

TALERI

Q3

Taaleri Interim Statement

CEO Peter Ramsay
CFO Minna Smedsten
4 November 2022

Q3 highlights

The continuing earnings increased and operating profit more than tripled

In addition to the growth in continuing earnings, the operating profit was increased by a profit of EUR 14.0 million recognized from the sale of Ficolo Ltd and the related exit of Taaleri Datacenter Ky.

Renewable energy prepared the launch of the new fund

The renewable energy business focused on advancing projects of the Taaleri SolarWind II fund that were in the construction phase and on preparations for the Taaleri SolarWind III fund.

The successful second closing of Taaleri Bioindustry I fund

Taaleri Bioindustry I reached a size of over EUR 100 million in its second round of funding and continues fundraising backed up by strong demand.

Garantia's net income from insurance operations increased

Garantia's net income from insurance operations increased by 14% from the corresponding period to EUR 4.4 million and Garantia's net income from investment operations recovered from the particularly weak previous quarter.

Real estate business carried out several transactions

The real estate business carried out several acquisitions, both for Aktia's special investment funds in its portfolio management and for the Taaleri Housing Fund VIII and Taaleri Rental Home funds, which invest in rental housing under construction.

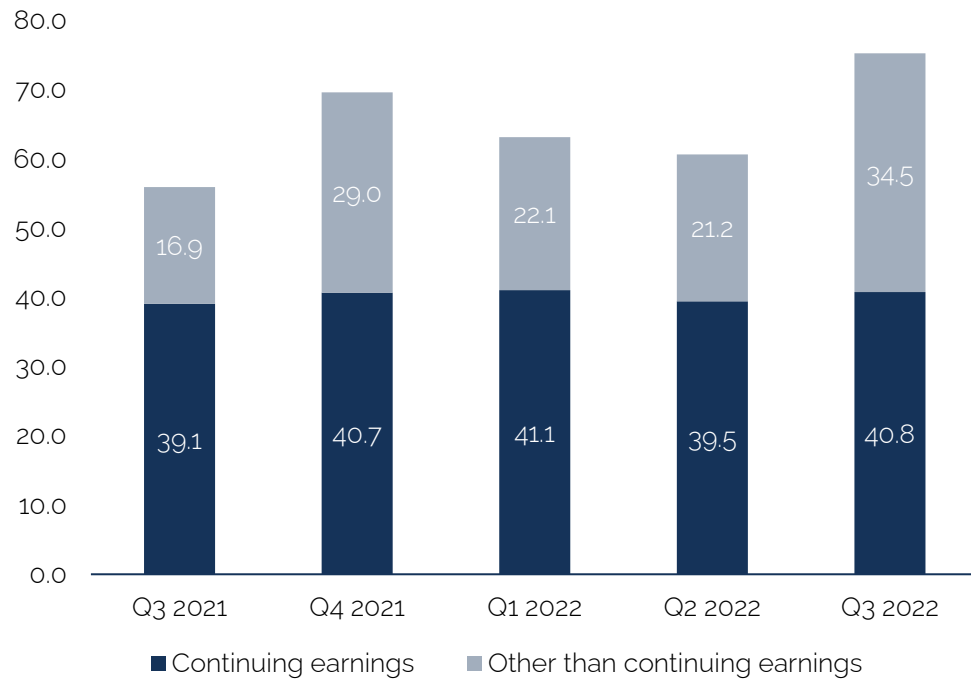
Q3 2022

- Continuing earnings grew by 14.2% to EUR 10.5 (9.2) million. The Private Asset Management segment's continuing earnings grew by 10.1% to EUR 5.3 (4.8) million and the Strategic Investments segment's continuing earnings by 13.7% to EUR 4.4 (3.9) million.
- Performance fees were EUR 6.5 (0.0) million, and net income from investment operations was EUR 9.9 (3.1) million.
- Income more than doubled to EUR 26.9 (12.3) million as a result of performance fees and net income from investment operations.
- Operating profit more than tripled and was EUR 18.5 (4.9) million, corresponding to 68.6% of income.
- The assets under management in the Private Asset Management segment grew by 10.9% to EUR 2.5 (31 December 2021: 2.2) billion.
- Earnings per share were 0.53 (0.11) EUR.

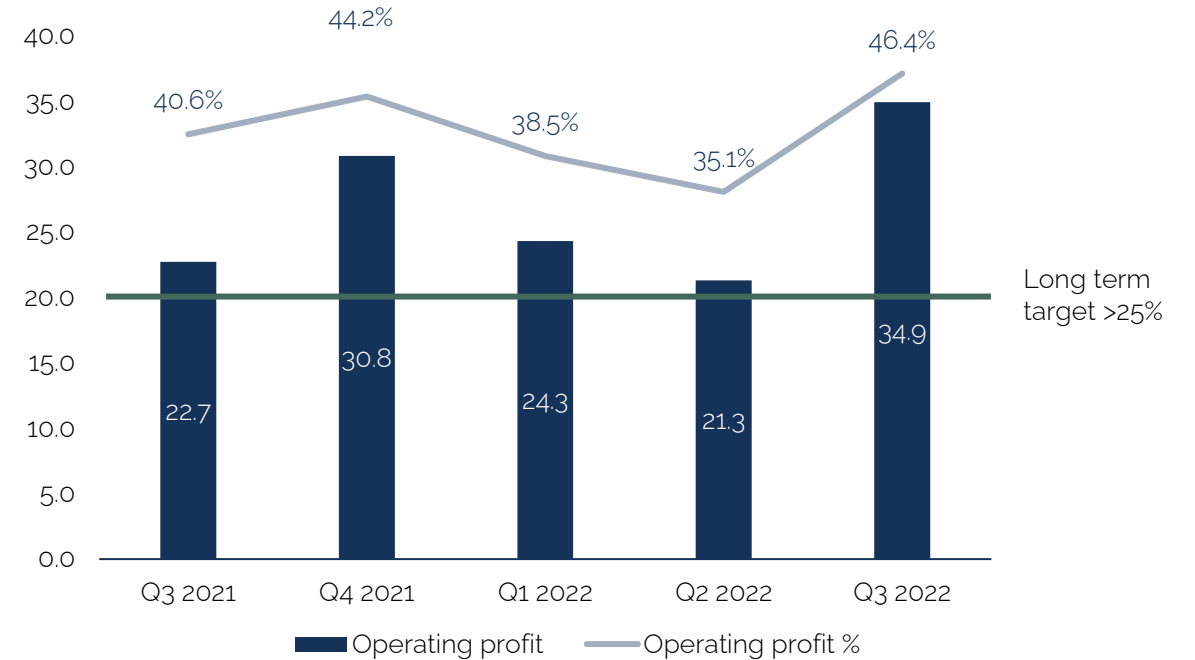


The development of Taaleri's income and operating profit, 12M

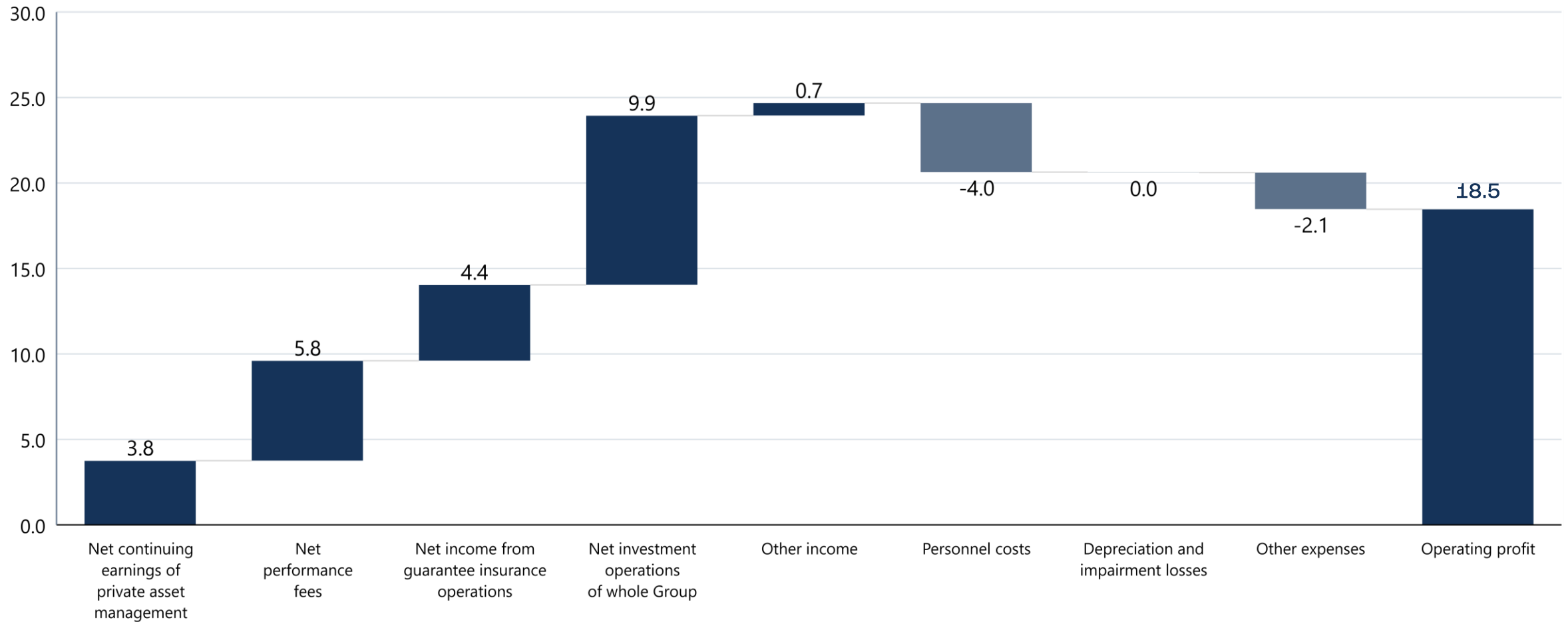
Income previous 12M, MEUR



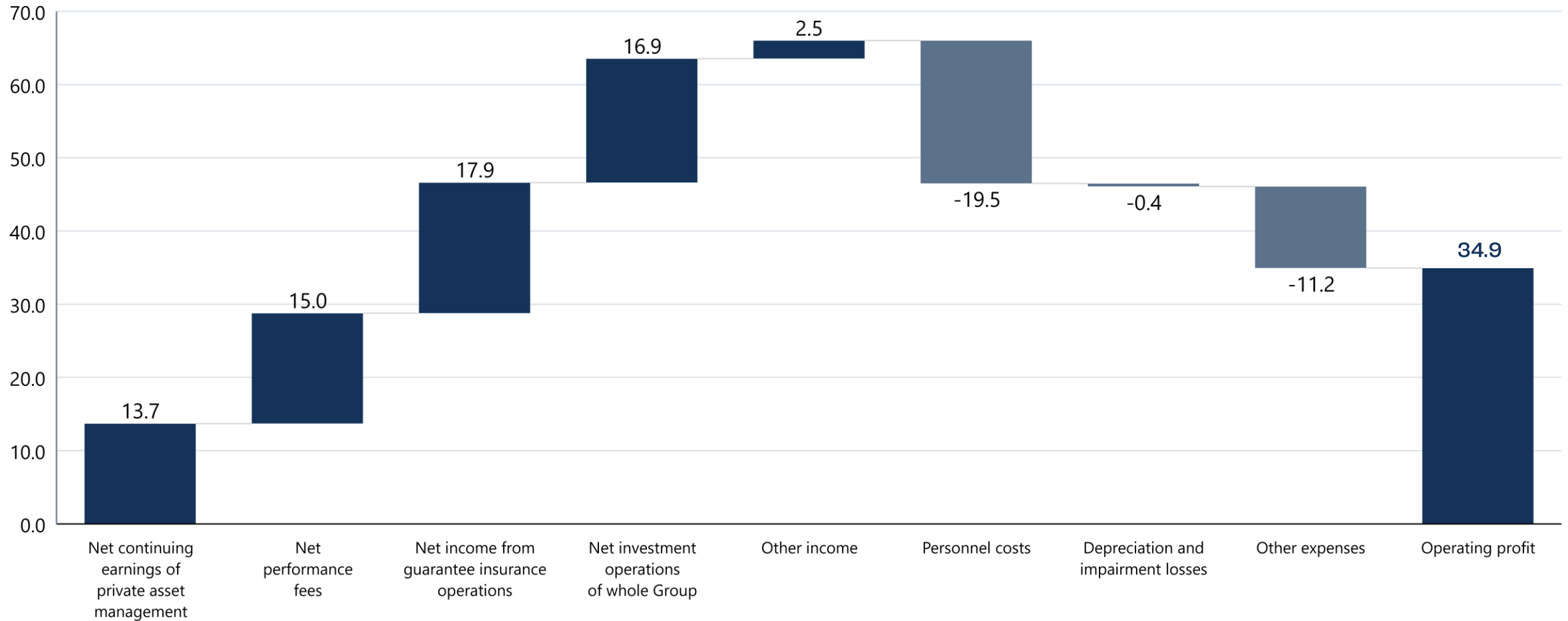
Operating profit previous 12M, MEUR



A completed exit increased the group's performance fees and net income from investment operations in Q3



The development of Taaleri's operating profit, 12M



TAALERI

**Private Asset
Management**



Q3: Renewable energy focused on projects and prepared the launch of the new fund

- The renewable energy business focused on advancing the Taaleri SolarWind II fund's projects in the construction phase in Finland, Spain, Lithuania and Croatia.
- Three new projects were successfully added to Taaleri Energia's project development portfolio, which accelerates the launch of the Taaleri SolarWind III fund. In addition, Taaleri Energia refinanced the Čibuk wind farm in Serbia, an investment of the Taaleri SolarWind I fund.
- Continuing earnings from the renewable energy business grew by 3.8% to EUR 3.7 (3.6) million. Income from the renewable energy business grew by 26.2% to EUR 4.5 (3.6) million as a result of the positive changes in exchange rates that affected the net income from investment operations.
- Operating profit for the renewable energy business was EUR 1.5 (0.8) million, corresponding to 33.5% (22.4) of income.

Key figures Q3 2022 (Q3 2021)

Income

4.5

(3.6) MEUR

Operating profit

1.5

(0.8) MEUR

Operating profit %

33.5

(22.4)

AUM

1.4

(31.12.2021: 1.2)
MRD EUR

Q3: In Other private asset management Taaleri Bioindustry I fund reached the size of over €100M

- The fundraising of the first private equity fund of the bioindustry business, Taaleri Bioindustry I, continued very well during the review period. The fund reached a size of over EUR 100 million in its second round of funding, and the fund's anchor investor, the state-owned special-assignment company Finnish Climate Fund, made an additional EUR 5.0 million investment in the fund in accordance with its option.
- The real estate business carried out several acquisitions in the third quarter, both for Aktia's special investment funds in its portfolio management and for its own private equity funds. Taaleri Housing Fund VIII carried out a significant portfolio transaction worth approximately EUR 85 million for three residential properties in September. In addition, the Taaleri Rental Home fund acquired two rental residential properties under construction in September.
- Continuing earnings from Taaleri's real estate, bioindustry and other businesses in the third quarter grew by 27.8% to EUR 1.6 (1.3) million. A transaction concerning the shares of Ficolo Ltd owned by Taaleri's co-investment and associated company Taaleri Datacenter Ky took place in July, and a performance fee of EUR 6.5 million were recognized for the transaction. Due to a performance fee, the income of Other private asset management grew to EUR 8.1 (0.7) million, and the operating profit was EUR 5.5 (-1.0) million.

Key figures Q3 2022 (Q3 2021)

Income

8.1

(0.7) MEUR

Operating profit

5.5

(-1.0) MEUR

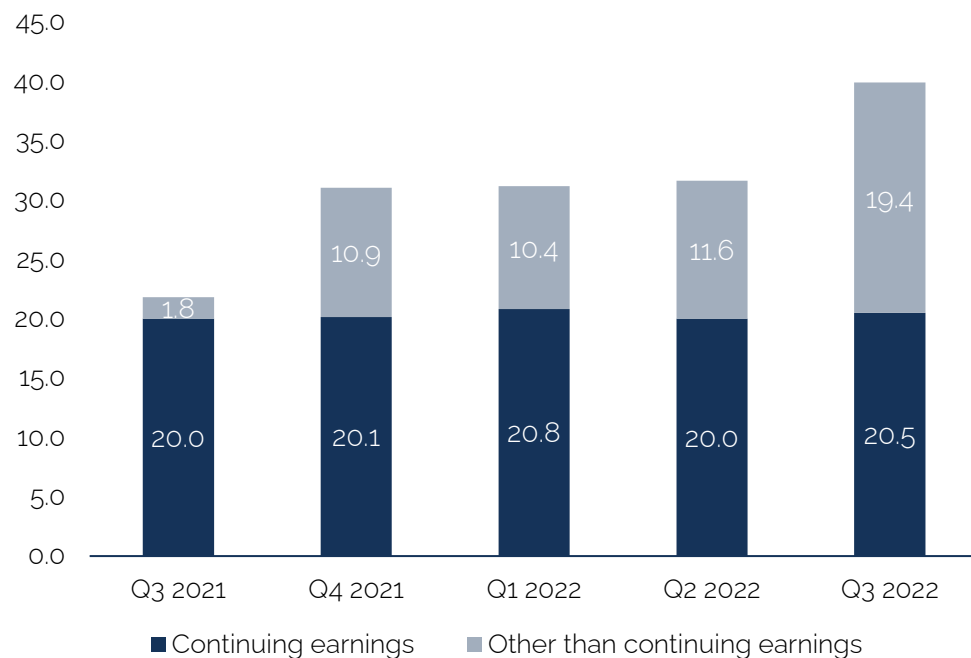
AUM

1.1

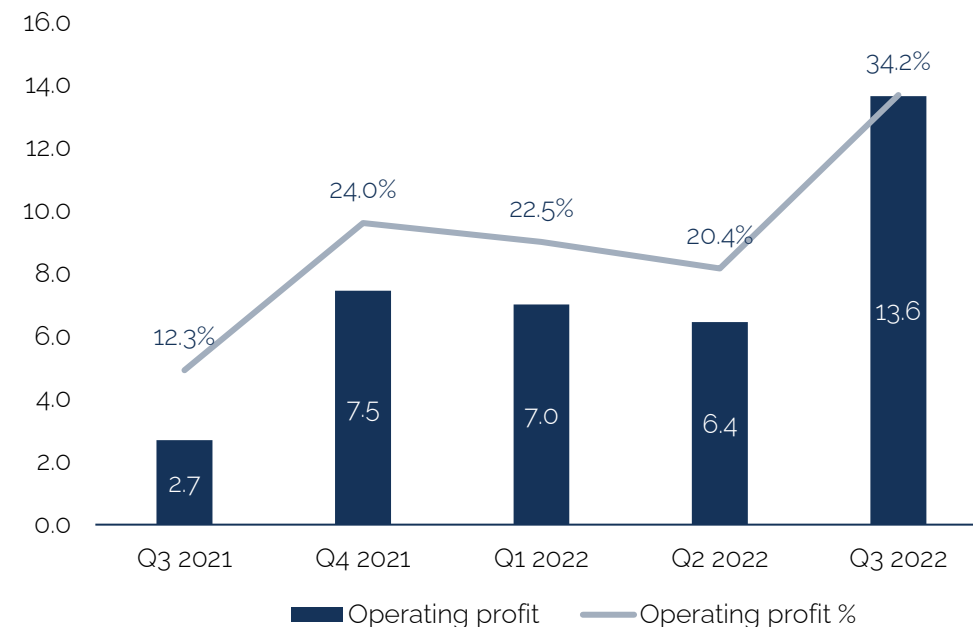
(31.12.2021: 1.0)
MRD EUR

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

Income previous 12M, MEUR



Operating profit previous 12M, MEUR



Q2-Q3 2021 operating profit was burdened by the negative result of investment operations.
 Q4 2021 operating profit was EUR 7.3 million due to record-high performance fees.
 Q3 2022 operating profit includes EUR 6.5 million in performance fees.

Taaleri's private equity funds

Renewable energy	Founded	Product	Business area	AUM Q3 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				1,357 MEUR	
Other private asset management	Founded	Product	Business area	AUM Q3 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				798 MEUR	
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				155 MEUR	
Other funds total				161 MEUR	
Other private asset management total				1,114 MEUR	
Private Asset Management segment total				2,471 MEUR	

AUM €2.5 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 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.



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**Strategic
Investments**

Q3: Garantia's combined ratio stood at 29.0% as claims incurred remained low

- The net income from guaranty insurance operations increased by 13.5% from the period of comparison and amounted to EUR 4.4 (3.9) million.
 - The increase in net income from insurance operations resulted from growth in premiums earned and a sustained low level of claims. Earned premiums increased by 15.0% and amounted to EUR 4.6 (4.0) million.
- Net income from investment operations decreased to EUR 1.1 (1.8) million.
 - In the review period, net income from investment operations recovered from an exceptionally weak second quarter.
- Gross guaranty insurance exposure grew by 6.1% to EUR 1.8 (1.7) billion. The amount of consumer exposures in the portfolio increased and the amount of corporate exposures decreased, in line with the company's strategy.
- Solvency ratio strengthened to 246% (31.12.2021: 219%).

Garantia's key figures Q3 2022 (Q3 2021)

Income

5.5

(5.7) MEUR

Operating profit

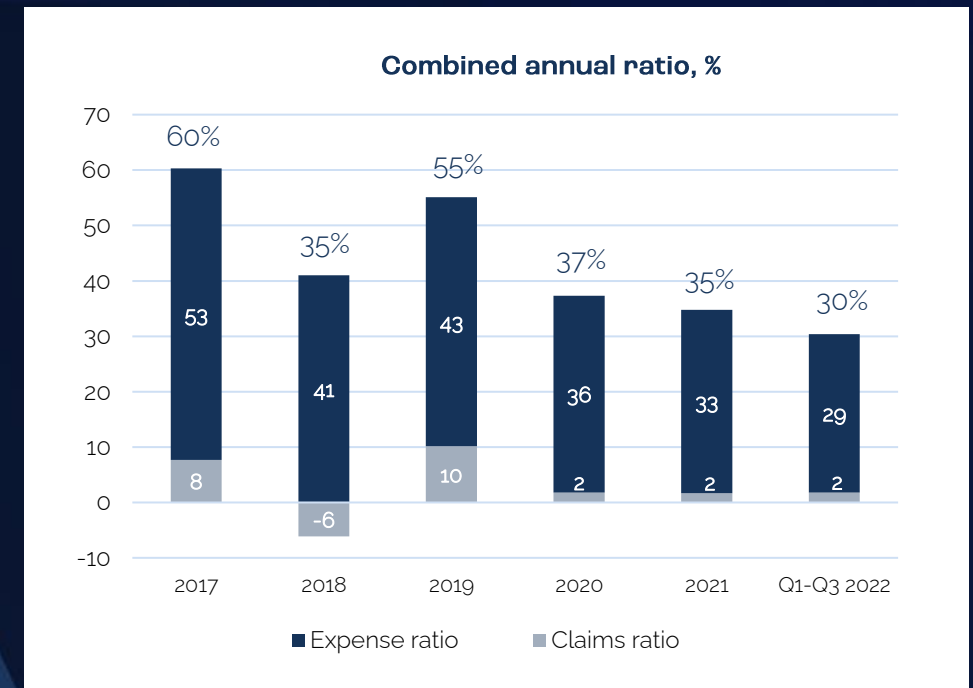
4.3

(4.3) MEUR

Return of investments at fair value

0.0%

(1.1)%



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Other



Q3: The exit from Ficolo Ltd increased the income and operating profit of Other group

- 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.
- The income of the Other group totalled EUR 8.3 (1.4) million, consisting of continuing earnings of EUR 0.7 (0.5) million and net income from investment operations of EUR 7.5 (1.0) million. A transaction concerning the shares of Ficolo Ltd owned by Taaleri's co-investment and associated company Taaleri Datacenter Ky took place in July. Taaleri Group recognized a total profit of EUR 14.0 million from the transaction, of which EUR 7.5 million was consolidated as income from the associated company into net income from investment operations in the Other group.
- Taaleri continued to exit non-strategic investments with small disposals. On 30 September 2022, Taaleri's non-strategic investments totalled EUR 30.0 (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 Other group's operating profit in the review period was EUR 6.6 (-0.1) million.

Key figures Q3 2022 (Q3 2021)

Income

8.3

(1.4) MEUR

Operating profit

6.6

(-0.1) MEUR

Personnel

18

(17)

	30.9.2022	31.12.2021	Change, %
Non-strategic investments	30.0	23.7	26.7%
Real estate	19.0	12.9	47.9%
Other	11.0	10.8	1.5%



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**Result and
balance sheet**

Taaleri's result Q3 2022

Operating profit was increased by a profit of EUR 14.0 million recognized from the sale of Ficolo Ltd and the related exit of Taaleri Datacenter Ky.

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	5,334	3,714	1,620	4,444	742	10,520
Performance fees	6,492	-	6,492	-	-	6,492
Investment operations	748	798	-50	1,611	7,540	9,898
Income*	12,574	4,512	8,062	6,054	8,282	26,910
Fee and commission expense	-2,232	-1,114	-1,118	-9	-141	-2,383
Personnel costs	-2,454	-1,471	-983	-613	-981	-4,048
Direct expenses	-874	-415	-460	-574	-545	-1,993
Depreciation, amortisation and impairment	-6	-3	-3	-3	-6	-15
Impairment losses on receivables	-	-	-	-	-2	-2
Operating profit	7,008	1,510	5,498	4,856	6,606	18,470
Operating profit, %	55.7%	33.5%	68.2%	80.2%	79.8%	68.6%
Interest expenses	-8	-7	-1	-	-195	-203
Allocation of financing expenses	-408	-300	-108	-475	883	-
Profit before tax and NCI	6,592	1,203	5,389	4,381	7,294	18,267

* 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

EUR 1,000	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change	FY 2021
Continuing earnings	10,520	9,210	14.2%	29,379	29,276	0.4%	40,711
Performance fees	6,492	-	100.0%	6,992	811	>100.0%	11,411
Investment operations	9,898	3,092	220.2%	9,548	10,221	-6.6%	17,593
Income*	26,910	12,302	118.7%	45,919	40,307	13.9%	69,715
Fee and commission expense	-2,383	-1,820	31.0%	-5,863	-5,546	5.7%	-9,590
Personnel costs	-4,048	-3,610	12.1%	-12,428	-11,970	3.8%	-19,046
Direct expenses	-1,993	-2,021	-1.4%	-6,970	-6,011	16.0%	-9,616
Depreciation, amortisation and impairment	-15	-15	-2.4%	-393	-60	>100.0%	-71
Impairment losses on receivables	-2	16	-112.2%	-28	-579	-95.2%	-565
Operating profit	18,470	4,852	280.7%	20,239	16,142	25.4%	30,827
Operating profit, %	68.6%	39.4%		44.1%	40.0%		44.2%
Interest expense	-203	-284	-28.8%	-666	-2,038	-67.3%	-2,293
Profit before tax and NCI	18,267	4,567	299.9%	19,573	14,105	38.8%	28,534

* 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.

Key figures

Continuing earnings
Q3 2022

€10.5 million

Q3 2021: €9.2 million

Income
Q3 2022

€26.9 million

Q3 2021: €12.3 million

Operating profit
Q3 2022

€18.5 million

Q3 2021: €4.9 million

AUM
Q3 2022

€2.5 billion

31.12.2021: €2.2 billion

Continuing earnings
Q1–Q3 2022

€29.4 million

Q1–Q3 2021: €29.3 million

Income
Q1–Q3 2022

€45.9 million

Q1–Q3 2021: €40.3 million

Operating profit
Q1–Q3 2022

€20.2 million

Q1–Q3 2021: €16.1 million

Growth in AUM
Q1–Q3 2022

10.9%

AUM 30.9.2022: €2.5 billion
AUM 31.12.2021: €2.2 billion

Taaleri Group's balance sheet

Strategic investments
Q3 2022

€28.7 million

31.12.2021: €33.1 million

Garantia's investment
portfolio Q3 2022

€146.1
million

31.12.2021: €165.9 million

Assets total
Q3 2022

€288.0 million

31.12.2021: €318.7 million

Equity
Q3 2022

€195.2 million

31.12.2021: €229.7 million

Non-strategic
investments Q3 2022

€30.0 million

31.12.2021: €23.7 million

Cash and cash
equivalents Q3 2022

€46.5 million

31.12.2021: €53.3 million

36.7	Other assets
46.5	Cash and cash equivalents
146.1	Garantia's investment portfolio
30.0	Non-strategic investments
28.7	Strategic investments

Dividend paid in
April 2022

€1.20

A dividend of EUR 1.20 per share, a total of EUR 34.0 million, was paid on 8 April 2022 for the financial year 2021.

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Summary



Q3: Summary

- Taaleri's continuing earnings grew by 14.2% and operating profit more than tripled due to a completed exit. Taaleri recognized a profit of EUR 14.0 million from the sale of Ficolo Ltd and the related exit of Taaleri Datacenter Ky.
- The first fund of the bioindustry business, Taaleri Bioindustry I, reached a size of over EUR 100 million in its second round of funding and continues fundraising backed up by strong demand.
- The renewable energy business focused on advancing projects of the Taaleri SolarWind II fund that were in the construction phase and on preparations for the Taaleri SolarWind III fund.
- The real estate business carried out several acquisitions, both for Aktia's special investment funds in its portfolio management and for the Taaleri Housing Fund VIII and Taaleri Rental Home funds, which invest in rental housing under construction.
- Garantia continued its very strong business and the net income from insurance operations increased by 13.5% from the corresponding period to EUR 4.4 million. Garantia's net income from investment operations recovered from the particularly weak previous quarter.

A look into the next quarter

- Renewable energy business will launch the marketing for Taaleri SolarWind III. In addition, it will make the final investments in Taaleri SolarWind II fund and continues its own project development activities, which accelerates the launch of the Taaleri SolarWind III fund.
- The bioindustry business starts the investment activities of Taaleri Bioindustry I fund. They also continue to advance the torrefied biomass plant in Joensuu.
- The Hamina biorefinery of Taaleri's associated company Fintoil became operational during the third quarter of the year, and deliveries to customers will be increased as production increases.
- The real estate business focuses mainly on transaction activities to grow the real estate funds in investment phase.
- Garantia continues to execute its strategy by serving current customers and developing new product launches.

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The Interim Statement is found on our [website](#)

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TALARI

Attachments

Balance sheet

Assets, EUR 1,000

	30.9.2022	31.12.2021
Receivables from credit institutions	46,522	53,255
Receivables from the public and general government	6,270	6,021
Shares and units	46,042	41,546
Assets classified as held for sale	-	5,246
Participating interests	6,010	8,889
Insurance assets	146,864	168,973
- Insurance assets	763	3,119
- Investments	146,101	165,854
Intangible assets	356	711
Tangible assets	590	1,149
Other assets	13,665	13,669
Accrued income and prepayments	18,139	16,921
Deferred tax assets	3,494	2,343
Total	287,953	318,723

Cash at bank EUR 46.5 million, dividend of EUR 34.0 million paid in April

The largest investments are Aktia Bank Plc EUR 9.4 million, Truscott Gilliland wind farm EUR 11.7 million and real estate project in Canada EUR 10.6 million.

Fixed income investments 88% of Garantia's investment portfolio. Garantia distributed a dividend of EUR 15.0 million to the parent company during the first quarter.

Liabilities and equity, EUR 1,000

	30.9.2022	31.12.2021
Liabilities	92,725	88,975
Liabilities to public and general government	310	-
Insurance liabilities	43,791	39,421
Other liabilities	1,633	3,318
Accrued expenses and deferred income	15,971	14,172
Deferred tax liabilities	16,154	16,580
Derivative contracts	-	630
Subordinated debt	14,866	14,854
Equity	195,228	229,747
Total	287,953	318,723

Taaleri's equity is EUR 195.2 million. The Group's equity ratio is strong at 67.8%.

Taaleri's result Q3 2021

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	4,846	3,578	1,267	3,909	456	9,210
Performance fees	-	-	-	-	-	-
Investment operations	-537	-4	-533	2,651	977	3,092
Income*	4,309	3,574	735	6,560	1,433	12,302
Fee and commission expense	-1,598	-1,016	-583	-100	-121	-1,820
Personnel costs	-1,985	-1,220	-765	-905	-720	-3,610
Direct expenses	-897	-527	-370	-393	-731	-2,021
Depreciation, amortisation and impairment	-20	-12	-8	-3	7	-15
Impairment losses on receivables	-	-	-	-	16	16
Operating profit	-192	799	-991	5,159	-115	4,852
Operating profit, %	neg	22.4%	neg	78.6%	neg	39.4%
Interest expenses	-1	-1	-	-	-284	-284
Allocation of financing expenses	-583	-380	-203	-633	1,217	-
Result before tax and NCI	-776	418	-1,194	4,526	817	4,567

* 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.