

Taaleri Interim Statement

CEO Peter Ramsay
CFO Ilkka Laurila
7 May 2024

Q1



TAALERI

Key figures

Continuing earnings
Q1 2024

€10.3 million

Q1 2023: €9.8 million

Income
Q1 2024

€17.0 million

Q1 2023: €9.3 million

Operating profit
Q1 2024

€9.6 million

Q1 2023: €1.6 million

AUM
Q1 2024

€2.6 billion

31.12.2023: €2.6 billion

Growth in continuing
earnings, previous 12M

4.3%

Continuing earnings €40.3 million
(LTM)

Growth in income,
previous 12M

18.8%

Income €74.1 million
(LTM)

Growth in operating profit,
previous 12M

33.4%

Operating profit €39.9 million
(LTM)

Sustainable fund
products of AUM

85%

85% of the assets under management by Taaleri are sustainable fund products classified in accordance with Article 8 and 9 of the EU SFDR Regulation.

Q1 highlights

Group's net income developed positively in the first quarter

The Group's continuing earnings grew to EUR 10.3 million, mainly driven by the Private Asset Management segment. Income increased to EUR 17.0 million as a result of growth in continuing earnings and a strong net investment income.

New strategy for the real estate business – focus on new products

We will develop new products and services for the real estate business and aim to launch them on the market this year. In accordance with the new strategy, the focus of operations will shift more strongly to the structuring of new investment products, as well as to the investment activities themselves.

Renewable energy continued the fundraising for Taaleri SolarWind III Fund

In addition, the focus of renewable energy business was on the active development of the fund's project development portfolio and operation of projects already in production of Taaleri SolarWind II Fund.

Garantia's combined ratio strengthened to 21.5%

Insurance service result increased to EUR 4.0 million. Garantia's net income from investment operations increased to EUR 4.8 million as a result of the strong development of the stock market and the stabilisation of the interest rate environment.

Bioindustry advanced both current and new investment products

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

Positive trends can be seen in Taaleri's operating environment

Our optimism is boosted by for example the stabilisation of the interest rate environment, the pick-up of the investment and fundraising markets, and, especially from an international perspective and the better-than-expected momentum of general economic development in early 2024.

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Private Asset Management



Q1: Renewable energy continued the fundraising of Taaleri SolarWind III Fund

- The projects of the Taaleri SolarWind III Fund are mainly based on the project development portfolio acquired from Taaleri Energia, several of the projects of which were promoted towards a construction decision during the period. At the end of the review period, one of the fund's projects was already in the construction phase.
- The Taaleri SolarWind II Fund focused on the high-quality and efficient operation of projects already in production.
- In addition, preparations continued to exit the Taaleri Wind II and Taaleri Wind III Funds, which are at the end of their lifecycle.

Renewable energy, EUR million	1-3/2024	1-3/2023	Change, %
Continuing earnings	4.6	3.9	16.0%
Performance fees	-	-	-
Investment operations	0.8	-0.3	n/a
Income	5.3	3.6	47.4%
Personnel costs	-1.7	-1.8	-9.4%
Other costs	-2.3	-2.1	10.6%
Operating profit	1.4	-0.3	n/a
FTE, at the end of the period	48	46	3.2%
Assets under management, EUR billion	1.6	1.4	



Q1: Other private asset management advanced new products and the investment operations of current funds

- The real estate business focused on updating the business strategy. In addition, the business completed the sale of Taaleri Housing Fund IV Ky during the review period by selling the fund's only investment.
- The bioindustry business continued to support the investees of the Taaleri Bioindustry I Fund in promoting growth and profitability and in sustainability work. In addition to the preparations for the new venture capital fund and its provisional fundraising, the business continued the construction work of the torrefied biomass plant being built in Joensuu.

Other private asset management, EUR million	1-3/2024	1-3/2023	Change, %
Continuing earnings	13	16	-17.7%
Performance fees	-	-	-
Investment operations	0.0	-0.0	n/a
Income	1.4	1.6	-15.0%
Personnel costs	-1.2	-1.1	8.7%
Other costs	-1.0	-1.0	6.5%
Operating profit	-0.9	-0.5	80.1%
FTE, at the end of the period	38	35	8.6%
Assets under management, EUR billion	1.0	1.2	



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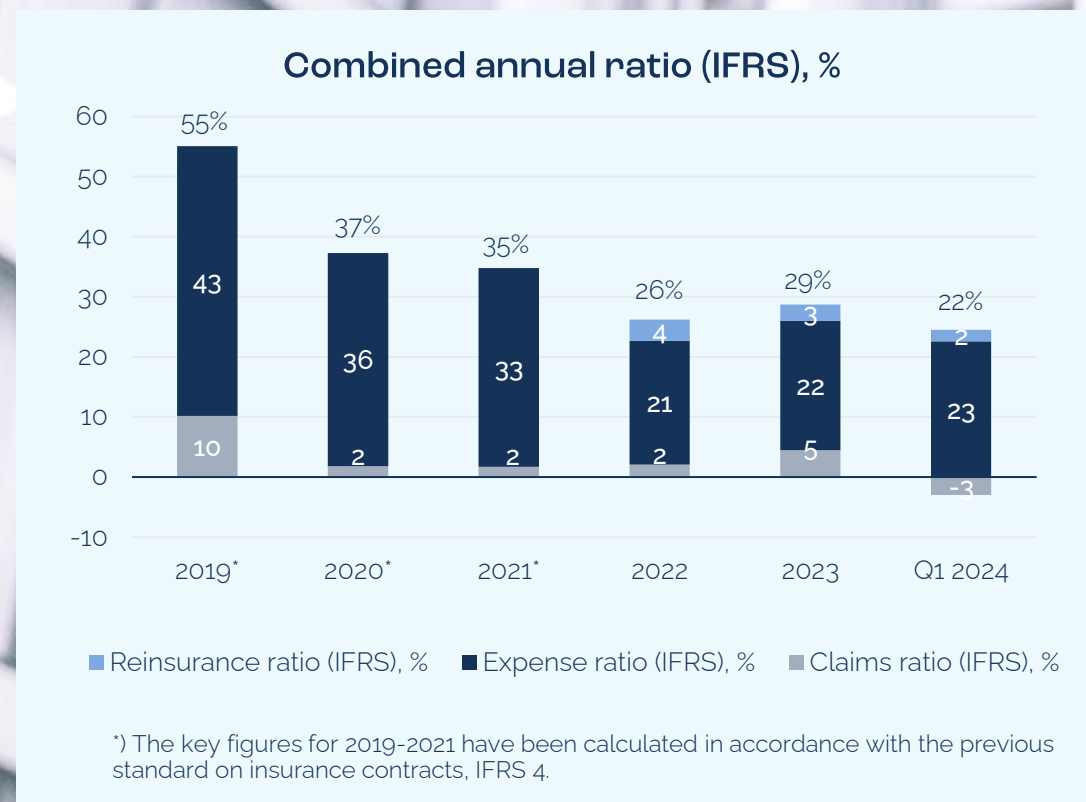
Strategic Investments



Q1: Garantia's combined ratio strengthened and net income from investment operations increased

- Garantia's insurance service result increased to EUR 4.0 million as insurance service expenses decreased and the combined ratio improved to 21.5%.
- Garantia's net income from investment operations increased to EUR 4.8 million as a result of the strong development of the stock market and the stabilisation of the interest rate environment.
- The risk level in investment operations was consciously increased from very low level by increasing the allocation to equity. At the end of the review period, fixed-income investments made up 77.9% (86.6) of the investment portfolio.

Garantia, EUR million	1-3/2024	1-3/2023	Change, %
Insurance service result	4.0	3.8	4.9%
Net income and expense from insurance	-0.1	0.0	n/a
Other income	0.0	0.0	5.3%
Net income from investment operations	4.8	0.9	>100.0%
Income	8.7	4.8	82.0%
Personnel costs	-0.2	-0.4	-50.5%
Other costs	-0.0	-0.0	55.2%
Operating profit	8.5	4.4	93.8%
FTE, at the end of the period	20	20	0.0%
Guaranty insurance portfolio, EUR billion	1.7	1.7	



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Other



Q1: Other group's income increased while the comparison period included negative fair value changes

- On 31 March 2024, Taaleri's non-strategic investments totalled EUR 18.9 (31 December 2023: 26.4) million. At the beginning of the year, Taaleri received the purchase price receivable of a real estate project located in Canada that was part of non-strategic investments, which is why the non-strategic portfolio decreased by EUR -8.6 million. The payment of the purchase price receivable had no effect on the result. In addition, among others, a total of EUR 0.7 million was recorded from the change in the value of Turun Toriparkki Oy.
- The net income from investment operations in Other group mainly consisted of the result of Taaleri's associate company Turun Toriparkki Oy, which is consolidated using the equity method, and which included non-recurring items.

Other, EUR million	1-3/2024	1-3/2023	Change, %
Continuing earnings	0.5	0.4	14.1%
Performance fees	-	-	-
Investment operations	0.6	-0.5	n/a
Income	1.1	-0.1	n/a
Personnel costs	-0.8	-1.0	-17.1%
Other costs	-0.2	-0.3	-31.9%
Operating profit	0.0	-1.4	n/a
FTE, at the end of the period	20	20	1.3%

EUR million	31.3.2024	31.12.2023	Change, %
Non-strategic investments	18.9	26.4	-28.4%
Real estate	15.0	22.7	-34.0%
Other	3.9	3.7	5.8%

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Result and balance sheet



Growth in Taaleri's continuing earnings and strong net income from investment operations, Q1 operating profit 56% of income

The Group's continuing earnings grew to EUR 10.3 million, mainly driven by the Private Asset Management segment. Income increased to EUR 17.0 million as a result of growth in continuing earnings and a strong net income from investment operations. The strong growth in income also supported the strengthening of the operating profit, and the operating profit margin was 56.2%.

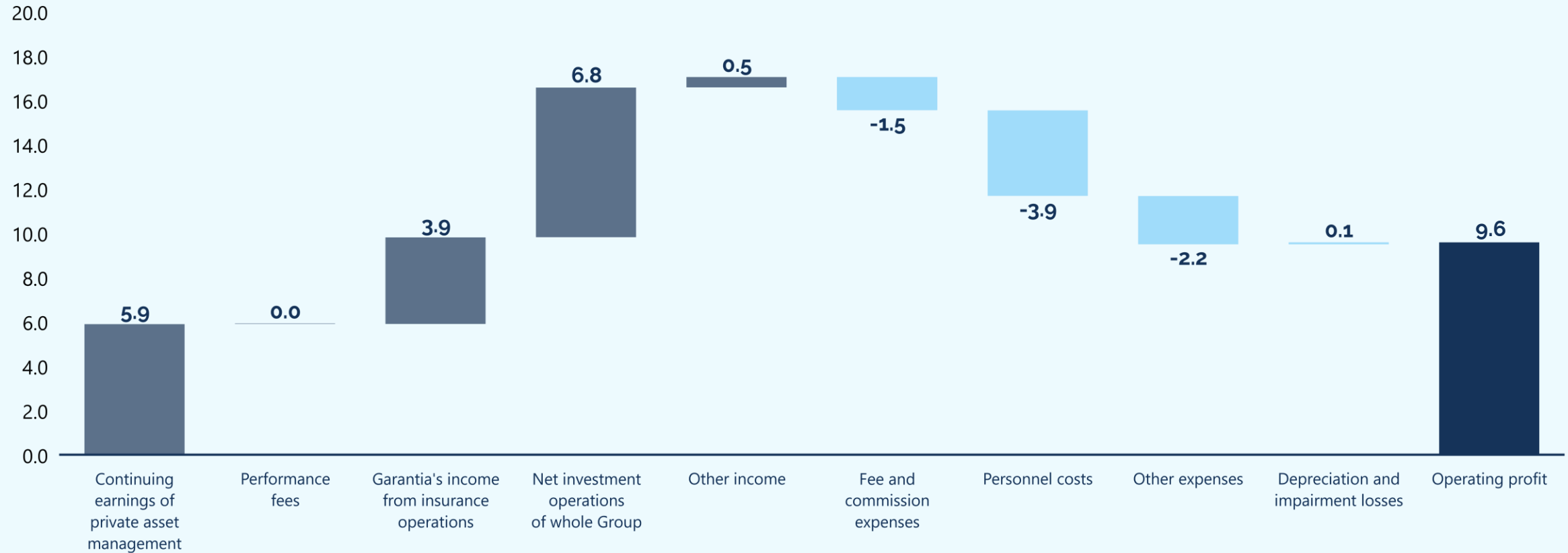
EUR 1,000	Q1 2024	Q1 2023	Change	FY 2023
Continuing earnings	10,281	9,839	4.5%	39,872
Performance fees	-	-	-	1,489
Investment operations	6,764	-587	n/a	24,979
Income*	17,044	9,252	84.2%	66,340
Fee and commission expense	-1,500	-1,561	-3.9%	-6,576
Personnel costs	-3,871	-4,309	-10.2%	-16,140
Direct expenses	-2,181	-1,809	20.6%	-11,157
Depreciation, amortisation and impairment	-54	-13	315.3%	25
Impairment losses on receivables	147	-3	n/a	-607
Operating profit	9,585	1,557	>100.0%	31,885
Operating profit, %	56.2%	16.8%		48.1%

* 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, Q1 2024

Growth in Taaleri's continuing earnings and strong net income from investment operations, Q1 operating profit 56% of income

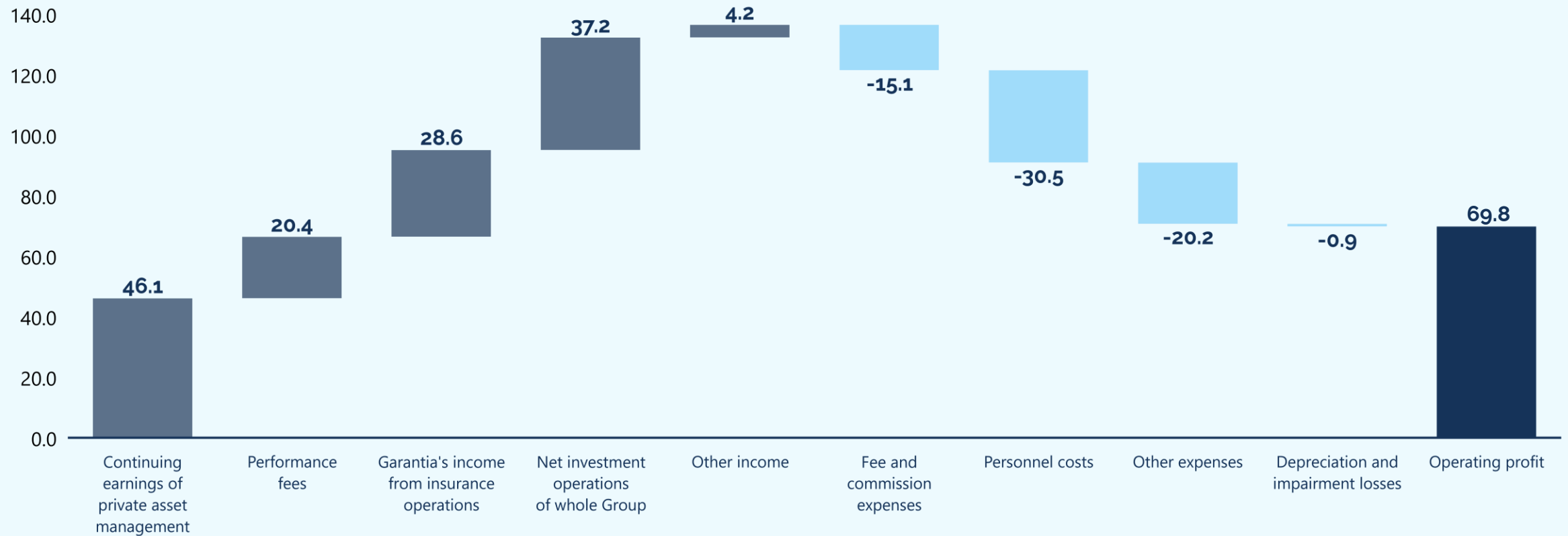
EUR million



The development of Taaleri's operating profit, 24M

Stable income development from four different sources

EUR million



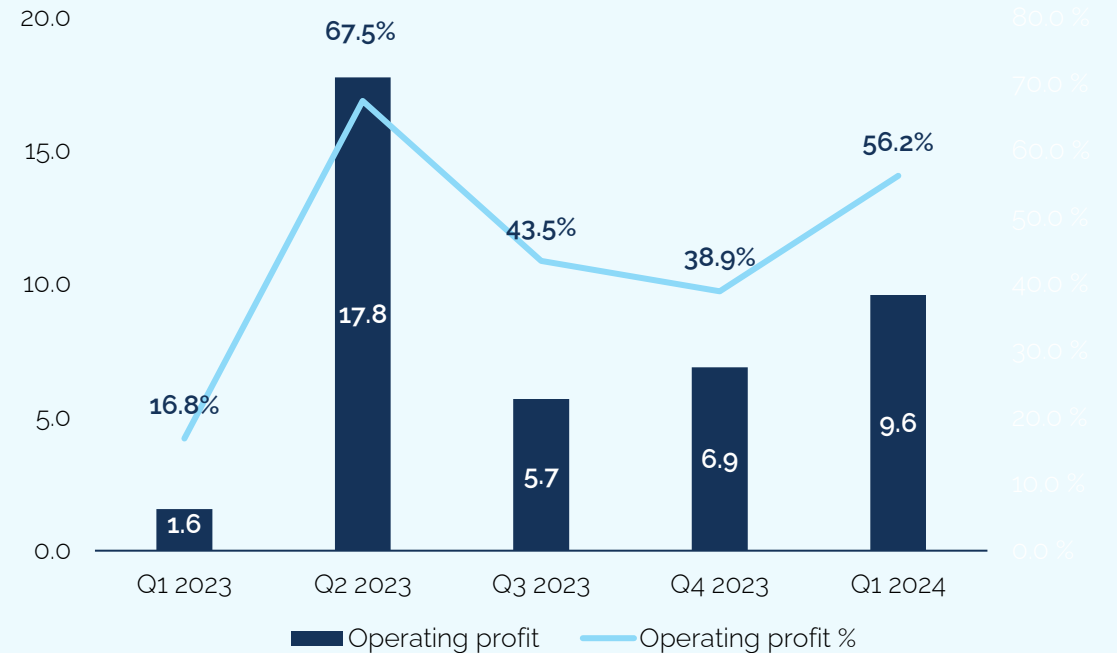
The development of Taaleri's quarterly income and operating profit

Continuing earnings are developing steadily

Income, EUR million



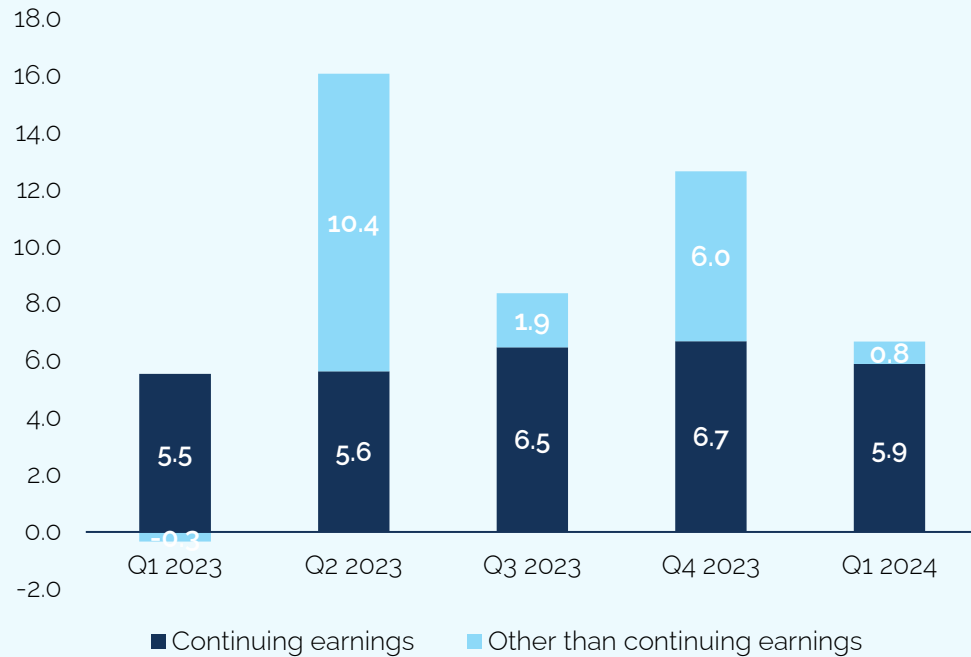
Operating profit, EUR million



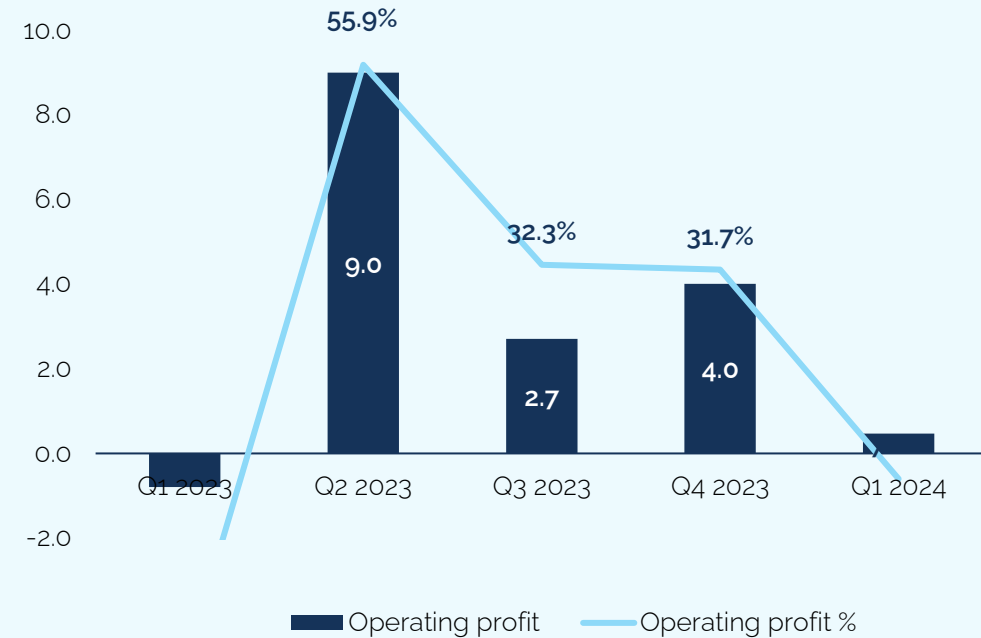
The development of Private Asset Management segment's quarterly income and operating profit

Continuing earnings are developing steadily

Income, EUR million



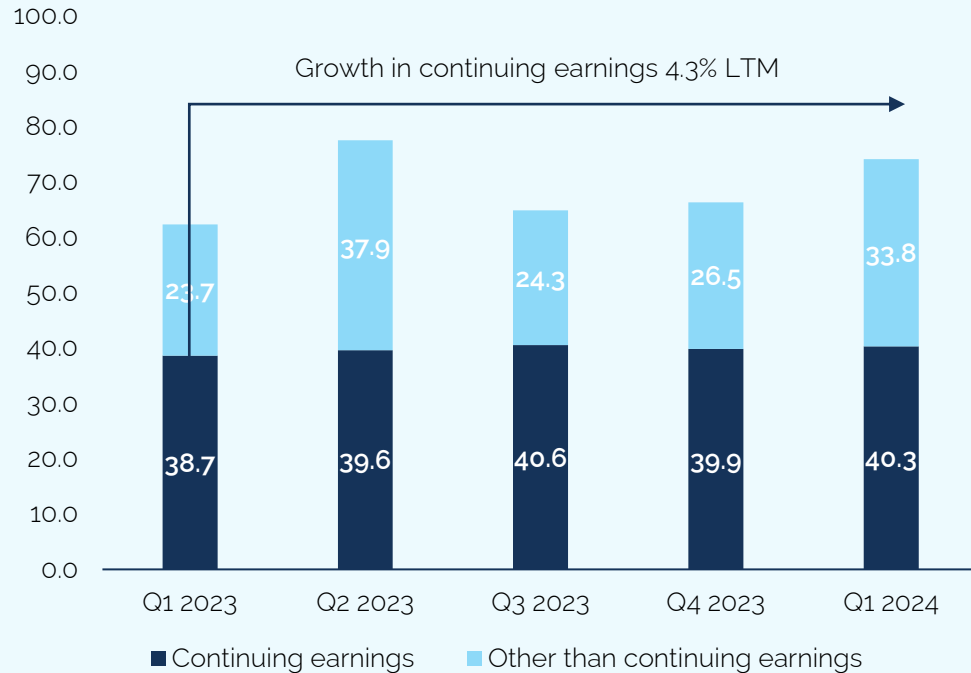
Operating profit, EUR million



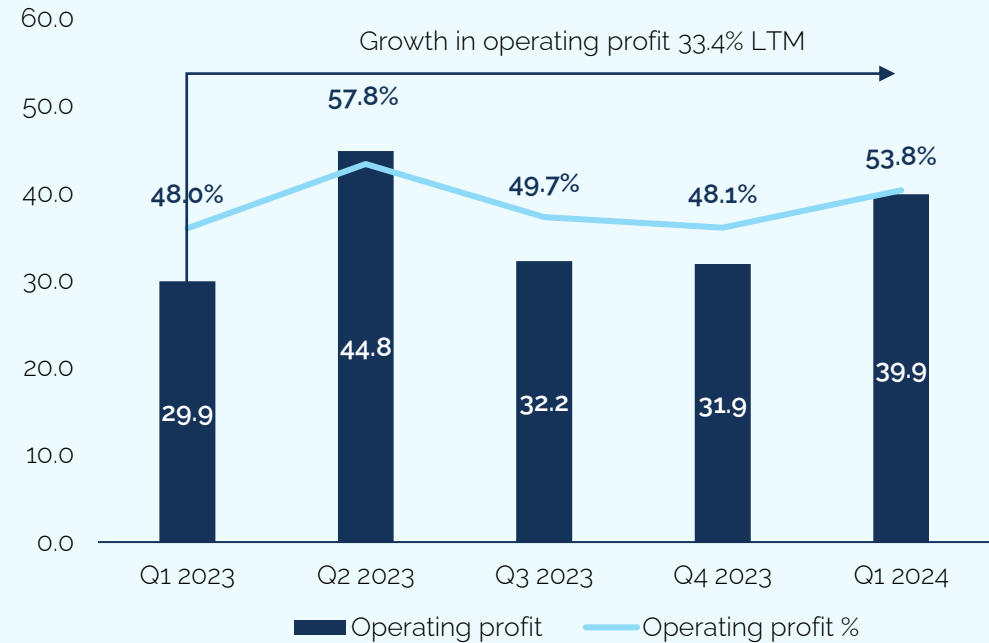
Q3 2023 operating profit includes EUR 0.7 million as a revision of the purchase price of the renewable energy project development portfolio sold.
 Q2 2023 operating profit includes EUR 1.5 million in performance fees and EUR 8.3 million in capital gains from the sale of the renewable energy project development portfolio.

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

Income previous 12M, EUR million

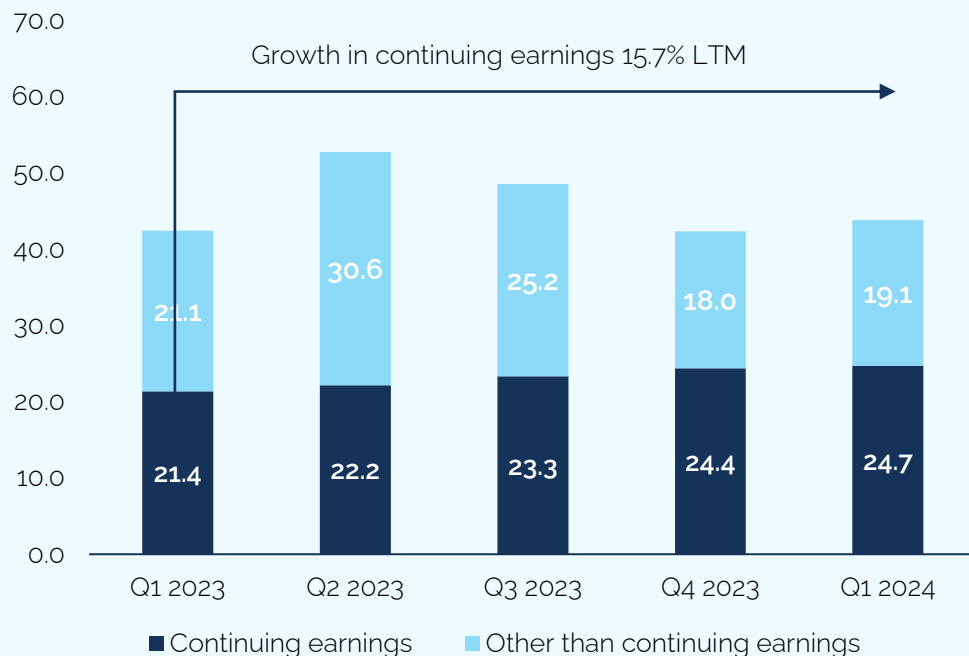


Operating profit previous 12M, EUR million

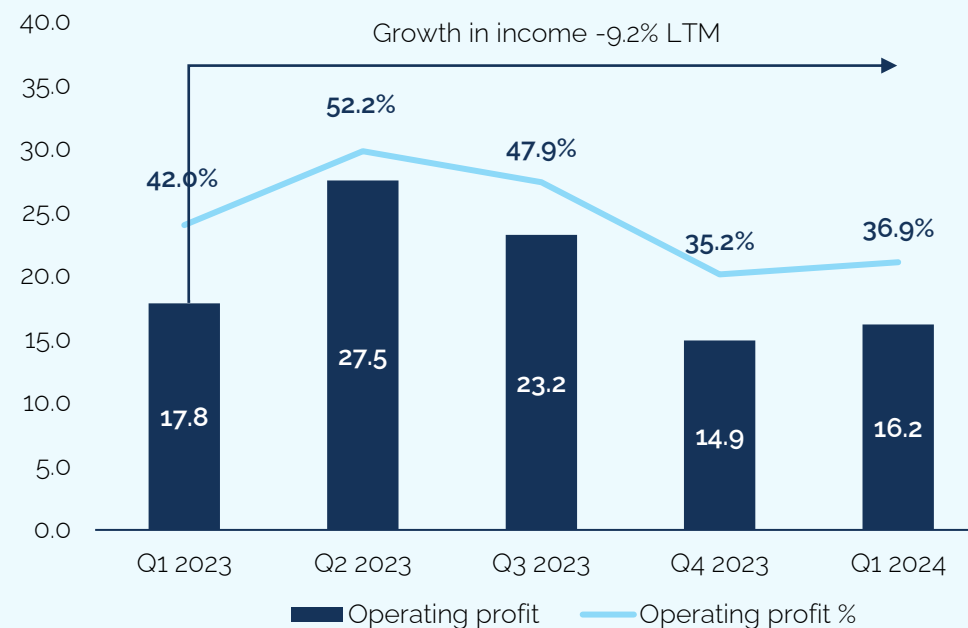


The development of Private Asset Management segment's income and operating profit, 12M

Income previous 12M, EUR million



Operating profit previous 12M, EUR million



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Taaleri Group's balance sheet Q1 2024

The strong liquidity continues

Private Asset Management segment's direct investments

€34.4 million

31.12.2023: €32.3 million

Garantia's investment portfolio

€152.2 million

31.12.2023: €160.6 million

Assets total

€312.2 million

31.12.2023: €307.9 million

Equity

€215.8 million

31.12.2023: €208.6 million

Non-strategic investments

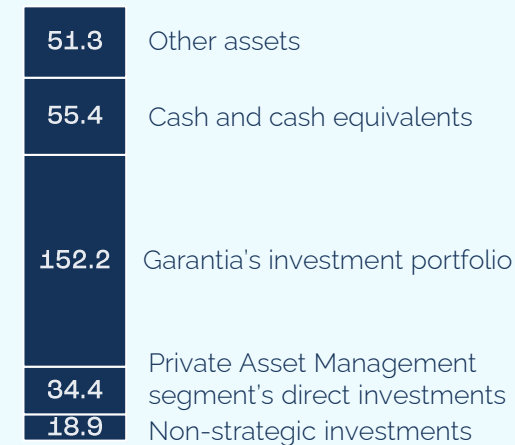
€18.9 million

31.12.2023: €26.4 million

Cash and cash equivalents

€55.4 million

31.12.2023: €38.3 million



Dividend per share, paid in April

€1.00

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Summary



Q1 highlights

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Outlook for 2024

Private Asset Management

- Continuing earnings from the renewable energy business are expected to develop positively during the financial year 2024. The operating profit for 2024 will depend on the revision of the estimated performance fees of the exit-phase funds Taaleri Wind II and Taaleri Wind III Funds, or their final amount, and on the timing of exits.
- According to Taaleri's updated strategy, strong international growth is sought in Taaleri's bioindustry, real estate and other businesses, which is reflected in the profitability of Other private asset management and the increase in the number of employees. Operating profit in Other private asset management is expected to be negative for 2024.

Strategic Investments

- Garantia's continuing earnings are expected to fall slightly from the level of the corresponding period, in particular due to the development of the Finnish housing market. In an interest rate environment in line with market expectations, Garantia's net income from investment operations is expected to develop positively compared to the corresponding period.

Other group

- The income from the Other group in 2024 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 Interim Statement is found on our [website](#)
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Attachments



Group balance sheet

Assets, EUR 1,000	31.3.2024	31.12.2023
Receivables from credit institutions	55,394	38,302
Receivables from the public and general government	7,118	5,142
Shares and units	39,932	38,708
Participating interests	13,293	12,884
Insurance assets	152,785	160,875
- Reinsurance assets	556	325
- Investments	152,229	160,551
Intangible assets	548	572
Tangible assets	2,407	2,406
Other assets	11,096	17,163
Accrued income and prepayments	24,339	26,742
Deferred tax assets	5,256	5,116
Total	312,168	307,911
Liabilities and equity, EUR 1,000	31.3.2024	31.12.2023
Liabilities	96,350	99,265
Insurance contract liabilities	44,671	45,616
Other liabilities	3,195	4,944
Accrued expenses and deferred income	22,545	17,327
Deferred tax liabilities	11,048	16,491
Subordinated debt	14,891	14,886
Equity	215,819	208,646
Total	312,168	307,911

Cash at bank at the end of March EUR 55.4 million. In April, a dividend of EUR 28.0 million was paid to owners of the parent company.

The largest investments at the end of March were Truscott Gilliland wind farm EUR 10.4 million, Aktia Bank Plc EUR 9.8 million and Turun Toriparkki EUR 8.8 million.

Fixed income investments 78% of Garantia's investment portfolio, portfolio in total EUR 152.2 million. Garantia distributed a dividend of EUR 15.0 million to the parent company during the first quarter.

Taaleri's equity is EUR 215.8 million. The Group's equity ratio is strong at 69.1%.

Taaleri's result Q1 2024

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	5,894	4,567	1,327	3,913	474	10,281
Performance fees	-	-	-	-	-	-
Investment operations	794	771	24	5,374	595	6,764
Income*	6,688	5,337	1,351	9,287	1,069	17,044
Fee and commission expense	-1,485	-1,062	-423	-	-15	-1,500
Personnel costs	-2,859	-1,651	-1,207	-192	-821	-3,871
Direct expenses	-1,824	-1,233	-591	-25	-333	-2,181
Depreciation, amortisation and impairment	-53	-28	-26	-	-	-54
Impairment losses on receivables	-	-	-	-	147	147
Operating profit	467	1,364	-897	9,071	48	9,585
Operating profit, %	7.0%	25.5%	neg	97.7%	4.5%	56.2%

* 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 Q1 2023

EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	5,550	3,938	1,612	3,874	416	9,839
Performance fees	-	-	-	-	-	-
Investment operations	-339	-317	-22	255	-503	-587
Income*	5,210	3,620	1,590	4,128	-87	9,252
Fee and commission expense	-1,535	-1,062	-474	-	-25	-1,561
Personnel costs	-2,933	-1,822	-1,111	-387	-990	-4,309
Direct expenses	-1,530	-1,031	-498	-16	-263	-1,809
Depreciation, amortisation and impairment	-10	-6	-4	-	-3	-13
Impairment losses on receivables	-	-	-	-	-3	-3
Operating profit	-798	-300	-498	3,726	-1,371	1,557
Operating profit, %	neg	neg	neg	90.2%	neg	16.8%

* 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 private equity funds

Renewable energy	Founded	Product	Business area	AUM Q1 2024	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				1,648 MEUR	
Other private asset management	Founded	Product	Business area	AUM Q1 2024	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		Exited
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				678 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				994 MEUR	
Private Asset Management segment total				2,642 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.