

An aerial photograph of a wind farm at sunset. In the foreground, a large white wind turbine is partially visible, with its nacelle and part of a blade. The nacelle has the word "TAALERI" written on it. The background shows a vast landscape of rolling hills covered in dense green forest, with several other wind turbines scattered across the horizon under a warm, orange and blue sky.

**TAALERI**

# **INTERIM STATEMENT Q1 2021**

CEO ROBIN LINDAHL

7.5.2021

# THE SALE OF WEALTH MANAGEMENT OPERATIONS AND ITS IMPACT ON REPORTING

- On March 10, 2021, Taaleri announced the sale of the wealth management operations 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.
- There are differences in the figures in the Group's consolidated income statement and segment reporting due to the application of IFRS 5. In the consolidated income statement, intra-group income and expenses between discontinued and continuing operations have been eliminated. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. The earnings figures in the explanatory section in this interim statement represents the Group's continuing operations according to segment reporting, unless otherwise stated. The chosen presentation will improve the comparability of segment reporting in the coming years.

# HIGHLIGHTS DURING JANUARY–MARCH

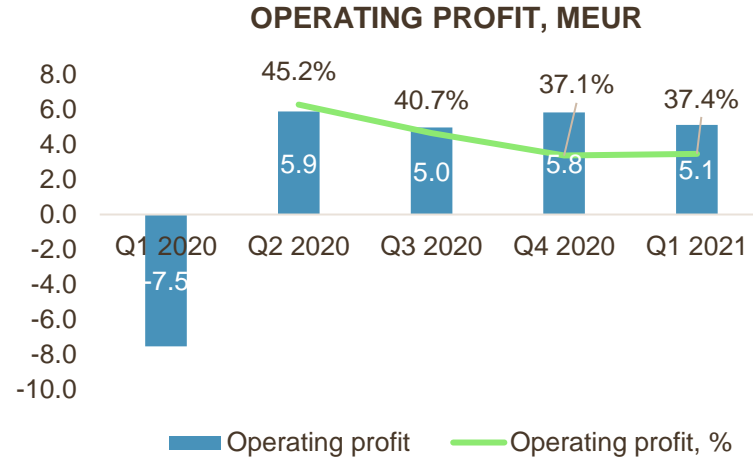
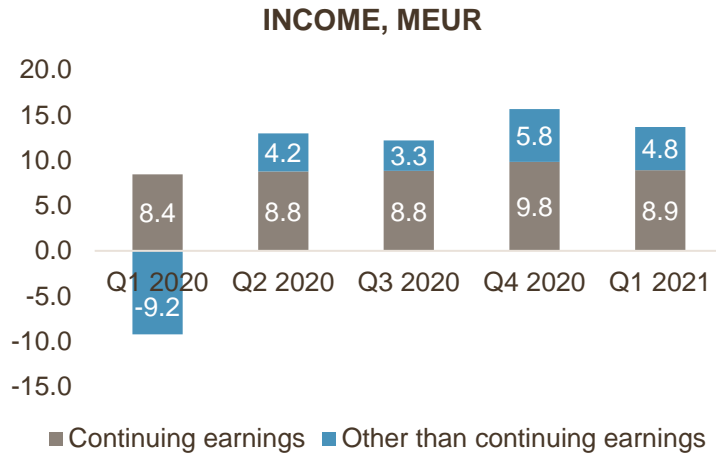


## JANUARY–MARCH 2021

- Segment reporting income was EUR 13.7 (-0.8) million.
- Continuing earnings grew by 5.5 per cent to EUR 8.9 (8.4) million.
- Performance fees were EUR 0.8 (0.0) million and investment operations generated EUR 4.0 (-9.2) million.
- Segment reporting operating profit was EUR 5.1 (-7.5) million, corresponding to 37.4 (negative in the comparison period) per cent of income. Furthermore, the operating profit of wealth management was EUR 3.5 (2.2) million.
- Earnings per share were EUR 0.13 (-0.30) for continuing operations, EUR 0.11 (0.09) for discontinued operations and EUR 0.25 (-0.20) for income for the period.
- After the review period, Taaleri called an extraordinary general meeting to make resolutions on the payment of dividend and on the equity repayment. The Board of Directors proposes a distribution of funds of EUR 1.00 per share.

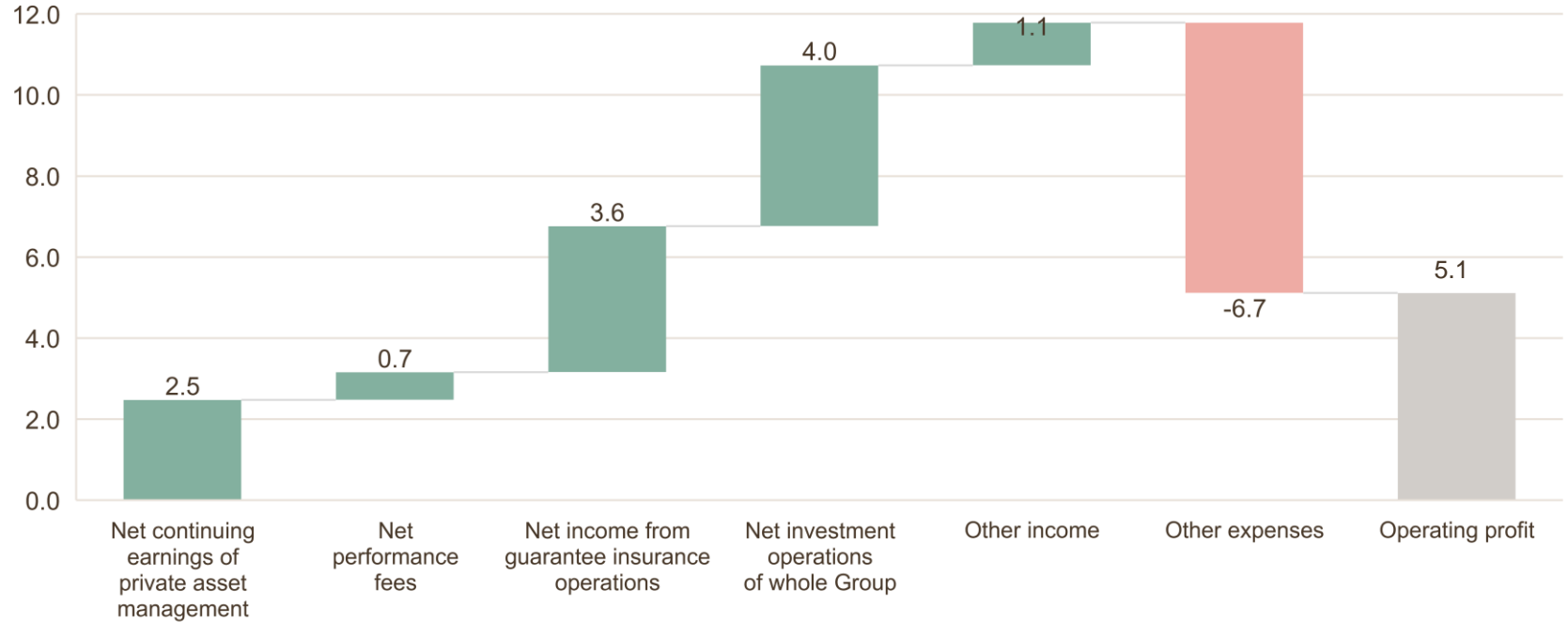


# GROUP'S INCOME AND OPERATING PROFIT



# GROUP'S OPERATING PROFIT

## OPERATING PROFIT Q1 2021, MEUR



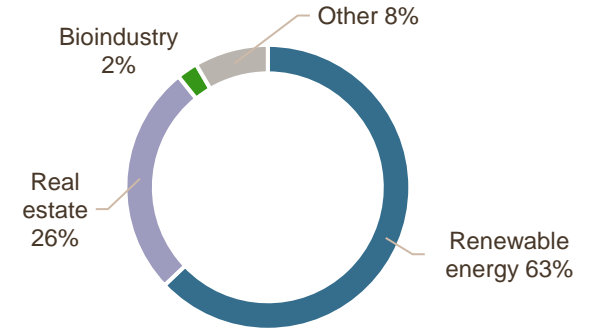
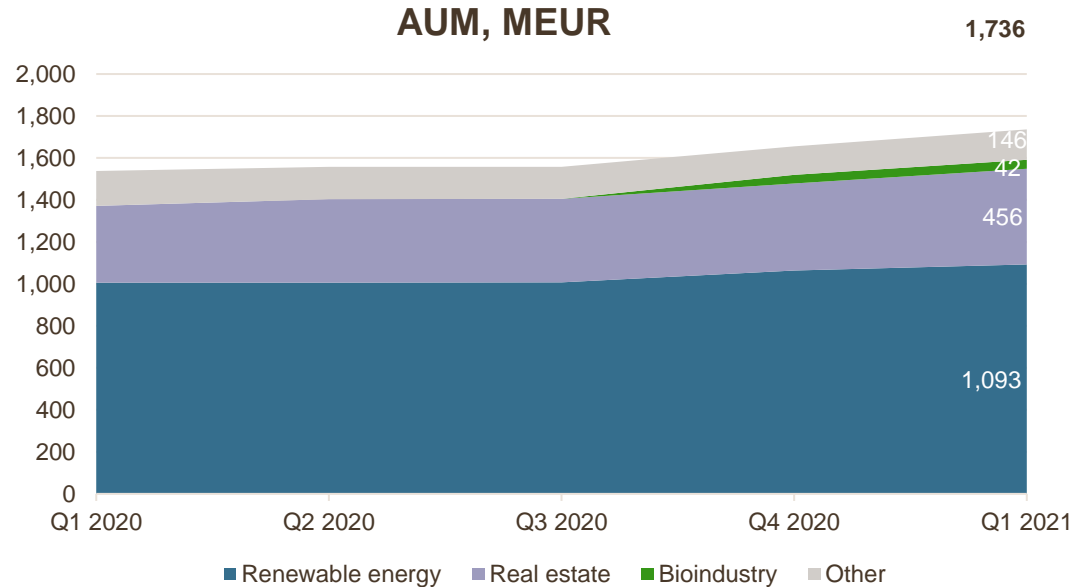




# PRIVATE ASSET MANAGEMENT

# DEVELOPMENT OF ASSETS UNDER MANAGEMENT OF PRIVATE ASSET MANAGEMENT SEGMENT

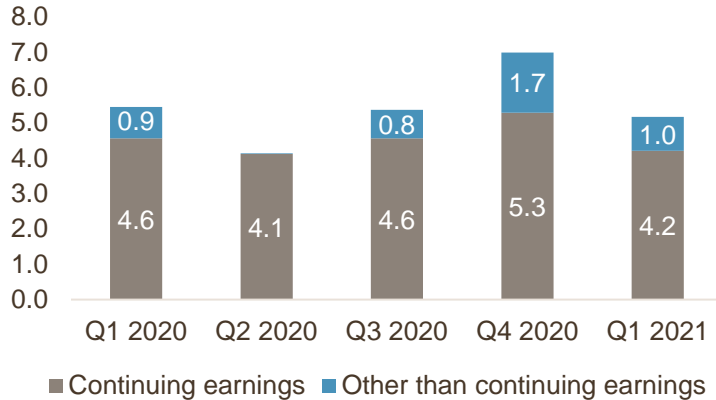
The assets under management of the Private Asset Management segment reported by Taaleri Group are assets that generate continuing earnings and include both equity and debt financing.



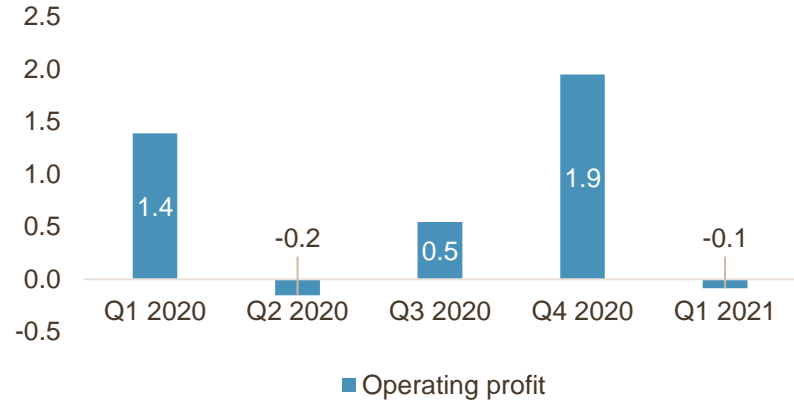


# PRIVATE ASSET MANAGEMENT SEGMENT'S INCOME AND OPERATING PROFIT

INCOME, MEUR



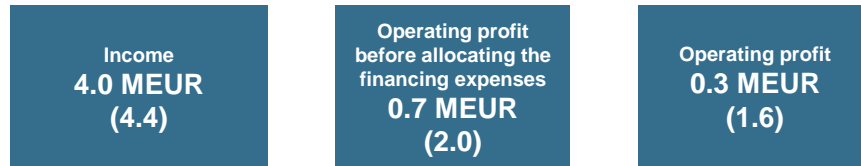
OPERATING PROFIT, MEUR



# RENEWABLE ENERGY PREPARED FOR THE FINAL CLOSING OF THE SOLAR WIND II FUND

- The renewable energy income in January–March 2021 was EUR 4.0 (4.4) million. The comparison period income includes a one-off management fee paid retroactively in connection with the closing of the SolarWind II fund.
- Operating profit of renewable energy before allocation of financing expenses was EUR 0.7 (2.0) million and operating profit EUR 0.3 (1.6) million.
- Renewable energy fund projects progressed as planned during the review period. Future investments of the funds were surveyed, but no new investment decisions were made during the review period.
- Renewable energy prepared for the final closing of the SolarWind II fund, which will take place during the second quarter.

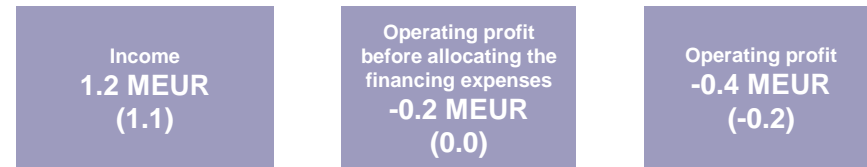
## Key figures Q1 2021 (Q1 2020)



# REAL ESTATE BUSINESS MADE NEW ACQUISITIONS FOR FUNDS

- The income of Taaleri’s real estate and bioindustry businesses in January–March 2021 was EUR 1.2 (1.1) million.
- Operating profit before allocation of financing expenses was EUR -0.2 (0.0) million and operating profit -0.4 (-0.2) million.
- New acquisitions were made for Taaleri Rental Home, Taaleri Daycare Properties and Taaleri Multifunctional Premises private equity funds and to Taaleri Real Estate special investment fund.
- During the review period, the bioindustry business focused on launching its operations, identifying investments for its first fund, marketing the fund to be launched, and recruiting team members.
- Taaleri’s infrastructure business will start in May 2021 following the execution of Taaleri’s wealth management operations transaction. As a part of this transaction, Taaleri acquired the Aktia Infra I Ky fund, and the Aktia infrastructure business team was transferred to Taaleri.

## Key figures Q1 2021 (Q1 2020)



# TAALERI'S PRIVATE EQUITY FUNDS

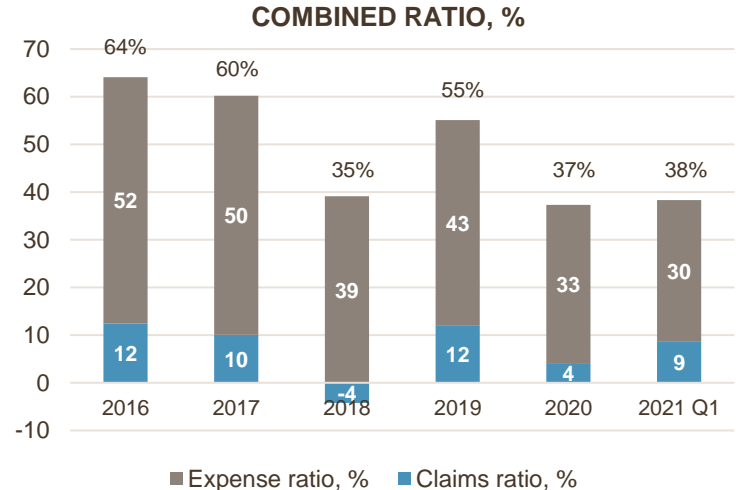
The assets under management of the Private Asset Management segment reported by Taaleri Group are assets that generate continuing earnings and include both equity and debt financing.

RENEWABLE ENRGY	Founded	Product	Business area	AUM Q1 2021	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	Fund of fund	Renewable energy		Investing period
Taaleri Wind Fund IV Ky	2019	Fund of fund	Renewable energy		Investing period
Managed accounts	N/A	N/A	Renewable energy		N/A
<b>RENEWABLE ENERGY TOTAL</b>				<b>1,093 MEUR</b>	
OTHER PRIVATE ASSET MANAGEMENT	Founded	Product	Business area	AUM Q1 2021	Stage of the fund
Taaleri Housing Fund VI Ky	2012	Private equity fund	Real estate		Invested
Taaleri Real Estate Development Fund Ky	2015	Private equity fund	Real estate		Invested
Taaleri Linnainmaankulma Ky	2011	Private equity fund	Real estate		Invested
Taaleri Forest Fund III Ky	2014	Private equity fund	Real estate		Invested
Taaleri Daycare Properties Ky	2019	Private equity fund	Real estate		Investing period
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
Managed accounts	N/A	N/A	Real estate		N/A
<b>Real estate total</b>				<b>456 MEUR</b>	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry		Investing period
<b>Bioindustry total</b>				<b>42 MEUR</b>	
<b>Other funds total</b>				<b>146 MEUR</b>	
<b>OTHER PRIVATE ASSET MANAGEMENT TOTAL</b>				<b>644 MEUR</b>	
<b>PRIVATE ASSET MANAGEMENT SEGMENT TOTAL</b>				<b>1,736 MEUR</b>	

# STRATEGIC INVESTMENTS (GARANTIA)

# GOOD GROWTH IN INSURANCE PREMIUM INCOME, CLAIMS INCURRED REMAINED LOW

- Earned premiums grew 13.7 per cent in the reporting period to EUR 3.9 (3.4) million.
  - Activity in the housing market continues and the new distribution partner strengthens the availability of the residential mortgage guarantees.
- Net income from investment operations increased to EUR 3.4 (-7.4) million.
  - The net income from investment operations in the period of comparison was affected by the market reactions caused by the spreading of the COVID-19 pandemic.
- Guaranty insurance exposure decreased to EUR 1.7 billion (31.12.2020: 1.8).
- Solvency ratio strengthened to 232 (31.12.2020: 229) per cent.



## Key figures Q1 2021 (Q1 2020)

Income  
**7.0 MEUR**  
(-4.1)

Operating profit  
**5.4 MEUR**  
(-5.7)

Return on investments  
**2.1%**  
(-8.8)





OTHER

# OTHER

- The group entitled Other is used to present the Group’s non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments.
- Income of the Other group in January–March 2021 was EUR 1.5 (-2.1) million.
- The Other group’s operating profit in the review period was EUR -0.2 (-3.2) million.

	31.3.2021	31.12.2020	Change, %
<b>Non-strategic investments</b>	<b>30.0</b>	<b>30.5</b>	<b>-1.6%</b>
Real estate	12.0	11.3	6.0%
Other investments	18.0	19.1	-6.1%

## Key figures Q1 2021 (Q1 2020)

Income  
**1.5 MEUR**  
**(-2.1)**

Operating profit  
**-0.2 MEUR**  
**(-3.2)**

Full-time personnel,  
average  
**25 (23)**



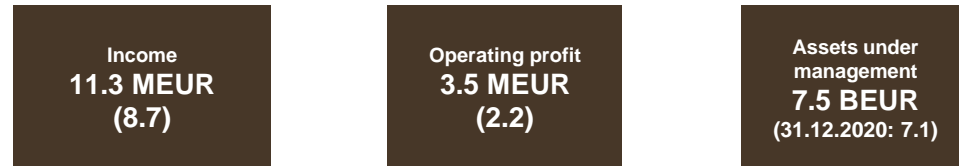
A family of four and a dog are sitting on a grassy hillside, looking out over a mountain range at sunset. The sun is low on the horizon, casting a warm glow over the scene. The mountains in the background are hazy and layered. The family consists of a woman in a purple hoodie, a woman in a maroon hoodie, a man in a dark t-shirt, and a child in a plaid shirt. A dog is sitting on the right side of the group.

# WEALTH MANAGEMENT

## MUTUAL FUNDS PERFORMED WELL

- Income of wealth management operations classified as discontinued operations in January–March 2021 was EUR 11.3 (8.7) million.
- The continuing fees of wealth management grew by 6.3 per cent to EUR 8.0 (7.6) million.
- The performance of Taaleri’s mutual funds was excellent, and performance fees accrued from several funds in January–March totalled EUR 3.2 (1.1) million.
- The operating profit for the review period was EUR 3.5 (2.2) million with an operating profit margin of 31 (26) per cent. The operating expenses of discontinued operations include direct costs related to the sale of wealth management operations in the review period amounting to EUR 0.3 (0.3) million.
- Assets under management of wealth management operations grew by 5.1% to EUR 7.5 billion during the first quarter of the year.

### Key figures Q1 2021 (Q1 2020)







# **RESULT, BALANCE SHEET AND CAPITAL ADEQUACY**

# KEY FIGURES

Group key figures, continuing operations in segment reporting	Q1 2021	Q1 2020	Change	2020	Long term target
<b>Earnings key figures</b>					
Continuing earnings, MEUR	8.9	8.4	5.5%	35.9	
Growth in continuing earnings, %	5.5%	n/a	n/a	n/a	> 15.0
Income, MEUR	13.7	-0.8	n/a	40.0	
Operating profit, MEUR	5.1	-7.5	n/a	9.1	
Operating profit, %	37.4%	n/a		22.8%	> 25.0
Profit for the period in consolidated income statement, MEUR	6.8	-5.6	n/a	13.1	
Return on equity*, %	20.7%	-18.9%		10.1%	> 15.0
<b>Balance sheet key figures</b>					
Equity ratio, %	48.1%	43.3%		49.7%	
Group's capital adequacy ratio, %	163.7%	183.4%		216.2%	
<b>Other key figures</b>					
Cost/income ratio excluding investment operations	75.8%	74.8%		78.1%	
Cost/income ratio	62.9%	182.1%		74.6%	
Number of full-time employees in continuing operations, average	102	88		92	
Assets under management in Private Asset Management segment, BEUR	1.7	1.5		1.7	
Assets under management in Group, BEUR	8.0	6.5		7.6	
Guaranty insurance portfolio, MEUR	1,736	1,762		1,817	

\* Annualised



## GROUP'S RESULT IN SEGMENT REPORTING

EUR 1,000	Q1 2021	Q1 2020	Change	2020
Continuing earnings*	8,905	8,438	5.5%	35,885
Performance fees	797	1	above 100%	985
Investment operations	3,968	-9,246	n/a	3,169
<b>INCOME</b>	<b>13,670</b>	<b>-808</b>	<b>n/a</b>	<b>40,038</b>
Fee and commission expense	-1,884	-1,748	7.8%	-8,192
Interest expense	-714	-757	-5.7%	-3,225
Personnel costs	-4,123	-2,484	66.0%	-13,314
Direct expenses	-1,754	-1,681	4.3%	-5,956
Depreciation, amortisation and impairment	-42	-33	26.5%	-128
Impairment losses on receivables	-36	-19	84.8%	-105
<b>OPERATING PROFIT</b>	<b>5,118</b>	<b>-7,529</b>	<b>n/a</b>	<b>9,117</b>
Operating profit %	<b>37.4%</b>	<b>n/a</b>		<b>22.8%</b>

\* Includes share of associates' profit or loss

# BALANCE SHEET

<b>Assets, EUR 1,000</b>	<b>31.3.2021</b>	<b>31.12.2020</b>	
Receivables from credit institutions	26,727	25,786	
Receivables from the public and general government	5,079	6,699	
Debt securities	1,498	1,498	
Shares and units	21,904	21,971	
Assets classified as held for sale	29,198	5,357	
Participating interests	9,628	9,248	
Insurance assets	152,339	160,410	
- Insurance assets	2,608	3,705	
- Investments	149,731	156,705	
Intangible assets	530	6,775	
Tangible assets	2,294	2,944	
Other assets	12,775	14,455	
Accrued income and prepayments	8,235	11,237	
Deferred tax assets	1,594	1,611	
	<b>271,802</b>	<b>267,990</b>	
<b>Liabilities, EUR 1,000</b>	<b>31.3.2021</b>	<b>31.12.2020</b>	
<b>LIABILITIES</b>	<b>141,010</b>	<b>134,781</b>	
Liabilities to credit institutions	12,432	14,939	
Debt securities issued to the public	34,952	34,937	
Insurance liabilities	34,275	34,676	
Liabilities of assets classified as held for sale	7,225	-	
Other liabilities	12,453	5,401	
Accrued expenses and deferred income	9,508	14,623	
Deferred tax liabilities	15,322	15,366	
Subordinated debt	14,843	14,839	
<b>EQUITY</b>	<b>130,792</b>	<b>133,209</b>	
	<b>271,802</b>	<b>267,990</b>	

Wealth management EUR 24.0 million  
Fellow Finance EUR 5.2 million

Fixed income investments 85% of  
Garantia's investment portfolio

Premature redemption announced

Wealth management EUR 7.2 million

Proposal for additional dividend of EUR  
28.4 million

# CAPITAL ADEQUACY – RAVA CONGLOMERATE & FINANCING SECTOR

CAPITAL ADEQUACY OF RAVA CONGLOMERATE, EUR 1,000	31.3.2021	31.12.2020
<b>Shareholders' equity of the Taaleri Group</b>	<b>139,850</b>	<b>133,209</b>
Goodwill and other intangible assets	-533	-6,778
Non-controlling interests	1,483	1,134
Dividend for 2020	-9,072	-9,072
Planned distribution of profit	-28,351	-
Tier 1 Capital	101,541	118,492
Tier 2 Capital	14,839	14,839
<b>Conglomerate's own funds, total</b>	<b>116,384</b>	<b>133,332</b>
Financing business' requirement for own funds	11,880	11,783
Insurance business' requirement for own funds	50,983	49,900
<b>Minimum amount of own funds of the Conglomerate, total</b>	<b>62,863</b>	<b>61,683</b>
<b>Conglomerate capital adequacy</b>	<b>40,063</b>	<b>71,649</b>
<b>Conglomerate capital adequacy ratio</b>	<b>163.7%</b>	<b>216.2%</b>

The conglomerate's capital adequacy was 163.7%, which includes EUR 15.3 million capital add-on set by the Finnish Financial Supervisory Authority and the Tier 2 loan, EUR 15 million. The minimum requirement is 100%.

FINANCING SECTOR'S CAPITAL ADEQUACY, EUR 1,000 (CRR 49 PERMISSION)	31.3.2021	31.12.2020
<b>Common Equity Tier 1 before deductions</b>	<b>85,276</b>	<b>85,516</b>
Deductions from the Common Equity Tier 1	-42,345	-14,353
<b>Common Equity Tier 1</b>	<b>42,931</b>	<b>71,163</b>
<b>Tier 1 capital</b>	<b>42,931</b>	<b>71,163</b>
<b>Tier 2 capital</b>	<b>14,839</b>	<b>14,839</b>
<b>Total capital</b>	<b>57,774</b>	<b>86,003</b>
<b>Total risk-weighted commitments (total risk)</b>	<b>228,722</b>	<b>226,872</b>
Common Equity Tier (CET 1) in relation to the amount of total risk (%)	<b>18.8%</b>	<b>31.4%</b>
Tier 1 capital (T1) in relation to the amount of total risk (%)	<b>18.8%</b>	<b>31.4%</b>
Total capital (TC) in relation to the amount of total risk (%)	<b>25.3%</b>	<b>37.9%</b>

The Financing sector's Common Equity Tier with the CRR 49 permission is EUR 42.9 million and corresponds to a capital adequacy of 25.3%, when the planned additional profit distribution of EUR 28.4 million is taken into account.



A hiker with a backpack is walking away on a dirt path through a forest. The sun is shining brightly from behind the trees, creating a strong lens flare and illuminating the scene. The path is surrounded by tall grasses and dense foliage. The overall atmosphere is peaceful and natural.

# SUMMARY

## Q1 SUMMARY

- Taaleri revised its strategy after the announcement the sale of Taaleri's wealth management operations to Aktia.
- Taaleri focuses on private asset management and strategic investments. Following the execution of the sale, Taaleri's private asset management operations will be strengthened with Aktia's real estate and infrastructure teams.
- Strong result from the Group during the ongoing major changes.
- The bioindustry business began its operations, with the goal of launching the first fund in the second half of the year.
- Garantia in strong progress, the new distribution channel opened in October 2020 increased the residential mortgage guarantee portfolio.





## A LOOK INTO NEXT QUARTER

- The execution of the sale of wealth management operations, Taaleri will recognise a capital gain of approximately EUR 110 million on the sale in the second quarter of 2021.
- Starting the cooperation with Aktia.
- Starting the infrastructure business in Private Asset Management segment and launching the first fund.
- Takeover of real estate portfolios transferring from Aktia to Taaleri's portfolio management.
- Taaleri SolarWind II fund is open for subscriptions until June in Renewable energy.
- Extraordinary general meeting on May 28, the Board of Directors proposes a distribution of funds of EUR 1.0 per share.





# TAALERI

## **FURTHER INFORMATION:**

Interim statement Q1 is found on [www.taaleri.com/en/investor-relations/reports-and-presentations](http://www.taaleri.com/en/investor-relations/reports-and-presentations)

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# ATTACHMENTS

# SEGMENT RESULT Q1 2021

EUR 1,000	PRIVATE ASSET MANAGEMENT	RENEWABLE ENERGY	OTHER PRIVATE ASSET MANAGEMENT	STRATEGIC INVESTMENTS (GARANTIA)	OTHER	TOTAL
Continuing earnings*	4,213	3,193	1,019	3,609	1,083	8,905
Performance fees	797	797	-	-	-	797
Investment operations	162	-	162	3,427	379	3,968
<b>INCOME</b>	<b>5,172</b>	<b>3,990</b>	<b>1,182</b>	<b>7,036</b>	<b>1,462</b>	<b>13,670</b>
Fee and commission expense	-1,777	-1,056	-720	-	-107	-1,884
Interest expense	-1	-1	-	-	-713	-714
Personnel costs	-2,173	-1,736	-437	-813	-1,137	-4,123
Direct expenses	-752	-529	-224	-403	-598	-1,754
Depreciation, amortisation and impairment	-29	-10	-19	-9	-4	-42
Impairment losses on receivables		-		-	-36	-36
<b>OPERATING PROFIT BEFORE ALLOCATING THE FINANCING EXPENSES</b>	<b>440</b>	<b>658</b>	<b>-217</b>	<b>5,810</b>	<b>-1,133</b>	<b>5,118</b>
Allocation of financing expenses	-526	-363	-164	-400	926	-
<b>OPERATING PROFIT</b>	<b>-86</b>	<b>295</b>	<b>-381</b>	<b>5,410</b>	<b>-206</b>	<b>5,118</b>
<b>OPERATING PROFIT, %</b>	<b>n/a</b>	<b>7%</b>	<b>n/a</b>	<b>77%</b>	<b>n/a</b>	<b>37%</b>
Change in fair value of investments	-	-	-	-252	-9	-261
<b>PROFIT BEFORE TAXES AND NCI</b>	<b>-86</b>	<b>295</b>	<b>-381</b>	<b>5,158</b>	<b>-215</b>	<b>4,857</b>

\* Includes share of associates' profit or loss

# SEGMENT RESULT Q1 2020

EUR 1,000	PRIVATE ASSET MANAGEMENT	RENEWABLE ENERGY	OTHER PRIVATE ASSET MANAGEMENT	STRATEGIC INVESTMENTS (GARANTIA)	OTHER	TOTAL
Continuing earnings*	4,561	3,489	1,071	3,302	576	8,438
Performance fees	1	-	1	-	-	1
Investment operations	888	892	-3	-7,436	-2,699	-9,246
<b>INCOME</b>	<b>5,450</b>	<b>4,381</b>	<b>1,069</b>	<b>-4,134</b>	<b>-2,123</b>	<b>-808</b>
Fee and commission expense	-1,672	-1,009	-663	-	-76	-1,748
Interest expense	-	-1	-	-	-756	-757
Personnel costs	-974	-724	-250	-583	-927	-2,484
Direct expenses	-796	-610	-186	-449	-436	-1,681
Depreciation, amortisation and impairment	-16	-10	-5	-9	-8	-33
Impairment losses on receivables	-	-	-	-	-19	-19
<b>OPERATING PROFIT BEFORE ALLOCATING THE FINANCING EXPENSES</b>	<b>1,991</b>	<b>2,027</b>	<b>-36</b>	<b>-5,175</b>	<b>-4,346</b>	<b>-7,529</b>
Allocation of financing expenses	-601	-405	-196	-541	1,142	-
<b>OPERATING PROFIT</b>	<b>1,390</b>	<b>1,622</b>	<b>-232</b>	<b>-5,716</b>	<b>-3,204</b>	<b>-7,529</b>
<b>OPERATING PROFIT, %</b>	<b>26%</b>	<b>37%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Change in fair value of investments	-	-	-	-5,427	-	-5,427
<b>PROFIT BEFORE TAXES AND NCI</b>	<b>1,390</b>	<b>1,622</b>	<b>-232</b>	<b>-11,142</b>	<b>-3,204</b>	<b>-12,956</b>

\* Includes share of associates' profit or loss