

Taaleri Financial Statements Bulletin

CEO Ilkka Laurila
12 February 2025

Q4



Taaleri Energia opened Finland's largest battery energy storage system in Lempäälä in November

TAALERI

Ilkka Laurila is Taaleri's new CEO

- Ilkka Laurila was appointed as new CEO as of 9 January 2025.
- Ilkka Laurila (1977) has worked as Taaleri's CFO since February 2024. Prior to that, he has served as CFO of Plugit Finland Oy from 2023 to 2024 and as CFO of Terveystalo from 2015 to 2022.
- Lauri Lipsanen (1983) was appointed CFO and member of Taaleri's Executive Management Team. He will take up his position by 12 May 2025.



Key figures

Continuing earnings
Q4 2024

€10.4 million

Q4 2023: €9.9 million

Income
Q4 2024

€20.0 million

Q4 2023: €17.7 million

Operating profit
Q4 2024

€9.4 million

Q4 2023: €6.9 million

AUM
Q4 2024

€2.7 billion

31.12.2023: €2.6 billion

Continuing earnings,
previous 12M

€40.5 million

Growth in continuing earnings 1.6%
(LTM)

Income,
previous 12M

€70.5 million

Growth in income 6.3%
(LTM)

Operating profit,
previous 12M

€38.0 million

Growth in operating profit 19.3%
(LTM)

Earnings per share
FY 2024

€1.00

FY 2023: €0.81

Long-term financial targets and 2024 accomplishments



Growth

> 15%

Growth in Group continuing earnings and performance fees p.a.

FY 2024

2.4%



Return on equity

> 15%

ROE

FY 2024

15.3%



Dividend

> 50%

Payout of the FY profit

FY 2024*

50%

*) Distribution of funds EUR 0.50 per share for the financial year 2024 corresponds to 50% of basic earnings per share and represents Board of Directors' proposal for a dividend for the result of the financial year 2024.

Q4 highlights

Income grew and profitability was excellent

The Taaleri Group's income was EUR 20.0 million in the final quarter of the year, reflecting a 13.0% increase compared to the previous period, driven by the growth in continuing earnings and performance fees. The operating profit margin was excellent at 47%.

The real estate business has a new strategic partnership

The real estate business continued to develop new products in the final quarter of the year. We agreed on a mandate-based strategic partnership with a large Finnish pension insurer at the beginning of 2025.

Fundraising for Taaleri SolarWind III Fund continued

The renewable energy business continued fundraising for Taaleri SolarWind III Fund. In the final quarter of the year, we increased the size of the fund to EUR 481 million.

Garantia's combined ratio remained strong at 26.2%

Insurance service result was EUR 3.3 million. Garantia's net income from investment operations was EUR 2.2 million. The investment market strengthened compared to the comparison period, but the development in the final quarter was more moderate compared to the first nine months of 2024.

The biocoal plant in Joensuu was completed

The bioindustry business focused on value creation from existing investments in the Taaleri Bioindustry I Fund and actively identifying new investment opportunities. The torrefied biomass plant in Joensuu was completed, and our goal is to begin production with smaller test batches. A broader ramp-up will take place in 2025.

Performance was good in a mixed operating environment

Inflation has eased and interest rates continued to decline, which revitalised the industrial investment cycle. The real estate market remained sluggish but an uptick in transaction activity provided positive signals. The fundraising environment for private markets remained challenging.

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Private Asset Management



Q4: Renewable energy business's continued earnings grew following fundraising for Taaleri SolarWind III

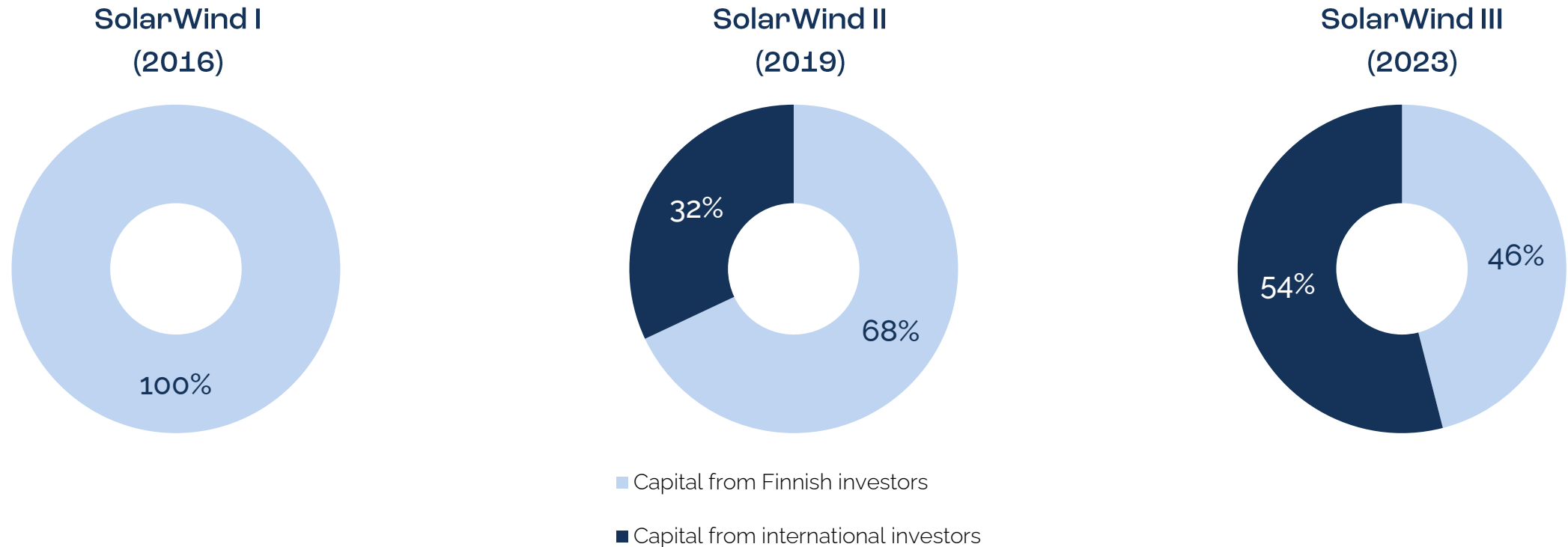
- The continuing earnings of the renewable energy business grew during the final quarter of the year by 8.2% as the fundraising of the Taaleri SolarWind III Fund progressed. Commitments to the fund increased to EUR 481 million.
- During the review period, performance fees of EUR 1.8 million were recognised from the Taaleri SolarWind I Fund, whose exit preparations were initiated.
- Taaleri SolarWind III Fund continued to actively develop its project portfolio, and its first energy storage project was completed in Lempäälä.
- Exit processes continued in the Taaleri Wind II and Taaleri Wind III Funds, which are at the end of their lifecycle.

Renewable energy, EUR million	10–12/2024	10–12/2023	Change, %
Continuing earnings	5.6	5.2	8.2%
Performance fees	1.8	-	100.0%
Investment operations	7.0	6.7	4.7%
Income	14.4	11.9	21.1%
Personnel costs	-2.0	-1.5	33.7%
Other costs	-3.7	-4.6	-19.8%
Operating profit	8.6	5.7	50.8%
FTE, at the end of the period	49	48	3.3%
Assets under management, EUR billion	1.7	1.6	3.9%



Taaleri Energia's investor base is increasingly international

Geographic split of the capital raised

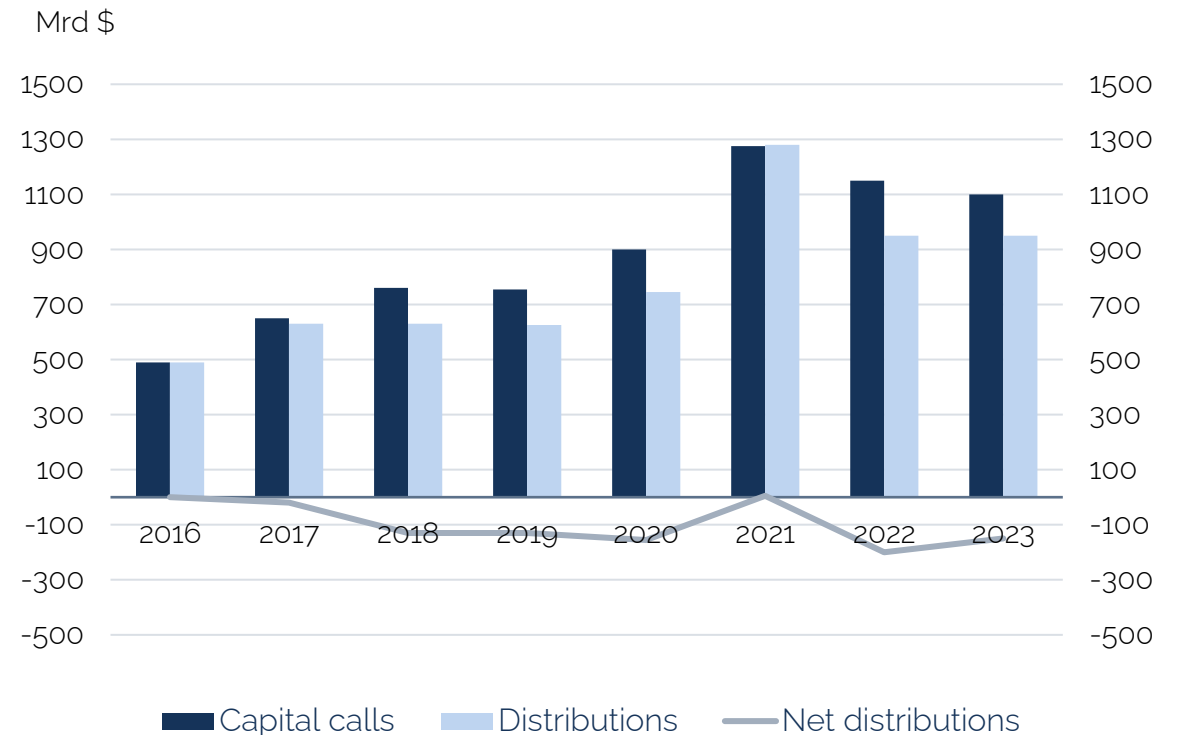


Taaleri SolarWind III Fund attracts an increasing amount of capital from international investors.

Capital calls exceeding distributions is a prolonged trend, which slows down capital recycling and fundraising

- The operating environment for private capital suffered from a lack of fundraising momentum, low asset valuations, and high debt costs in 2024.
- Negative net distributions to investors of private equity funds made raising new funds more difficult.

Capital calls vs. distributions



Capital calls and distributions in private equity funds globally
Source: Preqin 12/2024. Figures for 2024 are not yet available.

Q4: Other private asset management advanced investment operations of current funds and internationalisation projects and established strategic partnerships

- The bioindustry business focused on identifying and analysing new potential investments, while advancing several preliminary investment negotiations. Taaleri Bioindustry I Fund made its fifth investment during the review period in the Dutch recycling concrete processor C2CA.
- The bioindustry business also continued the completion of the torrefied biomass plant in Joensuu and preparations to start the production line ramp-up. In addition, the bioindustry business continued an international project to explore the potential for torrefied biomass production in Canada.
- The real estate business advanced investment activities and formed a strategic partnership with Keva, a large Finnish pension insurer after the end of the review period.

Other private asset management, EUR million	10-12/2024	10-12/2023	Change, %
Continuing earnings	1.5	1.5	-1.0%
Performance fees	0.1	-	100.0%
Investment operations	-1.6	-0.7	108.7%
Income	0.0	0.8	-94.0%
Personnel costs	-1.3	-1.3	-3.7%
Other costs	-1.4	-1.2	15.2%
Operating profit	-2.6	-1.7	51.2%
FTE, at the end of the period	37	34	10.1%
Assets under management, EUR billion	1.0	1.0	-0.8%



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Garantia

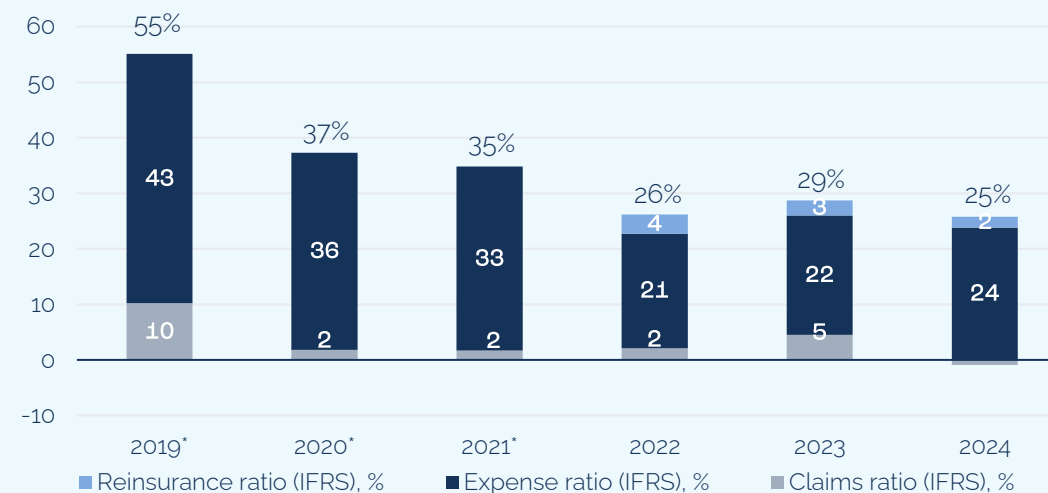


Q4: Garantia's insurance revenue remained at the corresponding period's level

- Garantia's insurance service result increased from the comparison period and stood at EUR 3.3 million. Insurance revenue remained at level with the comparison period at EUR 4.5 million. Insurance service expenses decreased and stood at EUR 1.1 million. The combined ratio strengthened to 26.2%.
- Garantia's net investment income recognised through profit or loss increased to EUR 2.2 (1.4) million, but total net investment income declined to EUR 1.8 (4.6) million. Total net investment income also include fair value changes recognised in other comprehensive income.
- The decline in total net income from investment operations in the final quarter of the year was mainly driven by the exceptionally strong investment performance in the comparison period.

Garantia, EUR million	10-12/2024	10-12/2023	Change, %
Insurance service result	3.3	2.7	22.6%
Net finance income and expense	-0.2	0.1	n/a
Other income	0.0	0.0	32.8%
Net income from investment operations	2.2	1.4	55.4%
Income	5.3	4.2	26.2%
Personnel costs	-0.5	-0.5	-4.7%
Other costs	-0.0	-0.0	38.8%
Operating profit	4.8	3.7	30.4%
FTE, at the end of the period	21	19	10.5%
Guaranty insurance portfolio, EUR billion	1.7	1.7	-4.0%
Combined ratio (IFRS), %	26.2%	42.0%	

Combined annual ratio (IFRS), %



*) The key figures for 2019-2021 have been calculated in accordance with the previous standard on insurance contracts, IFRS 4.

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Other



Q4: The operating profit in Other group declined from the corresponding period

- The shareholdings in Aktia Bank Plc were transferred to non-strategic investments as of 1 April 2024 and during 2024, a total of EUR 6.3 million in shares has been sold. As of 31 December 2024, Taaleri's non-strategic investments totalled EUR 18.7 (31 December 2023: 35.5) million.
- The continuing earnings in Other group consist of interest income. The net income from investment operations mainly consisted of fair value changes of non-strategic investments and results of associated companies, which are consolidated using the equity method.

Other, EUR million	10-12/2024	10-12/2023	Change, %
Continuing earnings	0.2	0.4	-38.8%
Performance fees	-	-	-
Investment operations	0.0	0.4	-99.7%
Income	0.2	0.8	-69.5%
Personnel costs	-0.5	-0.7	-27.2%
Other costs	-1.2	-0.9	31.5%
Operating profit	-1.5	-0.8	81.2%
FTE, at the end of the period	21	17	20.8%

Non-strategic investments, EUR million	31.12.2024	31.12.2023	Change, %
Total	18.7	35.5	-47.3%
Real estate development	12.8	22.7	-43.3%
Other*	5.9	12.9	-54.3%

*) Includes the holdings in Aktia Bank Plc for both periods presented



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Result and balance sheet



Taaleri's positive financial performance continued in the final quarter of the year

Taaleri Group's income was EUR 20.0 million in the final quarter of the year, reflecting a 13.0% increase compared to the previous period, driven by the growth in continuing earnings and performance fees. Continuing earnings grew by 5.7% to EUR 10.4 million. The operating profit margin was 47.0%.

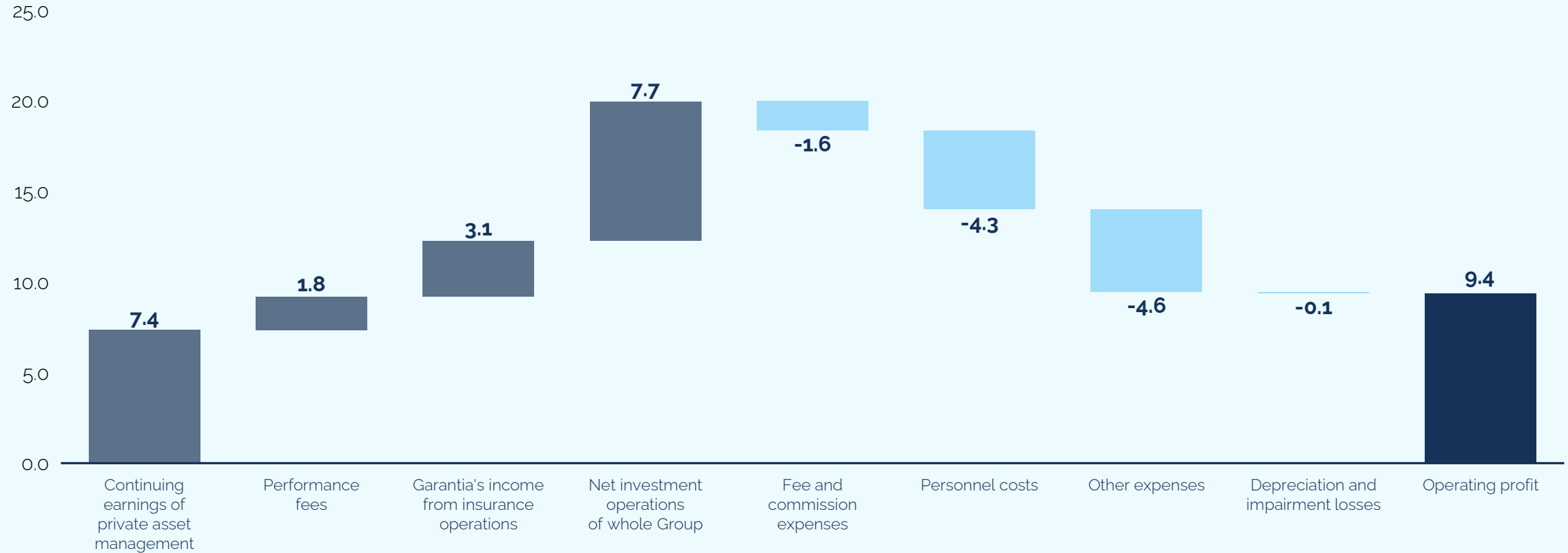
EUR 1,000	Q4 2024	Q4 2023	Change	FY 2024	FY 2023	Change
Continuing earnings	10,441	9,881	5.7%	40,516	39,872	1.6%
Performance fees	1,845	-	100.0%	1,845	1,489	23.9%
Investment operations	7,689	7,801	-1.4%	28,166	24,979	12.8%
Income*	19,975	17,682	13.0%	70,527	66,340	6.3%
Fee and commission expense	-1,622	-1,658	-2.2%	-5,996	-6,576	-8.8%
Personnel costs	-4,329	-4,084	6.0%	-15,224	-16,140	-5.7%
Direct expenses	-4,577	-4,454	2.8%	-11,233	-11,157	0.7%
Depreciation, amortisation and impairment	-45	-38	17.1%	-159	25	n/a
Impairment losses on receivables	-24	-567	-95.8%	109	-607	n/a
Operating profit	9,378	6,882	36.3%	38,024	31,885	19.3%
Operating profit, %	47.0%	38.9%		53.9%	48.1%	
Earnings per share, EUR	0.23	0.14		1.00	0.81	
Total other comprehensive income EPS, EUR	0.22	0.16		1.10	0.88	

* Includes share of associates' profit or loss. In addition, transit items that have no effect on the result for the financial year have been eliminated from segment income.

The development of Taaleri's operating profit, Q4 2024

Taaleri's positive financial performance continued in final quarter of the year

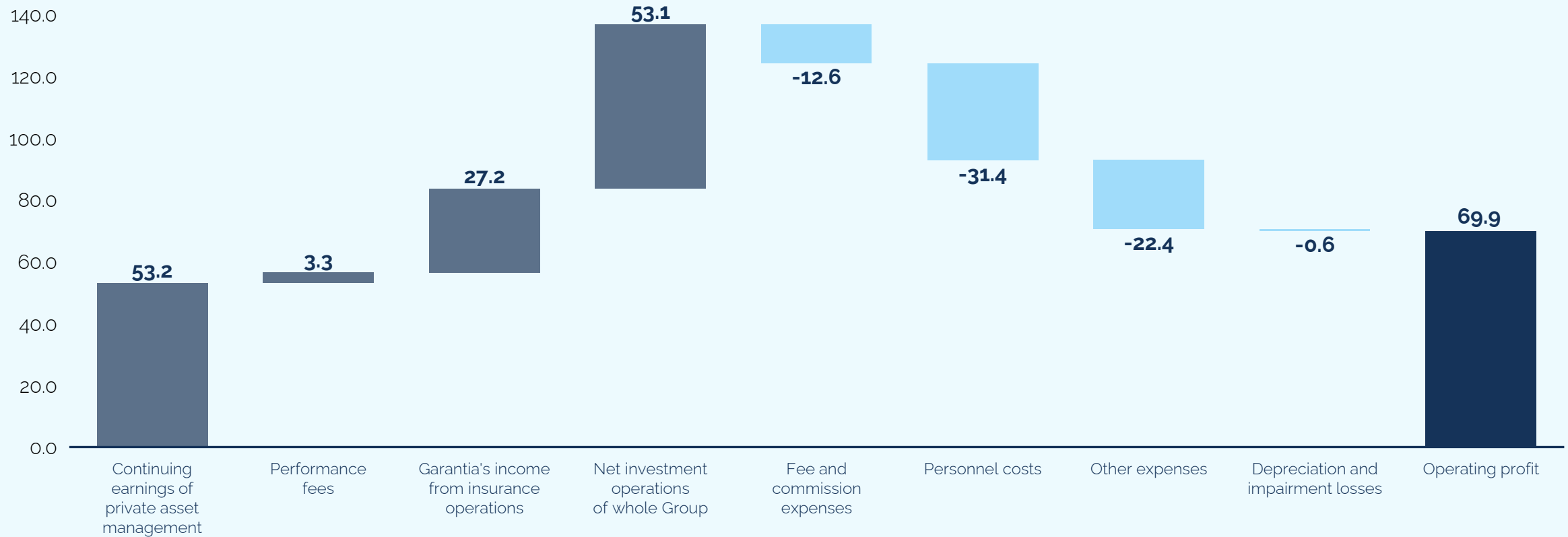
EUR million



The development of Taaleri's operating profit, 24M

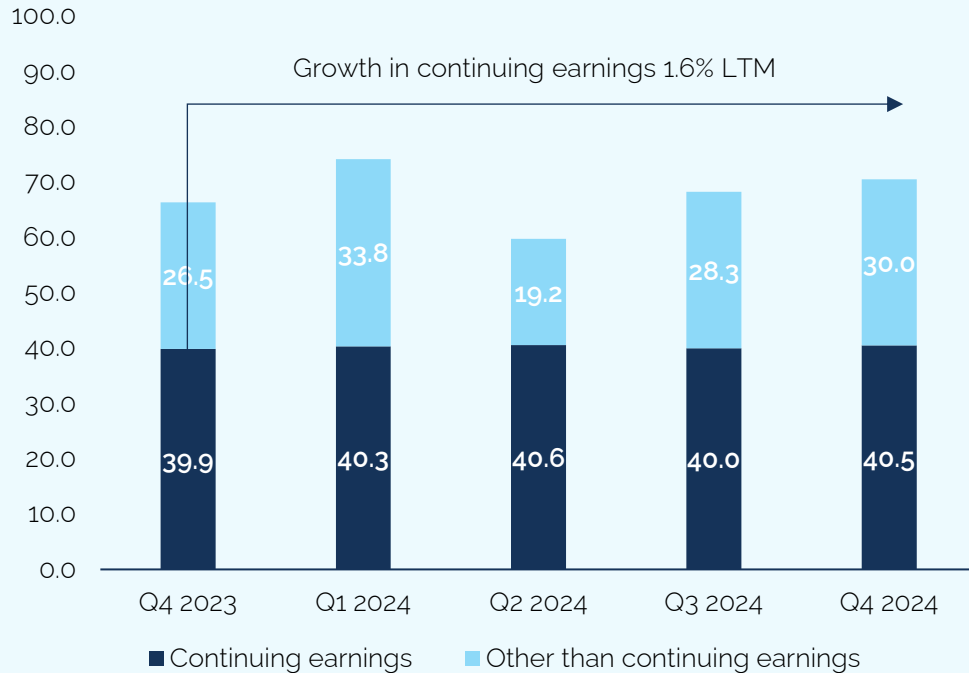
Taaleri has four different sources of income

EUR million

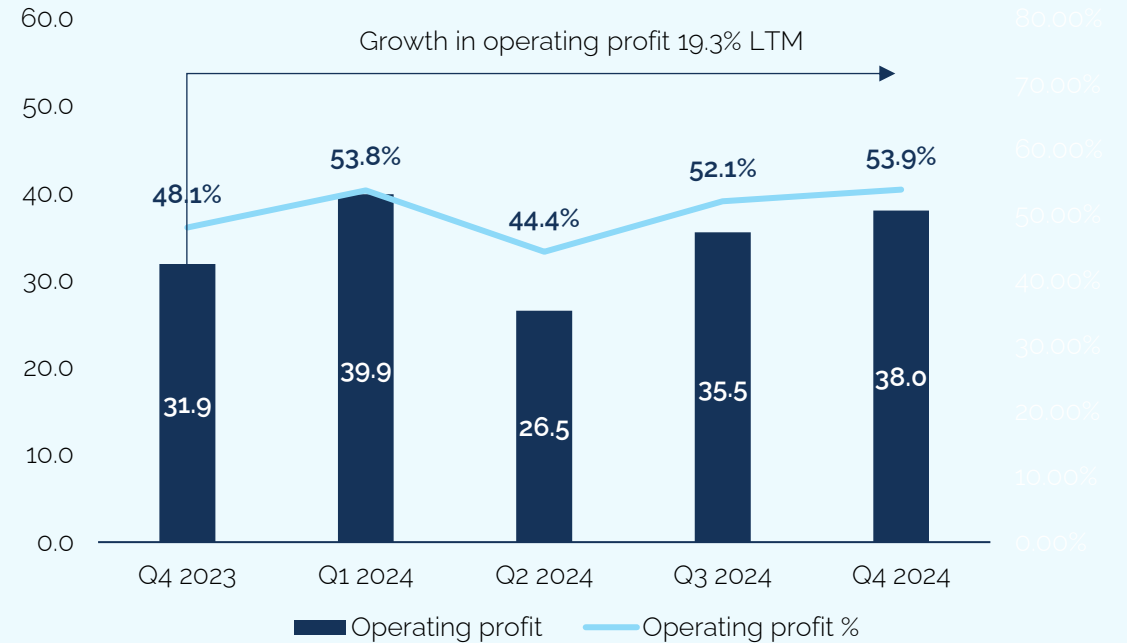


The development of Taaleri's income and operating profit, 12M

Income previous 12M, EUR million



Operating profit previous 12M, EUR million



Taaleri Group's balance sheet 31.12.2024

At the end of the financial period, Taaleri Group's equity was EUR 215.3 (208.6) million. The Group's equity ratio strengthened to 73.8% (67.8) and return on equity increased to 15.3% (13.0).

Private Asset Management segment's direct investments

€36.1 million

31.12.2023: €32.3 million

Garantia's investment portfolio

€154.6 million

31.12.2023: €160.6 million

Assets total

€291.9 million

31.12.2023: €307.9 million

Equity

€215.3 million

31.12.2023: €208.6 million

Non-strategic investments

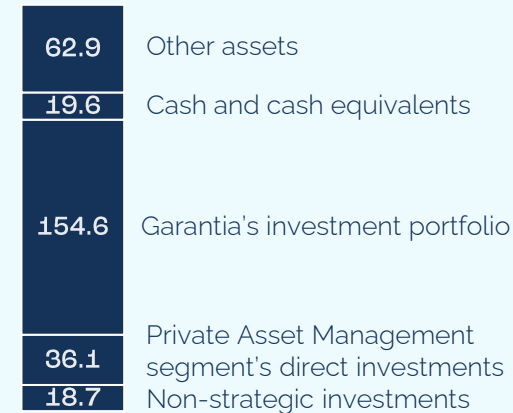
€18.7 million

31.12.2023: €35.5 million

Cash and cash equivalents

€19.6 million

31.12.2023: €38.3 million



Dividend proposition of the Board of Directors for 2024

€0.50

Taaleri's private equity funds

Renewable energy, EUR million	Founded	Product	Business area	AUM Q4 2024	Stage of the fund
Taaleri Wind Fund II Ky	2014	Private equity fund	Renewable energy	319	Invested
Taaleri Wind Fund III Ky	2016	Private equity fund	Renewable energy	52	Invested
Taaleri SolarWind I Ky	2016	Private equity fund	Renewable energy	173	Invested
Taaleri SolarWind II Feeder Fund Ky	2019	Feeder fund	Renewable energy	185	Invested
Taaleri Wind Fund IV Ky	2019	Co-investment fund	Renewable energy	202	Invested
Taaleri SolarWind II	2019	Private equity fund	Renewable energy	290	Invested
Taaleri SolarWind III*	2023	Private equity fund	Renewable energy	439	Fundraising
Managed accounts	2019-	Managed accounts	Renewable energy	54	Invested
Renewable energy total				1,714	
Other private asset management, EUR million	Founded	Product	Business area	AUM Q4 2024	Stage of the fund
Taaleri Real Estate Development Fund Ky	2015	Private equity fund	Real estate	11	Invested
Taaleri Multifunctional Properties Ky	2018	Private equity fund	Real estate	43	Invested
Taaleri Property Fund I Ky	2015	Private equity fund	Real estate	36	Invested
Taaleri Property Fund II Ky	2016	Private equity fund	Real estate	2	Invested
Taaleri Rental Home Ky	2016	Private equity fund	Real estate	170	Invested
Taaleri Housing Fund VIII Ky	2021	Private equity fund	Real estate	95	Investing period
Managed accounts	2021-	Managed accounts	Real estate	325	Investing period
Real estate total				681	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry	42	Invested
Joensuu Biocoal	2021	Co-investment	Bioindustry	16	Investing period
Taaleri Bioindustry I Ky	2021	Private equity fund	Bioindustry	107	Investing period
Bioindustry total				164	
Other funds total				138	
Other private asset management total				984	
Private Asset Management segment total				2,698	

AUM €2.7 billion
by business area



- Other
- Bioindustry
- Real estate
- Renewable energy

The assets under management of the Private Asset Management segment reported by Taaleri Group are assets that generate continuing earnings. In some of the funds, the assets that generate continuing earnings includes both Fund's 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.

*) On 31 December 2024, the total commitments of the Taaleri SolarWind III Fund were EUR 481 million and included a conditional commitment dependent on the final size of the fund that has not been included in the reported assets under management that generate recurring fees.

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Dividend proposal and 2025 outlook



**Dividend per share
proposal for 2024**

0.50€

It is proposed that the dividend be paid in two equal instalments.

Dividend proposal of the Board of Directors, paid in two instalments

- The Board proposes to the Annual General Meeting that the company transitions to a biannual dividend distribution arrangement, whereby the dividend for 2024 of **EUR 0.50** per share, totalling **EUR 14,098,126.50**, is proposed to be paid in two equal instalments.
- First instalment
 - **0.25 EUR** per share
 - Record date **4 April 2025**
 - Payment date **11 April 2025**
- Second instalment
 - **0.25 EUR** per share
 - Record date **3 October 2025**
 - Payment date **10 October 2025**

Outlook for 2025

Private Asset Management

- The growth in continuing earnings from the renewable energy business for 2025 will be clarified as the final size of the Taaleri SolarWind III Fund and the final exit timings for the Taaleri Wind II and Taaleri Wind III Funds become clear. The operating profit for 2025 will depend, among other factors, on the net income from investment operations and the clarification of the estimated performance fees for the funds in the exit phase or their final amount and timing of the exits.
- Taaleri's bioindustry, real estate and other businesses focus on strong international growth, which burdens the profitability of Other private asset management. The operating profit for 2025 is expected to remain negative in Other private asset management, but to develop positively compared to the previous period.

Garantia

- Garantia's continuing earnings are expected to remain slightly below the comparison period due to, in particular, the prolonged weak development of the Finnish housing market. In a market environment in line with expectations, Garantia's net income from investment operations is expected to decrease compared to the exceptionally strong comparison period.

Other group

- The income from the Other group in 2025 is heavily dependent on changes in the fair value of non-strategic investments and final exits in particular. The cost level of Group operations is expected to remain at approximately the level of the corresponding period.



Q&A

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The Financial Statements Bulletin is found on our [website](#)

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Attachments



Group balance sheet

Assets, EUR 1,000	31.12.2024	31.12.2023
Receivables from credit institutions	19,623	38,302
Receivables from the public and general government	5,741	5,142
Shares and units	36,984	38,708
Participating interests	12,884	12,884
Insurance assets	158,523	160,875
- Insurance contract assets	3,730	-
- Reinsurance assets	155	325
- Investments	154,638	160,551
Intangible assets	574	572
Tangible assets	1,842	2,406
Other assets	12,325	17,163
Accrued income and prepayments	35,741	26,742
Deferred tax assets	7,617	5,116
Total	291,855	307,911
Liabilities and equity, EUR 1,000	31.12.2024	31.12.2023
Liabilities	76,524	99,265
Insurance contract liabilities	42,676	45,616
Other liabilities	4,238	4,944
Accrued expenses and deferred income	17,341	17,327
Deferred tax liabilities	12,268	16,491
Subordinated debt	-	14,886
Equity	215,332	208,646
Total	291,855	307,911

Cash at bank at the end of December EUR 19.6 million. In April, a dividend of EUR 28.2 million was distributed to owners of the parent company. Additionally, Taaleri redeemed its Tier 2 bond of EUR 15.0 million in October.

The largest investments at the end of December were Truscott Gilliland wind farm EUR 10.8 million, Fintoil EUR 9.9 million and Turun Toriparkki EUR 8.9 million.

Fixed income investments 78% of Garantia's investment portfolio, portfolio in total EUR 154.6 million. Garantia distributed a dividend of EUR 15.0 million to the parent company during the first quarter.

Taaleri redeemed its Tier 2 bond of EUR 15.0 million in October.

Taaleri's equity is EUR 215.3 million. The Group's equity ratio is strong at 73.8%.

Taaleri's result Q4 2024

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Garantia	Other	Total
Continuing earnings	7,105	5,589	1,516	3,087	248	10,441
Performance fees	1,845	1,760	85	-	-	1,845
Investment operations	5,465	7,018	-1,554	2,224	1	7,689
Income*	14,415	14,368	47	5,311	250	19,975
Fee and commission expense	-1,617	-1,088	-529	-	-5	-1,622
Personnel costs	-3,308	-2,048	-1,260	-490	-531	-4,329
Direct expenses	-3,399	-2,593	-806	-28	-1,151	-4,577
Depreciation, amortisation and impairment	-51	-28	-23	-	6	-45
Impairment losses on receivables	-	-	-	-	-24	-24
Operating profit	6,040	8,610	-2,570	4,793	-1,454	9,378
Operating profit, %	41.9%	59.9%	neg	90.2%	neg	47.0%

* Includes share of associates' profit or loss. In addition, transit items that have no effect on the result for the financial year have been eliminated from segment income.

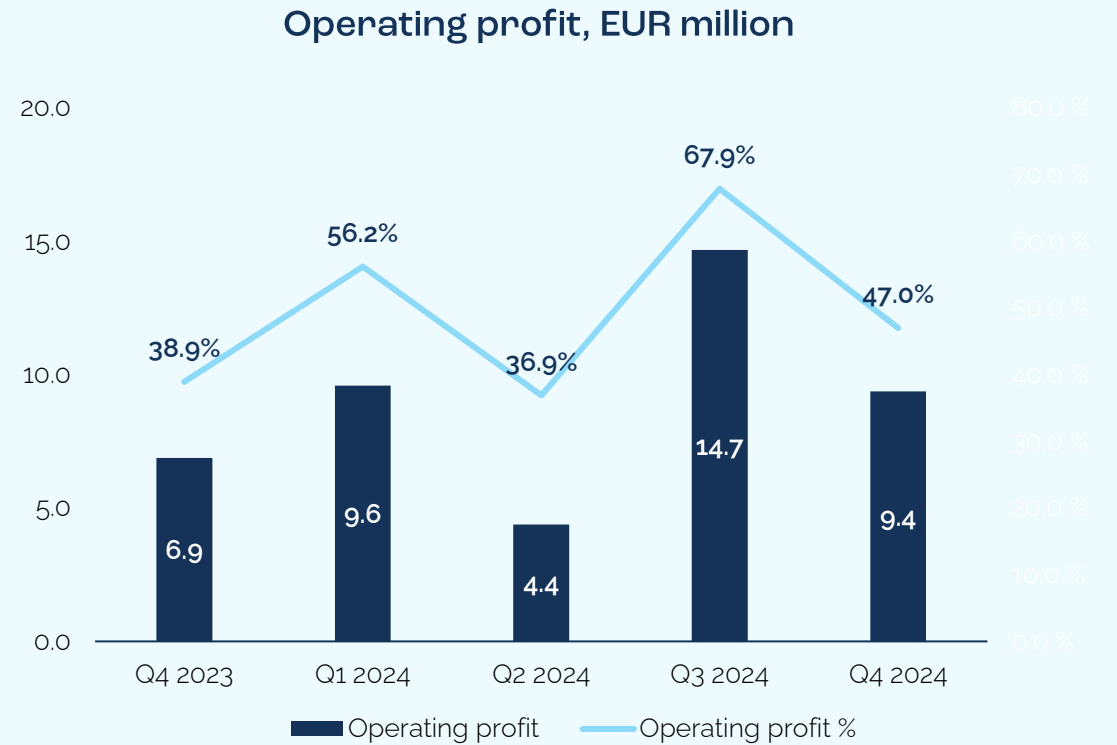
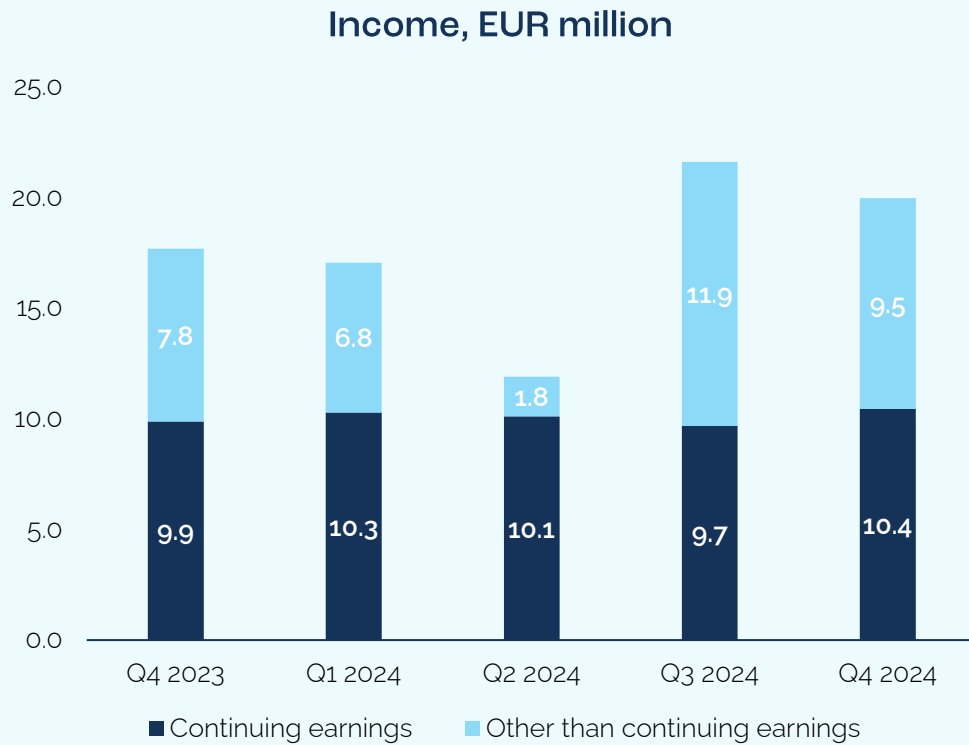
Taaleri's result Q4 2023

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Garantia	Other	Total
Continuing earnings	6,698	5,167	1,531	2,777	406	9,881
Performance fees	-	-	-	-	-	-
Investment operations	5,957	6,701	-744	1,431	413	7,801
Income*	12,655	11,868	787	4,209	819	17,682
Fee and commission expense	-1,616	-1,083	-533	-	-42	-1,658
Personnel costs	-2,840	-1,532	-1,308	-514	-729	-4,084
Direct expenses	-3,572	-2,950	-622	-20	-862	-4,454
Depreciation, amortisation and impairment	-51	-28	-23	-	13	-38
Impairment losses on receivables	-565	-565	-	-	-2	-567
Operating profit	4,010	5,710	-1,700	3,675	-803	6,882
Operating profit, %	31.7%	48.1%	neg	87.3%	neg	38.9%

* Includes share of associates' profit or loss. In addition, transit items that have no effect on the result for the financial year have been eliminated from segment income.

The development of Taaleri's quarterly income and operating profit

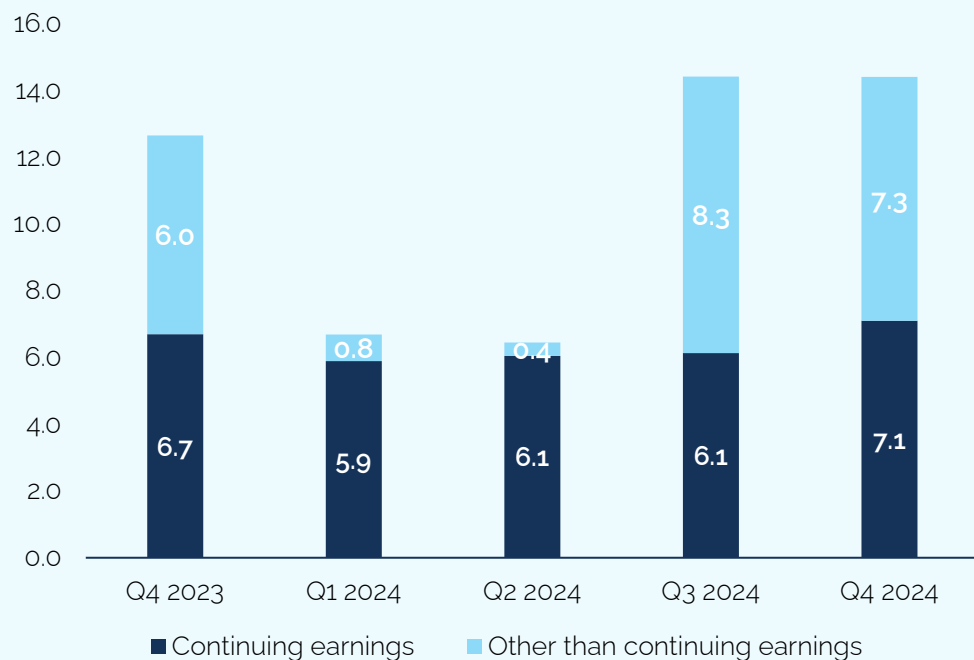
Continuing earnings are developing steadily



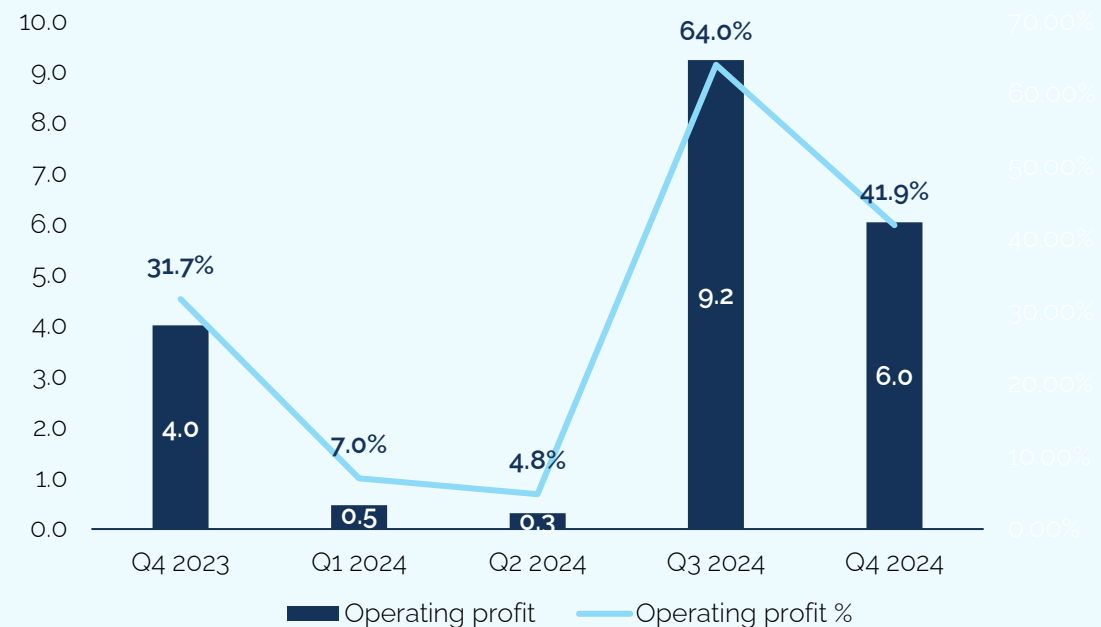
The development of Private Asset Management segment's quarterly income and operating profit

Continuing earnings are developing steadily

Income, EUR million

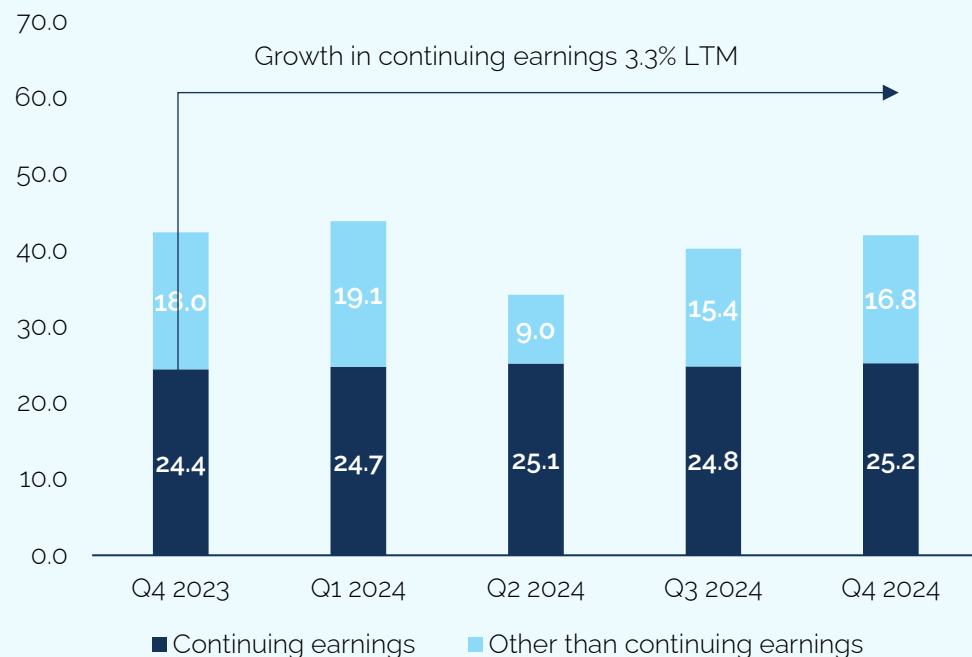


Operating profit, EUR million



The development of Private Asset Management segment's income and operating profit, 12M

Income previous 12M, EUR million



Operating profit previous 12M, EUR million

