

**TAALERI**

**Q4**

# Taaleri Financial Statements Bulletin

CEO Peter Ramsay  
CFO Minna Smedsten  
16 February 2023

# Q4 highlights

## Taaleri recognized performance fees at a record level

In the last quarter of the year, more than EUR 12 million were recognized in performance fees. Performance fees evened out Group's net income on investment operations.

## Real estate business's investment operations proceeded as planned

The business made one acquisition for Aktia's special mutual fund in our portfolio management. Investment operations have proceeded as planned despite the general slowdown in the real estate investment market.

## Renewable energy announced Taaleri SolarWind III fund

The fund will be based on a project development portfolio of 25–35 projects, which already included 20 projects at the end of the financial year.

## Taaleri Bioindustry I fund made its first investments

The investees are Colombier, a company producing ecological packaging, and Nordtreat, a company producing bio-based flame retardants.

## Taaleri is the largest wind power producer in Finland

Taaleri is the largest wind power producer in Finland with a market share of 12%, which reflects both our long history as a developer of domestic wind power and the know-how and capability of our current team.

## Garantia achieved its best ever profitability

The combined ratio was 23.9% in the quarter and 28.4% in the full year. However, Garantia's investment performance was weak due to the historically high interest rate movement.

## Q4 2022

- Continuing earnings grew by 2.1% to EUR 11.7 (11.4) million. The Private Asset Management segment's continuing earnings grew by 3.9% to EUR 5.7 (5.4) million and the Strategic Investments segment's continuing earnings by 2.4% to EUR 5.7 (5.5) million.
- Performance fees were EUR 12.4 (10.6) million, and net income from investment operations was EUR -6.7 (7.4) million.
- Income decreased to EUR 17.3 (29.4) million as a result of negative net income from investment operations.
- Operating profit was EUR 7.1 (14.7) million, corresponding to 41.0% of income.
- Earnings per share were EUR 0.25 (0.42).





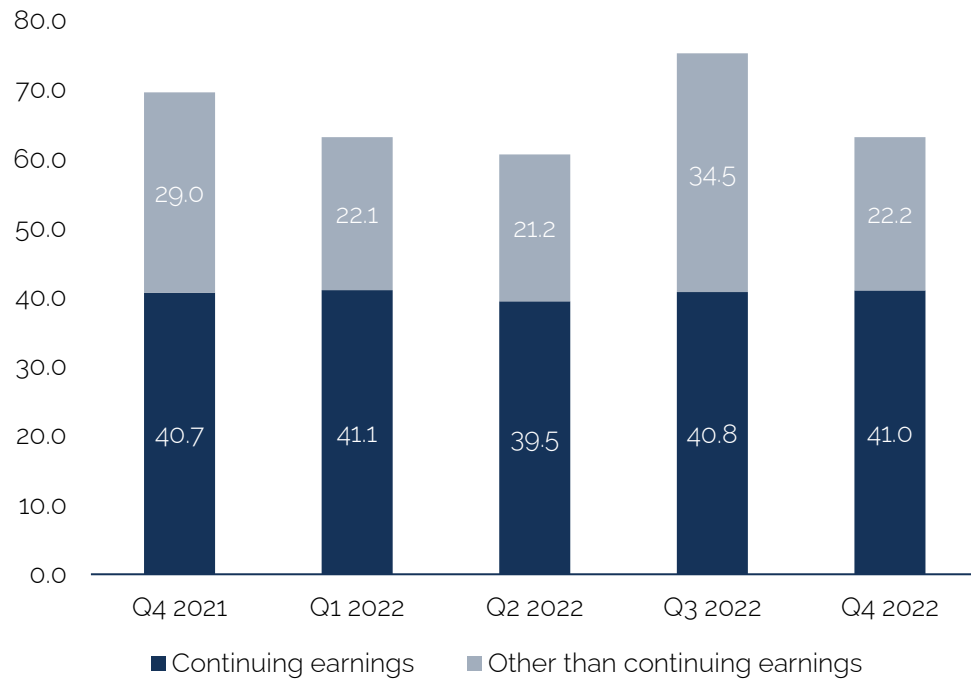
# FY 2022

- Continuing earnings grew by 0.8% to EUR 41.0 (40.7) million. The Private Asset Management segment's continuing earnings grew by 2.8% to EUR 20.7 (20.1) million, and the Strategic Investments segment's continuing earnings grew by 2.2% to EUR 18.0 (17.6) million.
- Performance fees were EUR 19.4 (11.4) million, and net income from investment operations was EUR 2.8 (17.6) million.
- Income decreased by 9.3% and was EUR 63.2 (69.7) million.
- Operating profit was EUR 27.3 (30.8) million, corresponding to 43.2% of income.
- The assets under management in the Private Asset Management segment grew by 12.9% to EUR 2.5 (31 December 2021: 2.2) billion.
- Earnings per share were EUR 0.73 (4.81).
- The Board of Directors proposes a dividend of EUR 0.70 per share for 2022.

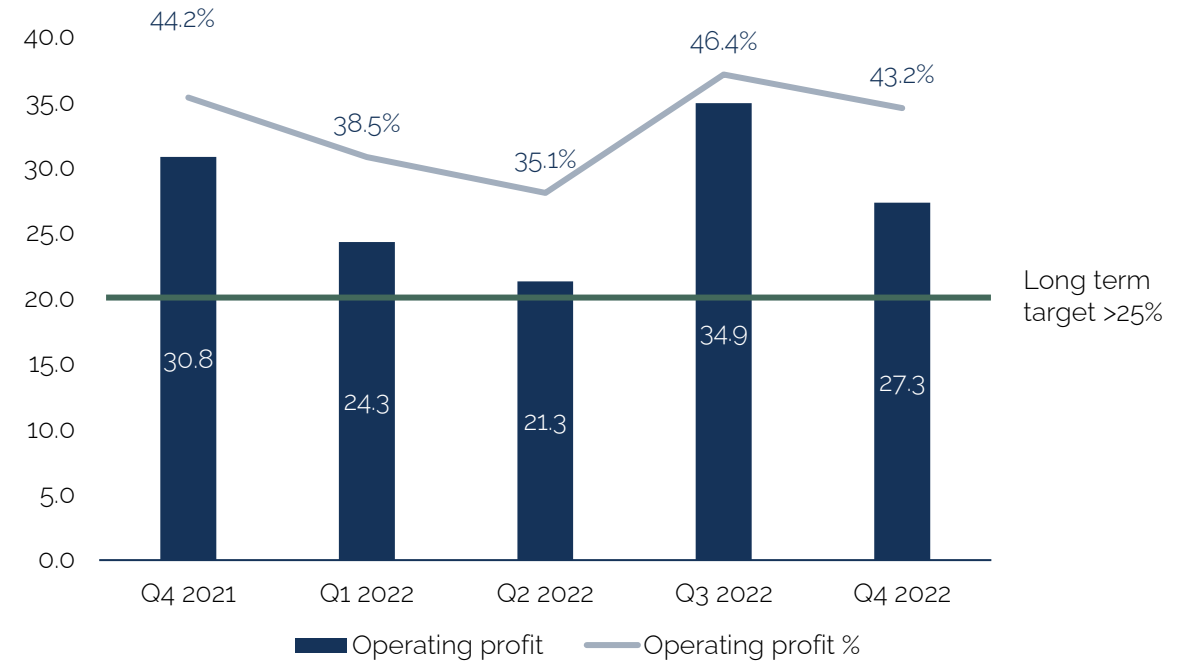


# The development of Taaleri's income and operating profit, 12M

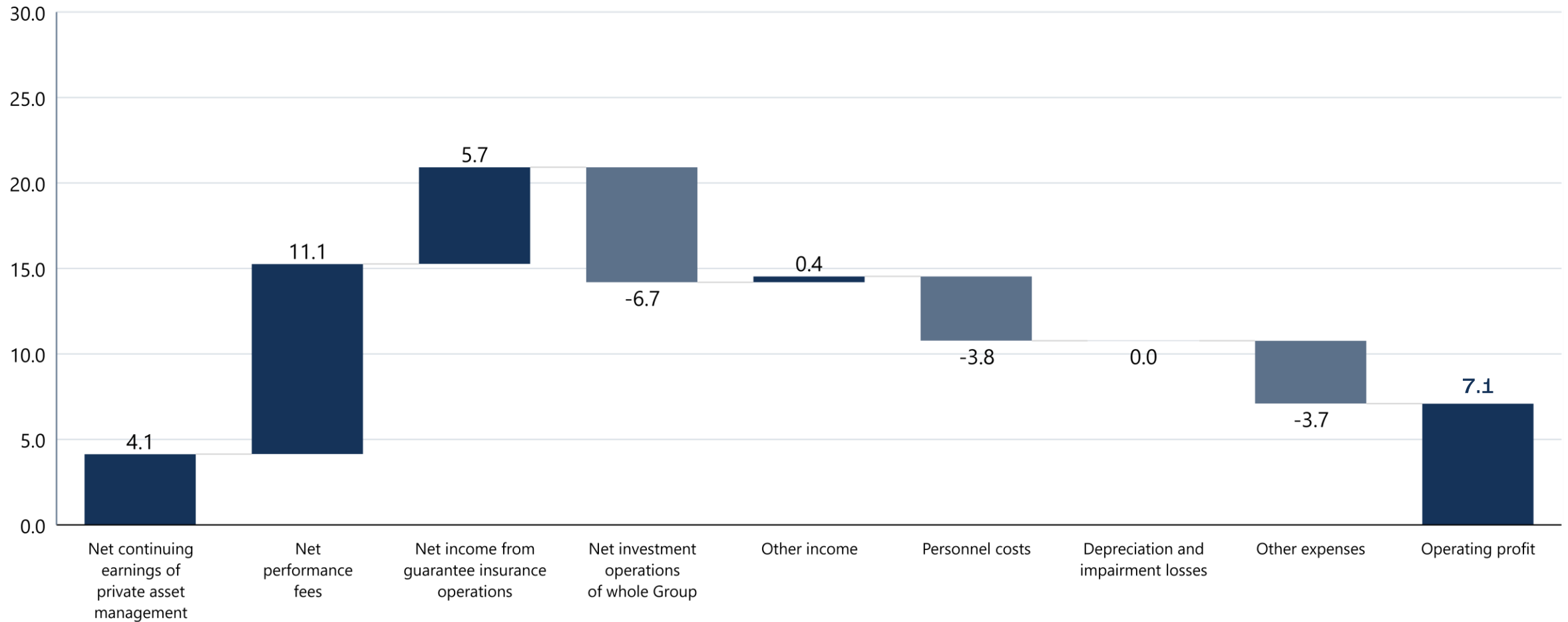
Income previous 12M, MEUR



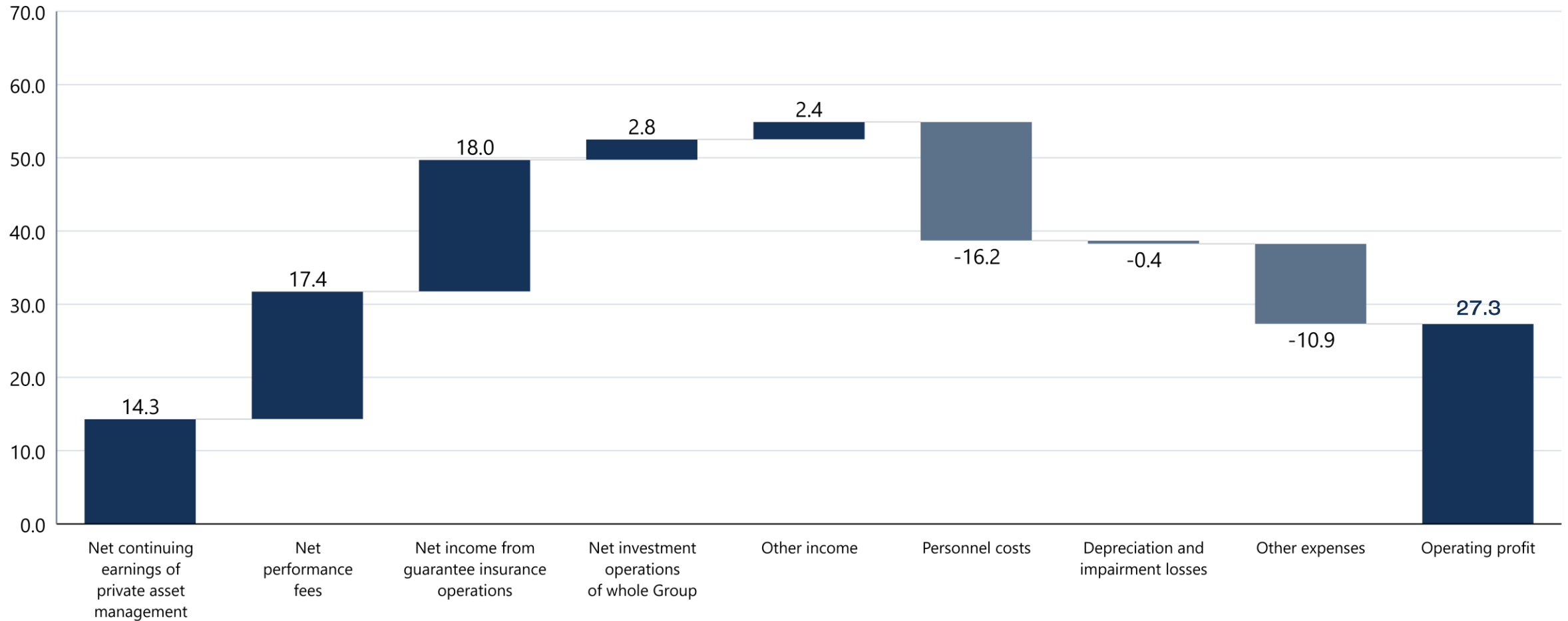
Operating profit previous 12M, MEUR



# A good Q4 for Taaleri supported by performance fees, but investment operations weighed on income and operating profit



# The development of Taaleri's operating profit, 12M



## Long-term financial targets

	2022
Growth in continuing earnings at least 15 per cent	0.8%
Operating profit at least 25 per cent of income	43.2%
Return on equity at least 15 per cent	9.9%



**TAALERI**

**Private Asset  
Management**



# Q4: Renewable energy announced Taaleri SolarWind III fund and started fundraising

- The renewable energy business started fundraising for the Taaleri SolarWind III fund, which was published during the review period and is classified as a dark green fund under Article 9 of the EU's Sustainable Finance Disclosure Regulation. The fund's investment strategy is to acquire, develop, construct and operate a portfolio of utility-scale onshore wind farms, photovoltaic solar parks and battery storage assets. The fund's target markets are the Nordic countries, the Baltic countries, South-East Europe, Iberia and Texas in the United States. The fund will be seeded with a portfolio of 25–35 development projects assembled by Taaleri Energia, which already included 20 projects at the end of the financial year.
- Management fees for the renewable energy business remained on a par with the comparison period but continued earnings from the business nevertheless decreased by 9.6% to EUR 3.8 (4.2) million in the last quarter. A total of EUR 10.3 (5.4) million in performance fees was recognized, of which EUR 8.8 million is based on a management estimate. The result of investment operations in the review period was EUR -1.0 (0.6) million, which was from exchange rate changes in the holding of a wind power project in the United States.
- Operating profit for the renewable energy business was EUR 9.0 (5.3) million, corresponding to 68.6% (52.6) of income.

## Key figures Q4 2022 (Q4 2021)

Income

**13.1**

(10.2) MEUR

Operating profit

**9.0**

(5.3) MEUR

Operating profit %

**68.6**

(52.6)

AUM

**1.4**

(31.12.2021: 1.2)  
MRD EUR

## Q4: Continuing earnings in Other private asset management grew by 47.5% due to product launches

- The real estate business carried out one acquisition for Aktia's special mutual fund in its portfolio management in the fourth quarter. In the real estate business, the investment operations of funds proceeded as expected in the review period despite the general slowdown in the real estate investment market.
- The first fund of the bioindustry business, Taaleri Bioindustry I, continued its fundraising during the review period and made its first two investments. The investees are Colombier, a company producing ecological packaging, and Nordtreat, a company producing bio-based flame retardants. New capital was also raised during the review period for a co-investment project to be invested in Joensuu Biocoal Oy, a bioindustrial plant to be built in Joensuu.
- Continuing earnings from Taaleri's real estate, bioindustry and other businesses in the last quarter grew by 47.5% to EUR 1.9 (1.3) million due to successful product launches. EUR 2.0 (5.2) million in performance fees were recognized. Income from Taaleri's real estate, bioindustry and other businesses fell to EUR 5.8 (6.1) million due to decreased performance fees. Operating profit was EUR 3.3 (2.0) million, corresponding to 57.8% (33.1) of income.

### Key figures Q4 2022 (Q4 2021)

Income

**5.8**

(6.1) MEUR

Operating profit

**3.3**

(2.0) MEUR

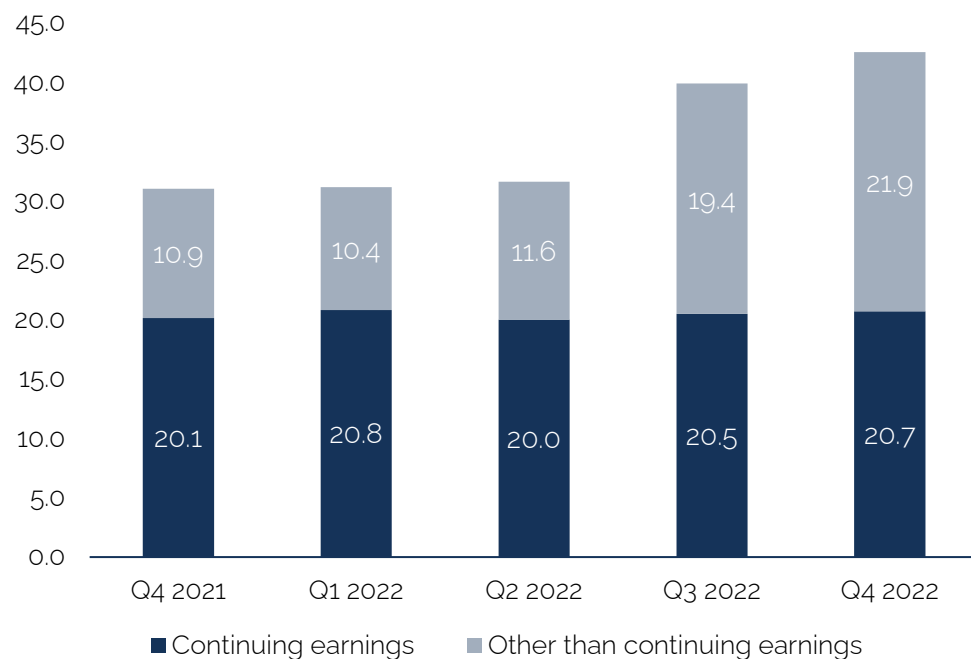
AUM

**1.1**

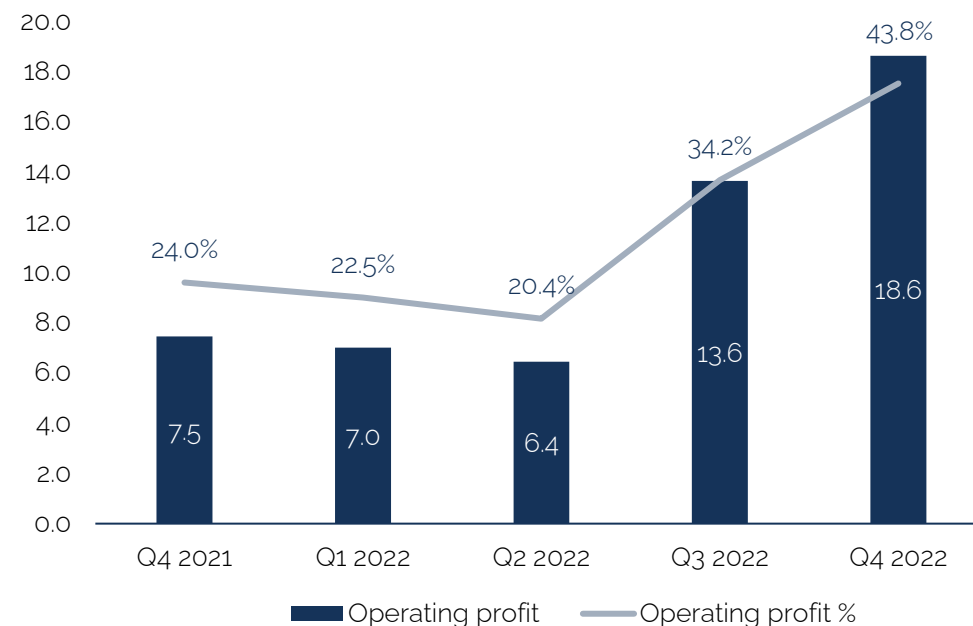
(31.12.2021: 1.0)  
MRD EUR

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

Income previous 12M, MEUR



Operating profit previous 12M, MEUR



Q4 2022 operating profit includes EUR 12.4 million in performance fees.  
 Q3 2022 operating profit includes EUR 6.5 million in performance fees.  
 Q4 2021 operating profit includes EUR 10.6 million in performance fees.



# Taaleri's private equity funds

Renewable energy	Founded	Product	Business area	AUM Q4 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
<b>Renewable energy total</b>				<b>1,379 MEUR</b>	
Other private asset management	Founded	Product	Business area	AUM Q4 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
<b>Real estate total</b>				<b>816 MEUR</b>	
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
<b>Bioindustry total</b>				<b>163 MEUR</b>	
<b>Other funds total</b>				<b>158 MEUR</b>	
<b>Other private asset management total</b>				<b>1,137 MEUR</b>	
<b>Private Asset Management segment total</b>				<b>2,516 MEUR</b>	

## 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.

A photograph of three construction workers on a rooftop. They are wearing white hard hats and high-visibility yellow safety vests. One worker is pointing at a set of plans held by another. The background shows a modern building with many windows. The scene is overlaid with a dark blue geometric graphic on the right side.

**TAALERI**

**Strategic  
Investments**

# Q4: Profitability of Garantia's insurance operations at a record level

- The net income from guaranty insurance operations grew by 2.5% to EUR 5.7 (5.5) million.
  - The growth in net income resulted from lower level of claims incurred compared to the corresponding period last year. Earned premiums remained at the level seen in the period of comparison at EUR 5.7 million and combined ratio was 23.9%.
- Income decreased to EUR 2.4 (8.4) million. The decrease in income was caused by the weakening of net income from investment operations down to EUR -3.3 (2.8) million.
  - During the review period, net income from investment operations suffered especially from rising market interest rates and widening credit spreads, which negatively affected the valuations of fixed-income investments.
- Net investment income at fair value was -0.4% (0.9).
- Gross guaranty insurance exposure grew by 9.8% to EUR 1.9 (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 231% (31.12.2021: 219%).

## Garantia's key figures Q4 2022 (Q4 2021)

Income

**2.4**

(8.4) MEUR

Operating profit

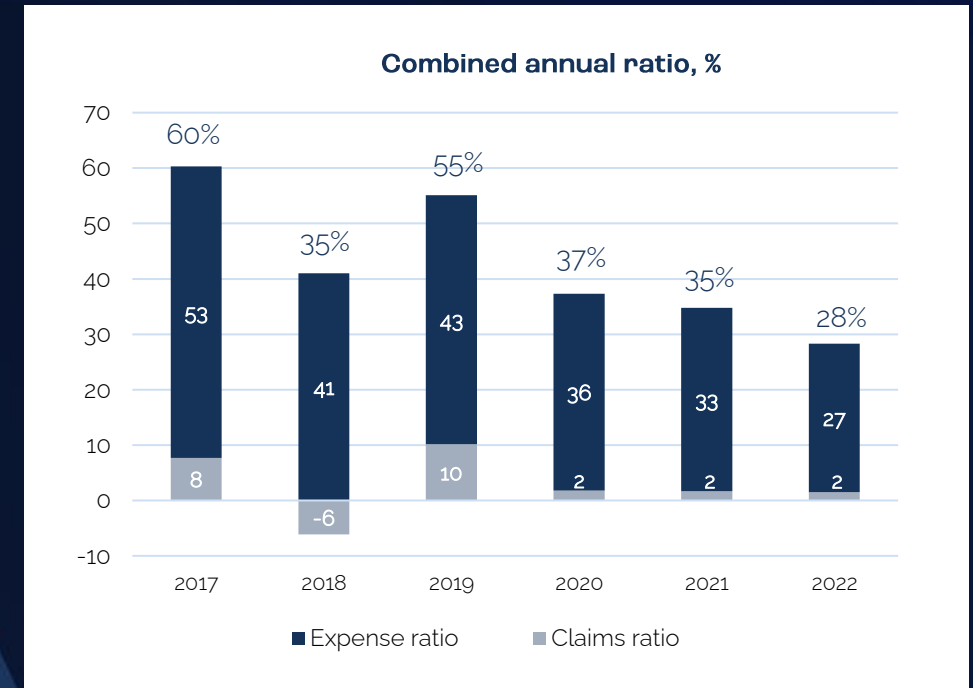
**1.1**

(6.3) MEUR

Return of investments at fair value

**-0.4%**

(0.9)%





TAALERI

Other





## Q4: Impairments of the non-strategic investments weighed on the results in 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.
- In the last quarter of the year, the income of the Other group totalled EUR -4.5 (3.8) million, consisting of continuing earnings of EUR 0.4 (0.5) million and net income from investment operations of EUR -4.8 (3.3) million. Net income from investment operations for the review period was materially affected by impairments made on non-strategic investments of EUR -3.8 million and negative exchange rate changes of EUR -0.5 million.
- On 31 December 2022, Taaleri's non-strategic investments totalled EUR 25.2 (23.7) million. The change in the portfolio during the financial year 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, the capitalization of Fellow Bank Plc amounting EUR 2.5 million, the exits carried out during the financial year, and the write-downs of the non-strategic investments amounting EUR -3.8 million.
- The Other group's operating profit (loss) in the last quarter of the year was EUR -6.8 (-0.0) million.

### Key figures Q4 2022 (Q4 2021)

Income

**-4.5**

(3.8) MEUR

Operating profit

**-6.8**

(-0.0) MEUR

Personnel

**16**

(15)

EUR million	31.12.2022	31.12.2021	Change, %
Non-strategic investments	25.2	23.7	6.6%
Real estate	16.4	12.9	27.3%
Other	8.9	10.8	-17.9%





**TAALERI**

**Result and  
balance sheet**



# Taaleri's result Q4 2022

The negative net income of investment operations weighed on income and operating profit. The Group's operating profit excluding investment operations was EUR 13.8 (7.3) million, which corresponds to 57.5% (33.2) of income excluding investment operations.

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	5,653	3,753	1,900	5,662	355	11,670
Performance fees	12,373	10,326	2,048	-	-	12,373
Investment operations	835	-988	1,822	-2,752	-4,820	-6,737
<b>Income*</b>	<b>18,861</b>	<b>13,092</b>	<b>5,769</b>	<b>2,910</b>	<b>-4,465</b>	<b>17,306</b>
Fee and commission expense	-2,769	-1,892	-877	-183	-61	-3,013
Personnel costs	-2,003	-1,144	-858	-672	-1,094	-3,769
Direct expenses	-1,746	-1,057	-689	-457	-1,228	-3,431
Depreciation, amortisation and impairment	-19	-11	-8	-4	9	-14
Impairment losses on receivables	-	-	-	-	11	11
<b>Operating profit</b>	<b>12,324</b>	<b>8,987</b>	<b>3,337</b>	<b>1,593</b>	<b>-6,828</b>	<b>7,089</b>
<b>Operating profit, %</b>	<b>65.3%</b>	<b>68.6%</b>	<b>57.8%</b>	<b>54.8%</b>	<b>neg</b>	<b>41.0%</b>
Interest expenses	-13	-13	-	-	-238	-250
Allocation of financing expenses	-400	-300	-100	-475	875	-
<b>Profit before tax and NCI</b>	<b>11,911</b>	<b>8,674</b>	<b>3,236</b>	<b>1,118</b>	<b>-6,190</b>	<b>6,839</b>

\* 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	Q4 2022	Q4 2021	Change	FY 2022	FY 2021	Change
Continuing earnings	11,670	11,435	2.1%	41,049	40,711	0.8%
Performance fees	12,373	10,601	16.7%	19,365	11,411	69.7%
Investment operations	-6,737	7,372	n/a	2,811	17,593	-84.0%
<b>Income*</b>	<b>17,306</b>	<b>29,408</b>	<b>-41.2%</b>	<b>63,226</b>	<b>69,715</b>	<b>-9.3%</b>
Fee and commission expense	-3,013	-4,044	-25.5%	-8,876	-9,590	-7.4%
Personnel costs	-3,769	-7,077	-46.7%	-16,197	-19,046	-15.0%
Direct expenses	-3,431	-3,605	-4.8%	-10,401	-9,616	8.2%
Depreciation, amortisation and impairment	-14	-11	26.3%	-407	-71	474.4%
Impairment losses on receivables	11	14	-18.9%	-17	-565	-97.1%
<b>Operating profit</b>	<b>7,089</b>	<b>14,685</b>	<b>-51.7%</b>	<b>27,329</b>	<b>30,827</b>	<b>-11.3%</b>
<b>Operating profit, %</b>	<b>41.0%</b>	<b>49.9%</b>		<b>43.2%</b>	<b>44.2%</b>	
Interest expense	-250	-255	-2.0%	-916	-2,293	-60.0%
<b>Profit before tax and NCI</b>	<b>6,839</b>	<b>14,429</b>	<b>-52.6%</b>	<b>26,412</b>	<b>28,534</b>	<b>-7.4%</b>

Personnel expenses in the comparison period include EUR 1.8 million in severance payments to the previous CEO.

\* 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  
Q4 2022

**€11.7** million

Q4 2021: €11.4 million

Income  
Q4 2022

**€17.3** million

Q4 2021: €29.4 million

Operating profit  
Q4 2022

**€7.1** million

Q4 2021: €14.7 million

AUM  
Q4 2022

**€2.5** billion

31.12.2021: €2.2 billion

Continuing earnings  
FY 2022

**€41.0** million

FY 2021: €40.7 million

Income  
FY 2022

**€63.2** million

FY 2021: €69.7 million

Operating profit  
FY 2022

**€27.3** million

FY 2021: €30.8 million

Growth in AUM  
FY 2022

**12.9%**

AUM 31.12.2022: €2.5 billion  
AUM 31.12.2021: €2.2 billion

# Taaleri Group's balance sheet

Strategic investments  
Q4 2022

**€28.4** million

31.12.2021: €33.1 million

Garantia's investment  
portfolio Q4 2022

**€152.5**  
million

31.12.2021: €165.9 million

Assets total  
Q4 2022

**€300.8** million

31.12.2021: €318.7 million

Equity  
Q4 2022

**€202.7** million

31.12.2021: €229.7 million

Non-strategic  
investments Q4 2022

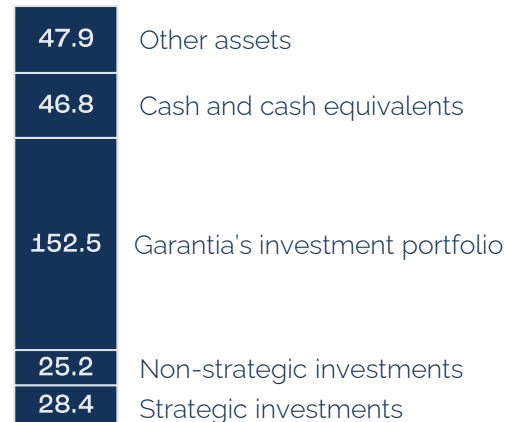
**€25.2** million

31.12.2021: €23.7 million

Cash and cash  
equivalents Q4 2022

**€46.8** million

31.12.2021: €53.3 million



Board of Directors'  
dividend proposal

**€0.70**

**TAALERI**

**Summary**



# FY 2022: Summary

- The result of Group's investing operations was twofold. Taaleri had a successful year supported by exits but changes in the fair values in the Strategic Investments segment weighed on the Group's income and operating profit. More than EUR 19 million were recognized in performance fees, which evened out Group's negative investment operations.
- The renewable energy business announced its sixth fund, Taaleri SolarWind III, and built the project development portfolio that accelerates the investment operations of the Taaleri SolarWind III fund. In addition, the business focused on advancing projects in the construction phase and operating projects in production of its existing funds.
- The first fund of the bioindustry business, Taaleri Bioindustry I, reached a size of over EUR 100 million. Taaleri's associated company Fintoil's tall oil refinery started its operations during the fall. At the beginning of the year, an investment decision was made for a plant producing torrefied biomass in Joensuu.
- The real estate business successfully exited the Taaleri Daycare Properties fund and 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. The financial year was excellent in terms of insurance operations' profitability, with a combined ratio of 28.4 percent. Garantia's net income from investment operations suffered, in particular, from rising interest rates and changes in risk premiums, but most of the investment losses were unrealized changes in fair value.



# Looking ahead

- Renewable energy business will continue the fundraising for Taaleri SolarWind III and continues its own project development activities, which accelerates the launch of the Taaleri SolarWind III fund.
- The bioindustry business continues the investment activities and fundraising of Taaleri Bioindustry I fund. They also continue to advance the torrefied biomass plant in Joensuu.
- Taaleri's associated company Fintoil's Hamina biorefinery is proceeding to normal operational activities while optimizing the refining margin.
- The real estate business focuses mainly on developing new products and 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.
- Taaleri will publish the quarterly restated figures for 2022 according to IFRS 17 Insurance Contracts before publishing the Q1 interim statement of 2023.

# TAALERI

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

**Attachments**



# Balance sheet

<b>Assets, EUR 1,000</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Receivables from credit institutions	46,817	53,255
Receivables from the public and general government	6,243	6,021
Shares and units	44,462	41,546
Assets classified as held for sale	-	5,246
Participating interests	3,708	8,889
Insurance assets	153,898	168,973
- Insurance assets	1,381	3,119
- Investments	152,517	165,854
Intangible assets	355	711
Tangible assets	421	1,149
Other assets	13,206	13,669
Accrued income and prepayments	28,510	16,921
Deferred tax assets	3,150	2,343
<b>Total</b>	<b>300,770</b>	<b>318,723</b>
<b>Liabilities and equity, EUR 1,000</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Liabilities</b>	<b>98,075</b>	<b>88,975</b>
Liabilities to public and general government	410	-
Insurance liabilities	43,950	39,421
Other liabilities	1,749	3,318
Accrued expenses and deferred income	19,620	14,172
Deferred tax liabilities	17,476	16,580
Derivative contracts	-	630
Subordinated debt	14,870	14,854
<b>Equity</b>	<b>202,695</b>	<b>229,747</b>
<b>Total</b>	<b>300,770</b>	<b>318,723</b>

Cash at bank EUR 46.8 million, dividend of EUR 34.0 million paid in April.

The largest investments are Aktia Bank Plc EUR 10.0 million, Truscott Gilliland wind farm EUR 10.6 million and real estate project in Canada EUR 10.0 million.

Fixed income investments 88% of Garantia's investment portfolio, portfolio in total EUR 152.5 million. Garantia distributed a dividend of EUR 15.0 million to the parent company during the first quarter.

Taaleri's equity is EUR 202.7 million. The Group's equity ratio is strong at 67.4%.

# Taaleri's result Q4 2021

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	5,439	4,152	1,287	5,530	466	11,435
Performance fees	10,601	5,374	5,227	-	-	10,601
Investment operations	173	632	-459	3,906	3,293	7,372
<b>Income*</b>	<b>16,212</b>	<b>10,157</b>	<b>6,055</b>	<b>9,437</b>	<b>3,759</b>	<b>29,408</b>
Fee and commission expense	-3,753	-1,878	-1,875	-220	-70	-4,044
Personnel costs	-3,331	-1,728	-1,602	-1,170	-2,575	-7,077
Direct expenses	-1,790	-1,216	-574	-700	-1,115	-3,605
Depreciation, amortisation and impairment	8	7	1	-6	-13	-11
Impairment losses on receivables	-	-	-	-	14	14
<b>Operating profit</b>	<b>7,346</b>	<b>5,342</b>	<b>2,004</b>	<b>7,340</b>	<b>-1</b>	<b>14,685</b>
<b>Operating profit, %</b>	<b>45.3%</b>	<b>52.6%</b>	<b>33.1%</b>	<b>77.8%</b>	<b>neg</b>	<b>49.9%</b>
Interest expenses	-7	-7	-	-	-248	-255
Allocation of financing expenses	-638	-429	-209	-475	1,113	-
<b>Result before tax and NCI</b>	<b>6,701</b>	<b>4,906</b>	<b>1,795</b>	<b>6,865</b>	<b>863</b>	<b>14,429</b>

\* 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.