

TAALERI

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Taaleri Plc Half-Year Financial
Report

1 January–30 June 2022

Taaleri Plc Half-Year Financial Report 1 Jan–30 June 2022

Unrealized changes in the fair value of investment operations weighed on income and operating profit, the assets under management grew by 6.3%

April–June 2022

- Continuing earnings decreased by 14.3% to EUR 9.3 (11.2) million. The continuing earnings of the Private Asset Management segment decreased by 14.4% to EUR 4.8 (5.6) million, and the continuing earnings of the Strategic Investments segment by 12.2% to EUR 4.0 (4.6) million.
- No performance fees were accrued during the review period and net income from investment operations was EUR 2.3 (3.2) million.
- Income was EUR 11.9 (14.3) million, a decrease of 17.3%.
- Operating profit was EUR 2.4 (5.4) million, corresponding to 20.5% of income.
- The assets under management in the Private Asset Management segment grew by 6.3% to EUR 2.4 (31.12.2021: 2.2) billion.
- Earnings per share were EUR 0.00 (3.94).

January–June 2022

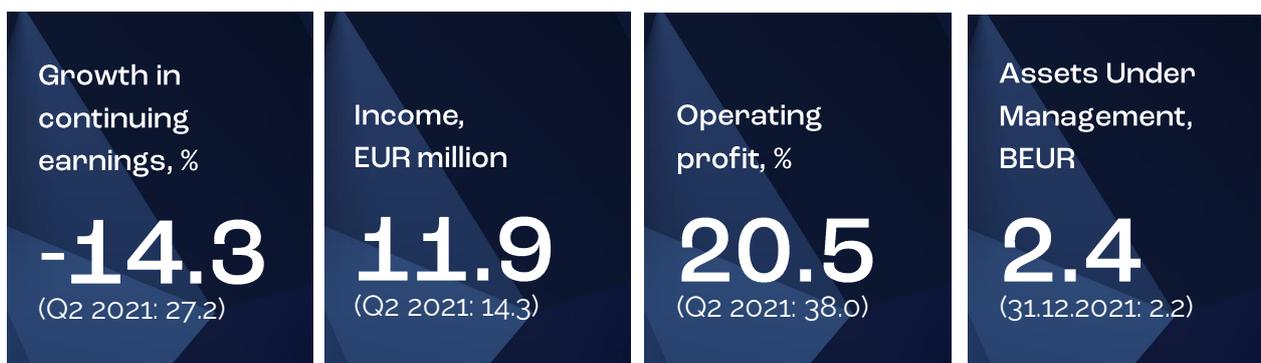
- Continuing earnings decreased by 6.0% to EUR 18.9 (20.1) million. The continuing earnings of the Private Asset Management segment decreased by 1.5% to EUR 9.7 (9.9) million, and the continuing earnings of the Strategic Investments segment by 3.5% to EUR 7.9 (8.2) million.
- Performance fees were EUR 0.5 (0.8) million and net income from investment operations was EUR -0.4 (7.1) million.
- Income was EUR 19.0 (28.0) million, a decrease of 32.1%.
- Operating profit was EUR 1.8 (11.3) million, corresponding to 9.3% of income.
- Earnings per share were EUR -0.05 (4.18).

This Half-Year Financial Report has been prepared in accordance with IAS 34. The Half-Year Financial Report is unaudited. See page 19 for further information of the accounting policies of this Half-Year Financial Report.

Key figures

Group key figures	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Earnings key figures							
Continuing earnings, MEUR	9.6	11.2	-14.3	18.9	20.1	-6.0	40.7
Income, MEUR	11.9	14.3	-17.3	19.0	28.0	-32.1	69.7
Operating profit, MEUR	2.4	5.4	-55.4	1.8	11.3	84.3	30.8
Operating profit, %	20.5	38.0		9.3	40.3		44.2
Profit for the period in consolidated income statement, MEUR	0.0	114.1	-99.9	-1.1	120.9	n/a	136.1
Return on equity*, %	0.2	262.6		-1.1	138.2		75.0
Balance sheet key figures							
Equity ratio, %	67.8	72.3		67.8	72.3		72.1
Other key figures							
Cost/income ratio excluding investment operations	100.6	83.8		91.3	85.6		77.9
Cost/income ratio	81.2	65.3		93.0	63.8		58.3
Full-time personnel in continuing operations, at the end of the period	99	107	-7.5	99	107	-7.5	104
Assets under management in Private Asset Management segment, BEUR	2.4	2.1		2.4	2.1		2.2
Guaranty insurance portfolio, BEUR	1.7	1.7		1.7	1.7		1.7

* Annualised



Review by CEO Peter Ramsay

In the second quarter of 2022, we continued to promote our strategy that focuses on renewable energy, real estate and bioindustry. Our operating profit was EUR 2.4 million, corresponding to a profit margin of 21%. The Group's continuing earnings decreased mainly due to the closing of the Taaleri SolarWind II fund in the comparison period. Changes in the fair values in the Strategic Investments segment weighed on the Group's income and operating profit. The decrease in the fair values of investments is due to, among other things, the rise in interest rates, which has affected the valuations of Garantia's investment portfolio.

Operationally, we progressed according to plan in the second quarter despite the changes and uncertainties in the operating environment. Our strategy works well also in the current situation. Europe's desire to break away from Russian gas, oil and coal will increase the demand for renewable energy as well as for bioindustry products, which in the long term will support our private asset management business.

Income in the Private Asset Management segment increased some 9%, but operating profit declined due to the investments made in growing the business.

During the second quarter, the renewable energy business focused, for example, on advancing projects of the Taaleri SolarWind II fund that were in the construction phase. Additionally, the building of the project development portfolio continues according to plan and at the end of the review period our portfolio already included 14 projects. Marketing for the next fund, Taaleri SolarWind III, will be launched this autumn.

During the second quarter, the real estate business carried out two new investments in Aktia's special mutual funds that are portfolio-managed by the real estate business, as well as the first investment in Taaleri Housing Fund VIII that invests in rental housing under construction.

The first fund of the bioindustry business, Taaleri Bioindustry I, did very well to reach the target size of EUR 80 million in its first round of funding and continues to raise funds supported by strong demand. The successful fundraising is an achievement for Taaleri and Aktia's cooperation. The decision by Finnish Climate Fund to become an anchor investor reflects the fund's ambitious goals with regard to climate change mitigation and sustainable investment. The fund's first investments are intended to be made in the third quarter.

Fintoil, a Taaleri associated company, in June concluded a significant sales contract with the Swiss company VARO Energy. At the same time, Taaleri and VARO Energy agreed on strategic cooperation. The sales contract covers a significant part of the Fintoil's refinery's crude fatty acid production. Crude fatty acid can be transformed into second-generation biofuels.

In the Strategic Investments segment, Garantia's net income from insurance operations fell despite a growth experienced in the sales of guaranty insurance. Once again, the combined ratio, which describes the profitability of insurance operations, was excellent at 31.0%. Garantia's net income from investment operations continued to suffer, in particular, from rising interest rates and changes in risk premiums, but most of the investment losses were unrealized changes in fair value.

During the second quarter, we recognized an earn-out from the Finsilva holding sold in 2016 of EUR 6.7 million. Additionally, we announced that we will sell our stake in Ficolo Ltd and exit Taaleri Datacenter Ky. The deal was concluded after the review period in July, and from it Taaleri will record income of a total of approximately EUR 14 million in the third quarter.

I am especially pleased that in the first half of the year we were able to launch Taaleri's first employee share savings plan and as much as 75% of those working at Taaleri enrolled for the plan. This contributes to expanding the company's ownership base among Taaleri employees while helping to align the interests of shareholders and personnel. Additionally, we want to motivate our highly skilled employees and to commit them long-term to Taaleri.

Outlook and financial targets

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

Taaleri's long-term targets include:

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

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

Operating environment and market prospects

Development of the global economy and of the capital markets is surrounded by a high degree of uncertainty. The higher prices of energy and consumables caused by the war in Ukraine and by the COVID-19 pandemic have accelerated inflation. This has prompted central banks to tighten monetary policy, which can lead to slowdown of economic growth and to recession. In terms of the supply of energy, Europe is also facing a difficult winter.

In our view, demand for alternative asset classes will remain strong, as they allow to diversify risks and even out returns. Any possible recession can, however, affect the willingness of some customer groups to invest in long-term, illiquid products. Sustainability and impact will continue to be very important requirements for investors. Furthermore, the EU's Sustainable Finance Regulation, among other factors, guides both investors and financial actors towards sustainable investments.

Taaleri has no business operations or investments in Russia or in Ukraine, and the changed geopolitical situation has not had any direct impact on our business. Europe's desire to break away from Russian gas, oil and coal and to increase its self-sufficiency will strengthen the operating environment for renewable energy and bioindustry, in particular.

Sustainability and impact will continue to be very important requirements for investors. Furthermore, the EU's sustainable finance regulation, among other factors, guides both investors and financial actors towards sustainable investments.

In the renewable energy business, the war in Ukraine, higher interest rates and accelerating inflation all increase the costs of project development and project construction while the higher energy prices yield more revenue from wind farms and solar farms. The war in Ukraine has had no real impact on investor views on the investment opportunities provided by renewable energy.

In the real estate business, the war in Ukraine has not slowed down the transaction market, and so far there has been no change in the interest in domestic investments from foreign investors. The immediate impacts of the war were felt in the risen price of energy and in the increased costs of real estate maintenance and construction, as well as in projects slowing because of a shortage of raw materials. On the other hand, index-linked rents offer lessors an inflation-proof lease cash flow. Financing for real estate investments has been relatively easy to obtain. The greatest changes in the review period focused on increased financing costs.

For the bioindustry business, the trends remained favourable. The war in Ukraine may affect the timetables and costs of potential target companies' and investments' near-future projects, owing to developments such as the poor availability of some raw materials. Sustainability, ESG-consciousness, and self-sufficiency, particularly in energy production, will continue to be at the core of the operating environment in future. In the operating environment of Taaleri associated company Fintoil's biorefinery in Hamina, to be launched in the third quarter, the rise in the prices of raw materials levelled out, and the refining margins of tall oil refining remained stable.

The operating environment and market situation of Garantia Insurance Company Ltd's insurance business remained stable in the first half of the year despite economic uncertainty and the difficult geopolitical situation. In Finland, the housing market conditions continued to be reasonably positive despite waning consumer trust. 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. The investment market was, however, volatile during the review period and, due to rising interest rates and the widening of risk premiums, the changes in the fair values of fixed-income investments were negative.

Financial result

Continuing earnings, income, and operating profit

Group, EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Continuing earnings	9.6	11.2	-14.3%	18.9	20.1	-6.0%	40.7
Private Asset Management	4.8	5.6	-14.4%	9.7	9.9	-1.5%	20.1
Strategic Investments	4.0	4.6	-12.2%	7.9	8.2	-3.5%	17.6
Other	0.7	1.0	-23.2%	1.3	2.0	-37.8%	3.0
Income	11.9	14.3	-17.3%	19.0	28.0	-32.1%	69.7
Private Asset Management	5.8	5.3	8.7%	11.1	10.5	5.8%	31.0
Strategic Investments	-1.1	7.3	n/a	-0.9	14.3	n/a	30.3
Other	7.1	1.7	312.5%	8.8	3.2	175.4%	8.4
Operating profit	2.4	5.4	-55.4%	1.8	11.3	-84.3%	30.8
Private Asset Management	-0.7	-0.1	399.3%	-0.7	0.3	n/a	7.5
Strategic Investments	-2.3	6.1	n/a	-3.3	11.9	n/a	24.4
Other	5.5	-0.5	n/a	5.8	-0.9	n/a	-1.0

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 28–29.

April–June 2022

The Group's continuing earnings for April–June increased over the first quarter of the year but decreased 14.3% to EUR 9.6 (11.2) million year on year. The continuing earnings for the comparison period included EUR 0.9 million in non-recurring fees from the final closing of the Taaleri SolarWind II fund as well as management fees from Taaleri Housing Fund VI that was sold in July 2021. The Private Asset Management segment's continuing earnings decreased by 14.4%, and in the Strategic Investments segment they decreased by 12.2%. The net income from the Group's investment operations stood at EUR 2.3 (3.2) million, of which EUR 6.7 million was accrued as an earn-out from the Finsilva holding sold in 2016, and EUR -5.1 (2.7) million from the Strategic Investments segment. The loss recognized from the investment operations in the Strategic Investments segment was due to unrealized fair-value changes totalling EUR -5.5 (2.6) million. The Group's income fell in the review period to EUR 11.9 (14.3) million.

In April–June, the Private Asset Management segment recognized a total of EUR 0.5 million in write-downs. In the review period, a total of EUR 0.2 million in previously activated costs in respect of unrealized renewable energy business development projects, and goodwill in the amount of EUR 0.3 million as a result of the winding up of the infrastructure business, were written down. Additionally, the management fee profit sharing agreements of the Taaleri Wind II and Taaleri Wind III funds were bought out with a cost effect of EUR 0.2 million, and a non-recurring expense of EUR 0.2 million from the earn-out of holding in Finsilva was recognized under the Other group. The ongoing IT-system projects also burdened the profit for the review period.

In other respects, the Group's operating expenses remained at the level of the comparison period at EUR 9.4 (8.9) million, of which personnel costs amounted to EUR 4.3 (4.2) million. The Group's operating profit excluding investment operations was EUR 0.1 (2.3) million, corresponding to 1.5% (20.5) of income excluding investment operations. The Group's operating profit was EUR 2.4 (5.4) million, corresponding to 20.5% (38.0) of income.

In the consolidated income statement, which applies the IFRS 5 standard, income from continuing operations fell 24.3% to EUR 12.9 (17.0) million. Net income from insurance operations totalled EUR 0.1 (6.7) million, which included EUR 4.0 (4.5) million in net income from guaranty insurance operations and EUR -3.9 (2.2) million in net income from investment operations. Return on investment at fair value from insurance operations was -7.2% (2.0). In the consolidated income statement, profit from continuing operations was EUR 0.1 (2.3) million, profit from discontinued operations was EUR 0.0 (11.7) million, profit for the period was EUR 0.1 (11.1) million, and the Group's total comprehensive income was EUR -7.2 (115.1) million.

January–June 2022

The Group's continuing earnings decreased by 6.0% to EUR 18.9 (20.1) million, with a decline of 1.5% in the Private Asset Management segment and a decline of 3.5% in the Strategic Investments segment. A total of EUR 0.5 (0.8) million in performance fees was recognized from the divestment of the Taaleri Daycare Properties Fund in March. Net income from investment operations stood at EUR -0.4 (7.1) million, of which EUR 6.7 million was accrued as an earn-out from the Finsilva holding sold in 2016 and EUR -8.8 (6.1) million in the Strategic Investments segment. The majority of the loss recognized from the investment operations of the Strategic Investments segment was due to unrealized fair-value changes totalling EUR -8.3 (5.1) million. The Group's income fell in the review period to EUR 19.0 (28.0) million.

The Group's operating profit was EUR 1.8 (11.3) million, corresponding to 9.3% of income. The Group's operating expenses were EUR 17.2 (16.7) million, of which personnel costs amounted to EUR 8.4 (8.4) million. The Group's operating profit excluding investment operations was EUR 2.1 (4.2) million, corresponding to 10.9% (19.9) of income excluding investment operations.

In the consolidated income statement, which applies the IFRS 5 standard, income from continuing operations fell 28.1% to EUR 21.0 (29.2) million. Net income from insurance operations totalled EUR 1.6 (13.8) million, consisting of net income from guaranty insurance operations of EUR 7.9 (8.1) million and net income from investment operations of EUR -6.3 (5.6) million. Return on investment at fair value from insurance operations was -11.2% (4.1). In the consolidated income statement, profit from continuing operations was EUR -1.1 (6.0) million, profit from discontinued operations was EUR 0.0 (114.9) million, profit for the period was EUR -1.1 (120.9) million, and the Group's total comprehensive income was EUR -12.2 (121.7) million.

Balance sheet, investments, and financing

At the end of the review period, the Group's cash and cash equivalents totalled EUR 26.1 (53.3) million, and Taaleri Group's balance sheet total was EUR 269.3 (318.7) million. The investments were EUR 199.8 (221.5) million, corresponding to 74.2% (69.5) of the Group's balance sheet total. The liabilities of the Group totalled EUR 86.8 (89.0) million, of which interest-bearing liabilities were EUR 14.9 (14.9) million.

During the review period EUR 34.0 million in dividends was paid to the Taaleri shareholders, and Taaleri Group's equity at the end of the review period was EUR 182.5 (229.7) million. The Group's equity ratio remained strong at 67.8% (72.1), and the Group's annualized return on equity during the review period stood at -1.1% (138.2).

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 28–29.

Private Asset Management

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

Private Asset Management, EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Continuing earnings	4.8	5.6	-14.4%	9.7	9.9	-1.5%	20.1
Performance fees	0.0	0.0	-100.0%	0.5	0.8	-38.3%	11.4
Investment operations	1.0	-0.3	n/a	0.9	-0.2	n/a	-0.5
Income	5.8	5.3	8.7%	11.1	10.5	5.8%	31.0
Operating profit	-0.7	-0.1	399.3%	-0.7	0.3	n/a	7.5
Allocation of financing expenses	-0.4	-0.5	-21.6%	-1.0	-1.0	-3.9%	-2.3
Profit before tax	-1.1	-0.7	69.9%	-1.7	-0.7	131.1%	5.2
Full-time personnel, at the end of the period	63	67	-6.0%	63	67	-6.0%	67

Private Asset Management segment's investments, EUR million	30.6.2022	31.12.2021	Change, %
Investments and receivables, fair value	28.1	33.1	-15.2%
Renewable energy	18.7	15.9	17.7%
Real estate	0.2	6.5	-97.4%
Bioindustry	8.7	6.8	28.4%
Other investments	0.5	3.9	-87.7%

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

Renewable energy

Renewable energy, EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Continuing earnings	3.6	4.3	-17.2%	7.1	7.5	-5.5%	15.2
Performance fees	0.0	0.0	0.0%	0.0	0.8	-100.0%	6.2
Investment operations	0.8	-0.0	n/a	1.1	-0.0	n/a	0.6
Income	4.3	4.3	0.9%	8.2	8.3	-1.7%	22.0
Operating profit	0.4	0.8	-53.4%	1.0	1.5	-30.3%	7.6
Allocation of financing expenses	-0.3	-0.4	-19.0%	-0.7	-0.7	-7.1%	-1.5
Profit before tax	0.1	0.4	-82.8%	0.3	0.7	-53.7%	6.1
Full-time personnel, at the end of the period	35	37	-5.4%	35	37	-5.4%	36
Assets under management, EUR billion	1.3	1.2		1.3	1.2		1.2

April–June 2022

Continuing earnings from the renewable energy business decreased by 17.2% to EUR 3.6 (4.3) million, with the comparison period including EUR 0.9 million in non-recurring fees from the final closing of the Taaleri SolarWind II fund. Income from the renewable energy business grew by 0.9% to EUR 4.3 (4.3) million as a result of the positive changes in exchange rates that affected the net income from investment operations. Operating expenses totalled EUR 4.0 (3.5) million, of which fee and commission expenses were EUR 1.3 (1.1) million and personnel costs were EUR 1.7 (1.4) million. Fee and commission expenses include a non-recurring expense of EUR 0.2 million from the buying out of the management fee profit sharing agreements of the Taaleri Wind II and Taaleri Wind III funds, while other direct costs include EUR 0.2 million in write-downs from unrealized development projects. Operating profit for the renewable energy business was EUR 0.4 (0.8) million, corresponding to 8.7% (18.8) of income.

During the review period, the renewable energy business focused on advancing the Taaleri SolarWind II fund's projects that are in the construction phase in Finland, Lithuania and Croatia. The projects in Finland and Croatia progressed according to plan, while in Lithuania the construction is on hold as a result of one turbine falling and the related investigation process is ongoing with the power plant supplier. In the review period, two new projects were successfully added to Taaleri Energia's project development portfolio.

January–June 2022

Continuing earnings from the renewable energy business decreased by 5.5% to EUR 7.1 (7.5) million, with the comparison period including EUR 0.9 million in non-recurring fees, and income decreased by 4.5% to EUR 3.8 (4.0) million. Performance fees in the six-month period completed were EUR 0.0 (0.8) million and net income from investment operations was EUR 1.1 (-0.0) million. Operating expenses totalled EUR 7.1 (6.8) million, of which fee and commission expenses were EUR 2.3 (2.1) million and personnel costs were EUR 3.2 (3.1) million. Fixed personnel costs were EUR 2.3 (2.3) million and variable personnel costs were EUR 0.9 (0.9) million. Operating profit for the renewable energy business in January–June was EUR 1.0 (1.5) million, corresponding to 12.5% (17.7) of income.

During the review period, the renewable energy business focused on advancing the Taaleri SolarWind II fund's projects that are in the construction phase and on operating the completed projects of all its funds. The Taaleri SolarWind II fund's projects that are in the construction phase in Finland, Croatia and the United States progressed according to plan during the review period, and the Escalade wind farm in Texas entered production in March. In Lithuania the construction is on hold as a result of one turbine falling and the related investigation process is ongoing with the power plant supplier. In December 2021, Taaleri announced that Taaleri Energia had secured EUR 44 million in funding for wind and solar power project development. The building of the project development portfolio has started as planned, and at the end of the review period the portfolio included 14 projects. The aim of the renewable energy business is to increase the project development portfolio to some 25–30 projects.

Other private asset management

Other private asset management, EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Continuing earnings	1.3	1.3	-5.4%	2.6	2.4	11.1%	4.9
Performance fees	0.0	0.0	-100.0%	0.5	0.0	>100.0%	5.2
Investment operations	0.2	-0.3	n/a	-0.2	-0.2	-3.5%	-1.2
Income	1.5	1.0	41.4%	3.0	2.2	34.1%	9.0
Operating profit	-1.1	-0.9	14.0%	-1.7	-1.2	48.3%	-0.2
Allocation of financing expenses	-0.1	-0.1	-28.2%	-0.3	-0.3	3.7%	-0.7
Profit before tax	-1.2	-1.1	8.5%	-2.0	-1.5	39.0%	-0.9
Full-time personnel, at the end of the period	29	30	-3.3%	29	30	-3.3%	31
Assets under management, EUR billion	1.1	0.9		1.1	0.9		1.0

April–June 2022

Continuing earnings from Taaleri's real estate, bioindustry and other businesses in the second quarter decreased by 5.4% to EUR 1.3 (1.3) million, with the comparison period including management fees from Taaleri Housing Fund VI that was sold in July 2021. Income increased by 41.4% to EUR 1.5 (1.0) million as a result of the strong performance of investment operations. In line with its strategy, Taaleri is investing in the growth of the private asset management business, and this is reflected on a front-loaded basis in the increase in the number of employees and personnel costs. The operating expenses of Other Private Asset Management totalled EUR 2.5 (2.0) million, of which personnel costs amounted to EUR 1.2 (0.9) million and fee and commission expenses to EUR 0.4 (0.7) million. The operating expenses include a EUR 0.3 million write-down of goodwill as a result of the winding up of the infrastructure business. Operating profit from Taaleri's real estate, bioindustry and other businesses stood at EUR -1.1 (-0.9) million.

In the real estate business, Aktia continued to sell Taaleri Housing Fund VIII, and in May the fund acquired a residential development comprising 76 apartments to be constructed at Kirstinpuisto in Turku. Additionally, the real estate business carried out two new investments in Aktia's special mutual funds that are portfolio-managed by the real estate business.

Fundraising for the bioindustry business's first private equity fund, Taaleri Bioindustry I, continued successfully during the review period and the fund reached its target size of EUR 80 million already in the first round of funding. Climate Fund, a state-owned special assignment company, made the decision to become an anchor investor in the Taaleri Bioindustry I fund, investing in it EUR 10 million now, and if the fund reaches the total size of EUR 100 million, Climate Fund will invest in the fund an additional EUR 5 million. Climate Fund took the decision to invest after a comprehensive due diligence process.

Additionally, Fintoil, a Taaleri's associated company, in June concluded a significant sales contract with the Swiss company VARO Energy. In the same connection, Taaleri and VARO Energy agreed on strategic cooperation.

January–June 2022

Continuing earnings from Taaleri's real estate, bioindustry and other businesses in the first half of the year grew by 11.1% to EUR 2.6 (2.4) million, and EUR 0.5 (0.0) million in performance fees was recognized from the sales of Taaleri Daycare Properties fund units. Income increased by 34.1% to EUR 3.0 (2.2) million. 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. The operating expenses of Other private asset management totalled EUR 4.7 (3.4) million, of which personnel costs amounted to EUR 2.4 (1.4) million and fee and commission expenses to EUR 1.1 (1.4) million. Operating profit was EUR -1.7 (-1.2) million.

In the review period, the real estate business carried out a sale of Taaleri Daycare Properties fund units and, additionally, made new investments both in Aktia's special mutual funds that are portfolio-managed by the real estate business and in Taaleri's own closed private equity funds. Investment activity of Taaleri Housing Fund VIII, which invests in rental housing under construction, was launched by making the first investment in the fund.

The bioindustry business's first private equity fund, Taaleri Bioindustry I, attained its target size of EUR 80 million in its first round of funding that was completed in the review period. In March, Taaleri made a EUR 1.0 million seed investment in the Finnish company Nordtreat, which manufactures environmentally-friendly and non-toxic flame retardants. The investment in Nordtreat opens up investment opportunities for Taaleri Bioindustry I, which is in the fundraising phase.

During the review period, the bioindustry business launched more detailed planning works for Joensuu Biocoal Oy, a bioindustry plant to be built in Joensuu as a co-investment project. The decision to invest in this torrefied biomass plant was made in January. Additionally, Fintoil, a Taaleri associated company, in June concluded a significant sales contract with the Swiss company VARO Energy and Taaleri and VARO Energy agreed on strategic cooperation.

Taaleri's private equity funds in a table

Renewable energy, EUR million	Founded	Product	Business area	AUM Q2 2022	Stage of the fund
Taaleri SolarWind II	2019	Private equity fund	Renewable energy		Investing period
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		Investing period
Taaleri Wind Fund IV Ky	2019	Co-investment fund	Renewable energy		Investing period
Managed accounts	2019-	Managed accounts	Renewable energy		Invested
Renewable energy total				1,272	
Other private asset management, EUR million	Founded	Product	Business area	AUM Q2 2022	Stage of the fund
Taaleri Real Estate Development Fund Ky	2015	Private equity fund	Real estate		Invested
Taaleri Forest Fund III Ky	2014	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		Investing period
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				764	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry		Investing period
Joensuu Biocoal	2021	Co-investment	Bioindustry		Fundraising
Taaleri Bioindustry I Ky	2021	Private equity fund	Bioindustry		Fundraising
Bioindustry total				133	
Other funds total				200	
Other private asset management total				1,096	
Taaleri's Private Asset Management segment total, EUR million				2,368	

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	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Continuing earnings	4.0	4.6	-12.2%	7.9	8.2	-3.5%	17.6
Performance fees	-	-	-	-	-	-	-
Investment operations	-5.1	2.7	n/a	-8.8	6.1	n/a	12.7
Income	-1.1	7.3	n/a	-0.9	14.3	n/a	30.3
Operating profit	-2.3	6.1	n/a	-3.3	11.9	n/a	24.4
Allocation of financing expenses	-0.5	-0.3	78.1%	-1.0	-0.7	42.5%	-1.8
Profit before tax	-2.8	5.8	n/a	-4.2	11.2	n/a	22.6
Full-time personnel, at the end of the period	19	21	-10.9%	19	21	-10.9%	22

Garantia

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

Garantia, EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Net income from guaranty insurance operations	4.0	4.5	-11.6%	7.9	8.1	-3.2%	17.6
- of which Earned premiums, net	4.0	4.4	-8.1%	8.0	8.2	-2.8%	17.9
- of which Claims incurred, net	0.0	0.2	-95.9%	-0.1	-0.1	39.9%	-0.3
Net income from investment operations	-3.9	2.2	n/a	-6.3	5.6	n/a	10.3
Other income	-0.0	0.0	n/a	-0.0	0.0	n/a	0.0
Income	0.1	6.8	-98.6%	1.6	13.8	-88.3%	27.9
Operating expenses	-1.2	-1.2	5.2%	-2.4	-2.4	-1.2%	-5.9
Operating profit	-1.2	5.6	n/a	-0.8	11.4	n/a	22.0
Allocation of financing expenses	-0.5	-0.3	78.1%	-1.0	-0.7	42.5%	-1.8
Profit before tax	-1.6	5.3	n/a	-1.7	10.7	n/a	20.2
Return on investments at fair value, %	-7.0	0.8	n/a	-11.8	0.5	n/a	-1.0
Result at fair value before tax	-8.6	6.1	n/a	-13.5	11.3	n/a	19.3
Full-time personnel, at the end of the period	19	21	-10.9%	19	21	-10.9%	22

Garantia	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Claims ratio, %	-0.2%	-4.1%	3.9%-p.	1.3%	0.9%	0.4%-p.	1.7%
Expense ratio, %	31.1%	27.2%	3.9%-p.	29.8%	29.3%	0.5%-p.	33.1%
Combined ratio, %	31.0%	23.1%	7.9%-p.	31.1%	30.2%	0.9%-p.	34.8%
Return on investments at fair value, %	-7.2%	2.0%	-9.2%-p.	-11.2%	4.1%	-15.3%-p.	6.1%

Garantia	30.6.2022	31.12.2021	Change, %
Investment portfolio, fair value, MEUR	145	170	-14.9%
Guaranty insurance portfolio, MEUR	1,742	1,695	2.8%
Solvency ratio, %	237.8%	219.2%	18.6%-p.
Credit rating (S&P)	A-	A-	-

April-June 2022

Garantia's income in April-June 2022 was EUR 0.1 (6.8) million. The net income from guaranty insurance operations decreased by 11.6% from the period of comparison and amounted to EUR 4.0 (4.5) million. The decrease resulted from decreased premiums earned. Earned premiums decreased as result of the change in the provision for unearned premiums, which was larger than in the period of comparison. The growth in the provision for unearned premiums was attributable to the guaranty insurance exposure focusing more on consumer exposure. Net income from investment operations decreased to EUR -3.9 (2.2) million. During the review period, net income from investment operations was exceptionally weak as a result of pronounced increases in market interest rates, widening credit spreads and declining equity prices.

Operating expenses were EUR 1.2 (1.2) million, of which personnel expenses were EUR 0.7 (0.8) million. The operating profit was EUR -1.2 (5.6) million. The result at fair value before tax was EUR -8.6 (6.1) million. The combined ratio was 31.0% (23.1).

January-June 2022

Garantia's income in January-June 2022 was EUR 1.6 (13.8) million. The net income from guaranty insurance operations decreased by 3.2% from the period of comparison and amounted to EUR 7.9 (8.1) million. The decrease resulted from decreased premiums earned. Net income from investment operations decreased to EUR -6.3 (5.6) million. During the review period, net income from investment operations was exceptionally weak due to pronounced increases in market interest rates, widening credit spreads and declining equity prices.

Operating expenses were EUR 2.4 (2.4) million, of which personnel expenses were EUR 1.4 (1.6) million. The operating profit was EUR -0.8 (11.4) million. The result at fair value before tax was EUR -13.5 (11.3) million. The combined ratio was 31.1% (30.2).

Insurance operations

Garantia's earned premiums decreased by 2.8% in January-June 2022 compared to the corresponding period last year and amounted to EUR 8.0 (8.2) million. Earned premiums decreased as result of the change in the provision for unearned premiums, since the provision for unearned premiums was larger than in the period of comparison. The growth in the provision for unearned premiums was attributable to the guaranty insurance exposure focusing more on consumer exposure.

Gross guaranty insurance exposure grew by 2.8% during the first half of the year and amounted to EUR 1,742 (1,695) million at the end of June. The amount of consumer exposures in the portfolio increased and the amount of corporate exposures decreased, according to the company's strategy. Of the total guaranty insurance exposure at the end of June, EUR 1,242 (1,130) million, or 71% (67), was made up of consumer exposure and EUR 500 (565) million, or 29% (33) of corporate exposure. The consumer exposure includes residential guarantees and rent guarantees. The corporate exposure includes corporate loan guarantees, commercial bonds, and other business-related guarantees.

Claims incurred in January–June amounted to EUR 0.1 (0.1) million. Claims ratio was 1.3% (0.9), and the ratio of claims, as a percentage of the guaranty insurance exposure¹, was 0.01% (0.01). The level of claims incurred in the review period remained low.

The expense ratio decreased in January–June to 29.8% (29.3) and the combined ratio stood at 31.1% (30.2).

Investment operations

Net income from investment operations amounted to EUR -6.3 (5.6) million in the review period, and mainly consisted of interest income, fair value changes and realized gains and losses. The change in the fair value of investment assets recognized in comprehensive income before taxes was EUR -11.8 (0.5) million. Hence, net investment income at fair value totalled EUR -18.1 (6.2) million, resulting in a return of -11.2% (4.1). Financial markets were volatile in the review period. Equity markets declined and fixed-income investments saw impairments due to rising interest rates and widening credit risk spreads. At the end of June, the fair value of the investment portfolio was EUR 145 (170) million. The reduction in the value of investment assets was mainly a result of negative changes in fair value and the EUR 15.0 million dividend paid to the parent company in the review period.

Risk position

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

The risk position of Garantia's guaranty insurance operations has remained stable. Of the company's total gross guaranty insurance exposure of EUR 1,742 (1,695) million in the end of June, EUR 1,242 (1,130) million, or 71% (67), was made up of consumer exposures, and EUR 500 (565) million, or 29% (33), of corporate exposures. In consumer exposures the company's underwriting risk relates to the credit risk of households. In corporate exposures underwriting risk relates to the credit risk of companies and other organisations.

Regarding the risk position of the consumer exposure, the most central factor is the company's residential mortgage guarantee portfolio. There have been no material changes in the risk position of this portfolio. The portfolio is well diversified by counterparty, geographical location of collateral property and underwriting year. The creditworthiness of the counterparties in the portfolio is very good on average. The credit risks of the portfolio are also managed through an excess-of-loss type portfolio reinsurance arrangement.

At the end of June, the share of corporate exposures rated BB- or better made up 71.2 per cent (78.4) of corporate exposures. The share of exposures with investment grade ratings of AAA...BBB- amounted to 24.7 per cent (20.6) of all rated corporate exposures. The share of exposures with weak ratings of C+ or lower remained near the levels seen in the beginning of the year and stood at 3.2 per cent (3.9). The creditworthiness of the corporate counterparties in the company's guaranty insurance portfolio has remained good on average, although the uncertainty in the operating environment, induced by the war in Ukraine, has negatively impacted the economic outlook of some individual corporate counterparties.

The principal industry sectors in the corporate portfolio were manufacturing at 29.9 per cent (28.3), construction at 21.9 per cent (25.6), and trade at 12.0 per cent (10.4). The shares of other industry sectors were all less than 10 per cent.

In investment operations, investment allocation was kept conservative, as in previous years, and the share of fixed income investments was increased. At the end of June, fixed income investments made up 87.5 per cent (83.2), equity & private equity investments 11.5 per cent (15.9) and real estate investments 1.0 per cent (0.9) of the investment portfolio (incl. cash, bank balances and accrued interest). 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 fixed income investments also include bond funds that invest in government debt securities. The proportion of investment grade-rated fixed income investments was 71.7 per cent (73.4). The modified duration of the bond investments was 3.0 (3.9).

¹ The ratio of claims as a percentage of total guaranty insurance exposure is based on Garantia's FAS accounts, where claims expense also includes operating expenses attributable to claims handling. The total guaranty insurance exposure figure used is that from the end of the review period.

Credit rating

On 11 October 2021, Standard & Poor's Global Ratings (S&P) confirmed Garantia Insurance Company's credit rating as A- with a stable outlook². There have been no changes in the credit rating or the outlook since.

Shareholding in Aktia Bank Plc

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

Shareholding in Aktia Bank Plc, EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Continuing earnings	-	-	-	-	-	-	-
Performance fees	-	-	-	-	-	-	-
Investment operations	-1.2	0.5	n/a	-2.5	0.5	n/a	2.4
Income	-1.2	0.5	n/a	-2.5	0.5	n/a	2.4
Operating profit	-1.2	0.5	n/a	-2.5	0.5	n/a	2.4
Profit before tax	-1.2	0.5	n/a	-2.5	0.5	n/a	2.4

April–June 2022

Taaleri's shareholding in Aktia Bank Plc was received on 30 April 2021 as part of the transaction amount as a result of the sale of the wealth management operations. In April–June the shareholding produced EUR -1.7 (0.5) million negative change in fair value and EUR 0.5 (0.0) million of dividends. The closing price for Aktia's share at the end of the review period was EUR 9.24 (31.12.2021: 12.28) and the market value of the shareholding was EUR 8.9 (12.0) million.

January–June 2022

Taaleri's shareholding in Aktia Bank Plc was received on 30 April 2021 as part of the transaction amount as a result of the sale of the wealth management operations. In January–June the shareholding produced EUR -3.0 (0.5) million negative change in fair value and EUR 0.5 (0.0) million of dividends.

Other

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. On 30 June 2022, Taaleri's non-strategic investments totalled EUR 35.7 (23.7) million. The increase in the portfolio during the review period is mainly due to the transfer of real estate and other investments from the Private Asset Management segment's investments to non-strategic investments amounting EUR 8.2 million and the capitalization of Fellow Bank Plc amounting EUR 2.5 million. The Group investments are presented in further detail under segment information on page 30.

Other, EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Continuing earnings	0.7	1.0	-23.2%	1.3	2.0	-37.8%	3.0
Performance fees	-	-	-	-	-	-	-
Investment operations	6.4	0.8	>100.0%	7.5	1.2	>100.0%	5.4
Income	7.1	1.7	312.5%	8.8	3.2	175.4%	8.4
Operating profit	5.5	-0.5	n/a	5.8	-0.9	n/a	-1.0
Profit before tax	6.1	-0.8	n/a	7.2	-1.0	n/a	0.7
Full-time personnel, at the end of the period	17	18	-5.5%	17	18	-5.5%	15

Non-strategic investments, EUR million	30.6.2022	31.12.2021	Change, %
Investments and receivables, fair value	35.7	23.7	50.9%
Real estate	22.0	12.9	70.9%
Other investments	13.7	10.8	27.0%

April–June 2022

In second quarter of the year, the income of the Other group totalled EUR 7.1 (1.7) million, consisting of continuing earnings of EUR 0.7 (1.0) million and net income from investment operations of EUR 6.4 (0.8) million. The main part of the net income of the investment operations accrued from the earn-out from the Finsilva holding sold in 2016 of EUR 6.7 million. Taaleri continued to divest non-strategic investments and further decreased its holding in Betolar Plc during the review period.

² The credit rating concerns the company's Issuer Credit Rating (ICR), Financial Strength Rating (FSR) and Financial Enhancement Rating (FER).

The operating expenses were EUR 1.7 (2.2) million, including EUR 0.6 (1.1) million of personnel costs. External interest and finance costs decreased to EUR 0.2 (1.0) million. The Other group's operating profit in the review period was EUR 5.5 (-0.5) million.

January–June 2022

In first half of the year, the income of the Other group totalled EUR 8.8 (3.2) million, of which the continuing earnings were EUR 1.3 (2.0) million. The net income from investment operations were EUR 7.5 (1.2) million due to the earn-out of EUR 6.7 million received from the Finsilva holding. Taaleri continued to divest non-strategic investments and further decreased its holding in Betolar Plc during the review period.

The operating expenses were EUR 3.0 (4.1) million, including EUR 1.4 (2.3) million of personnel costs. External interest and finance costs decreased to EUR 0.5 (1.8) million. The Other group's operating profit in the review period was EUR 5.8 (-0.9) million.

Sustainability

Focuses in 2022

- We set concrete climate targets and developing impact measurement more broadly
- We continue the integration of sustainability work into business and reporting
- We promote the wellbeing at work of Taaleri employees
- We commit significant partners to Taaleri's sustainability goals

Progress Q2/2022

- We drafted the emission reduction goals of Taaleri's NZAM commitment with respect to Taaleri's direct emissions and emissions from assets under management.
- We carried out an occupational well-being survey covering our entire personnel
- We continued to provide training to employees on sustainability issues both at Group level and at the businesses
- We launched an extensive sustainability risk and human rights analysis
- We developed the ESG risk management process and the ESG-related due diligence processes

In the second quarter, in our sustainability efforts we prioritized the promotion of our Net Zero Asset Managers (NZAM) commitment as well as the work to prepare for the new obligations imposed by the EU's Sustainable Finance Disclosure Regulation (SFDR) that will enter into force at the start of 2023.

We drafted Taaleri's net zero goals for our Scope 1, 2 and 3 emissions, as well as planned measures to cut emissions. The goals will be published by the end of October.

In order to prepare for the obligations introduced by the SFDR, we created internal verification tools for use by the Group's businesses and we published on our website a statement on how investment decisions take account of the principal adverse sustainability impacts. Furthermore, we continued developing the data collection processes for the purpose of measuring and monitoring sustainability impacts.

We updated and developed business-specific internal and external guidelines and policies regarding ESG issues and the management of climate risks and sustainability risks. Covering the entire Group, we launched a mapping of climate, sustainability and human rights risks. Based on this risk mapping, we will be updating our key sustainability policies and evaluating the adequacy of our existing processes while continuing to develop them.

Additionally, we carried out ESG training events focused on all our personnel and businesses whilst preparing ESG training materials and documents intended for continuous use. ESG training is a compulsory component of the basic induction intended for Taaleri employees. These training events are employed to ensure that everyone working at Taaleri understands their responsibilities and role in attaining Taaleri's ESG goals.

We also conducted an occupational well-being survey covering the entire Group, the results of which were reviewed with our personnel in August. The results showed significant improvement over last year. On the basis of the survey, Taaleri's employees are thriving and the likelihood of working capacity risks is extremely low. Our employees consider that Taaleri's strengths include motivating work, mental well-being and an inspiring culture. Among other areas, development is still needed with workload issues and the management of employees' own time and work, yet systematic improvement was achieved with these in comparison with the previous assessment.

Annual General Meeting 2022

Taaleri Plc's Annual General Meeting was held on 6 April 2022 in Helsinki.

Decisions of Taaleri Plc's Annual General Meeting

The General Meeting adopted the financial statements for the 2021 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 1.20 per share be paid based on the balance sheet adopted for the financial year ended 31 December 2021. The dividend was paid to shareholders who on the dividend record date of 8 April 2022 were entered as shareholders in the company's shareholder register held by Euroclear Finland Ltd. The dividend was paid on 20 April 2022.

Deciding on the remuneration of members of the Board of Directors

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

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

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

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

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

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

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

Current members of Board of Directors, Elina Björklund, Petri Castrén, Juhani Elomaa, Hanna Maria Sievinen and Tuomas Syrjänen, were re-elected to the Board of Directors. Further, Jouni Takakarhu was elected as a new member of the Board.

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

The General Meeting decided to elect Juhani Elomaa as the chairperson of the Board of Directors and Hanna Maria Sievinen as a deputy chairperson.

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 company.

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

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

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

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

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

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

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

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

This authorisation cancels the authorisation to purchase the company's own shares issued at the General Meeting of 25 March 2021.

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 2023.

This authorisation cancels the authorisation regarding the share issue issued at the General Meeting on 25 March 2021.

The maximum ratio between fixed and variable components of remuneration

The General Meeting decided that a maximum ratio limit of 200% concerning the ratio between fixed and variable components of remuneration as decided by the General Meeting on 28 February 2017 will not be applied to employees of Taaleri Plc or its subsidiaries.

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.

Taaleri's personnel

The number of full-time employees in the Group's continuing operations at the end of the review period was 99 (107). The number of full-time employees in the Private Asset Management segment was 63 (67) and in the Strategic Investments segment 19 (22). The number of full-time employees in the Other group was 17 (18). 96% (97) of the personnel were employed in Finland.

Taaleri Group's personnel costs in April–June were EUR 4.3 (4.2) million, of which fixed personnel costs were EUR 3.5 (3.5) million. In January–June, Taaleri Group's personnel costs remained at the level of the comparison period at EUR 8.4 (8.4) million, of which fixed personnel costs were EUR 6.5 (6.4) million.

The Board of Directors of Taaleri Plc decided on 6 April 2022, to launch a new stock option plan directed to the CEO of the company. The company has a weighty financial reason for the issue of stock options, since the stock options are intended to

form part of the incentive and commitment program for the CEO. The purpose of the stock options is to encourage the CEO to work on a long-term basis to increase the shareholder value. The purpose of the stock options is also to retain the CEO at the company. The share subscription price for stock options 2022A, 2022B, and 2021C is the trade volume weighted average quotation of the share on Nasdaq Helsinki Ltd during 7 April–9 May 2022, which is EUR 11.02. The dividends and capital returns paid will be deducted from the share subscription price.

The theoretical market value of the stock options is approximately 530,000 euros in total:

- stock option 2022A; EUR 1.4713 per option,
- stock option 2022B; EUR 1.8251 per option, and
- stock option 2022C; EUR 1.9982 per option.

During the first half of the year, Taaleri launched an employee share savings plan, and 75 percent of Taaleri employees signed up for the program. The objective of the share savings plan is to offer the Group's employees the opportunity to invest a part of their regular salary in the company's shares. By encouraging employees to purchase and own the company's shares, the company aims to strengthen the link between Taaleri's shareholders and employees.

Changes In Taaleri's management

On 11 April 2022, Taaleri Plc announced changes in Taaleri's Executive Management Team. Taaleri appointed Mikko Ervasti as the Group's Head of Sales and a member of the Executive Management Team. He took up his position on 2 May 2022. In addition, Taaleri's General Counsel Janne Koikkalainen resigned. Koikkalainen will continue as Taaleri's General Counsel for the time being and will be available to Taaleri, if necessary, until 15 December 2022. After the end of the review period, Taaleri announced the appointment of Pasi Erlin as the new Group's General Counsel and member of the Executive Management Team. He will take up his position on 12 September 2022.

Shares and share capital

Taaleri's share on Nasdaq Helsinki

1-6/2022	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	4,306,382	50,413,436	14.82	9.68	11.71	9.73

* Volume weighted average

Taaleri's share has been listed on Nasdaq Helsinki, among mid-cap companies, since 2016. The trading code is TAALA. On 30 June 2022, the company possessed 45,000 (45,000) treasury shares. At the end of the review period, the company had 9,607 (7,695) shareholders.

On 30 June 2022, Taaleri Plc's shareholders' equity was EUR 125,000.00 and the company had 28,350,620 registered shares.

Share price development

The chart represents the price development of Taaleri's share since listing from April 20, 2013, to June 30, 2022.



Capital adequacy

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

Taaleri Private Equity Funds Ltd and Taaleri Energia Funds Management Ltd are licensed as alternative fund managers by the Financial Supervisory Authority. Garantia Insurance Company Ltd is an insurance company operating under the supervision of the Finnish Financial Supervisory Authority. 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.

Solvency according to the Insurance Companies Act (Solvency II)

Garantia's solvency strengthened during the first half of the year. The company's basic own funds amounted to EUR 106.6 (117.0) million at the end of June. Solvency capital requirement was EUR 44.8 (53.4) million. The solvency ratio, or the ratio of basic own funds to the solvency capital requirement, was 237.8 per cent (219.2).

In the first half of the year, basic own funds decreased due to the loss reported for the period and due to decreased fair values of investment assets. The solvency capital requirement decreased as a consequence of diminished capital requirements for market risk and a reduction in the capital add-on. The decrease in the capital requirement for market risk was mainly attributable to the decreased value of investment assets and allocation changes made in the investment portfolio.

Garantia's solvency capital requirement has included a capital add-on set by the Financial Supervisory Authority as of 30 June 2018. The Financial Supervisory Authority reassesses the capital add-on at least annually. Most recently, The Financial Supervisory Authority, through a decision made on 17 June 2022, reset Garantia's capital add-on at EUR 11.7 (15.6) million. The new capital add-on has been applied from 30 June 2022 onwards. The Financial Supervisory Authority considers the company's own economic capital requirement for underwriting risk, when assessing the amount of the 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 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. The strong transition to renewable energy may intensify competition in project development and, in turn, increase costs. Interest rates have risen, risk premiums have increased, and inflation has accelerated, which may cause uncertainty in the global economy and fluctuations in capital markets. The impact of the pandemic is expected to diminish as COVID-19 restrictions have been lifted despite the spread of new variants.

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

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

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 39 on pages 86–96 of the 2021 financial statements, which is attached to the 2021 annual report.

Material events after the financial period

On 1 July 2022, Taaleri Plc announced the appointment of Pasi Erlin as the new Group's General Counsel and member of the Executive Management Team. He will take up his position on 12 September 2022.

On 7 July 2022, Taaleri Plc announced that Finland's Ministry of Economic Affairs and Employment has approved the sale of Ficolo Ltd to Digital 9 Infrastructure plc. Taaleri Plc announced in April that it sells its stake in Ficolo Ltd and exits Taaleri Datacenter Ky, through which Taaleri and its co-investors have owned a total of 47 per cent of Ficolo. The company is sold for an enterprise value of approximately EUR 135 million. Taaleri estimates that it will record a total income of approximately EUR 14 million in the third quarter from the transaction and as performance fees from the co-investment it manages. The transaction was closed in July.

Helsinki, 19 August 2022
Taaleri Plc
Board of Directors

Additional info

CEO Peter Ramsay, +358 50 343 7493, peter.ramsay@taaleri.com
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Head of Communications and IR Siri Markula, +358 40 743 2177, siri.markula@taaleri.com

Webcast presentation for analysts and media

A live webcast for analysts and the media will be held on August 19, 2022, at 11:00 a.m. The event is in English. The webcast can be followed online at: <https://taaleri.videosync.fi/results-q2-2022>. The event will be recorded and available later on Taaleri's investor pages at www.taaleri.com/investors/reports-and-presentations.

Taaleri in brief

Taaleri is a Nordic investment and asset manager with an emphasis on renewable energy and other alternative investments. We channel capital towards economically profitable undertakings that have a lasting positive impact on the environment and society. We combine capital with talent, expertise, entrepreneurship, and a bold sense of purpose. We are a signatory of the UN Principles for Responsible Investment (UNPRI) since 2010, and we joined the Net Zero Asset Managers initiative in 2021. Taaleri's vision is to be a Nordic forerunner in alternative investments focusing on sustainability.

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

Taaleri has EUR 2.4 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 Half-Year Financial Report

Taaleri's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This Half-Year Financial Report has been prepared in accordance with IAS 34. The Half-Year Financial Report is unaudited. The Half-Year Financial Report has been published in Finnish and English. The Finnish Half-Year Financial Report is official and is used if there is a discrepancy between the language versions. All figures in the Half-Year Financial Report have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The accounting policies of the Half-Year Financial Report are substantially the same as those presented in Taaleri's financial statements for 2021, except for the amendments to IFRS standards that came into force on 1 January 2022 or later. The revised standards and interpretations do not have a material impact on the reported result or financial position.

New and revised standards to be applied later: IFRS 17

IFRS 17 Insurance Contracts was issued on 18 May 2017, was endorsed by the EU on 19 November 2021 and the standard will become applicable on 1 January 2023. The IFRS 17 was issued as replacement for IFRS 4 Insurance Contracts. The overall objective of IFRS 17 is to provide better information on the financial position and profitability of insurance companies. The purpose is to increase the transparency and improve the comparability of financial statements. The accounting in IFRS 17 differs in principle from both the calculation methods under IFRS 4, and the calculation methods under Solvency II, used by Insurance companies to calculate capital adequacy, resulting in mutually different valuations of Insurance liabilities in the frameworks. IFRS 17 harmonizes the accounting for insurance liabilities and the application of local accounting policies will no longer be allowed. Under IFRS 17 the measurement of the insurance liability will be at fair value.

According to the preliminary assessment, Taaleri intends to apply the general model in accordance with IFRS 17 (Building Block Approach, BBA) in the valuation of all insurance contracts, and to divide the insurance contracts into four portfolios according to the product groups applied in its business. The portfolio division is based on the similarity of the risks and the fact that the contracts are managed jointly. According to the preliminary assessment, Taaleri intends to apply a modified retrospective approach to the majority of its insurance contracts and a full retrospective approach to some groups of insurance contracts granted in the past few years. Taaleri intends to apply a fair value approach to one portfolio of insurance contracts for a small number of contracts granted before 2018.

According to the preliminary assessment, the adoption of the standard is not expected to have a material impact on the Group's result for the financial year or the Group equity.

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 5, and the result of discontinued operations is reported separately from income and expenses from continuing operations. The key figures for the comparison periods have been adjusted accordingly. The key figures regarding the consolidated income statement presented in the explanatory part of this Half-Year Financial Report have been calculated on the basis of the Group's segment reporting, unless otherwise stated.

	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Income, EUR 1,000	12,883	17,025	20,967	29,163	72,629
Operating profit (-loss), EUR 1,000	2,439	3,778	1,794	9,232	28,785
- as percentage of income	18.9%	22.2%	8.6%	31.7%	39.6%
Segments' operating profit excluding investment operations, EUR 1,000	143	2,288	2,119	4,161	13,234
- as percentage of segments' income	1.5%	20.5%	10.9%	19.9%	25.4%
Net profit for the period, EUR 1,000	83	114,073	-1,142	120,902	136,126
- as percentage of income	0.6%	670.0%	-5.4%	414.6%	187.4%
Basic earnings per share, EUR	0.00	4.02	-0.05	4.27	4.81
Diluted earnings per share, EUR	0.00	3.94	-0.05	4.18	4.71
Return on equity % (ROE) ¹⁾	0.2%	262.6%	-1.1%	138.2%	75.0%
Return on equity at fair value % (ROE) ¹⁾	-14.1%	265.0%	-11.8%	139.2%	74.8%
Return on assets % (ROA) ¹⁾	0.1%	159.7%	-0.8%	85.2%	46.4%
Cost/income ratio	81.9%	66.5%	93.4%	64.1%	58.9%
Cost/income ratio excluding investment operations	100.4%	98.9%	91.7%	94.5%	80.7%
Price/earnings (P/E) ¹⁾	2,036.4	0.7	-91.7	1.3	2.3
Full-time employees, at the end of the period	99	107	99	107	104
Equity ratio -%	67.8%	72.3%	67.8%	72.3%	72.1%
Net gearing -%	-6.1%	-19.6%	-6.1%	-19.6%	-16.7%
Equity/share, EUR	6.46	7.68	6.46	7.68	8.14
Dividend or distribution of funds /share, EUR ²⁾	-	-	-	1.00	2.20
Dividend or distribution of funds / earnings, %	-	-	-	23.4%	45.8%
Effective dividend yield, %	-	-	-	9.3%	19.6%
Loan receivables, EUR 1,000	6,516	5,303	6,516	5,303	6,021
Conglomerate's capital adequacy ratio, % ³⁾	-	349.6%	-	349.6%	-
Number of shares at the end of period ⁴⁾	28,305,620	28,305,620	28,305,620	28,305,620	28,305,620
Average number of shares ⁴⁾	28,305,620	28,305,620	28,305,620	28,305,620	28,305,620
Share average price, EUR	11.57	10.85	11.71	9.87	10.15
- highest price, EUR	14.82	12.50	14.82	12.50	12.50
- lowest price, EUR	9.68	9.52	9.68	7.80	7.80
- closing price, EUR	9.73	10.75	9.73	10.75	11.20
Market capitalization, EUR 1,000 ⁴⁾	275,414	304,285	275,414	304,285	317,023
Shares traded, thousands	2,054	2,820	4,306	5,397	7,826
Shares traded, %	7%	10%	15%	19%	28%

1) Annualized.

2) Distribution of funds EUR 2.20 per share for the financial year 2021 is distributed as follows: Decision of the Annual General Meeting on the dividend for the result of the financial year 2021 EUR 1.20 per share and an additional dividend and return of capital of EUR 1.00 per share distributed in the summer of 2021.

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

4) Reduced by own shares acquired.

Insurance operations key figures

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

EUR 1,000	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net income from insurance	4,008	4,531	7,880	8,139	17,561
Earned premiums, net	4,000	4,351	7,983	8,212	17,865
Claims incurred, net	7	180	-103	-74	-304
Other income	-8	25	-2	27	44
Net income from investment operations	-3,906	2,211	-6,259	5,638	10,315
Operating expenses	-1,246	-1,184	-2,381	-2,410	-5,907
Allocation of financing expenses	-475	-267	-950	-667	-1,775
Profit before tax	-1,627	5,317	-1,713	10,727	20,237
Change in fair value of investments	-7,016	791	-11,807	539	-967
Profit before tax at fair value	-8,643	6,108	-13,520	11,266	19,270
Combined ratio, %	31.0%	23.1%	31.1%	30.2%	34.8%
Claims ratio, %	-0.2%	-4.1%	1.3%	0.9%	1.7%
Expense ratio, %	31.1%	27.2%	29.8%	29.3%	33.1%
Return on investments at fair value, %	-7.2%	2.0%	-11.2%	4.1%	6.1%
Solvency ratio (S2), % ¹⁾	237.8%	241.6%	237.8%	241.6%	219.2%
Insurance exposure, EUR million	1,742	1,725	1,742	1,725	1,695

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

Profit or loss attributable to ordinary shareholders of the parent company

Weighted average number of ordinary shares outstanding - repurchased own shares

Diluted earnings per share, EUR

Profit or loss attributable to ordinary shareholders of the parent company

Weighted average number of ordinary shares outstanding + dilutive potential ordinary shares - repurchased own shares

Alternative performance measures

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

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

(Segments' operating profit - segments' investment operations) x 100

(Segments' income - segments' investment operations)

Return on equity (ROE), %

Profit for the period x 100

Total equity (average of the beginning and end of the year)

Return on equity at fair value %, (ROE)

Total comprehensive income for the period x 100

Total equity (average of the beginning and end of the year)

Return on assets (ROA), %

Profit for the period x 100

Balance sheet total (average of the beginning and end of the year)

Cost/income ratio, %

Fee and commission expense + interest and other financing expense + administrative expenses + depreciation + other operating expenses

Total income + share of associates' profit or loss

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

Key figures for insurance operations

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

Consolidated income statement

EUR 1,000	Note	1.4- 30.6.2022	1.4- 30.6.2021	1.1- 30.6.2022	1.1- 30.6.2021
Fee and commission income	1	5,662	6,202	11,751	10,213
Net income from insurance	2	102	6,743	1,621	13,776
From guaranty insurance operations		4,008	4,531	7,880	8,139
From investment operations		-3,906	2,211	-6,259	5,638
Net gains or net losses on trading in securities and foreign currencies	3	6,157	567	4,951	1,036
Income from equity investments	4	586	3,026	1,844	2,940
Interest income	5	333	321	730	778
Other operating income	6	44	165	70	420
Total income		12,883	17,025	20,967	29,163
Fee and commission expense		-2,125	-1,654	-4,245	-2,007
Administrative expenses					
Personnel costs		-4,363	-5,507	-8,528	-9,771
Other administrative expenses		-1,681	-1,262	-2,910	-2,157
Depreciation, amortisation and impairment of tangible and intangible assets		-559	-196	-769	-376
Other operating expenses		-1,130	-1,420	-1,797	-2,377
Expected credit losses from financial assets measured at amortised cost	10	-20	-2,240	-26	-2,276
Impairment losses on loans and other receivables		-	-638	-	-638
Share of associates' profit or loss		-566	-329	-900	-329
Operating profit		2,439	3,778	1,794	9,232
Interest and other financing expenses		-232	-1,058	-488	-1,786
Income tax expense		-2,124	-396	-2,447	-1,445
Profit from continuing operations		83	2,324	-1,142	6,000
Discontinued operations					
Profit from discontinued operations (attributable to owners of the parent company)		-	111,749	-	114,902
Profit for the period		83	114,073	-1,142	120,902
Consolidated statement of comprehensive income		1.4- 30.6.2022	1.4- 30.6.2021	1.1- 30.6.2022	1.1- 30.6.2021
Profit for the period		83	114,073	-1,142	120,902
Items that may be reclassified to profit or loss					
Translation differences		57	-10	78	22
Changes in the fair value reserve		-7,016	791	-11,807	539
Income tax		1,403	-158	2,361	-108
Items that may be reclassified to profit or loss in total		-5,556	623	-9,368	454
Items that may not be reclassified to profit or loss					
Changes in the fair value reserve		-1,243	489	-1,249	481
Income tax		-450	-98	-449	-96
Items that may not be reclassified to profit or loss in total		-1,693	391	-1,698	385
Total comprehensive income for the period		-7,166	115,087	-12,207	121,740
Profit for the period attributable to:					
Owners of the parent company		34	113,920	-1,502	120,864
Non-controlling interests		50	153	360	38
Total		83	114,073	-1,142	120,902
Total comprehensive income for the period attributable to:					
Owners of the parent company		-7,215	114,934	-12,567	121,703
Non-controlling interests		50	153	360	38
Total		-7,166	115,087	-12,207	121,740
Earnings per share for profit attributable to the shareholders of the parent company		1.4- 30.6.2022	1.4- 30.6.2021	1.1- 30.6.2022	1.1- 30.6.2021
Basic earnings per share, continuing operations		0.00	0.08	-0.05	0.21
Diluted earnings per share, continuing operations		0.00	0.08	-0.05	0.21
Basic earnings per share, discontinued operations		0.00	3.95	0.00	4.06
Diluted earnings per share, discontinued operations		0.00	3.87	0.00	3.97
Basic earnings per share, profit for the period		0.00	4.02	-0.05	4.27
Diluted earnings per share, profit for the period		0.00	3.94	-0.05	4.18

Consolidated quarterly income statement

EUR 1,000	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Fee and commission income	5,662	6,089	16,642	5,355	6,202
Net income from insurance	102	1,519	8,363	5,736	6,743
From guaranty insurance operations	4,008	3,872	5,519	3,903	4,531
From investment operations	-3,906	-2,354	2,844	1,833	2,211
Net gains or net losses on trading in securities and foreign currencies	6,157	-1,206	3,845	3,157	567
Income from equity investments	586	1,258	585	-1,361	3,026
Interest income	333	397	388	309	321
Other operating income	44	26	421	26	165
Total income	12,883	8,084	30,245	13,221	17,025
Fee and commission expense	-2,125	-2,120	-4,267	-2,052	-1,654
Administrative expenses					
Personnel costs	-4,363	-4,164	-7,227	-3,676	-5,507
Other administrative expenses	-1,681	-1,229	-1,880	-1,258	-1,262
Depreciation, amortisation and impairment of tangible and intangible assets	-559	-210	-205	-207	-196
Other operating expenses	-1,130	-667	-1,596	-642	-1,420
Expected credit losses from financial assets measured at amortised cost	-20	-6	25	16	-2,240
Impairment losses on loans and other receivables	-	-	-11	-	-638
Share of associates' profit or loss	-566	-334	-398	-536	-329
Operating profit	2,439	-646	14,686	4,867	3,778
Interest and other financing expenses	-232	-257	-272	-304	-1,058
Income tax expense	-2,124	-322	-2,343	-1,411	-396
Profit from continuing operations	83	-1,225	12,071	3,153	2,324
Discontinued operations					
Profit from discontinued operations (attributable to owners of the parent company)	-	-	-	-	111,749
Profit for the period	83	-1,225	12,071	3,153	114,073
Consolidated statement of comprehensive income					
Profit for the period	83	-1,225	12,071	3,153	114,073
Items that may be reclassified to profit or loss					
Translation differences	57	21	24	24	-10
Changes in the fair value reserve	-7,016	-4,791	-1,425	-81	791
Income tax	1,403	958	285	16	-158
Items that may be reclassified to profit or loss in total	-5,556	-3,812	-1,116	-41	623
Items that may not be reclassified to profit or loss					
Changes in the fair value reserve	-1,243	-6	-40	-	489
Income tax	-450	1	8	-	-98
Items that may not be reclassified to profit or loss in total	-1,693	-4	-32		391
Total comprehensive income for the period	-7,166	-5,041	10,923	3,112	115,087
Profit for the period attributable to:					
Owners of the parent company	34	-1,536	11,997	3,226	113,920
Non-controlling interests	50	311	74	-74	153
Total	83	-1,225	12,071	3,153	114,073
Total comprehensive income for the period attributable to:					
Owners of the parent company	-7,215	-5,352	10,849	3,186	114,934
Non-controlling interests	50	311	74	-74	153
Total	-7,166	-5,041	10,923	3,112	115,087

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

Consolidated balance sheet

Assets, EUR 1,000	Note	30.6.2022	31.12.2021
Receivables from credit institutions	7, 8	26,059	53,255
Receivables from the public and general government	7, 8	6,516	6,021
Shares and units	7, 8	47,020	41,546
Assets classified as held for sale	9	-	5,246
Participating interests	7, 8, 15	9,590	8,889
Insurance assets	7, 8	143,944	168,973
Insurance assets		755	3,119
Investments		143,190	165,854
Intangible assets		358	711
Goodwill		347	696
Other intangible assets		11	15
Tangible assets		799	1,149
Owner-occupied properties		422	746
Other tangible assets		377	403
Other assets		13,907	13,669
Accrued income and prepayments		17,891	16,921
Deferred tax assets		3,201	2,343
		269,286	318,723

Liabilities, EUR 1,000	Note	30.6.2022	31.12.2021
Liabilities		86,780	88,975
Liabilities to the public and general government	7, 8	100	-
Insurance liabilities		40,840	39,421
Other liabilities		2,096	3,318
Accrued expenses and deferred income		12,366	14,172
Deferred tax liabilities		16,515	16,580
Derivative contracts		-	630
Subordinated debt	12	14,862	14,854
Equity Capital	13	182,506	229,747
Share capital		125	125
Reserve for invested non-restricted equity		18,831	18,831
Fair value reserve		-12,428	-1,285
Translation difference		60	-18
Retained earnings or loss		177,679	76,694
Profit or loss for the period		-1,502	136,088
Non-controlling interest		-258	-687
		269,286	318,723

Consolidated statement of cash flows

EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Cash flow from operating activities:		
Operating profit (loss)	1,794	9,232
Depreciation	421	376
Change in goodwill	348	-
Other adjustments		
Changes in fair value of investments	7,071	-5,382
Other adjustments	468	-455
Interest and other financing expenses	-115	-1,786
Cash flow before change in working capital	9,986	1,984
Change in working capital		
Increase (-)/decrease (+) in loan receivables	-2,093	1,203
Increase (-)/decrease (+) in current interest-free receivables	-699	1,815
Increase (+)/decrease (-) in current interest-free liabilities	-3,472	2,448
Cash flow from operating activities before financial items and taxes	3,723	7,450
Direct taxes paid (-)	-695	-1,907
Cash flow from operating activities from continuing operations	3,028	5,543
Cash flow from operating activities from discontinued operations	-	115,339
Cash flow from operating activities (A)	3,028	120,882
Cash flow from investing activities:		
Investments in tangible and intangible assets	-67	-376
Investments in subsidiaries and associated companies net of cash acquired	-2,406	-418
Other investments	6,116	704
Cash flow from investing activities from continuing operations	3,643	-91
Cash flow from investing activities from discontinued operations	-	-382
Cash flow from investing activities (B)	3,643	-473
Cash flow from financing activities:		
Changes in synthetic options	173	-1,305
Transactions with non-controlling interests	21	-
Decrease in debt securities issued to the public	-	-35,000
Decrease in non-current liabilities	-	-15,000
Dividends paid and other distribution of profit		
To owners of the parent company	-33,967	-37,363
To non-controlling shareholders	-93	-228
Cash flow from financing activities from continuing operations	-33,866	-88,896
Cash flow from financing activities from discontinued operations	-	-
Cash flow from financing activities (C)	-33,866	-88,896
Increase/decrease in cash and cash equivalents (A+B+C)	-27,196	31,513
Cash and cash equivalents at beginning of period	53,255	25,786
Cash and cash equivalents at end of period / Group	26,059	57,299
Net change in cash and cash equivalents	-27,196	31,513

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
2022, EUR 1,000								
31.12.2021	125	-1,285	18,831	-18	212,782	230,435	-687	229,747
Changes to previous periods *)					-1,242	-1,242		-1,242
1.1.2022	125	-1,285	18,831	-18	211,540	230,435	-687	228,506
Total comprehensive income for the financial period		-11,143		78	-1,502	-12,567	360	-12,207
Earnings for the period					-1,502	-1,502	360	-1,142
Other comprehensive income items		-11,143		78		-11,065		-11,065
Distribution of profit					-33,967	-33,967	-93	-34,060
Dividend of EUR 1.20/share					-33,967	-33,967		-33,967
Distribution of profit for subgroup							-93	-93
Share-based payments payable as equity					173	173		173
Transactions with non-controlling interests					-68	-68	162	94
30.6.2022	125	-12,428	18,831	60	176,177	182,764	-258	182,506
2021, EUR 1,000								
1.1.2021	125	-864	35,814	-89	99,215	134,202	-1,134	133,068
Total comprehensive income for the financial period		816		22	120,864	121,703	38	121,740
Earnings for the period					120,864	120,864	38	120,902
Other comprehensive income items		816		22		838		838
Distribution of profit			-16,983		-20,380	-37,363	-228	-37,591
Dividend EUR 0.72/share					-20,380	-20,380		-20,380
Return of capital EUR 0.60/share			-16,983			-16,983		-16,983
Distribution of profit for subgroup							-228	-228
Share-based payments payable as equity					-1,324	-1,324		-1,324
Transactions with non-controlling interests							635	635
Other					1	1	-2	-1
30.6.2021	125	-48	18,831	-66	198,377	217,218	-691	216,527

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

Segment information, earnings 1.4.–30.6.2022

1.4.-30.6.2022, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	4,834	3,568	1,266	3,999	735	9,568
Performance fees	-	-	-	-	-	-
Investment operations	961	774	188	-5,075	6,399	2,285
Total income	5,795	4,341	1,454	-1,076	7,133	11,852
Fee and commission expense	-1,699	-1,250	-449	6	-75	-1,768
Personnel costs	-2,940	-1,691	-1,249	-733	-638	-4,311
Direct expenses	-1,507	-1,022	-485	-516	-940	-2,963
Depreciation, amortisation, and impairment	-354	-3	-351	-3	-6	-363
Impairment losses on loans	-	-	-	-	-20	-20
Operating profit	-705	376	-1,081	-2,321	5,455	2,428
Operating profit, %	neg	8.7%	neg	neg	76.5%	20.5%
Interest expenses	-3	-3	-	-	-218	-221
Allocation of financing expenses	-400	-297	-103	-475	875	-
Profit before tax	-1,108	76	-1,184	-2,796	6,112	2,207
Change in fair value of investments	78	78	-	-7,016	-1,243	-8,181
Profit before taxes and NCI	-1,030	154	-1,184	-9,813	4,869	-5,974

1.4.-30.6.2021, EUR 1,000

Continuing earnings	5,648	4,309	1,338	4,556	956	11,160
Performance fees	14	-	14	-	-	14
Investment operations	-329	-5	-324	2,717	773	3,161
Total income	5,333	4,304	1,028	7,273	1,729	14,335
Fee and commission expense	-1,773	-1,075	-698	-	-70	-1,843
Personnel costs	-2,347	-1,403	-944	-769	-1,120	-4,236
Direct expenses	-802	-473	-329	-410	-1,015	-2,228
Depreciation, amortisation, and impairment	-17	-11	-6	-5	2	-20
Impairment losses on loans	-535	-535	-	-	-25	-559
Operating profit	-141	807	-948	6,089	-498	5,449
Operating profit, %	neg	18.8%	neg	83.7%	neg	38.0%
Interest expenses	-1	-1	-	-	-1,039	-1,040
Allocation of financing expenses	-510	-367	-143	-267	777	-
Profit before tax	-652	440	-1,092	5,822	-760	4,410
Change in fair value of investments	-	13	-13	791	489	1,281
Profit before taxes and NCI	-652	452	-1,105	6,614	-271	5,690

Reconciliations

Reconciliation of total income, EUR 1,000	1.4.-30.6.2022	1.4.-30.6.2021
Total income of segments	11,852	14,335
Share of associates' profit or loss allocated to total income of segments	566	329
Transactions between continuing and discontinued operations ¹⁾	-	-529
Transit items eliminated in segment reporting	465	571
Transfer of impairments to investment operations	-	2,318
Consolidated total income	12,883	17,025

Reconciliation of operating profit, EUR 1,000	1.4.-30.6.2022	1.4.-30.6.2021
Total earnings of segments before taxes and NCI	-5,974	5,690
Change in fair value of investments	8,181	-1,281
Interest and other financing expenses (excl. IFRS 16)	231	1,058
IFRS 16 Leases ²⁾	1	-3
Transactions between continuing and discontinued operations ¹⁾	-	73
Direct costs related to the sale of the discontinued operations ³⁾	-	-1,760
Consolidated operating profit	2,439	3,778

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

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

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

Segment information, earnings 1.1.–30.6.2022

1.1.-30.6.2022, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	9,712	7,092	2,620	7,878	1,269	18,859
Performance fees	500	-	500	-	-	500
Investment operations	903	1,059	-156	-8,774	7,521	-350
Total income	11,115	8,150	2,965	-896	8,790	19,009
Fee and commission expense	-3,337	-2,279	-1,058	6	-149	-3,480
Personnel costs	-5,570	-3,203	-2,368	-1,437	-1,372	-8,379
Direct expenses	-2,555	-1,642	-913	-945	-1,477	-4,977
Depreciation, amortisation, and impairment	-360	-6	-355	-5	-12	-378
Impairment losses on loans	-	-	-	-	-26	-26
Operating profit	-707	1,021	-1,728	-3,278	5,754	1,769
Operating profit, %	neg	12.5%	neg	neg	65.5%	9.3%
Interest expenses	-4	-4	-	-	-460	-464
Allocation of financing expenses	-996	-677	-318	-950	1,946	-
Profit before tax	-1,707	340	-2,047	-4,228	7,240	1,306
Change in fair value of investments	78	78	-	-11,807	-1,249	-12,978
Profit before taxes and NCI	-1,629	418	-2,047	-16,035	5,991	-11,672

1.1.-30.6.2021, EUR 1,000

Continuing earnings	9,861	7,503	2,358	8,165	2,040	20,066
Performance fees	811	797	14	-	-	811
Investment operations	-166	-5	-161	6,144	1,152	7,129
Total income	10,505	8,294	2,210	14,309	3,192	28,005
Fee and commission expense	-3,549	-2,131	-1,418	-	-178	-3,727
Personnel costs	-4,520	-3,139	-1,380	-1,583	-2,257	-8,359
Direct expenses	-1,572	-1,004	-569	-814	-1,604	-3,989
Depreciation, amortisation, and impairment	-29	-20	-10	-13	-2	-44
Impairment losses on loans	-534	-535	-	-	-61	-595
Operating profit	300	1,466	-1,166	11,899	-909	11,290
Operating profit, %	2.9%	17.7%	neg	83.2%	neg	40.3%
Interest expenses	-2	-2	-	-	-1,751	-1,753
Allocation of financing expenses	-1,037	-730	-307	-667	1,703	-
Profit before tax	-739	735	-1,473	11,233	-957	9,537
Change in fair value of investments	-	13	-13	539	481	1,020
Profit before taxes and NCI	-739	747	-1,486	11,772	-476	10,557

Reconciliations

Reconciliation of total income, EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Total income of segments	19,009	28,005
Share of associates' profit or loss allocated to total income of segments	900	329
Transactions between continuing and discontinued operations ¹⁾	-	-2,061
Transit items eliminated in segment reporting	1,059	571
Transfer of impairments to investment operations	-	2,318
Consolidated total income	20,967	29,163

Reconciliation of operating profit, EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Total earnings of segments before taxes and NCI	-11,672	10,557
Change in fair value of investments	12,978	-1,020
Interest and other financing expenses (excl. IFRS 16)	488	1,786
IFRS 16 Leases ²⁾	-1	-5
Transactions between continuing and discontinued operations ¹⁾	-	23
Direct costs related to the sale of the discontinued operations ³⁾	-	-2,109
Consolidated operating profit	1,794	9,232

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

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

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

Further information is provided below on Taaleri Group's own balance sheet investments, the fair value of which exceeds EUR one million 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 30.6.2022	Fair value 30.6.2022	Holding 30.6.2022
Renewable energy investments					
Truscott Gilliland East Wind	Shares and participations		10,973	10,906	7.0%
Taaleri SolarWind II	Shares and participations		2,194	2,194	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		1,124	1,145	-
Bioindustry investments					
Fintoil Oy	Shares and participations		3,000	3,000	24.0%
Tracegrow Ltd	Shares and participations		1,992	2,184	7.9%
Nordtreat Ltd	Shares and participations		1,000	1,000	12.1%
WasteWise Ltd	Loan		1,000	1,043	-
Strategic investments, EUR 1,000					
	Investment type		Purchase price 30.6.2022	Fair value 30.6.2022	Holding 30.6.2022
Aktia Bank Plc	Shares and participations		10,000	8,908	1.3%
Non-strategic investments EUR 1,000					
	Investment type		Purchase price 30.6.2022	Fair value 30.6.2022	Holding 30.6.2022
Real estate investments					
Taaleri Datacenter Ky (Ficolo ^{*)})	Shares and participations		2,900	2,917	21.3%
TT Canada RE Holdings Corporation	Loan		6,729	10,312	-
Sepos Oy	Shares and participations		2,834	2,812	30.0%
Sepos Oy	Loan		1,502	1,516	-
Turun Toriparkki Oy	Shares and participations		5,907	3,254	58.3%
Other investments					
Fellow Bank Plc	Shares and participations		5,460	7,751	17.3%
Taaleri Telakka Ky	Shares and participations		3,430	1,571	16.1%
Taaleri Infra I Ky	Shares and participations		1,950	1,842	50.0%

^{*)} On 25 April 2022, Taaleri Plc announced that it sells its stake in Ficolo Ltd and exits Taaleri Datacenter Ky, through which Taaleri and its co-investors have owned a total of 47 per cent of Ficolo. The company was purchased by Digital 9 Infrastructure plc for an enterprise value of approximately EUR 135 million. Taaleri estimates that it will record a total profit of approximately EUR 14 million in the third quarter from the transaction and as performance fees from the co-investment it manages. On 7 July 2022, Taaleri Plc announced that Finland's Ministry of Economic Affairs and Employment has approved the sale of Ficolo Ltd to Digital 9 Infrastructure plc. Taaleri Datacenter Ky has been consolidated into Taaleri Group using the equity method, and the transaction is not yet reflected in the value of the investment on 30 June 2022.

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021
Renewable energy investments				
Truscott Gilliland East Wind	Shares and participations	10,973	9,916	7.0%
Taaleri SolarWind II	Shares and participations	2,085	2,085	0.9%
Taaleri Debt Ky	Shares and participations	1,300	1,300	15.0%
Masdar Taaleri Generation d.o.o.	Shares and participations	1,174	1,174	50.0%
Real estate investments				
Sepos Oy	Shares and participations	2,500	2,534	30.0%
Sepos Oy	Loan	1,675	1,737	-
Turun Toriparkki Oy	Shares and participations	3,502	1,682	48.2%
Bioindustry investments				
Fintoil Oy	Shares and participations	3,025	3,025	24.2%
Tracegrow Ltd	Shares and participations	1,992	1,992	7.9%
Other investments				
Taaleri Infra I Ky	Shares and participations	1,950	1,881	50.0%
Strategic investments, EUR 1,000				
	Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021
Aktia Bank Plc	Shares and participations	10,000	11,968	1.4%
Non-strategic investments, EUR 1,000				
	Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021
Real estate investments				
Taaleri Datacenter Ky (Ficolo)	Shares and participations	2,900	2,910	22.6%
TT Canada RE Holdings Corporation	Loan	6,729	9,195	-
Other investments				
Inderes Plc	Shares and participations + Derivative contract	150	1,259	3.1%
Fellow Finance Plc	Shares and participations	2,974	5,246	25.7%
Taaleri Telakka Ky	Shares and participations	3,430	1,620	16.1%
Betolar Plc	Shares and participations	808	2,063	1.7%

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

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1 Fee and commission income

1.1.-30.6.2022, EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	10,586	7,767	2,819	-	665	11,251
Performance fees	500	-	500	-	-	500
Total	11,086	7,767	3,319	-	665	11,751

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

2 Net income from insurance

EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Earned premiums, net		
Premiums written	10,873	10,488
Reinsurers' share	-459	-500
Change in provision for unearned premiums	-2,580	-1,854
Reinsurers' share	149	78
Total	7,983	8,212
Claims incurred, net		
Claims paid	-921	-380
Reinsurers' share	471	99
Change in provision for outstanding claims	920	753
Reinsurers' share	-573	-545
Total	-103	-74
Net income from investment operations		
Financial assets at fair value through other comprehensive income (Available for sale)	155	1,811
Interest income	925	930
From dividends	-951	990
Others	181	-109
- of which change in expected credit loss	181	73
Financial assets at fair value through profit or loss	-6,415	3,827
Financial assets that need to be measured at fair value through profit or loss	-6,415	3,827
Interest income	535	561
Change in fair value	-7,127	3,208
Profit or loss from sales	-55	8
Other	232	51
Total	-6,259	5,638
Net income from insurance, total	1,621	13,776

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

Net gains or net losses on trading in securities, EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
From financial assets measured at fair value through profit or loss		
Financial assets that need to be measured at fair value through profit or loss	3,408	633
Total	3,408	633
Net gains or net losses on trading in securities and foreign currencies, EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Net gains or net losses on trading in securities by type		
From shares and units	3,408	633
Sales profit and loss	5,800	15
Changes in fair value	-2,392	618
Net gains or net losses on trading in securities, total	3,408	633
Net gains or net losses on trading in foreign currencies	1,543	403
Total	4,951	1,036

4 Income from equity investments

EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
From financial assets recognized at fair value in profit or loss	570	102
Dividend income	586	102
Profit or loss from divestments	-16	-
From assets classified as held for sale	1,244	1,108
Changes in fair value	1,244	1,108
From associated companies	30	-100
Profit or loss from divestments	30	-100
From group companies	-	1,830
Profit or loss from divestments	-	1,830
Total	1,844	2,940

5 Interest income

EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Interest income from other loans and receivables		
From receivables from the public and general government	721	720
From debt securities	-	43
From net investments in leases	9	6
Other interest income	1	9
Total	730	778

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

6 Other operating income

EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Rental income	-	2
Project sales	-	191
Other income	70	227
Total	70	420

7 Classification of financial assets and liabilities

Financial assets and liabilities 30.6.2022, EUR 1,000

Financial assets	Amortised cost	At fair value through other comprehensive income		At fair value through profit or loss		Total	Fair value
		Equity instruments ³⁾	Others	Equity instruments	Others		
Receivables from credit institutions ¹⁾	26,059					26,059	26,059
Receivables from the public and general government	4,267				2,249	6,516	6,516
Shares and units		8,647		38,373		47,020	47,020
Insurance assets			81,195	38,928	23,067	143,190	143,190
Other financial assets						27,694	
Financial assets total	30,326	8,647	81,195	77,301	25,316	250,479	
Participating interests						9,590	
Other than financial assets						9,217	
Assets in total 30.6.2022						269,286	

Financial liabilities	At fair value through profit or loss	Other liabilities	Total	Fair value
Liabilities to the public and general government		100	100	100
Subordinated debt		14,862	14,862	15,526
Other financial liabilities		12,931	12,931	
Financial liabilities total		27,892	27,892	
Other than financial liabilities			58,887	
Liabilities in total 30.6.2022			86,780	

Financial assets and liabilities 31.12.2021, EUR 1,000

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

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

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

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

³⁾ At initial recognition the Group's non-strategic investments are specifically classified as measured at fair value through profit or loss. Thus, dividend yields are recognised in profit or loss, but changes in fair value, foreign exchange rate gains and losses as well as sales gains and losses are recognised in other comprehensive income. These are not later recycled to profit or loss. The classification as a non-strategic investment is made instrument-by-instrument by management. Non-strategic investments include small investments in limited partnerships associated to Taaleri's private equity funds and equity investments in private companies not directly associated to Taaleri's business strategy. On 30 June 2022 the fair value of non-strategic investments were EUR 8,647 thousand (31 December 2021 EUR 979 thousand), of which none paid dividends in 2022 or 2021. No non-strategic investments were derecognized during the financial year.

8 Fair value of financial instruments

Fair value of assets 30.6.2022, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Receivables from credit institutions		26,059		26,059
Receivables from the public and general government		5,576	939	6,516
Shares and units	17,194		29,826	47,020
Insurance assets	135,793		7,397	143,190
Total	152,987	31,636	38,162	222,785

Fair value of liabilities 30.6.2022, EUR 1,000	Level 1	Level 2	Level 3	Fair value total
Liabilities to the public and general government		100		100
Subordinated debt		15,526		15,526
Total	-	15,626	-	15,626

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

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

Fair value hierarchy

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

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

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

Assets classified at level 3

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

Reconciliation of assets categorised within level 3, EUR 1,000	1.1.-30.6.2022	1.1.-31.12.2021
Fair value January 1	32,982	27,147
Purchases	4,487	9,810
Sales and deductions	-286	-2,707
Change in fair value - income statement	1,067	1,493
Change in fair value - comprehensive income statement	-88	475
Transfers to level 1	-	-3,236
Fair value at end of period	38,162	32,982

Unrealised gains or losses attributable to fair value measurements of assets or liabilities categorised within level 3 held at the end of the reporting period recognised in profit or loss, EUR 1,000	1.1.-30.6.2022	1.1.-31.12.2021
Net income from insurance	960	1,473
Net gains or net losses on trading in securities and foreign currencies	107	20
Total	1,067	1,493

9 Assets classified as held for sale

Assets classified as held for sale, EUR 1,000	30.6.2022	31.12.2021
Investments in associates	-	5,246
Total	-	5,246

As Taaleri's associated company Fellow Finance Plc was listed on the First North exchange in October 2018, Taaleri Plc decided to reclassify the holding as an asset held for sale. Taaleri Plc has promoted actively and continuously the sale. Fellow Finance Plc and Evli Bank Plc announced on 14 July 2021 that Fellow Finance Plc and Evli Pankki Plc's banking business will merge. The date of implementation of the arrangement was April 2, 2022. Taaleri's holding in the new Fellow Bank Plc is 17.6 per cent after the arrangement.

After the date of implementation of the arrangement, Taaleri will again apply IFRS 9 in the classification and recognition of Fellow Bank Plc's shares and will classify the share position as non-strategic for the Group, as Fellow Bank Plc's operations are not closely related to the Group's strategy. In accordance with Taaleri's accounting policies, such investments are specifically classified at fair value through other comprehensive income on initial recognition. In this case, dividend income is recognized in profit or loss, but changes in fair value, foreign exchange gains and losses and capital gains and losses are recognized in comprehensive income. Items recognized in other comprehensive income are not subsequently transferred to profit or loss. Fellow Bank Plc's shares are included in Taaleri's balance sheet in the Shares and units line item.

10 Impairment losses on receivables

EUR 1,000	Amortised cost	At fair value through other comprehensive income ¹⁾	Total
ECL 1.1.2022	2,920	460	3,380
Additions due to initial issue and purchases	60	35	95
Deductions due to derecognitions	-35	-187	-222
Changes in risk parameters	-	-29	-29
Recognised in profit or loss	26	-181	-156
ECL 30.6.2022	2,945	279	3,224

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

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

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

EUR 1,000	1.1.-30.6.2022	1.1.-31.12.2021
Received payments related to loans that have been written-off	-	50
Change in ECL	-26	-2,229
Realized credit losses	-	-56
Expected credit losses from financial assets measured at amortised cost recognised in profit or loss	-26	-2,235

11 Derivative contracts

Derivative risks

EUR 1,000	30.6.2022			
	Nominal value of underlying, gross	Fair value	Asset	Liability
Held for trading				
Equity-linked derivatives				
Options granted	-	-	-	-
Derivative contracts, total	-	-	-	-

The option granted was a call option on shares of Inderes Plc that Taaleri hold. At the balance sheet date 31 December 2021, Taaleri hold 50,364 Inderes Plc shares and all of the shares held were accompanied by a unilateral call option on the part of Inderes Plc. The option was valid until June 30, 2022 and it was exercised in May, 2022. Taaleri was committed to restrictions on the transfer of the number of shares subject to the option. The shares subject to the option had been valued at fair value and presented under Shares and units. The option had been valued at fair value and presented as a separate agreement under Derivative contracts.

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

12 Subordinated debts

EUR 1,000	30.6.2022	31.12.2021
Tier 2 bond	14,862	14,854
Total	14,862	14,854

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

13 Equity capital

Share capital

The company's share capital on 30 June 2022 was EUR 125,000 and the amount of shares 28,350,620. The company's shares do not have a nominal value. Taaleri Plc's shares are traded on the Nasdaq Helsinki main market. The shares' trading code is "TAALA" and ISIN code FI4000062195. The parent company possesses 45,000 of its own shares. All shares issued have been paid for in full. The group uses share-based incentive schemes. The company has not issued convertible bonds or other than the above-mentioned special rights.

14 Investments in subsidiaries

Changes in subsidiary shareholdings 1.1.–30.6.2022

Taaleri Plc established Taaleri Bioindustry Ltd during the review period and sold 25.0 per cent of the company to the key personnel in the bioindustry business. Additionally, Taaleri Investments Ltd sold part of its holding in Taaleri Kapitaali Oy to the company's minority shareholders, and Taaleri's holding in Taaleri Kapitaali Oy decreased to 50.0 (70.0) per cent.

During the review period, Taaleri decided to wind down the infrastructure business that was part of the Private Asset Management segment. As a result of the decision, Taaleri Private Equity Funds Ltd redeemed a 20.0 per cent non-controlling interest in Taaleri Infra I GP Oy, and the Taaleri Group wrote down of the goodwill arising from the company's acquisition in 2021 of EUR 348.7 thousand.

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

Changes in subsidiary shareholdings 1.1.–31.12.2021

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

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

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

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

	1.1.-30.6.2022	1.1.-31.12.2021
From an addition to the share owned in subsidiaries	-	-
From a reduction in the share owned in subsidiaries, without loss of control	-68	29
Net effect on equity	-68	29

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

15 Discontinued operations and sale of the subsidiary

Description of the sale of discontinued operations

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

Profit from discontinued operations

Profit from discontinued operations, EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Income	-	15,578
Expenses	-	-10,603
Operating profit	-	4,975
Income tax expense	-	-1,205
Profit after income tax of discontinued operations	-	3,769
Gain on sale of the subsidiary after income tax	-	111,133
Profit from discontinued operations	-	114,902

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

Details of the sale of the subsidiary

Sale of the subsidiary, EUR 1,000	1.1.-30.6.2022	1.1.-30.6.2021
Consideration received in cash	-	113,680
Consideration received in shares	-	10,000
Total disposal consideration	-	123,680
Carrying amount of net assets sold	-	12,548
Gain on sale before income tax	-	111,133
Income tax expense on gain	-	-
Gain on sale after income tax	-	111,133

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

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

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

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

16 Investments in associated companies

Changes in associated company shareholdings 1.1.–30.6.2022

On 30 June 2022 Taaleri had ten associated companies: Taaleri Datacenter Ky, Sepos Oy, Turun Toriparkki Oy, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Fintoil Oy, Taaleri SolarWind II SPV, Masdar Taaleri Generation, Surazo Sp.z o.o. and Domerel Nieruchomo ci Sp.z. None of these is considered material to the Group.

After the merger between Fellow Finance Plc and Evli Bank Plc that took place during the review period, Taaleri owns 17.5 per cent of the new Fellow Bank Plc, while at the beginning of the review period, Taaleri's holding in Fellow Finance Plc exceeded the associate company limit and was 25.7 per cent. Taaleri's shareholding in Turun Toriparkki Oy, on the other hand, increased to 58.3 percent during the review period, but Taaleri owns 48.2 per cent of the controlling shares, and therefore Turun Toriparkki Oy have been still consolidated into the Group using the equity method.

Other associated companies, with the exception of Fintoil Oy, have been consolidated into the Group using the equity method. Regarding the capital investment made in Fintoil Oy, a decision has been made to value the associated company at fair value with effect on profit and loss in accordance with IFRS 9. From the review period's results of the continuing operations of the associated companies, losses totaling EUR -900 thousand have been consolidated in the Group, which is presented in the item "Share of associates' profit or loss". Associated companies have no discontinued operations, and no items of comprehensive income that would have been consolidated into the group.

Changes in associated company shareholdings 1.1.–31.12.2021

On 31 December 2021 the group had eleven associated companies: Fellow Finance Plc, Hernesaaren Kehitys Oy, Munkkiniemi Group Oy, Taaleri Datacenter Ky, Fintoil Oy, Taaleri SolarWind II SPV, Turun Toriparkki Oy, Masdar Taaleri Generation, Surazo Sp.z o.o., Domerel Nieruchomo ci Sp.z and Sepos Oy. None of these is considered material to the group. The associated companies, except for Fellow Finance Plc and Fintoil Oy, are consolidated using the equity method. Fellow Finance Plc is classified as held for sale (see note 9) and Fintoil as an investment that is valued at fair value. A loss of EUR -1.3 million from continuing operations of the associated companies has been recognised in the Group in the income statement item Share of associates' profit or loss. The share of the result of associated companies in 2021 includes an impairment loss on the shares of Hernesaaren Kehitys Oy totaling EUR 0.2 million. The associated companies have neither discontinued operations nor comprehensive income items.

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

17 Conditional liabilities and contingent liabilities

Commitments not recognised as liabilities, EUR 1,000	30.6.2022	31.12.2021
Total gross exposures of guaranty insurance	1,741,539	1,694,866
Investment commitments	11,118	7,008
Credit limits (unused)	200	200
Total	1,752,858	1,702,074

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

On March 10, 2021, Taaleri announced the sale of the Wealth Management business to Aktia. The disposal consideration will depend in part on the business of the coming years. The deed of sale related to the sale of the wealth management operations includes special business-related liabilities to Taaleri of up to EUR 36 million, as well as industry-related general and compliance responsibilities. No contingent receivable or liability has been recognized for the contingent consideration, as Taaleri does not consider it probable that the contingent consideration will be realized. Liabilities related to the transaction are not included in the table above. For further details, please see Note 1 Discontinued operations and sale of the subsidiary.

18 Related party disclosures

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

The following belong to the company's related parties:

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

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

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

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

1.1.-30.6.2022	Sales	Purchases	Receivables	Liabilities
Associated companies	1	-	1,621	-
Other related parties	-	-	176	-

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

TAALERI

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