

A family of four and a dog are sitting on a grassy hillside, looking out over a mountain range at sunset. The sun is low on the horizon, casting a warm glow over the scene. The mountains in the background are silhouetted against the bright sky. The family consists of a woman in a purple hoodie, another woman in a maroon hoodie, a man in a dark t-shirt, and a child in a plaid shirt. A dog is sitting on the right side of the group.

TAALERI

HALF-YEAR FINANCIAL RESULTS 2020

CEO ROBIN LINDAHL

13 AUGUST 2020

AGENDA

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A family of four and a dog are sitting on a grassy hillside, looking out over a mountain range at sunset. The sun is low on the horizon, casting a warm glow over the scene. The mountains in the background are hazy and layered. The family consists of a woman in a purple hoodie, a woman in a maroon hoodie, a man in a dark t-shirt, and a child in a plaid shirt. A dog is sitting on the right side of the group.

HALF-YEAR FINANCIAL RESULTS 2020

TAALERI IN JANUARY-JUNE 2020

- Income was EUR 26.3 (30.9) million. Profitability based on commission income developed well, but investment operations suffered due to changes in the stock and money market investment caused by the COVID-19 pandemic, resulting in fair value changes.
- Continuing earnings grew by 18.2 per cent to EUR 29.0 (24.5) million, growth especially in Energia- and Insurance segments.
- Performance fees accrued from several funds totalling EUR 2.2 (-0.5) million.
- Earnings from investment operations declined to EUR -5.1 (6.8) million, due to the market development during the period under review.
- Operating profit was EUR 2.8 (6.4) million, or 10.6 (20.6) per cent of income. Operating profit excluding investment income was EUR 7.9 million which corresponds to 25.0 per cent of net sales.
- Earnings per share were EUR 0.04 (0.18).
- Assets under management recovered after the spring decline, and totaled EUR 7.1 (31 Dec. 2019: 7.1) billion.
- The Guaranty insurance portfolio totaled EUR 1.8 (31 Dec. 2019: 1.8) billion.

HIGHLIGHTS DURING H1

- Taaleri Energia successfully exited its first wind project in the U.S. Profit impacts from the project will be booked later.
- During January-June 2020, new investment commitments of EUR 100 million were collected in Taaleri Biojalostamo, Taaleri Velkarahestot I, Taaleri Kiinteistöt and Aurinkotuuli II.
- The Taaleri Mikro Markka and Mikro Rein funds were opened for new subscriptions, for which we collected EUR 25 million.
- We launched the special investment fund Taaleri Impakti, which is the first Finnish open impact fund that seeks not only economic return but also measurable social and environmental benefits, ie. impact.
- Taaleri also announced Finland's first digital asset management service specializing in impact investment, where clients can build investment portfolios focused on impact investment.
 - The portfolios consist of the best, cost-effective ETF funds on the market and meeting strict liability criteria, as well as the Taaleri Impakti fund.



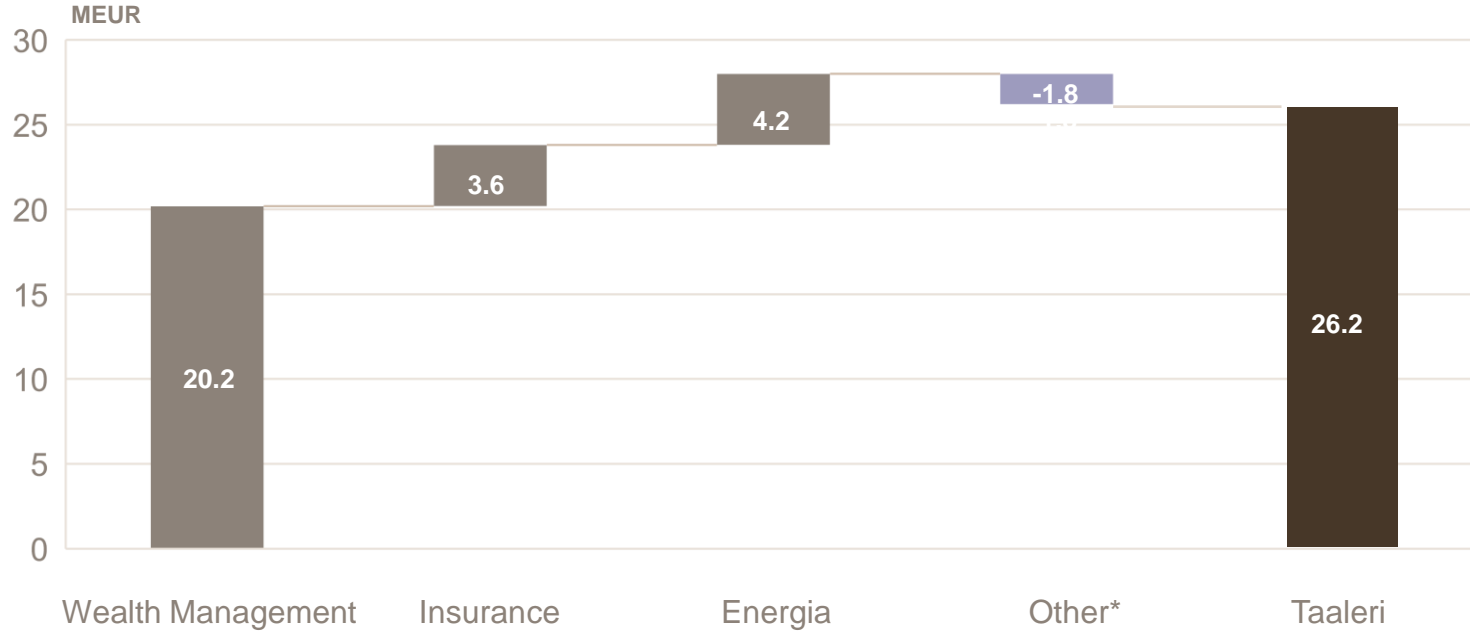
INVESTMENT IN REAL ESTATE BUSINESS ACCORDING TO OUR STRATEGY

Essi Sten was appointed Head of Taaleri Real Estate business and a member of Taaleri Group's Executive Management Team as of 1 April 2020.

Essi joined Taaleri from Samhällsbyggnadsbolaget i Norden AB, one of the largest listed property companies and the largest in community service properties in Nordics, where she held the position as Country Manager, Finland. She has more than 20 years of extensive experience from the real estate business from different positions.

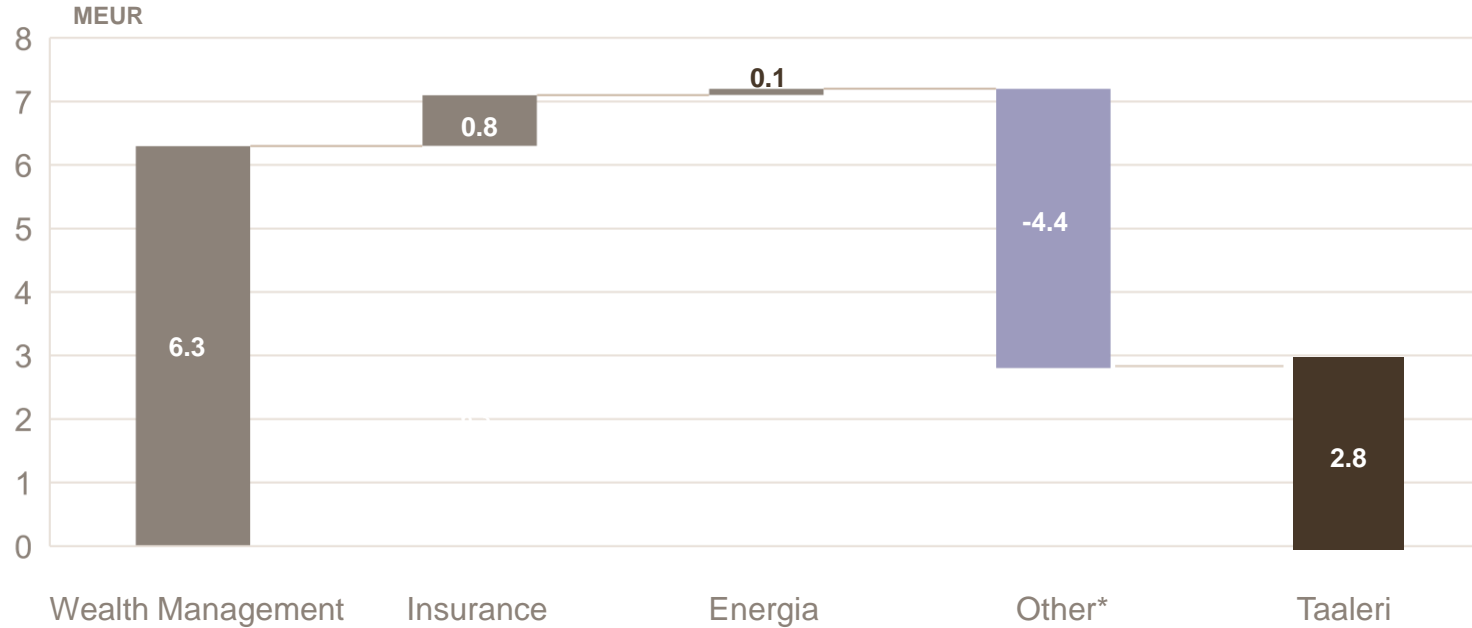


INCOME BY SEGMENT H1/2020



*Including results of associated companies

OPERATING PROFIT BY SEGMENT H1/2020



*Including results of associated companies

A man and a woman are standing on a dirt path in a lush, green forest. The man, on the left, is wearing a maroon t-shirt and grey pants, and is holding a large log. The woman, on the right, is wearing an orange dress and is also holding a log. They are both smiling and looking at each other. The forest is filled with tall trees and dense foliage, with sunlight filtering through the leaves, creating a soft, hazy atmosphere. The text "WEALTH MANAGEMENT" is overlaid in white, bold, sans-serif font across the center of the image.

WEALTH MANAGEMENT

WEALTH MANAGEMENT'S OPERATING PROFIT TRIPLED AND TOALED EUR 6.3 MILLION

- Wealth Management's income grew 17.3 percent and totaled EUR 20.2 million, due to successful fund raising.
- Performance fees accrued from many funds totalling EUR 2.2 (-0.5) million.
- Assets under management recovered at EUR 6.6 (31 Dec. 2019: 6.7) billion, after the negative development due to the market change at the beginning of the year.
- Costs declined 8.7 per cent and totaled EUR 13.4 million. The decrease was mainly due staff reductions and to the change in variable salaries.
- During the period under review, new investment commitments were collected in the Taaleri Biojalostamo, Taaleri Velkarahastot I, Taaleri Aurinkotuuli II, Taaleri Kiinteistöt and Taaleri Impakti. The Taaleri Mikro Markka and Mikro Rein funds were opened for new subscriptions, of which Taaleri Mikro Markka was returned to soft closed due to high demand immediately after the first subscription date.

Key figures H1/2020 (H1/2019)

Income
20.2 MEUR
(17.2)

Operating profit
6.3 MEUR
(2.0)

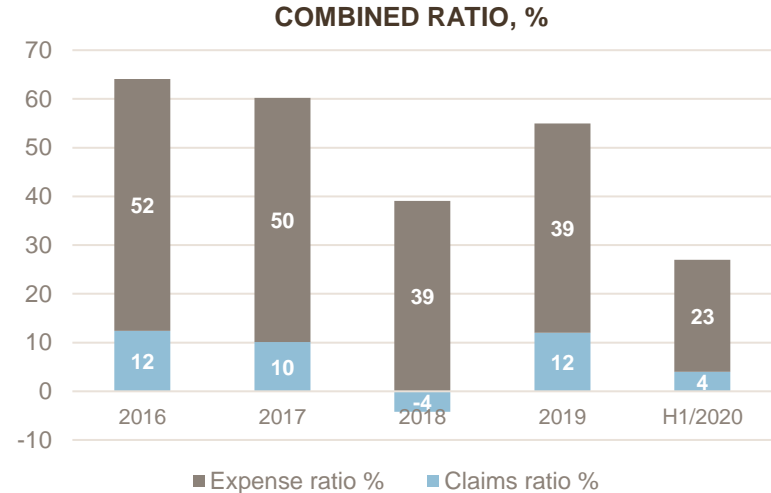
Customers
5,700
(31 Dec. 19: 5,500)

AuM
6.6 Mrd. EUR
(31 Dec. 19: 6.7)

INSURANCE

NET INCOME FROM INSURANCE OPERATIONS INCREASED SIGNIFICANTLY AND THE QUARANTY INSURANCE PORTFOLIO REMAINED STABLE

- Net income from insurance operations increased by 26.5 per cent to EUR 6.9 (5.5) million.
- Net income from investments diminished significantly compared to the corresponding period last year due to the adverse market conditions caused by the pandemic.
 - Net income from investment operations decreased to -4.5 (5.3) million.
- The guaranty insurance portfolio remained stable and totaled to EUR 1.8 (31 Dec. 2019: 1.8) billion.
- S&P rating remained A- with a stable outlook.



Key figures H1/2020 (H1/2019)





TAALERI

ENERGIA

TAALERI ENERGIA'S INCOME TRIPLED

- Taaleri Energia's income in January-June 2020 tripled and totaled EUR 4.2 (1.4) million.
- Main impact could be noticed on the international fundraising due to travelling restrictions.
- The SolarWind fund's projects have been developing predominantly according to plan.
- Taaleri SolarWind II, commitments amounted to EUR 291 million at the end of the period under review. The target size of the fund is EUR 300 million and the maximum size EUR 400 million.
 - The second-close investors include the European Bank for Reconstruction and Development (EBRD).
 - The fund has already made investment decisions on wind farms in Finland, Norway, Poland and the US, as well as PV solar plant in Spain.

Energia, EUR million	H1/2020	H1/2019	Change, %	2019
Income	4,2	1,4	197,1	4,6
Operating profit	0,1	-1,6	106	-2,6
Average full-time personnel	27	22		23

TAALERI ENERGIA SUCCESSFULLY EXITED ITS FIRST WIND PROJECT IN THE U.S.

- Taaleri Energia has sold 93% of its U.S. wind project, Truscott Gilliland East, to the Taaleri SolarWind II fund, AIP, Mutual Pension Insurance Company Ilmarinen and Akuo Energy.
- Taaleri Energia will remain as a minority owner with a seven per cent equity stake in the project. The profit impacts from the project will be booked later.
- Financing for the investment, in the form of tax equity, will be provided by BHE Renewables (a subsidiary of Berkshire Hathaway Energy) and construction financing by NORD/LB, Mizuho, Santander and Societe Generale.
- The wind farm is a USD 450 million plus investment in the North American renewable energy sector and will, when constructed, produce enough electricity to supply around 115,000 households. It will offset the equivalent of 604,000 tonnes of carbon dioxide during each year of operation.



A group of five people and a dog are sitting on a grassy hill, looking out over a mountain range at sunset. The sun is low on the horizon, creating a warm, golden glow. The mountains in the background are silhouetted against the bright sky. The people are seen from behind, and the dog is sitting on the right side of the group.

OTHER OPERATIONS

OTHER OPERATIONS H1/2020

Other, EUR million	H1/2020	H1/2019	Change, %	2019
Income	-1,8	1,8	-198,8	-1,6
Operating profit	-4,4	-0,1	na	-5,3
Average full-time personnel	23	18		21

EUR million	30 June 2020	31 Dec. 2019	Change, %
Investments, fair value	44,5	42,1	5,8
- Portfolio investments	19,1	21,9	-12,8
- Co-investments	14,4	9,5	51,1
- Own investments	11,0	10,6	3,8

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RESULT, BALANCE SHEET AND SOLVENCY

OPERATIVELY TAALERI'S DEVELOPMENT WAS GOOD AND CONTINUING EARNINGS INCREASED BY 18 PER CENT - COVID-19 BURDENED EARNINGS FROM INVESTMENT OPERATIONS

Group key figures	H1/2020	H1/2019	2019	Long-term target
Earnings key figures				
Continuing earnings, MEUR	29.0	24.5	55.3	
Continuing earnings growth, %	18.2	-8.6	6.3	> 15.0
Income, MEUR	26.3	30.9	67.2	
Operating profit, MEUR	2.8	6.4	16.5	
Operating profit, %	10.6	20.6	24.5	> 20.0
Profit for the period, MEUR	1.4	4.8	11.5	
Return on equity*, %	2.4	8.0	9.3	> 15.0
Balance sheet key figures				
Equity ratio, %	46.0	48.9	46.6	> 30.0
Group's capital adequacy ratio, %	203.0	194.6	207.4	
Per share key figures				
Earnings/share, euros	0.04	0.18	0.39	
Equity/share, euros	6.72	4.22	4.45	
Share closing price, euros	6.72	7.00	8.42	
Other key figures				
Cost/income ratio excluding investment operations	73.1	103.3	83.7	
Cost/income ratio	89.1	79.5	74.7	
Average full-time employees	188	185	186	
Market capitalisation MEUR	190.2	198.1	238.3	
Assets under management BEUR	7.1	6.6	7.1	
Guaranty insurance portfolio, BEUR	1.8	1.6	1.8	

* annualized

BALANCE SHEET

Assets		
EUR 1,000	30 Jun. 2020	30 Dec. 2019
Receivables from credit institutions	33,341	29,102
Receivables from the public and general government	8,461	8,294
Debt Securities	1,498	1,498
Shares and units	22,412	9,232
Assets classified as held for sale	4,803	7,666
Participating interests	8,886	6,423
Insurance assets	142,161	153,325
- Insurance assets	7,477	4,663
- Investments	134,683	148,662
Intangible assets	6,877	6,531
Tangible assets	3,641	4,435
Other assets	14,821	18,110
Accrued income and prepayments	9,676	22,851
Deferred tax assets	2,568	2,233
	259,145	269,700
Liabilities		
EUR 1,000	30 Jun. 2020	30 Dec. 2019
LIABILITIES	139,993	143,971
Liabilities to credit institutions	25,917	25,929
Debt securities issued to the public	34,921	34,875
Insurance liabilities	31,652	32,303
Other liabilities	6,208	6,509
Accrued expenses and deferred income	11,649	13,940
Subordinated debt	14,832	14,825
Deferred tax liabilities	14,814	15,591
EQUITY CAPITAL	119,152	125,729
	259,145	269,700

Changes in fair value of investments EUR -7,8 million, dividend paid EUR 6,0 million

Includes receivables from projects sold EUR 6,5 million

Loan repayments during 2020 were eased

Equity ratio 46.0%

CAPITAL ADEQUACY – RAVA CONGLOMERATE & FINANCING SECTOR

Capital adequacy of RaVa conglomerate, EUR thousand	30 Jun. 2020	31 Dec. 2019
Shareholders' equity of the Taaleri Group	119,152	125,729
Goodwill and other intangible assets	-6,877	-6,533
Non-controlling interests	964	182
Planned distribution of profit	-4,536	-9,072
Deduction of financing sector's H1 profit	-1,455	-
Tier 2 Capital	14,832	14,825
Conglomerate's own funds, total	122,077	125,130
Financing business' requirement for own funds	13,348	11,014
Insurance business' requirement for own funds	46,790	49,307
Minimum amount of own funds of the Conglomerate, total	60,137	60,321
Conglomerate's capital adequacy	61,939	64,809
Conglomerate's capital adequacy ratio	203.0 %	207.4 %

The conglomerate's capital adequacy was 203.0 % which includes EUR 15.3 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)	30 Jun. 2020	31 Dec. 2019
Common Equity Tier before deductions	82,352	81,228
Deductions from the Common Equity Tier	-10,348	-10,332
Common Equity Tier (CET1)	72,004	70,896
Tier 1 capital (T1 = CET1 + AT1)	72,004	70,896
Tier 2 capital (T2)	14,832	14,825
Total capital (TC = T1 + T2)	86,836	85,720
Total risk-weighted commitments (total risk)	254,263	242,584
Common Equity Tier (CET1) in relation to the amount of total risk (%)	28.3%	29.2%
Tier 1 capital (T1) in relation to the amount of total risk (%)	28.3%	29.2%
Total capital (TC) in relation to the amount of total risk (%)	34.2%	35.3%

The Financing sector's Total capital with the CRR 49 permission is EUR 87 million and corresponds to a capital adequacy of 34.2%, when the profit of the period is deducted.

SUMMARY OF H1/2020 RESULTS

- Taaleri's operating profit was good, but Covid 19- pandemic had an impact particularly on changes in the fair value and hence on the result of Taaleri's own investments
- A significant milestone was reached when Taaleri Energia successfully exited its first wind farm project in the United States
- Fund raising was successful despite the challenging market conditions
- Garantia's net income from guarantee insurance operations increased and claims incurred remained low
- The economic condition globally and in Finland is challenging but we will continue to develop interesting investment opportunities

TAALERI

ADDITIONAL INFO:

The Half-Year Financial Report 2019 is found on www.taaleri.com/en/investor-relations/reports-and-presentations

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APPENDIX

TAALERI RESULT IN H1/2019

EUR 1,000	H1/2020	H1/2019	2019
Continuing earnings*	29,027	24,549	55,296
Performance fees	2,204	-459	5,188
Investment operations	-5,056	6,765	6,687
Income	26,175	30,855	67,171
Fee and commission expense	-2,613	-2,235	-5,401
Interest expense	-1,665	-1,437	-2,953
Personnel costs	-10,499	-12,317	-24,197
Direct expenses	-7,987	-7,907	-16,308
Depreciation, amortisation and impairment	-531	-573	-1,218
Impairment losses on receivables	-65	26	-557
Operating profit	2,813	6,412	16,537
Change in fair value of investments	-3,089	2,010	1,847
Profit before taxes and non-controlling interests	-275	8,422	18,384

* incl. Profit of associated companies

WEALTH MANAGEMENT'S INCOME AND OPERATING PROFIT

Wealth Management, EUR million	H1/2020	H1/2019	Change, %	2019
Wealth Management fees	17.2	17.1	0.2	37.1
Performance fees	2.2	-0.5	na	5.2
Investment operations	0.8	0.5	54.9	0.6
Income	20.2	17.2	17.3	42.9
Operating profit	6.3	2.0	210.9	11.8
Average full-time personnel	116	119		116

GARANTIA INCOME AND OPERATING PROFIT, IFRS

Financing, EUR million	H1/2020	H1/2019	Change, %	2019
Net income from guaranty insurance operations	6.9	5.5	26.5	12.1
of which Earned premium, net	7.1	6.8	5.0	13.4
of which Claims incurred, net	-0.2	-1.3	-85.9	-1.4
Net income from investment operations	-3.4	5.0	-167.9	9.2
Income	3.6	10.4	-65.8	21.3
Operating expenses	-1.7	-4.3	-47.9	-6.4
Allocation of financing expenses	-0.9	-1.1	-16.9	-2.2
Operating profit before valuations	0.8	6.1	-87.7	12.7
Change in fair value of investments	-3.1	2.0	-255.7	1.8
Result at fair value before tax	-2.4	8.1	-129.2	14.5