



TAALERI

**FINANCIAL
STATEMENTS 2019**

CEO ROBIN LINDAHL

12 FEBRUARY 2020

AGENDA

YEAR 2019 IN SHORT

CHANGES IN THE EXECUTIVE MANAGEMENT IN 2019

CHANGE IN EQUITY

HIGHLIGHTS DURING 2019

TAALERI IN 2019

THE GROUP IN JULY- DECEMBER 2019

KEY FIGURES

SEGMENT INFORMATION

Wealth Management

Financing

Energia

Other Operations

RESULT, BALANCE SHEET AND SOLVENCY

SUMMARY, DIVIDEND PROPOSAL AND A LOOK INTO 2020

WEALTH MANAGEMENT, INCOME AND OPERATING PROFIT

GARANTIA INCOME AND OPERATING PROFIT, IFRS

OPERATING PROFIT 2019

16.5
MEUR

Operating profit %, 24.5

MARKETCAP

~238
MEUR

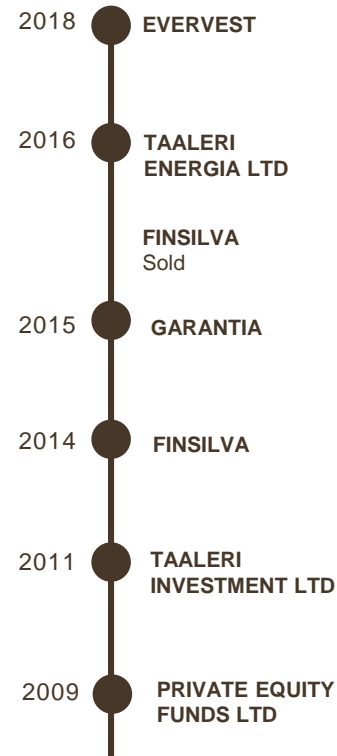
DECEMBER 2019



2007

TAALERI
IS ESTABLISHED

HISTORY



INCOME 2019

67.2
MEUR

PERSONNEL

180

31 DECEMBER 2019

CUSTOMERS*

5,500

*Wealth management

LISTED

HELSINKI FIRST NORTH 24 April 2013

NASDAQ HELSINKI MAIN LIST 1 April 2016

ASSETS UNDER MANAGEMENT EUR 7.1BLN

31 DECEMBER 2019



CHANGES IN THE EXECUTIVE MANAGEMENT IN 2019



ROBIN LINDAHL



TITTA ELOMAA



KAI RINTALA

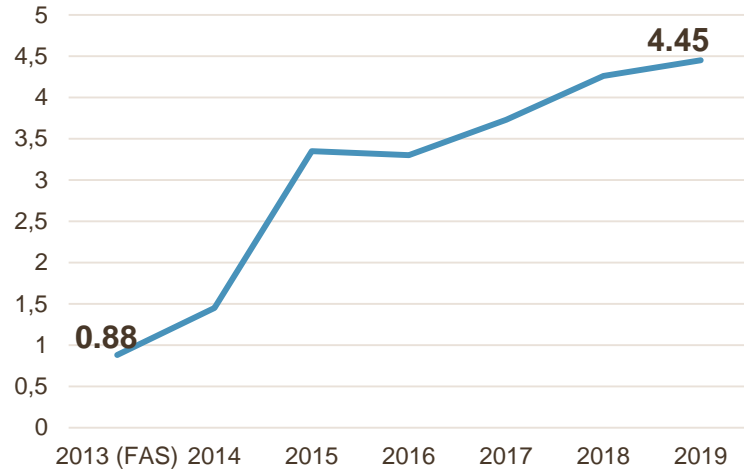


PERTTU PURHONEN

- The continuously changing operating environment requires organizations to have more multi-disciplinary expertise and implementation capabilities
- Robin Lindahl, started as Chief Executive Officer on 1 June 2019. In addition, in order to strengthen Taaleri's growth targets, Titta Elomaa, CEO of Garantia Insurance Company Ltd, and Kai Rintala, Managing Director of Taaleri Energia Ltd, were appointed as members of Taaleri Plc's Executive Management Team, and Perttu Purhonen, was appointed Head of Taaleri Wealth Management segment.

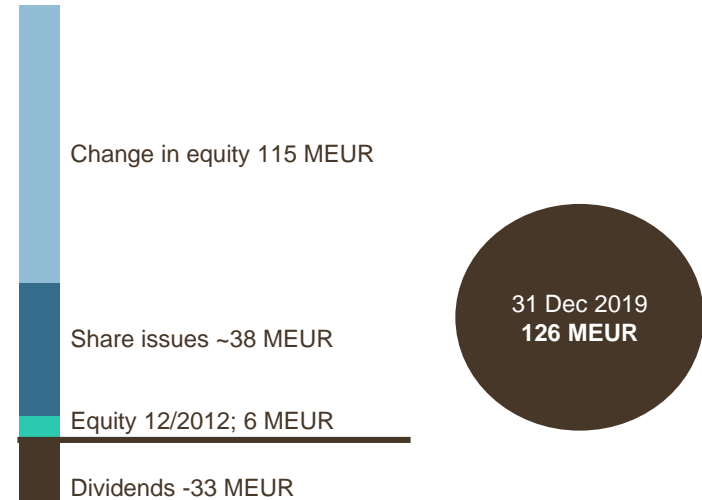
CHANGE IN EQUITY

EQUITY/SHARE, EUR



Equity has grown annually in average 71% to approx. EUR 126 million

EQUITY

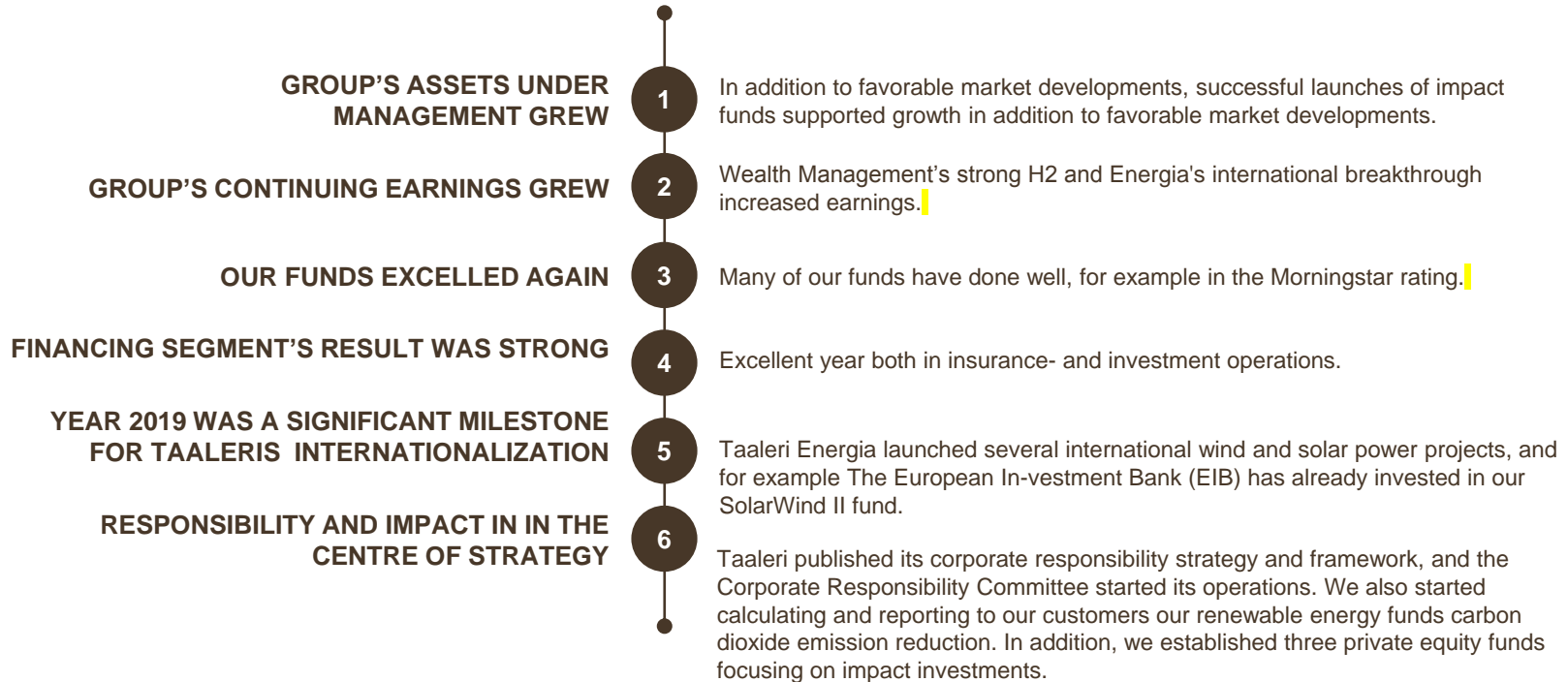


TALORI

**FINANCIAL
RESULTS 2019**



HIGHLIGHTS DURING 2019



TAALERI IN 2019

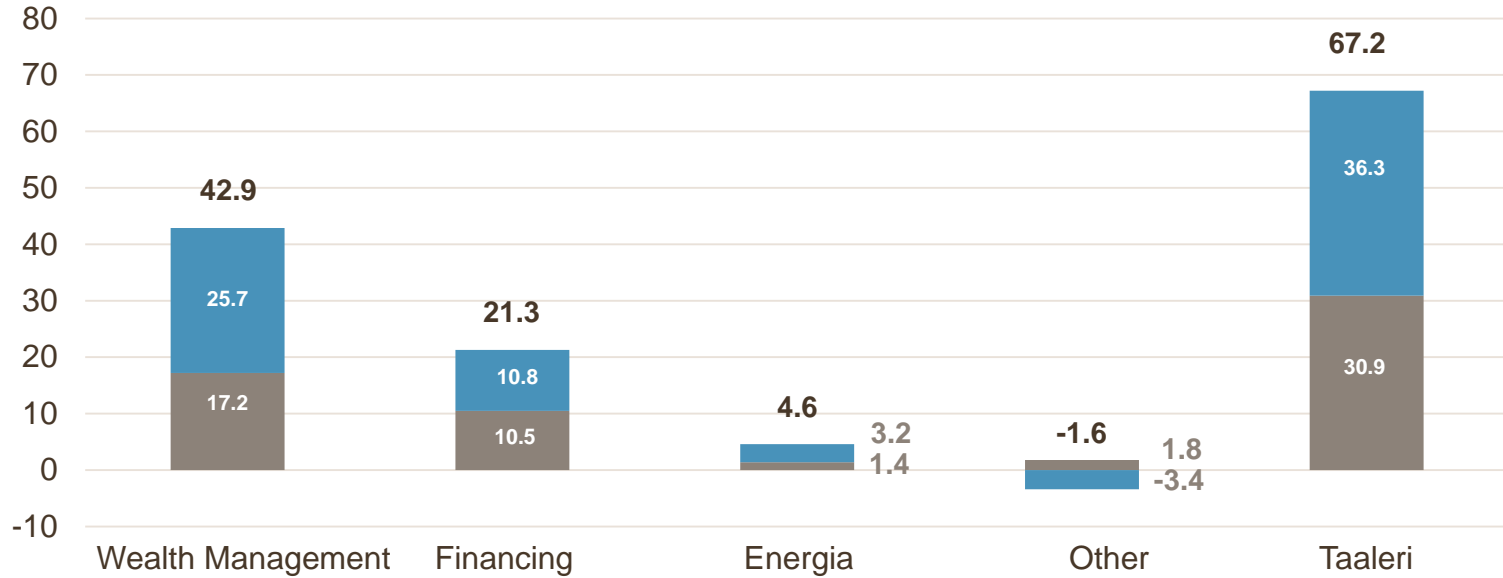
- Assets under management grew 23.3 per cent to EUR 7.1 billion
- The development of continuing earnings in the Group was particularly strong, growing by 22 per cent in the second half of the year and by 6 per cent year-on-year.
- Income decreased mainly due to the weak performance in Other Operations, which were affected by a EUR -4.4 million decline in the value of Fellow Finance shares.
- The 2019 operating income remained on a satisfactory level at EUR16.5 million, which corresponds to 25 per cent of income.
- Wealth Management
 - Wealth management's continuing earnings performance returned to its growth path during the second half of the year, after a weak first half.
 - Successful exits by private equity funds in the second half of the year increased performance fees to EUR 5.6 million.
- Garantia's result, at fair value, was particularly good and totalled EUR 12.7 million,
 - Premiums written in insurance operations grew by 14 per cent, investment return, at fair value, was 8.1 per cent and the solvency capital requirement strengthened.
- Energia's Income doubled and totaled EUR 4.6 (2.3) million due to the successful sale of Taaleri SolarWind II fund and the good development of Taaleri SolarWind I projects

THE GROUP IN JULY-DECEMBER 2019

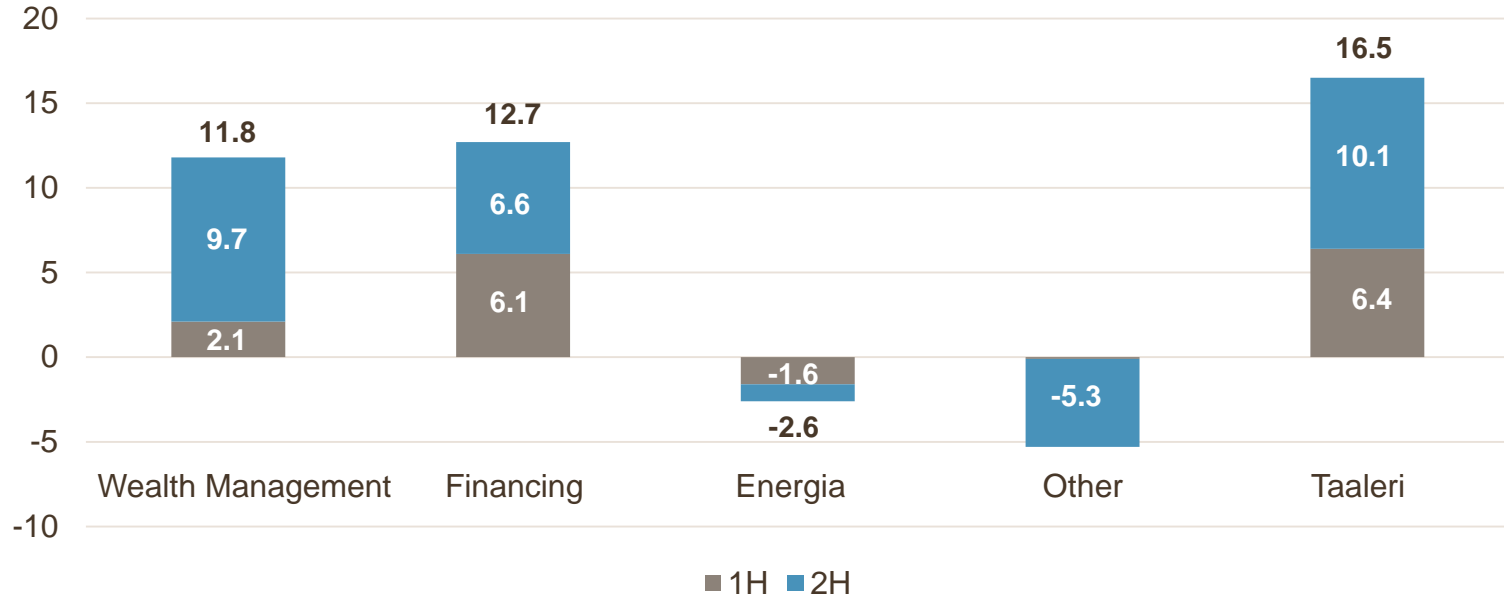
- Assets under management grew to EUR 7.1 (30 June 2019: 6.7) million.
- Income was EUR 36.3 (37.3) million.
- Continuing earnings grew by 22.2 per cent to EUR 30.7 (25.2) million.
- Performance fees doubled to EUR 5.6 (2.5) million.
- Earnings from investment operations were EUR -0.1 (9.2) million, which includes a fair value change of EUR -5.5 million from the Fellow Finance ownership
- Operating profit was EUR 10.1 (11.5) million, or 27.8 (30.9) per cent of income.
- Earnings per share were EUR 0.21 (0.44).

INCOME BY SEGMENT 2019

MEUR

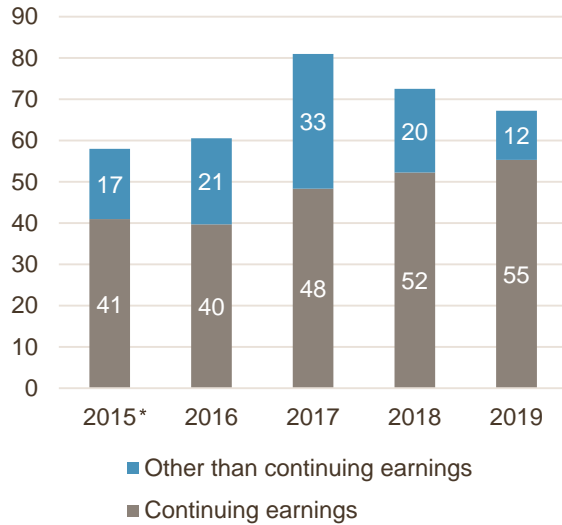


OPERATING PROFIT BY SEGMENT 2019

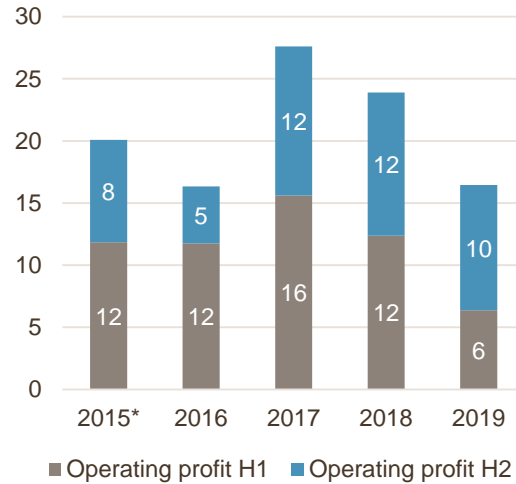


KEY FIGURES 2015 – 2019

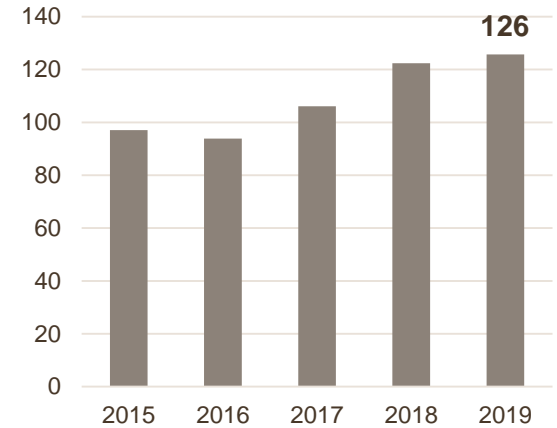
INCOME, MEUR



OPERATING PROFIT, MEUR

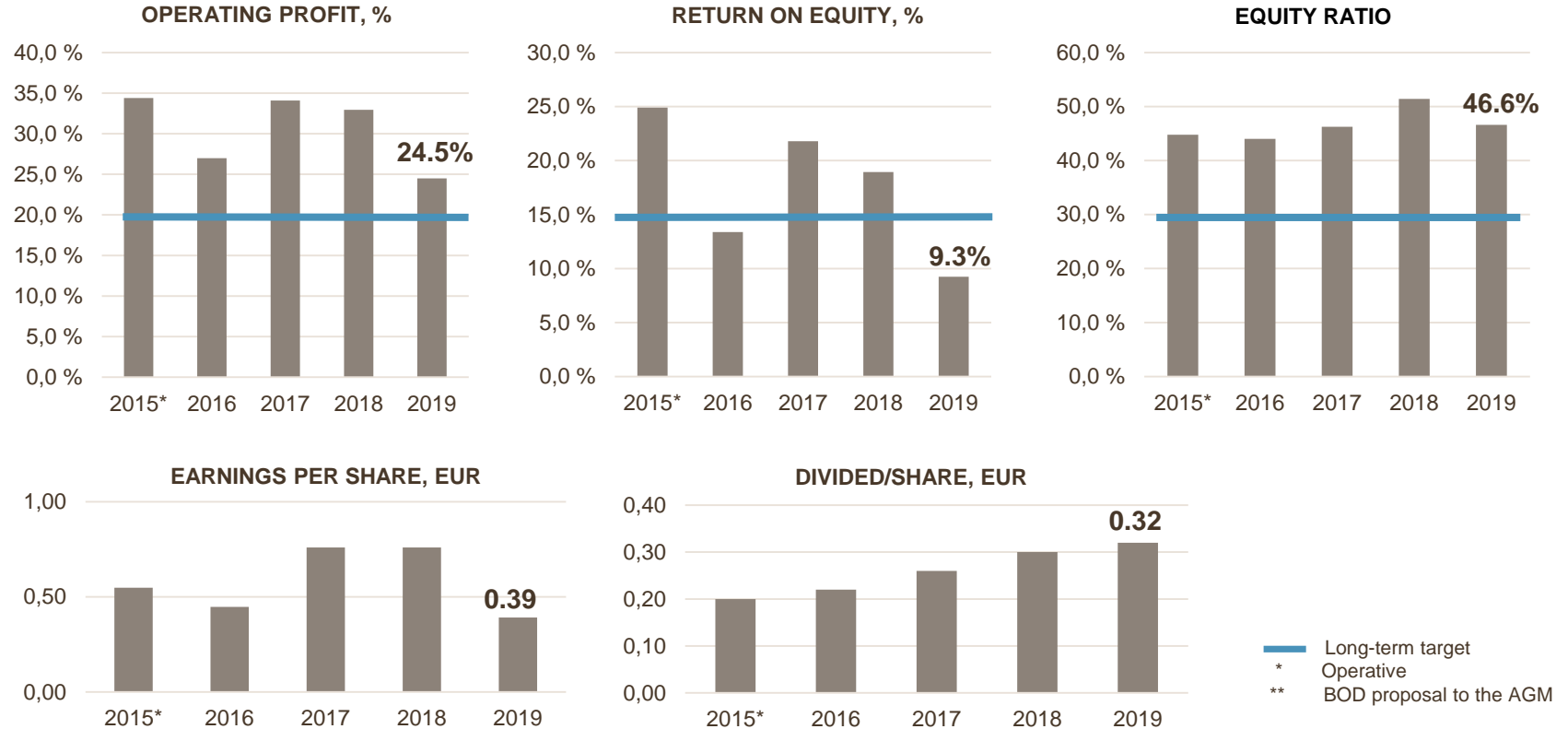


EQUITY, MEUR



* operative

ECONOMIC PROGRESS 2015 - 2019



— Long-term target
 * Operative
 ** BOD proposal to the AGM

A man with a beard and glasses, wearing a dark blue jacket and dark trousers, sits on a wooden step. He is looking towards a young boy sitting on the step next to him. The boy is wearing a light blue jacket and blue pants. They are outdoors on a wooden deck or staircase. In the background, there is a Ferris wheel and a building with a glass facade. The sky is clear and blue. The text "WEALTH MANAGEMENT" is overlaid in white, bold, sans-serif font across the middle of the image.

WEALTH MANAGEMENT

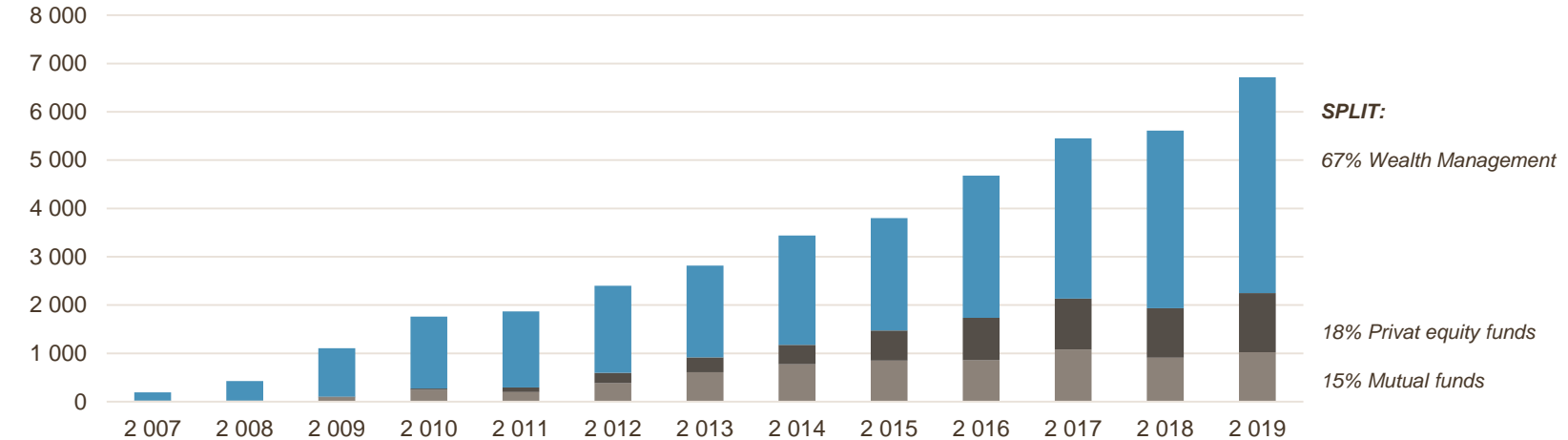
WEALTH MANAGEMENT BACK ON GROWTH TRACK

- Assets under management grew by 20% and totalled EUR 6.7 billion.
- Continuing earnings grew 6 per cent, the growth was burdened by the challenging H1, while H2 growth was 22 per cent.
- Taaleri strengthened its position as a forerunner in responsible investments by launching three new private equity funds – Taaleri SolarWind II, Taaleri Daycare Properties and Taaleri Wind IV. In addition, two special mutual funds, Taaleri Global Fixed Income and Taaleri Alternatives, as well as Taaleri Kasvurahastot I (growth fund) started their operations.
- Excellent fundraising, successful fund exits.
- The funds have several Morningstar five-star ratings, “star rating”, e.g. Taaleri Allocation 25 T and Taaleri Mikro Markka.
- Taaleri issued Finland's first green high yield bond.
- Perttu Purhonen was appointed as Head of Wealth Management and member of the Group Executive Management Team as of 1 December 2019.

Key figures 2019 (2018)



DEVELOPMENT OF ASSETS UNDER MANAGEMENT, WEALTH MANAGEMENT

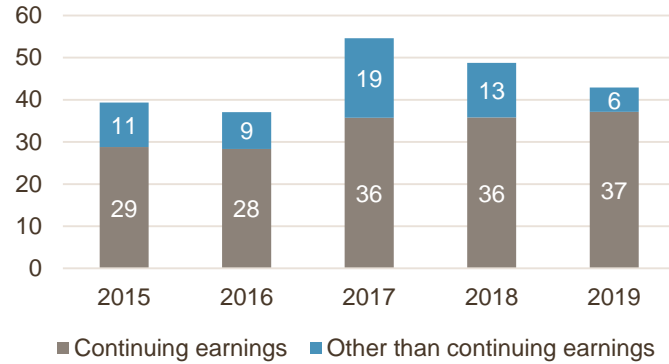


Assets under Management	31 Dec. 2019	31 Dec. 2018	Change, %
EUR million			
Assets under Management	6,715	5,612	19.7%
Mutual funds	1,023	911	12.3%
Private equity funds*	1,223	1,024	19.4%
Wealth Management	4,469	3,677	21.6%

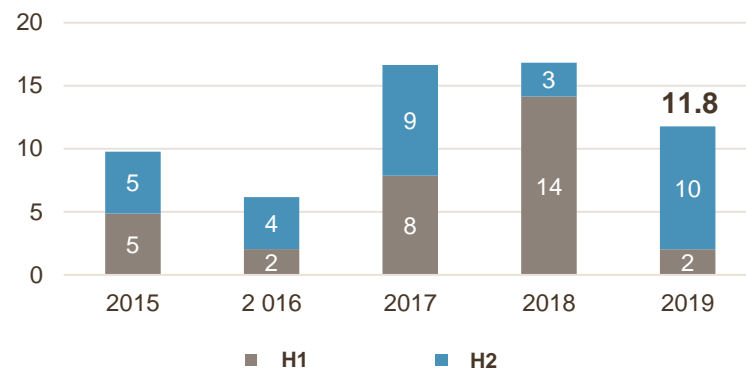
*In addition, an estimate of equity that will be called from current projects totals EUR 300 million.

WEALTH MANAGEMENT PERFORMANCE 2015 – 2019

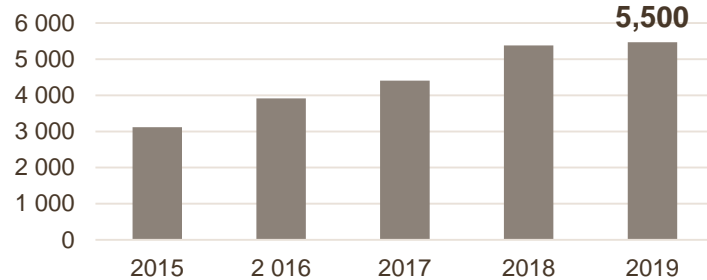
INCOME, MEUR



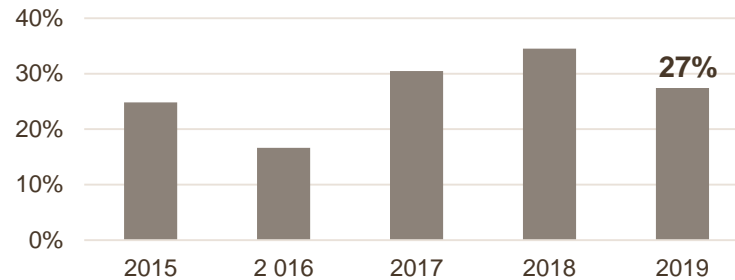
OPERATING PROFIT, MEUR



CUSTOMERS



OPERATING PROFIT, %

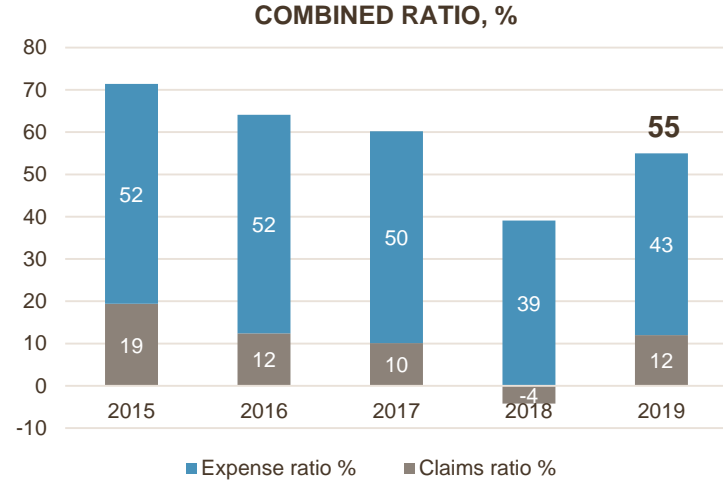


A blurred office scene with several people working at desks. In the foreground, a woman with long brown hair is seen from the back, wearing a light-colored top. In the background, other people are seated at desks with laptops, and a man in a dark suit is standing and talking to another man. The word "FINANCING" is overlaid in the center in a white, bold, sans-serif font. The overall atmosphere is professional and busy.

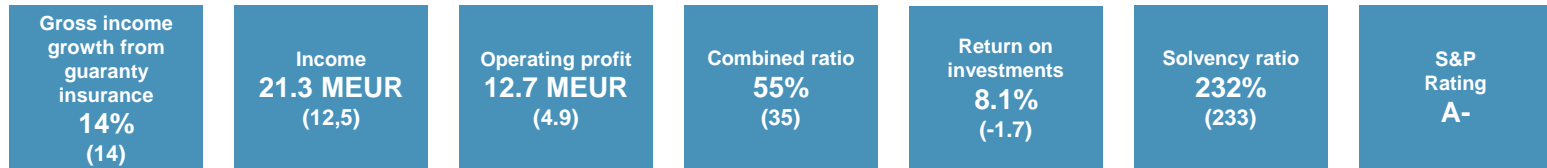
FINANCING

EXCELLENT YEAR BOTH IN INSURANCE- AND INVESTMENT OPERATIONS

- Premiums written in insurance operations grew by 14 per cent insurance exposure grew 10 per cent to EUR 1.8 million.
- Net income from investment operations grew significantly to EUR 9.2 (-0.7) million, due to the good market development.
- S&P rating remained at A-, stable outlook.
- Titta Elomaa appointed CEO and member of the Group Executive Management Team.

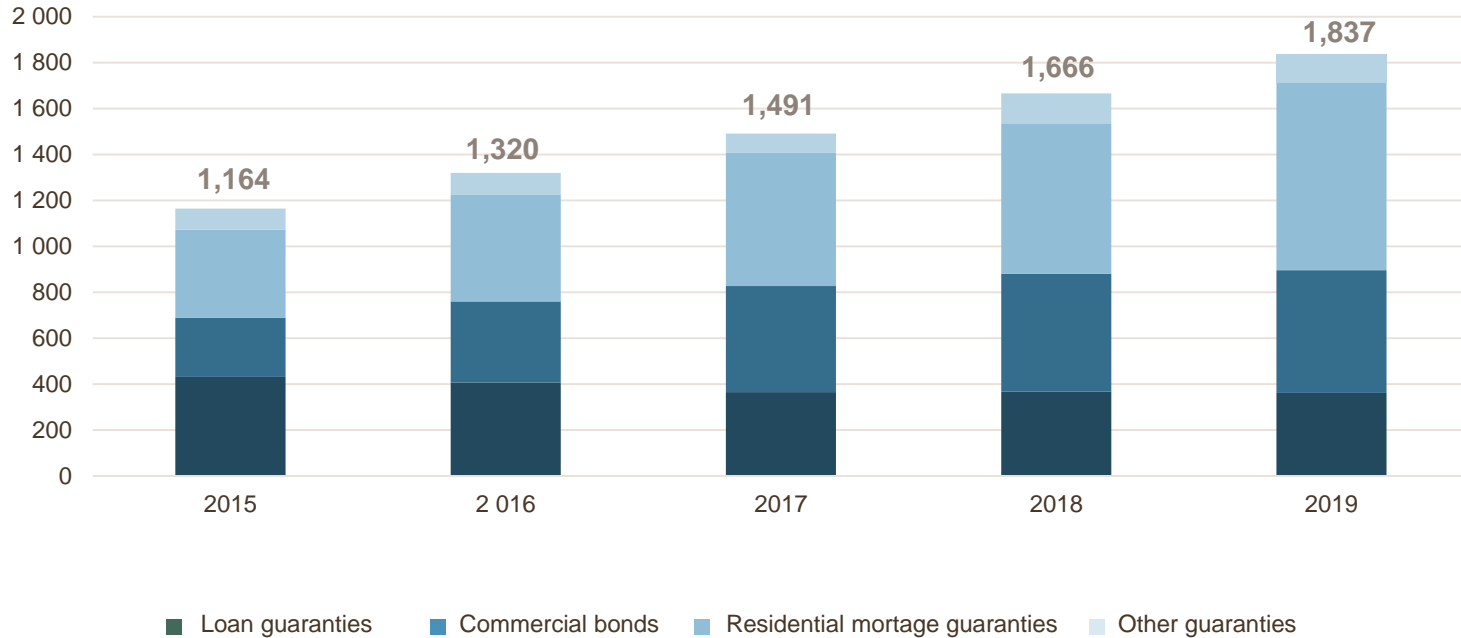


Key figures 2019 (2018)



GARANTIA'S INSURANCE PORTFOLIO EUR 1.8 BILLION

INSURANCE PORTFOLIO SPLIT, MEUR



A landscape photograph featuring a row of wind turbines silhouetted against a sunset sky. The turbines are positioned on a dark, forested ridge that runs across the middle ground. Below the ridge is a calm body of water, which reflects the colors of the sky. The sky transitions from a deep blue at the top to a bright orange and yellow near the horizon. A thin crescent moon is visible in the upper left portion of the sky. The word "ENERGIA" is superimposed in white, bold, sans-serif capital letters in the center of the image.

ENERGIA

TAALERI ENERGIA DID AN INTERNATIONAL BREAKTHROUGH WITH ITS SOLARWIND II FUND

- Income doubled and totaled EUR 4.6 (2.3) million due to the successful first close of Taaleri SolarWind II fund and the good development of Taaleri SolarWind I projects
- Delays in the 336-MW Truscott-Gilliland wind farm in Texas, as well as recruitment costs, burdened earnings, and operating profit was EUR -2.6 (-2.3) million.
- The SolarWind fund's wind and solar projects were successfully developed and the fund received international recognition.
- The collaboration with Masdar deepened by the establishment of a joint venture to develop wind and solar projects in Eastern Europe.
- Kai Rintala appointed member of the Group Executive Management Team.

Energia,	2019	2018	Change, %	H2/2019	H2/2018	Change, %
EUR million						
Income	4.6	2.3	103.1%	3.2	1.2	170.7%
Operating profit	-2.6	-2.3	12.4%	-1.0	-1.4	-30.4%
Average full-time personnel	23	19		24	20	

TALERI

**RESULT, BALANCE
SHEET AND
SOLVENCY**



CONTINUING EARNINGS AND ASSETS UNDER MANAGEMENT GREW

Group key figures	2019	2018	H2/2019	H2/2018	Long-term target
Earnings key figures					
Continuing earnings	55.3	52.0	30.7	25.2	
Continuing earnings growth, %	6.3	6.3	22.2	5.4	> 15,0%
Income, MEUR	67.2	72.5	36.3	37.3	
Operating profit, MEUR	16.5	23.9	10.1	11.5	
Operating profit, %	24.5	33.0	27.8	30.9	> 20.0
Profit for the period, MEUR	11,5	21.6	6.6	12.2	
Return on equity*, %	9.3	18.9	10.9	21.1	> 15.0
Balance sheet key figures					
Equity ratio, %	46.6	51.4			> 30.0
Group's capital adequacy ratio, %	207.4	186.0			
Per share key figures					
Earnings/share, euros	0.39	0.76	0.21	0.44	
Equity/share, euros	4.45	4.26			
Share closing price, euros	8.42	7.10			
Other key figures					
Cost/income ratio	74.7	67.0	70.6	68.9	
Average full-time employees	186	183	178	187	
Market capitalisation MEUR	238.3	201.0			
Assets under management BEUR	7.1	5.7			
Guaranty insurance portfolio, BEUR	1.8	1.7			

TAALERI RESULT IN 2019

EUR 1,000	2019	2018	H2/2019	H2/2018
Continuing earnings*	55,296	52,028	30,746	25,163
Performance fees	5,188	8,102	5,647	2,465
Investment operations	6,687	12,168	-78	9,189
Income	67,171	72,298	36,316	36,817
Fee and commission expense	-5,401	-5,774	-3,166	-2,622
Interest expense	-2,953	-2,943	-1,516	-1,479
Personnel costs	-24,197	-21,735	-11,880	-11,517
Direct expenses	-16,308	-16,820	-8,401	-9,164
Depreciation, amortisation and impairment	-1,218	-1,181	-644	-573
Impairment losses on receivables	-557	51	-583	55
Operating profit	16,537	23,895	10,125	11,518
Change in fair value of investments	1,847	-1,721	-163	-1,158
Profit before taxes and non-controlling interests	18,384	22,174	9,962	10,360

* incl. Profit of associated companies

BALANCE SHEET

Assets	30 Dec. 2019	31 Dec. 2018
EUR 1,000		
Receivables from credit institutions	29,102	26,133
Receivables from the public and general government	8,294	9,379
Debt Securities	1,498	-
Shares and units	9,232	12,424
Assets classified as held for sale	7,666	12,007
Participating interests	6,423	6,140
Insurance assets	153,325	133,634
- Insurance assets	4,663	1,802
- Investments	148,662	131,832
Intangible assets	6,531	6,575
Tangible assets	4,435	692
Other assets	18,110	6,540
Accrued income and prepayments	22,851	22,163
Deferred tax assets	2,233	2,322
	269,700	238,009
Liabilities	30 Dec. 2019	31 Dec. 2018
EUR 1,000		
LIABILITIES	143,971	115,628
Liabilities to credit institutions	25,929	6,996
Debt securities issued to the public	34,875	54,815
Insurance liabilities	32,303	23,293
Other liabilities	6,509	2,882
Accrued expenses and deferred income	13,940	12,999
Subordinated debt	14,825	-
Deferred tax liabilities	15,591	14,643
EQUITY CAPITAL	125,729	122,381
	269,700	238,009

Fellow Finance shares

Incl. receivables related to sold projects EUR 6.8 million

Incl. development projects EUR 13.1 million and receivables from exits EUR 5.9 million

Tier2 EUR 15 million

Equity ratio 46.6%

CAPITAL ADEQUACY – RAVA CONGLOMERATE & FINANCING SECTOR

Capital adequacy of RaVa conglomerate, EUR thousand	31 Dec. 2019	31 Dec. 2018
Shareholders' equity of the Taaleri Group	125,729	122,381
Goodwill and other intangible assets	-6,533	-7,164
Non-controlling interests	182	-1,661
Planned distribution of profit	-9,072	-8,505
Tier 2 Capital	14,825	-
Profit for the period, Financing sector	125,130	105,051
Conglomerate's own funds, total	11,014	11,156
Financing business' requirement for own funds	49,307	45,327
Insurance business' requirement for own funds	60,321	56,483
Minimum amount of own funds of the Conglomerate, total	64,809	48,567
Conglomerate's capital adequacy	207.4%	186.0%

The conglomerate's capital adequacy strengthened to 207.4% which includes EUR 19.8 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 thousand (CRR 49 permission)	31 Dec. 2019	31 Dec. 2018
Common Equity Tier before deductions	81,228	86,321
Deductions from the Common Equity Tier	-10,332	-29,208
Common Equity Tier (CET1)	70,896	57,113
Tier 1 capital (T1 = CET1 + AT1)	70,896	57,113
Total capital (TC = T1 + T2)	85,720	57,113
Total risk-weighted commitments (total risk)	242,584	229,622
Common Equity Tier (CET1) in relation to the amount of total risk (%)	29.2%	24.9%
Tier 1 capital (T1) in relation to the amount of total risk (%)	29.2%	24.9%
Total capital (TC) in relation to the amount of total risk (%)	35.3%	24.9%

The Financing sector's Common Equity Tier with the CRR 49 permission is EUR 70.9 million and corresponds to a capital adequacy of 29.2%, when the profit of the year EUR 4.3 million is deducted.

TALERI

**SUMMARY, DIVIDEND
PROPOSAL AND
A LOOK INTO 2020**



SUMMARY RESULTS 2019

- Continuing earnings developed well, especially during H2.
- Wealth Management's assets under management grew by 20 per cent.
- Financing had strong income and operating profit, excellent year both in insurance- and investment operations.
- Energia made its international breakthrough.
- The Group's target is to improve the company's profitability through strong growth.
- Responsibility has constantly been developed - impact as a spearhead.
- We expanded our management team – a continuous changing operating environment requires organizations to have more multi-disciplinary skills and executive capabilities.

BOARD OF DIRECTORS' DIVIDEND PROPOSAL

The Board of Directors proposes that a dividend of EUR 0.32 per share, a total of EUR 9,1 million be paid for the financial year 2019. The dividend will be paid in one installment.

The dividend will be paid to shareholders who are registered in the list of shareholders maintained by Euroclear Finland Ltd on the record date, which is 20 March 2019.

The Board proposes the dividend to be paid 27 March 2020.

A LOOK INTO YEAR 2020

- To increase both assets under management and continuing earnings.
- To increase the offering of alternative private equity funds.
- As a part of their new strategy Garantia focuses on dispersed consumer and business portfolios and improving profitability.
- To reach the EUR 400 million maximum size of Taaleri SolarWind II –fund, to choose the projects and to develop them successfully.
- In addition, we seek growth in impact investing and in financing renewable energy, of which Fintoil is a good example.



TAALERI

The financial statements 2019 is found on

or

Head of Communications and IR

+358 40 828 7317

Kasarmikatu 21, 4. kerros

00130 Helsinki

WEALTH MANAGEMENT INCOME AND OPERATING PROFIT IN 2019

	2019	2018	Change, %	H2/2019	H2/2018	Change, %
EUR million						
Wealth Management fees	37.1	35.8	3.7%	20.0	16.7	19.7%
Performance fees	5.2	8.1	-36.0%	5.6	2.5	129.1%
Investment operations	0.6	4.8	-88.1%	0.0	-0.1	-128.9%
Total	42.9	48.7	-12.0%	25.7	19.0	34.8%
Operating profit	11.8	16.8	-30.1%	9.7	2.7	263.1%
Average full-time personnel	116	120		115	121	

GARANTIA INCOME AND OPERATING PROFIT, IFRS

Financing	2019	2018	Change, %	H2/2018	H1/2017	Change, %
EUR million						
Net income from guaranty insurance operations	12.1	13.2	8.8%		7.4	
of which Earned premium, net	13.4	12.5	7.5%	6.7	7.0	-4.8%
of which Claims incurred, net	-1.4	0.7	-	-0.1	0.4	-
Net income from investment operations	9.2	-0.7	-	4.2	-1.1	-
Income	21.3	12.5	70.3%	10.8	6.3	71.7%
Operating expenses	-6.4	-5.4	18.9%	-3.2	-2.7	17.6%
Allocation of financing expenses	-2.2	-2.2	0.0%	-1.1	-1.1	0.0%
Operating profit before valuations	12.7	4.9	156.8%	6.6	2.5	159.3%
Change in fair value of investments	1.8	-1.7	n.a.		-1.1	n.a.
Result at fair value before tax	14.5	3.3	346.3%	6.4	1.4	354.3%