interests	286	286	2,620	647
Total	5,704	11,923	23,094	1,735
Earnings per share for profit attributable to the shareholders of the parent company	1.7.-30.9.2023	1.7.-30.9.2022	1.1.-30.9.2023	1.1.-30.9.2022
Basic earnings per share, profit for the period	0.16	0.51	0.67	0.53
Diluted earnings per share, profit for the period	0.16	0.50	0.65	0.52

Consolidated quarterly income statement

EUR 1,000	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Fee and commission income	6,528	7,871	5,943	18,504	12,689
Net income from insurance	4,117	5,184	4,772	1,283	4,374
Insurance service result	3,561	3,486	3,815	4,713	3,290
Net finance expenses from insurance contracts	-137	-9	49	-143	-10
Net income from investment operations	692	1,707	908	-3,288	1,094
Net gains or net losses on trading in securities and foreign currencies	204	809	-1,178	-907	1,410
Income from equity investments	743	8,686	-	50	-78
Interest income	941	417	227	91	318
Other operating income	966	838	382	39	50
Total income	13,498	23,806	10,147	19,060	18,763
Fee and commission expense	-1,947	-2,282	-2,010	-2,974	-2,624
Administrative expenses					
Personnel costs	-3,840	-4,018	-4,397	-3,304	-3,765
Other administrative expenses	-1,101	-1,717	-1,166	-1,525	-1,002
Depreciation, amortisation and impairment of tangible and intangible assets	-5	-87	-150	-221	-208
Other operating expenses	-1,040	-994	-541	-1,218	-314
Expected credit losses from financial assets measured at amortised cost	-3	-33	-3	11	181
Share of associates' profit or loss	136	3,081	-317	-2,592	7,289
Operating profit	5,699	17,755	1,562	7,237	18,320
Interest and other financing expenses	-204	-496	-276	-255	-210
Income tax expense	-607	-1,252	-661	-1,271	-3,396
Profit for the period	4,888	16,007	625	5,711	14,715

Consolidated statement of comprehensive income	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Profit for the period	4,888	16,007	625	5,711	14,715
Items that may be reclassified to profit or loss					
Translation differences	41	1	-17	-72	35
Changes in the fair value reserve	1,497	-484	1,398	2,721	-1,055
Income tax	-299	97	-280	-544	211
Items that may be reclassified to profit or loss in total	1,239	-387	1,101	2,105	-809
Items that may not be reclassified to profit or loss					
Changes in the fair value reserve	-528	393	-338	-259	-2,478
Income tax	106	-79	68	52	496
Items that may not be reclassified to profit or loss in total	-422	314	-270	-207	-1,983
Total comprehensive income for the period	5,704	15,935	1,455	7,609	11,923

Profit for the period attributable to:

Owners of the parent company	4,602	13,774	524	5,652	14,428
Non-controlling interests	286	2,233	101	59	286
Total	4,888	16,007	625	5,711	14,715

Total comprehensive income for the period attributable to:

Owners of the parent company	5,418	13,702	1,355	7,550	11,637
Non-controlling interests	286	2,233	101	59	286
Total	5,704	15,935	1,455	7,609	11,923

Consolidated balance sheet

Assets, EUR 1,000	30.9.2023	31.12.2022
Receivables from credit institutions	34,718	46,817
Receivables from the public and general government	5,562	6,243
Shares and units	43,080	44,462
Participating interests	12,775	3,708
Insurance assets	155,388	153,043
Reinsurance contract assets	468	526
Investments	154,919	152,517
Intangible assets	589	355
Goodwill	347	347
Other intangible assets	242	8
Tangible assets	2,673	421
Owner-occupied properties	2,251	83
Other tangible assets	422	338
Other assets	16,620	13,210
Accrued income and prepayments	28,719	28,451
Deferred tax assets	3,964	3,208
	304,087	299,918

Liabilities and equity, EUR 1,000	30.9.2023	31.12.2022
Liabilities	98,155	99,397
Liabilities to the public and general government	-	410
Insurance contract liabilities	45,189	46,544
Other liabilities	3,859	1,454
Accrued expenses and deferred income	17,753	19,185
Deferred tax liabilities	16,472	16,933
Subordinated debt	14,882	14,870
Equity capital	205,932	200,521
Share capital	125	125
Reserve for invested non-restricted equity	18,831	18,831
Fair value reserve	-11,735	-13,285
Translation difference	48	23
Retained earnings or loss	177,490	174,631
Profit or loss for the period	18,899	20,597
Non-controlling interest	2,274	-400
	304,087	299,918

Consolidated statement of cash flows

EUR 1,000	1.1.-30.9.2023	1.1.-30.9.2022
Cash flow from operating activities:		
Operating profit (loss)	25,016	20,110
Depreciation	381	624
Change in goodwill	-139	348
Other adjustments		
Changes in fair value of investments	652	4,940
Other adjustments	-3,081	610
Interest and other financing expenses	5	-131
Cash flow before change in working capital	22,836	26,502
Change in working capital		
Increase (-)/decrease (+) in loan receivables	-2,178	-2,029
Increase (-)/decrease (+) in current interest-free receivables	-3,690	-3,169
Increase (+)/decrease (-) in current interest-free liabilities	-2,468	2,269
Cash flow from operating activities before financial items and taxes	14,500	23,573
Direct taxes paid (-)	-1,199	-1,282
Cash flow from operating activities (A)	13,300	22,292
Cash flow from investing activities:		
Investments in tangible and intangible assets	-679	-580
Investments in subsidiaries and associated companies net of cash acquired	1,506	8,140
Other investments	-7,775	-2,842
Cash flow from investing activities (B)	-6,948	4,719
Cash flow from financing activities:		
Changes in share-based incentives	433	283
Transactions with non-controlling interests	1,515	33
Increase (+)/decrease (-) in current liabilities	-410	-
Dividends paid and other distribution of profit		
To parent company shareholders	-19,814	-33,967
To non-controlling shareholders	-175	-93
Cash flow from financing activities (C)	-18,451	-33,744
Increase/decrease in cash and cash equivalents (A+B+C)	-12,099	-6,733
Cash and cash equivalents at beginning of period	46,817	53,255
Cash and cash equivalents at end of period	34,718	46,522
Net change in cash and cash equivalents	-12,099	-6,733

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
2023, EUR 1,000								
1.1.2023	125	-13,285	18,831	23	195,228	200,922	-400	200,521
Total comprehensive income for the financial period		1,550		25	18,899	20,474	2,620	23,094
Earnings for the period					18,899	18,899	2,620	21,519
Other comprehensive income items		1,550		25		1,575		1,575
Distribution of profit					-19,814	-19,814	-175	-19,989
Dividend EUR 0.70/share					-19,814	-19,814		-19,814
Distribution of profit for subgroup						-	-175	-175
Share-based payments payable as equity					427	427		427
Transactions with non-controlling interests					1,636	1,636	227	1,863
Other					13	13	3	16
30.9.2023	125	-11,735	18,831	48	196,389	203,658	2,274	205,932
2022, EUR 1,000								
31.12.2021	125	-1,285	18,831	-18	212,782	230,435	-687	229,747
Changes to previous periods *)					-1,196	-1,196		-1,196
Implementation of IFRS 17 standard					-2,154	-2,154		-2,154
1.1.2022	125	-1,285	18,831	-18	209,433	227,085	-687	226,398
Total comprehensive income for the financial period		-13,970		113	14,945	1,088	647	1,735
Earnings for the period					14,945	14,945	647	15,591
Other comprehensive income items		-13,970		113		-13,856		-13,856
Distribution of profit					-33,967	-33,967	-93	-34,060
Dividend EUR 1.20/share					-33,967	-33,967		-33,967
Distribution of profit for subgroup						-	-93	-93
Share-based payments payable as equity					283	283		283
Transactions with non-controlling interests					-110	-110	240	130
Other					-46	-46		-46
30.9.2022	125	-15,255	18,831	95	190,538	194,334	106	194,440

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

Segment information, earnings 1.7.–30.9.2023

1.7.-30.9.2023, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	6,484	5,052	1,432	3,430	377	10,292
Performance fees	-5	-	-5	-	-	-5
Investment operations	1,903	1,899	3	497	411	2,810
Total income	8,382	6,951	1,431	3,927	788	13,098
Fee and commission expense	-1,497	-1,024	-473	-	-7	-1,504
Personnel costs	-2,593	-1,894	-699	-256	-942	-3,791
Direct expenses	-1,624	-1,302	-322	-15	-574	-2,214
Depreciation, amortisation, and impairment	42	84	-42	-	66	107
Impairment losses on loans	-	-	-	-	-3	-3
Operating profit	2,710	2,815	-105	3,656	-673	5,693
Operating profit, %	32.3%	40.5%	neg	93.1%	neg	43.5%
Interest expenses	-	-	-	-	-194	-194
Allocation of financing expenses	-460	-312	-148	-475	935	-
Profit before tax	2,250	2,503	-253	3,181	68	5,499
Change in fair value of investments	41	41	-	1,497	-528	1,010
Profit before taxes and NCI at fair value	2,291	2,544	-253	4,678	-460	6,509

1.7.-30.9.2022, EUR 1,000

Continuing earnings	5,334	3,714	1,620	3,293	742	9,369
Performance fees	6,492	-	6,492	-	-	6,492
Investment operations	748	798	-50	1,611	7,540	9,898
Total income	12,574	4,512	8,062	4,904	8,282	25,760
Fee and commission expense	-2,232	-1,114	-1,118	-	-141	-2,374
Personnel costs	-2,454	-1,471	-983	-188	-981	-3,623
Direct expenses	-874	-415	-460	-21	-544	-1,439
Depreciation, amortisation, and impairment	-6	-3	-3	-	-6	-12
Impairment losses on loans	-	-	-	-	-2	-2
Operating profit	7,008	1,510	5,498	4,695	6,607	18,310
Operating profit, %	55.7%	33.5%	68.2%	95.7%	79.8%	71.1%
Interest expenses	-8	-7	-1	-	-195	-203
Allocation of financing expenses	-408	-300	-108	-475	883	-
Profit before tax	6,592	1,203	5,389	4,220	7,295	18,107
Change in fair value of investments	35	35	-	-1,055	-2,478	-3,498
Profit before taxes and NCI at fair value	6,627	1,238	5,389	3,166	4,817	14,609

Reconciliations

Reconciliation of total income, EUR 1,000	1.7.-30.9.2023	1.7.-30.9.2022
Total income of segments	13,098	25,760
Share of associates' profit or loss allocated to total income of segments	-136	-7,289
Transit items eliminated in segment reporting	537	475
Transfer of impairments to or out of total income	-	-183
Consolidated total income	13,498	18,763

Reconciliation of operating profit, EUR 1,000	1.7.-30.9.2023	1.7.-30.9.2022
Total earnings of segments before taxes and NCI	6,509	14,609
Change in fair value of investments	-1,010	3,498
Interest and other financing expenses (excl. IFRS 16)	204	210
IFRS 16 Leases ¹⁾	-4	3
Consolidated operating profit	5,699	18,320

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

Segment information, earnings 1.1.–30.9.2023

1.1.-30.9.2023, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	17,676	12,965	4,711	10,794	1,520	29,990
Performance fees	1,489	-	1,489	-	-	1,489
Investment operations	10,515	10,526	-11	2,634	4,029	17,178
Total income	29,680	23,491	6,189	13,428	5,549	48,657
Fee and commission expense	-4,879	-3,143	-1,736	-	-39	-4,918
Personnel costs	-8,793	-6,115	-2,678	-908	-2,355	-12,056
Direct expenses	-5,122	-3,694	-1,428	-42	-1,539	-6,703
Depreciation, amortisation, and impairment	22	73	-51	-	41	63
Impairment losses on loans	-	-	-	-	-40	-40
Operating profit	10,908	10,612	296	12,478	1,617	25,003
Operating profit, %	36.8%	45.2%	4.8%	92.9%	29.1%	51.4%
Interest expenses	-425	-425	-	-	-533	-959
Allocation of financing expenses	-1,274	-910	-364	-1,425	2,699	-
Profit before tax	9,209	9,277	-68	11,053	3,783	24,045
Change in fair value of investments	24	25	-	2,411	-473	1,963
Profit before taxes and NCI at fair value	9,233	9,301	-68	13,464	3,310	26,007

1.1.-30.9.2022, EUR 1,000

Continuing earnings	15,046	10,806	4,240	9,132	2,011	26,189
Performance fees	6,992	-	6,992	-	-	6,992
Investment operations	1,651	1,856	-206	-7,163	15,061	9,548
Total income	23,689	12,662	11,027	1,969	17,072	42,729
Fee and commission expense	-5,569	-3,393	-2,176	-	-290	-5,859
Personnel costs	-8,024	-4,673	-3,351	-492	-2,353	-10,870
Direct expenses	-3,429	-2,056	-1,373	-63	-2,020	-5,512
Depreciation, amortisation, and impairment	-366	-8	-358	-	-18	-385
Impairment losses on loans	-	-	-	-	-28	-28
Operating profit	6,301	2,531	3,769	1,413	12,362	20,076
Operating profit, %	26.6%	20.0%	34.2%	71.8%	72.4%	47.0%
Interest expenses	-12	-11	-1	-	-655	-666
Allocation of financing expenses	-1,404	-978	-426	-1,425	2,829	-
Profit before tax	4,885	1,543	3,342	-12	14,537	19,410
Change in fair value of investments	113	113	-	-12,862	-3,727	-16,476
Profit before taxes and NCI at fair value	4,998	1,656	3,342	-12,874	10,809	2,934

Reconciliations

Reconciliation of total income, EUR 1,000	1.1.-30.9.2023	1.1.-30.9.2022
Total income of segments	48,657	42,729
Share of associates' profit or loss allocated to total income of segments	-2,900	-6,389
Transit items eliminated in segment reporting	1,693	1,534
Transfer of impairments to or out of total income	-	-183
Consolidated total income	47,451	37,691

Reconciliation of operating profit, EUR 1,000	1.1.-30.9.2023	1.1.-30.9.2022
Total earnings of segments before taxes and NCI	26,007	2,934
Change in fair value of investments	-1,963	16,476
Interest and other financing expenses (excl. IFRS 16)	976	698
IFRS 16 Leases ¹⁾	-4	2
Consolidated operating profit	25,016	20,110

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

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

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 30.9.2023	Fair value 30.9.2023	Holding 30.9.2023
Renewable energy investments				
Truscott Gilliland East Wind	Shares and participations	10,973	10,662	7.0%
Taaleri SolarWind II	Shares and participations	2,658	2,658	0.9%
Taaleri Debt Ky	Shares and participations	3,000	3,579	15.0%
Bioindustry investments				
Fintoil Oy	Shares and participations	3,000	4,800	24.0%
Tracegrow Ltd	Shares and participations	1,992	2,184	7.9%
Tracegrow Ltd	Loan	200	206	-
WasteWise Group Oy	Shares and participations	3,650	3,555	34.1%
Taaleri Biocoal Development Ky	Shares and participations	1,500	1,447	12.4%
Strategic investments, EUR 1,000				
	Investment type	Purchase price 30.9.2023	Fair value 30.9.2023	Holding 30.9.2023
Aktia Bank Plc	Shares and participations	10,000	8,869	1.3%
Non-strategic investments EUR 1,000				
	Investment type	Purchase price 30.9.2023	Fair value 30.9.2023	Holding 30.9.2023
Real estate investments				
TT Canada RE Holdings Corporation	Loan	6,729	10,806	-
Sepos Oy	Shares and participations	2,834	711	30.0%
Sepos Oy	Loan	1,736	1,774	-
Turun Toriparkki Oy	Shares and participations	8,503	8,026	39.3%
Other investments				
Alisa Bank Plc	Shares and participations	5,460	5,274	17.3%

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

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

TAALERI

Taaleri Plc
Kasarmikatu 21 B
00130 Helsinki