

TAALERI

Taaleri Financial Statements Bulletin

CEO Peter Ramsay
14 February 2024

Q4



Q4 highlights

Strong result in investment operations, operating profit 39% of total income

Group's income was EUR 17.7 million, of which the share of continuing earnings was EUR 9.9 million and the share of net income from investment operations was EUR 7.8 million. Group's operating profit was EUR 6.9 million.

Real estate business is working on an updated strategy for the business

The business is currently working on an updated strategy under the leadership of its new director. During the review period, the real estate business continued to develop new investment products and the preparations to exit funds at the end of their lifecycle.

Taaleri SolarWind III Fund had its second closing

At the end of the last quarter, the renewable energy business announced that it had raised EUR 430 million in investment commitments for its sixth fund, Taaleri SolarWind III, at the second closing.

Profitability of Garantia's insurance operations remained at a good level

The insurance service result was EUR 2.7 million and the combined ratio was 42.0%. The decrease in market interest rates during the last quarter together with increased market optimism in equity market improved net income from investment operations.

Bioindustry business continued evaluating potential investees

The business continued supporting the growth of the portfolio companies of the Taaleri Bioindustry I Fund, mapping potential investees for the fund and preparing the venture capital fund.

The strategy update highlights direct investments and internationalisation

The biggest changes to our strategy are bringing direct bioindustry investments to the forefront alongside the private asset management business and seeking strong international growth.

Q4 2023

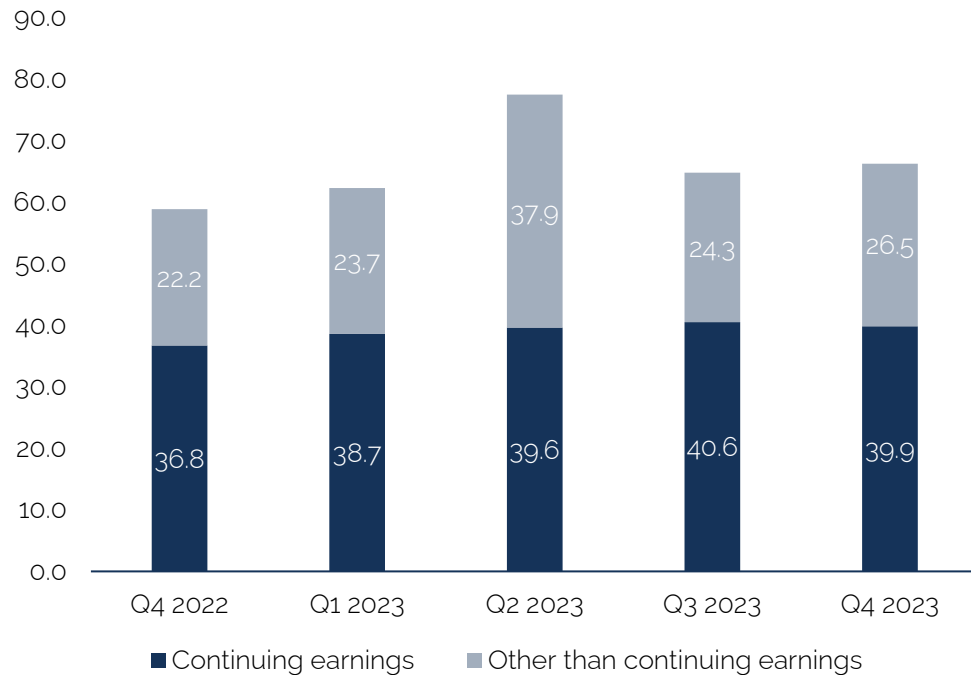
- Continuing earnings fell by 6.6% to EUR 9.9 (10.6) million. The Private Asset Management segment's continuing earnings grew by 18.5% to EUR 6.7 (5.7) million, but the Strategic Investments segment's continuing earnings fell by 39.3% to EUR 2.8 (4.6) million.
- Performance fees were EUR 0.0 (12.4) million, and net income from investment operations was EUR 7.8 (-6.7) million.
- Income increased by 9.0% to EUR 17.7 (16.2) million.
- Operating profit was EUR 6.9 (7.2) million, corresponding to 38.9% of income.
- The assets under management in the Private Asset Management segment grew by 5.0% to EUR 2.6 (31 December 2022: 2.5) billion.
- Earnings per share were 0.14 (0.20) EUR.

Financial year 2023

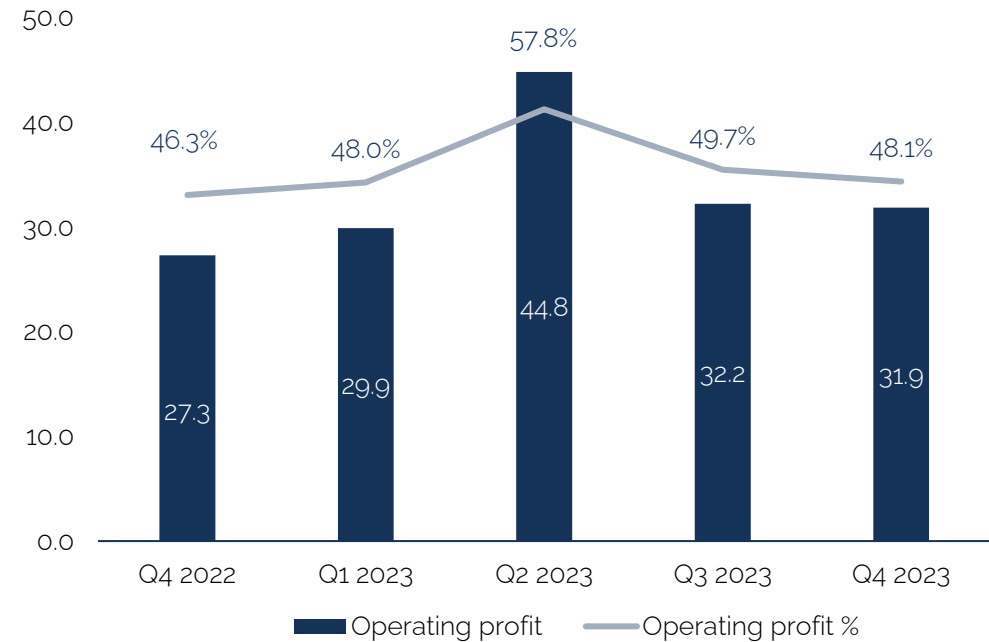
- Continuing earnings grew by 8.4% to EUR 39.9 (36.8) million. The Private Asset Management segment's continuing earnings grew by 17.8% to EUR 24.4 (20.7) million, but the Strategic Investments segment's continuing earnings fell by 1.0% to EUR 13.6 (13.7) million.
- Performance fees were EUR 1.5 (19.4) million, and net income from investment operations grew to EUR 25.0 (2.8) million.
- Income increased by 12.5% to EUR 66.3 (58.9) million.
- Operating profit was EUR 31.9 (27.3) million, corresponding to 48.1% of income.
- Earnings per share were 0.81 (0.73) EUR.
- The Board of Directors proposes that a dividend of EUR 1.00 per share be paid for 2023.

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

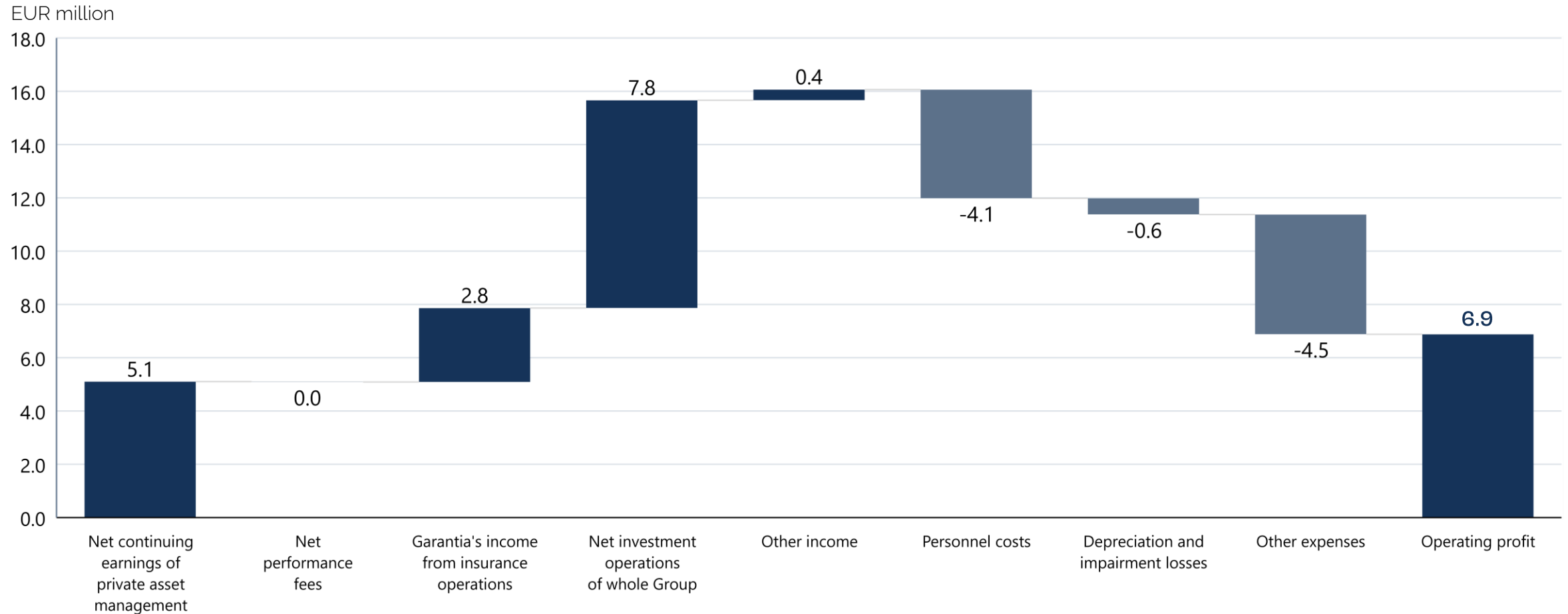
Income previous 12M, MEUR



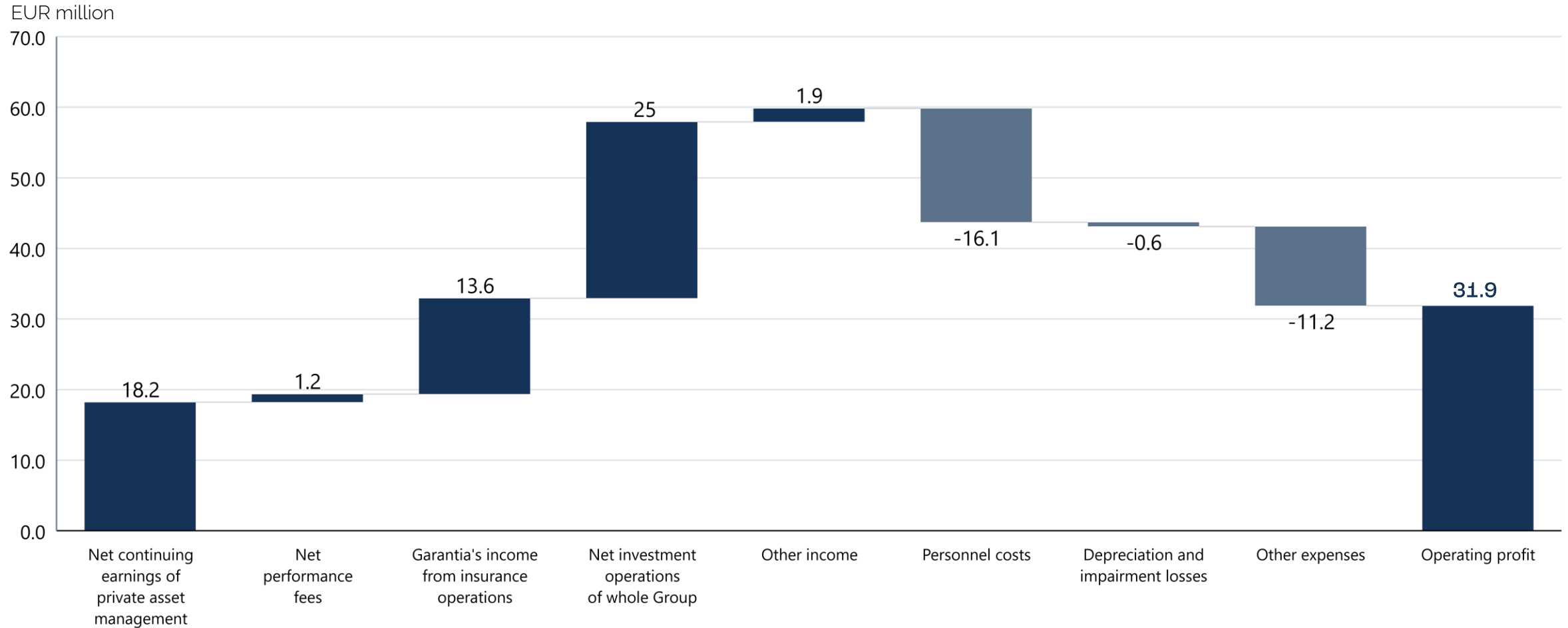
Operating profit previous 12M, MEUR



Q4: Strong result in Taaleri's investment operations, operating profit 39% of total income in the last quarter of the year



The development of Taaleri's operating profit, 12M



Long-term financial targets (2021–2023)

	2023
Growth in continuing earnings at least 15 percent	8.4%
Operating profit at least 25 percent of income	48.1%
Return on equity at least 15 percent	13.0%

TAALERI

Private Asset Management



Q4: Renewable energy business announced the second closing of Taaleri SolarWind III Fund

- The renewable energy business continued fundraising for the Taaleri SolarWind III Fund and announced at the end of December that it had raised EUR 430 million in investment commitments by the second closing.
- In addition, the renewable energy business continued preparations to exit the Taaleri Wind II and Taaleri Wind III Funds, which are at the end of their lifecycle.
- The continuing earnings of the renewable energy business grew by 37.7% to EUR 5.2 (3.8) million, of which EUR 0.5 million was non-recurring fees related to the second close of the Taaleri SolarWind III Fund. No performance fees were recognised in the review period, but EUR 10.3 million in performance fees were recognised in the corresponding period. Net income from investment operations was EUR 6.7 (-1.0) million, EUR 5.5 million of which was generated from renewable energy development activities in Texas between 2018 and 2021. Income from the renewable energy business fell by 9.3% to EUR 11.9 (13.1) million.
- Operating profit for the renewable energy business was EUR 5.7 (9.0) million, corresponding to a profit margin of 48.1% (68.6).



Key figures Q4 2023 (Q4 2022)

Income

11.9

(13.1) MEUR

Operating profit

5.7

(9.0) MEUR

Operating profit %

48.1

(68.6)

AUM

1.6

(31.12.2022: 1.4)
MRD EUR

Q4: Other private asset management advanced new products and the investment operations of current funds

- The bioindustry business continued to support the growth of the investee companies of the Taaleri Bioindustry I Fund and to map new potential investees. In addition to the preparations for the new venture capital fund, the business also launched the construction work of the torrefied biomass plant to be built in Joensuu.
- In the real estate business, a new director was appointed in November, and he took up his duties after the end of the review period in January.
- Continuing earnings from Taaleri's real estate, bioindustry and other businesses fell by 19.4% to EUR 1.5 (1.9) million. The decrease in continuing earnings was partly due to the fund exits carried out between the review periods and the decrease in the fees based on mandates for the real estate business. No performance fees were recognised during the review period ended, while EUR 2.0 million in performance fees were recognised in the corresponding period.
- Among other things, changes in the fair value of Taaleri's own balance sheet investments reported under the Private Asset Management segment are recorded in the net income from investment operations of Other private asset management. Thus, income from the real estate, bioindustry and other businesses fell to EUR 0.8 (5.8) million in the quarter ended. Operating profit was EUR -1.7 (3.3) million.

Key figures Q4 2023 (Q4 2022)

Income

0.8

(5.8) MEUR

Operating profit

-1.7

(3.3) MEUR

Operating profit %

neg

(57.8)

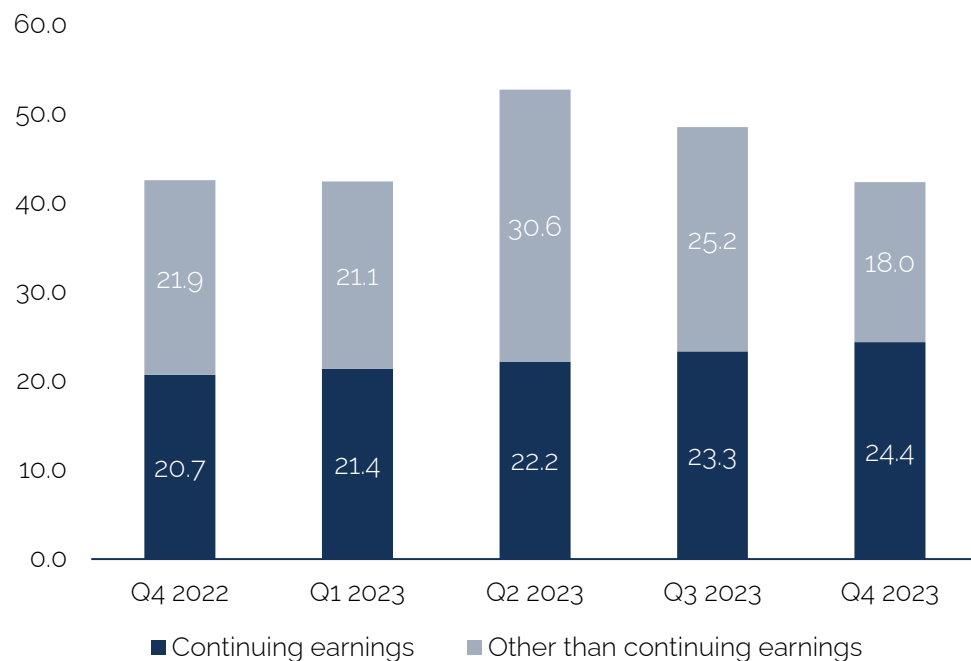
AUM

1.0

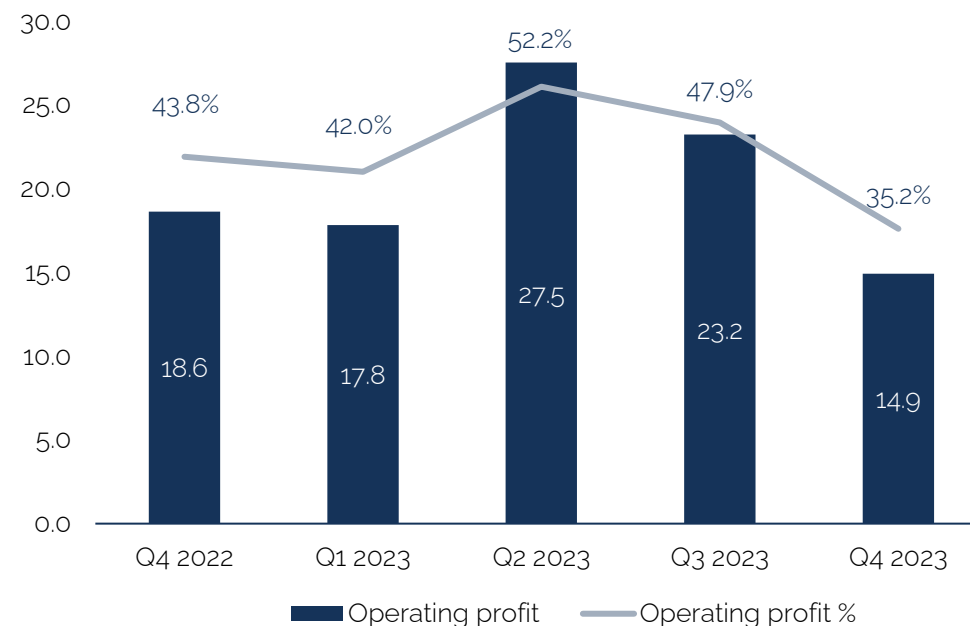
(31.12.2022: 1.1)
MRD EUR

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

Income previous 12M, MEUR



Operating profit previous 12M, MEUR



Q3 2023 operating profit includes EUR 0.7 million as a revision of the purchase price of the renewable energy project development portfolio sold.

Q2 2023 operating profit includes EUR 1.5 million in performance fees and EUR 8.3 million in capital gains from the sale of the renewable energy project development portfolio.

Q4 2022 operating profit includes EUR 12.4 million in performance fees.

Taaleri's private equity funds

Renewable energy	Founded	Product	Business area	AUM Q4 2023	Stage of the fund
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		Invested
Taaleri Wind Fund IV Ky	2019	Co-investment fund	Renewable energy		Invested
Taaleri SolarWind II	2019	Private equity fund	Renewable energy		Invested
Taaleri SolarWind III	2023	Private equity fund	Renewable energy		Fundraising
Managed accounts	2019-	Managed accounts	Renewable energy		Invested
Renewable energy total				1,649 MEUR	
Other private asset management	Founded	Product	Business area	AUM Q4 2023	Stage of the fund
Taaleri Real Estate Development Fund Ky	2015	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		Invested
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		Investing period
Managed accounts	2021-	Managed accounts	Real estate		Investing period
Real estate total				675 MEUR	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry		Invested
Joensuu Biocoal	2021	Co-investment	Bioindustry		Investing period
Taaleri Bioindustry I Ky	2021	Private equity fund	Bioindustry		Fundraising
Bioindustry total				164 MEUR	
Other funds total				152 MEUR	
Other private asset management total				991 MEUR	
Private Asset Management segment total				2,641 MEUR	

**AUM €2.6 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.

TALERI

Strategic Investments



Q4: Profitability in Garantia's insurance operations remained good despite the decrease in insurance service result

- Garantia's insurance service result decreased by 43.0% to EUR 2.7 (4.7) million.
 - Insurance service result was affected by lower insurance revenue and higher insurance service expenses. Insurance service expenses increased due to losses related to onerous contracts. The decrease in insurance revenue was mainly the result of changes in future estimates applied in the valuation of insurance contract liabilities. The development of the insurance service result in the last quarter of the year reflects the inter-quarter profit volatility characteristic of the valuation principles according to the IFRS 17 standard.
- Income was EUR 4.2 (1.3) million. The increase in income was a result of higher net income from investment operations.
 - Net investment income was EUR 1.4 (-3.3) million. The decrease in market interest rates during the last quarter together with increased market optimism in equity market improved net income from investment operations.
- Guaranty insurance exposure was at the end of December EUR 1.7 (31.12.2022: 1.9) billion.
- Solvency ratio strengthened to 246% (31.12.2022: 231%).

Garantia's key figures Q4 2023 (Q4 2022)

Income

4.2

(1.3) MEUR

Operating profit

3.7

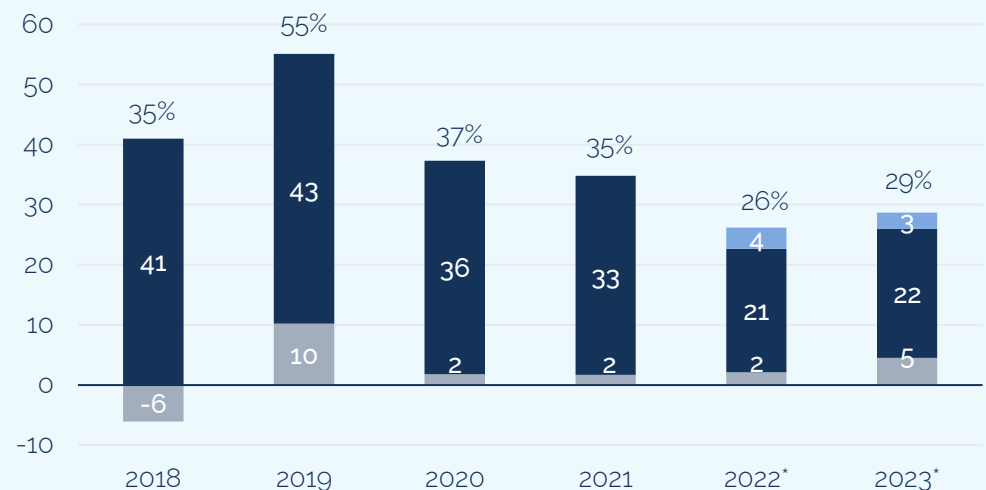
(1.2) MEUR

Return of investments at fair value

3.0%

(-0.4%)

Combined annual ratio (IFRS), %



■ Reinsurance ratio (IFRS), % ■ Expense ratio (IFRS), % ■ Claims ratio (IFRS), %

*) The key figures for 2022 and 2023 have been calculated in accordance with the IFRS 17 standard that entered into force on January 1, 2023.

TAALERI

Other



Q4: Other group's income increased while the comparison period included negative fair value changes

- 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 totalled EUR 0.5 (-4.5) million, consisting of continuing earnings of EUR 0.4 (0.4) million and net income from investment operations of EUR 0.1 (-4.8) million. Net income from investment operations for the corresponding period was influenced by impairments made on non-strategic investments of EUR -3.8 million and negative exchange rate changes of EUR -0.5 million.
- Other group's operating profit (loss) was EUR -1.1 (-6.8) million.
- On 31 December 2023, Taaleri's non-strategic investments totalled EUR 26.4 (25.2) million. The change in the portfolio during the period is mainly due to the EUR 2.3-million capitalisation of Turun Toriparkki Oy and its change in value, the exit from Taaleri Infra Ky and other changes in the portfolio's fair value. The most significant negative change in fair value during the period, total EUR -2.9 million, was recorded from Alisa Bank Plc's shares in the Group's other comprehensive income items. Taaleri continues to exit its non-strategic investments.

Key figures Q4 2023 (Q4 2022)

Income	Operating profit	Personnel
0.5	-1.1	14
(-4.5) MEUR	(-6.8) MEUR	16

MEUR	31.12.2023	31.12.2022	Change, %
Non-strategic investments	26.4	25.2	4.4%
Real estate	22.7	16.4	38.4%
Other	3.7	8.9	-58.3%

TAALERI

Result and balance sheet



Taaleri's result Q4 2023

From Taaleri's strong result in investment operations, a total of EUR 6.0 million was generated in Private Asset Management segment and EUR 1.7 million in Strategic Investments segment – the Group's operating profit was 39% of income

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	6,698	5,167	1,531	2,777	406	9,881
Performance fees	-	-	-	-	-	-
Investment operations	5,957	6,701	-744	1,742	102	7,801
Income*	12,655	11,868	787	4,520	508	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	3,986	-1,114	6,882
Operating profit, %	31.7%	48.1%	neg	88.2%	neg	38.9%
Interest expenses	-	-	-	-	-207	-207
Allocation of financing expenses	-446	-311	-135	-475	921	-
Profit before tax and NCI	3,563	5,398	-1,835	3,511	-399	6,674

* 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

Group's income increased in the last quarter, but operating profit fell from the corresponding period due to, among other things, performance fees recorded in the corresponding period. Group's continuing earnings for the financial year grew by 8.4%.

EUR 1,000	Q4 2023	Q4 2022	Change	FY 2023	FY 2022	Change
Continuing earnings	9,881	10,581	-6.6%	39,872	36,770	8.4%
Performance fees	-	12,373	-100.0%	1,489	19,365	-92.3%
Investment operations	7,801	-6,737	n/a	24,979	2,812	>100.0%
Income*	17,682	16,218	9.0%	66,340	58,947	12.5%
Fee and commission expense	-1,658	-2,830	-41.4%	-6,576	-8,689	-24.3%
Personnel costs	-4,084	-3,163	29.1%	-16,140	-14,033	15.0%
Direct expenses	-4,454	-2,998	48.6%	-11,157	-8,510	31.1%
Depreciation, amortisation and impairment	-38	-10	279.8%	25	-395	n/a
Impairment losses on receivables	-567	11	n/a	-607	-17	>100.0%
Operating profit	6,882	7,228	-4.8%	31,885	27,304	16.8%
Operating profit, %	38.9%	44.6%		48.1%	46.3%	
Interest expenses	-207	-251	-17.3%	-1,166	-916	27.2%
Profit before tax and NCI	6,674	6,978	-4.3%	30,719	26,388	16.4%

* 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 2023

€9.9 million

Q4 2022: €10.6 million

Income
Q4 2023

€17.7 million

Q4 2022: €16.2 million

Operating profit
Q4 2023

€6.9 million

Q4 2022: €7.2 million

AUM
Q4 2023

€2.6 billion

31.12.2022: €2.5 billion

Continuing earnings
FY 2023

€39.9 million

FY 2022: €36.8 million

Income
FY 2023

€66.3 million

FY 2022: €58.9 million

Operating profit
FY 2023

€31.9 million

FY 2022: €27.3 million

Growth in AUM
FY 2023

5.0%

FY 2022: 12.9%

Taaleri Group's balance sheet Q4 2023

Private Asset Management segment's investments

€32.3 million

31.12.2022: €28.8 million

Garantia's investment portfolio

€160.6 million

31.12.2022: €152.5 million

Assets total

€307.9 million

31.12.2022: €299.9 million

Equity

208.6 million

31.12.2022: €200.5 million

Non-strategic investments

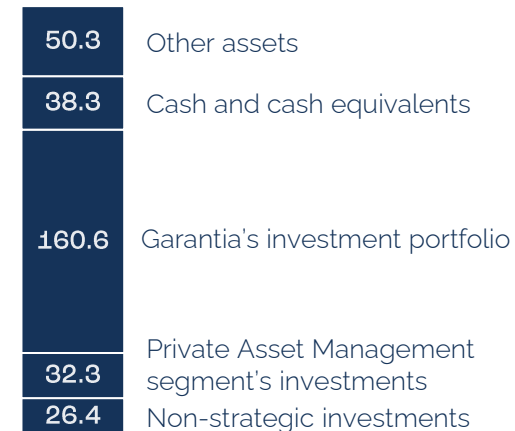
€26.4 million

31.12.2022: €25.2 million

Cash and cash equivalents

€38.3 million

31.12.2022: €46.8 million



The BoD's dividend proposal for FY 2023

€1.00

TAALERI

Summary



Financial year 2023: Summary

- Group's continuing earnings for the financial year grew by 8.4%. Income increased by 12.5% to EUR 66.3 million and operating profit by 16.8% to EUR 31.9 million. The operating profit margin was 48.1.
- Renewable energy business continued fundraising for Taaleri SolarWind III Fund, and by the end of the financial year, EUR 430 million in investment commitments had been raised to the fund. In connection with the first closing, the fund acquired the extensive project development portfolio developed by Taaleri Energia. Taaleri recorded a capital gain of EUR 8.9 million from the sale. In addition, the business launched preparations to exit the Taaleri Wind II and Taaleri Wind III Funds.
- Bioindustry business made a third investment in the Taaleri Bioindustry I Fund and continued to map potential investees for the fund. In addition, the business prepared the next fund, the strategy of which would be to invest in start-up bioindustry companies. The construction work of the torrefied biomass plant to be built in Joensuu also started.
- During the financial year, the real estate business focused on the active development of new investment products and preparations to exit the old real estate funds. In the first half of the year, the business successfully completed the sale of Taaleri Forest Fund III. The new business director started in the real estate business after the end of the financial year.
- Garantia continued its good profit performance despite the sluggish housing market. Garantia's insurance service result for the entire year was EUR 13.5 million and the combined ratio was excellent at 28.7%. Garantia's net income from investment operations recovered from the period of comparison and was EUR 4.7 million.

Looking ahead

- The biggest changes brought by Taaleri's updated strategy, published in November, were bringing direct bioindustry investments to the forefront alongside the private asset management business and seeking strong international growth.
- The renewable energy business will continue the fundraising for Taaleri SolarWind III Fund. The active fundraising continues at least until the end of 2024. Our goal is to raise EUR 700 million from investors for the Taaleri SolarWind III Fund.
- The bioindustry business continues the investment activities of Taaleri Bioindustry I Fund and preparation of a VC fund. The construction of the torrefied biomass plant in Joensuu has started and the production is scheduled to start in the fall of 2024.
- The real estate business is preparing an updated strategy under the leadership of the new business director.
- Garantia continues to execute its strategy by serving current customers and developing new product launches.



TAALERI

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

Further information: Head of Investor Relations, Sustainability and Communications Siri Markula, siri.markula@taaleri.com, +358 40 743 2177

TALERI

Attachments



Balance sheet

Assets, EUR 1,000	31.12.2023	31.12.2022
Receivables from credit institutions	38,302	46,817
Receivables from the public and general government	5,142	6,243
Shares and units	38,708	44,462
Participating interests	12,884	3,708
Insurance assets	160,875	153,043
- Reinsurance assets	325	526
- Investments	160,551	152,517
Intangible assets	572	355
Tangible assets	2,406	421
Other assets	17,163	13,210
Accrued income and prepayments	26,742	28,451
Deferred tax assets	5,116	3,208
Total	307,911	299,918
Liabilities and equity, EUR 1,000	31.12.2023	31.12.2022
Liabilities	99,265	99,397
Liabilities to public and general government	-	410
Insurance contract liabilities	45,616	46,544
Other liabilities	4,944	1,454
Accrued expenses and deferred income	17,327	19,185
Deferred tax liabilities	16,491	16,933
Subordinated debt	14,886	14,870
Equity	208,646	200,521
Total	307,911	299,918

Cash at bank at the end of December EUR 38.3 million. In April, a dividend of EUR 19.8 million was paid to owners of the parent company.

The largest investments are a real estate project in Canada EUR 10.7 million, Truscott Gilliland wind farm EUR 10.2 million, Aktia Bank Plc EUR 9.2 million and Turun Toriparkki EUR 8.1 million.

Fixed income investments 87% of Garantia's investment portfolio, portfolio in total EUR 160.6 million. Garantia distributed a dividend of EUR 10.0 million to the parent company during the first quarter.

Taaleri's equity is EUR 208.6 million. The Group's equity ratio is strong at 67.8%.

Taaleri's result Q4 2022

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	5,653	3,753	1,900	4,574	355	10,581
Performance fees	12,373	10,326	2,048	-	-	12,373
Investment operations	835	-988	1,822	-2,752	-4,819	-6,737
Income*	18,861	13,091	5,769	1,822	-4,465	16,218
Fee and commission expense	-2,769	-1,892	-877	-	-61	-2,830
Personnel costs	-2,003	-1,144	-858	-67	-1,094	-3,163
Direct expenses	-1,746	-1,057	-689	-24	-1,228	-2,998
Depreciation, amortisation and impairment	-19	-11	-8	-	9	-10
Impairment losses on receivables	-	-	-	-	11	11
Operating profit	12,324	8,987	3,337	1,732	-6,827	7,228
Operating profit, %	65.3%	68.6%	57.8%	95.0%	neg	44.6%
Interest expenses	-13	-13	-	-	-238	-251
Allocation of financing expenses	-400	-300	-100	-475	875	-
Result before tax and NCI	11,911	8,674	3,236	1,257	-6,190	6,978

* 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.