

TAALERI

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FINANCIAL STATEMENTS 2020

CEO ROBIN LINDAHL

18.2.2021

AGENDA

TAALERI GROUP IN JULY–DECEMBER 2020

HIGHLIGHTS DURING JULY–DECEMBER

TAALERI GROUP IN JANUARY–DECEMBER 2020

KEY FIGURES

SEGMENT INFORMATION

Wealth Management

Insurance

Energy

Other operations

RESULT, BALANCE SHEET AND SOLVENCY

SUMMARY OF H2 2020, DIVIDEND PROPOSAL AND A LOOK INTO 2021

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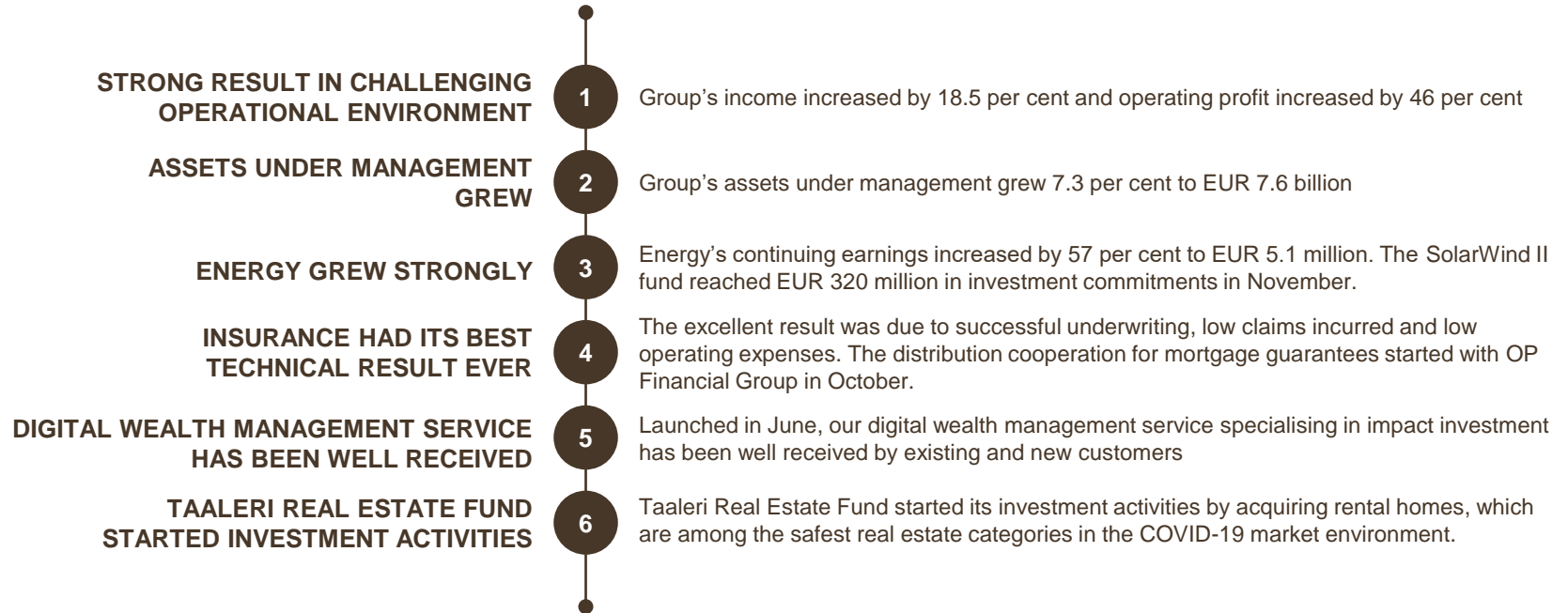
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TAALERI GROUP IN JULY–DECEMBER 2020

STRONG SECOND HALF OF YEAR – OPERATING PROFIT INCREASED BY 46 PER CENT TO EUR 14.8 MILLION

- The Group's income increased by 18.5 per cent to EUR 43.3 (36.3) million
- The Group's continuing earnings decreased 1.8 per cent to EUR 30.2 (30.7) million. The continuing earnings of Wealth Management decreased by 12 per cent to EUR 18.6 (21.2) million mainly due to the lower transaction-based income. The continuing earnings of the Energy segment increased by 57 per cent to EUR 5.1 (3.2) million and the continuing earnings of the Insurance segment increased by 17 per cent to EUR 7.7 (6.6) million.
- Performance fees totalled EUR 4.9 (5.6) million and were accrued from several funds. Correspondingly in the previous year, performance fees accrued mainly when private equity funds exited their projects.
- The result was improved by the income from investment activities, which increased to EUR 8.2 (-0.1) million. Taaleri Group's investment operations without Garantia's investment operations yielded EUR 2.3 (-4.3) million.
- Operating profit was EUR 14.8 (10.1) million, or 34.1 (27.8) per cent of income.
- Earnings/share were 0.42 (0.21).
- Assets under management grew 7.3 per cent to EUR 7.6 (31.12.2019: 7.1) billion.
- Insurance exposure remained at previous year's level and totalled EUR 1.8 (1.8) billion.

HIGHLIGHTS DURING JULY–DECEMBER

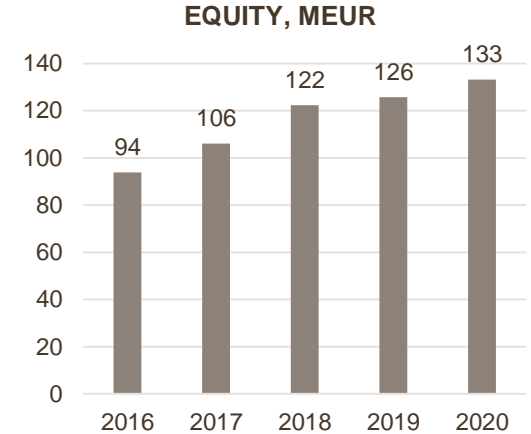
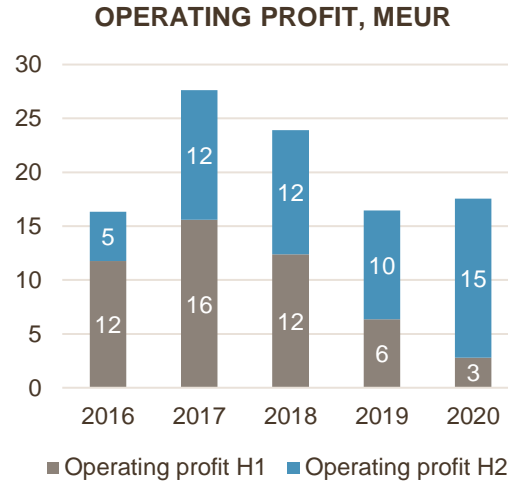
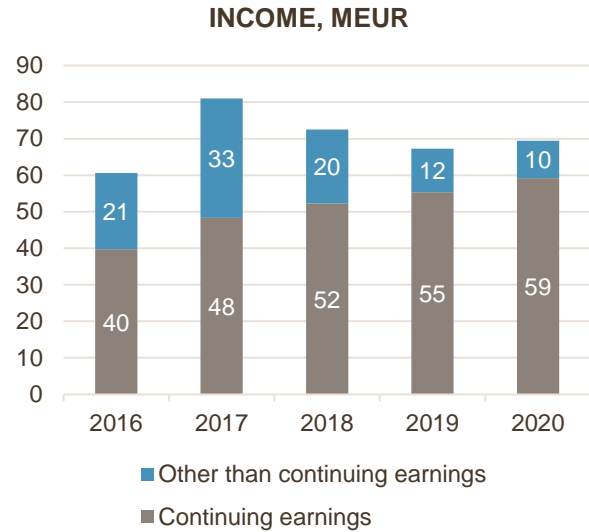


TAALERI GROUP IN JANUARY- DECEMBER 2020

- Income increased to EUR 69.5 (67.2) million.
- Continuing earnings grew 7.1 per cent to EUR 59.2 (55.3) million. The growth was strongest in Energy and Insurance segments. Energy's continuing earnings grew by 100 per cent and Insurance's by 21 per cent.
- Performance fees totalled EUR 7.1 (5.2) million. The year was good for mutual fund performance fees.
- Income from investment operations was EUR 3.2 (6.7) million.
- Operating profit increased by 6.6 per cent to EUR 17.6 (16.5) million, or 25.3 (24.5) per cent of income.
- Earnings per share were EUR 0.46 (0.39).

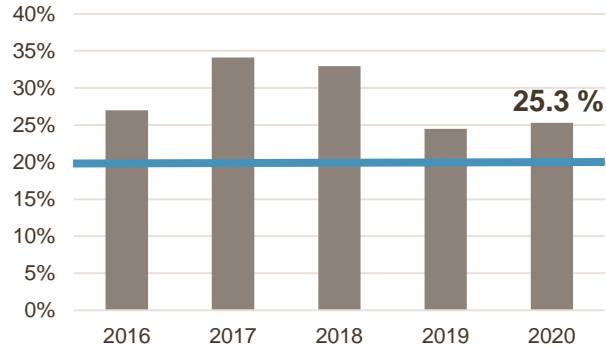


KEY FIGURES 2016 – 2020

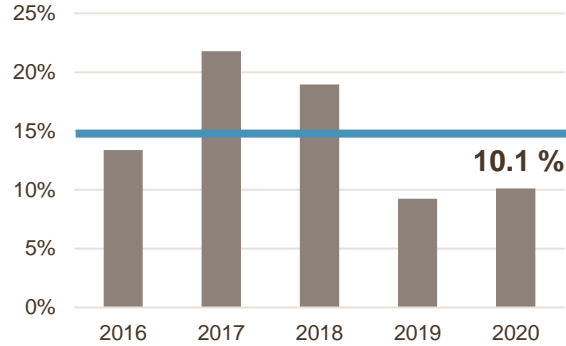


KEY FIGURES 2016 – 2020

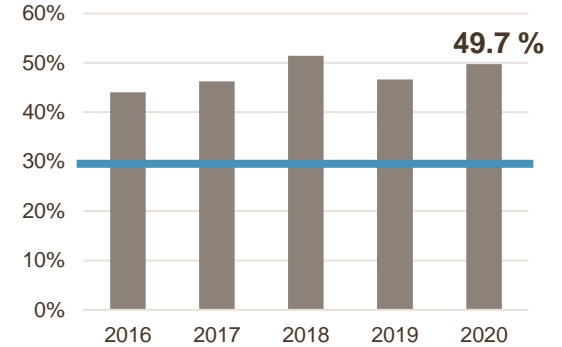
OPERATING PROFIT %



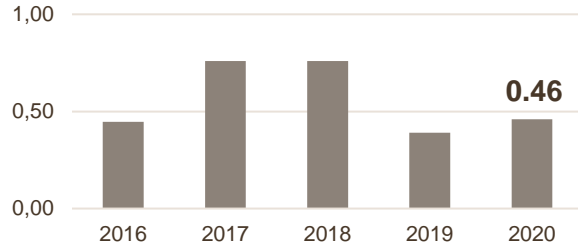
RETURN ON EQUITY, %



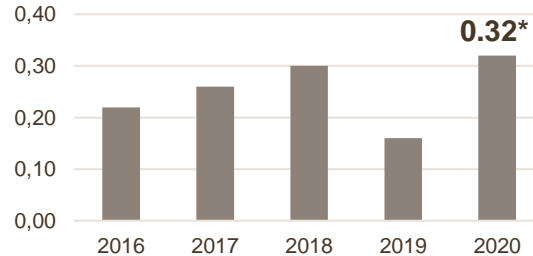
EQUITY RATIO, %



EARNINGS/SHARE, EUR



DIVIDEND/SHARE, EUR



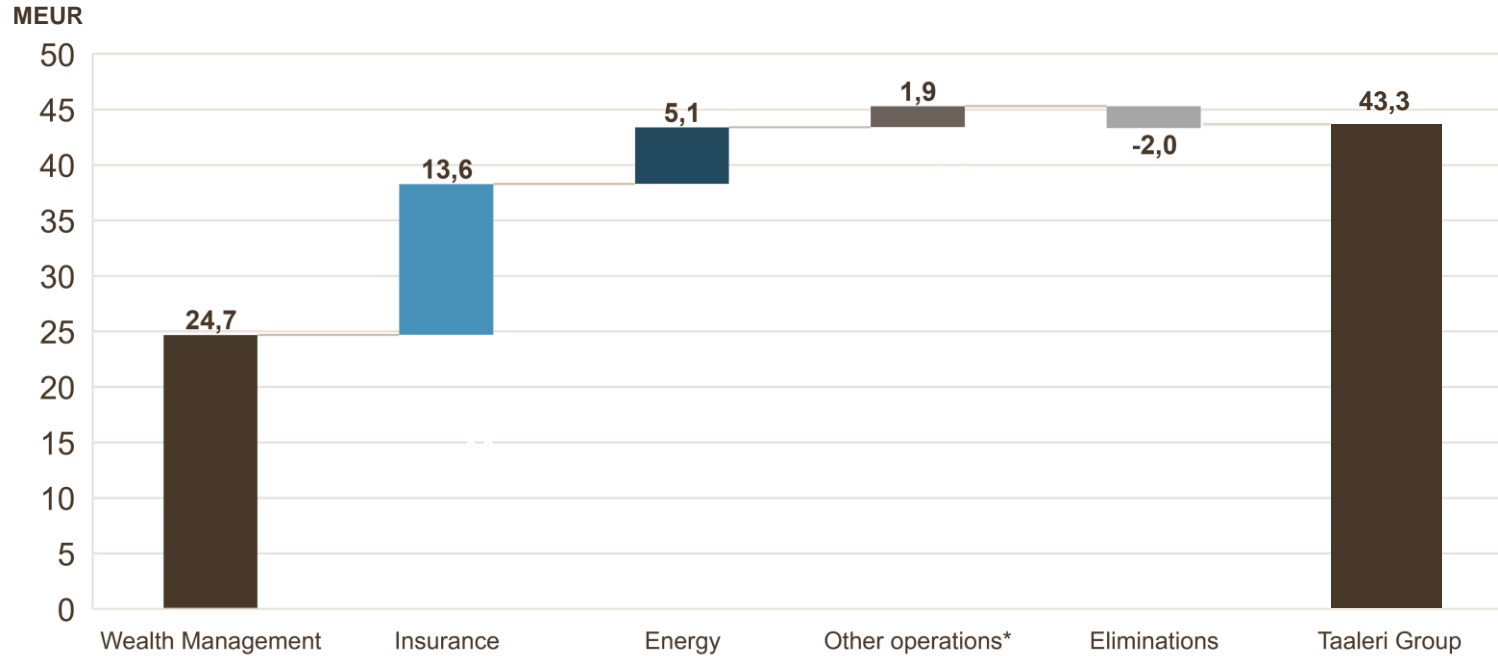
■ Long term target
 * Dividend proposal for 2020

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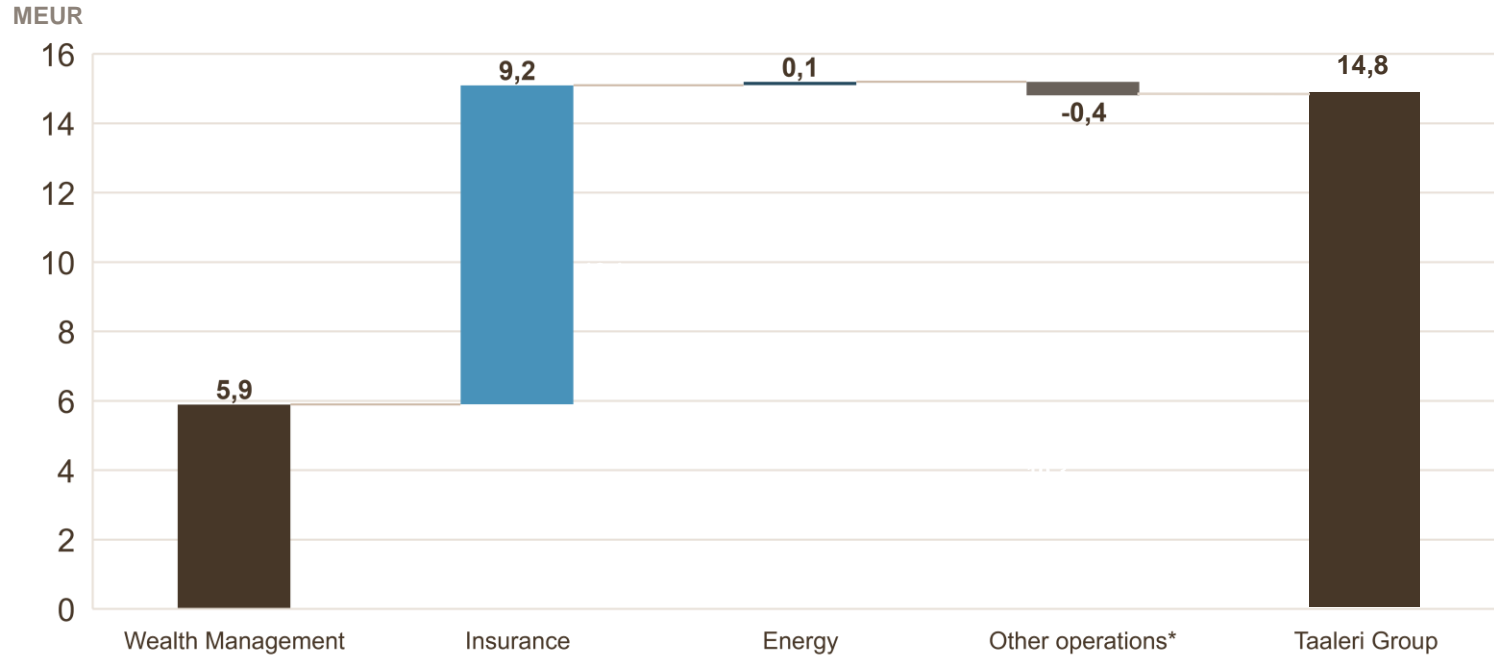
SEGMENT INFORMATION H2

INCOME BY SEGMENT H2 2020



* Includes share of associates' profit or loss

OPERATING PROFIT BY SEGMENT H2 2020



* Includes share of associates' profit or loss



WEALTH MANAGEMENT

MUTUAL FUNDS PERFORMED WELL

- Wealth Management's income totalled EUR 24.7 (26.9) million in July–December 2020. The continuing earnings of Wealth Management decreased to EUR 18.6 (21.2) million due to lower transaction-based commission income, i.e., continuing earnings other than those based on assets under management, affected by the coronavirus pandemic.
- Performance fees totalled EUR 4.9 million and were accrued from several funds. Correspondingly in the previous year, performance fees accrued mainly when private equity funds exited their projects.
- Assets under management turned to growth and in the last quarter the sales increased to year's record highs. Assets under management grew 6.0 per cent from last year's level.
- During 2020, new investment commitments of EUR 153 million were raised in Taaleri Biorefinery, Taaleri SolarWind II Feeder Fund, Taaleri Debt Funds I, Taaleri Real Estate and Taaleri Impact. The Taaleri Mikro Markka and Mikro Rhein 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.
- During 2020, Taaleri announced Finland's first digital asset management service specializing in impact investment, which makes impact investing accessible to everyone.

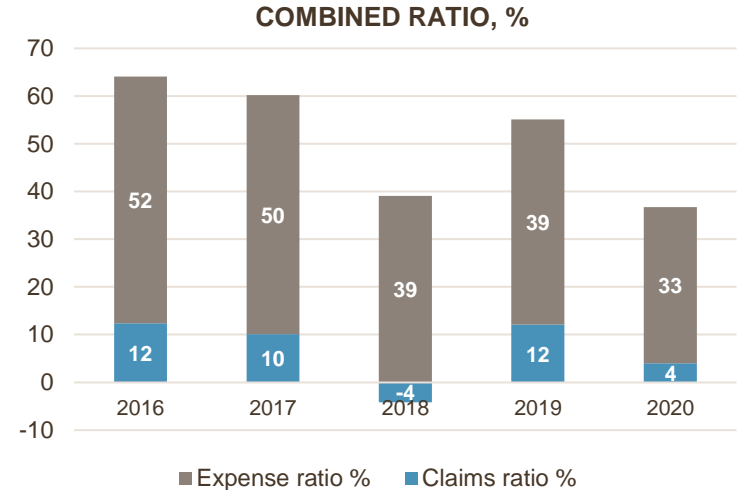
Key figures H2 2020 (H2 2019)



INSURANCE

NET INSURANCE INCOME INCREASED SIGNIFICANTLY AND INVESTMENT OPERATIONS RECOVERED

- The net income from insurance operations grew 17.0 per cent to EUR 7.7 (6.6) million.
- Net income from investment operations grew 39.1 per cent to EUR 5.9 (4.2) million.
 - Return on investment at fair value totalled 6.4 (2.9) per cent.
- Insurance exposure remained at previous year's level, EUR 1.8 billion.
- S&P credit rating remained unchanged at A- with stable outlook.



Key figures H2 2020 (H2 2019)





ENERGY

ENERGY SEGMENT'S SOLARWIND II FUND REACHED EUR 320 MILLION IN COMMITMENTS

- Energy's income in July-December 2020 increased by 57 per cent to EUR 5.1 (3.2) million, operating profit before allocating the financial expenses totalled EUR 0.9 (-0.3) million and operating profit was EUR 0.1 (-1.0) million.
- The Taaleri SolarWind II fund had its third closing in November when the commitments reached EUR 320 million.
 - The fund made two new investment decisions in Finland. Construction works in the Finnish wind farms of Isoneva and Posio are scheduled to begin during H1 2021.
 - Projects currently under construction are in general proceeding as planned.
- SolarWind I fund's projects are predominantly in the production phase at the end of the reporting period.

Key figures H2 2020 (H2 2019)



A hand is shown reaching down towards a body of water at sunset. The sun is low on the horizon, creating a warm orange and yellow glow that reflects on the water's surface. The hand is positioned in the upper left, with fingers slightly curled. The water is calm, showing ripples and a clear reflection of the hand. The background consists of a dark, silhouetted shoreline under a twilight sky.

OTHER OPERATIONS

INVESTMENTS IN OTHER OPERATIONS ARE GROUPED TO STRATEGIC AND NON-STRATEGIC INVESTMENTS AND INVESTMENTS FURTHER CLASSIFIED

EUR 1,000	31.12.2020	31.12.2019	Change, %
Investments and receivables at fair value	45.2	41.5	8.8 %
- Strategic investments	15.3	11.2	36.6 %
Real estate	9.0	8.7	3.6 %
Bioindustry	4.0	1.0	302.2 %
Energy	1.2	1.1	12.3 %
Other investments	1.1	0.5	134.2 %
- Non-strategic investments	29.9	30.3	-1.5 %
Real estate	11.3	10.8	5.3 %
Other investments	18.5	19.6	-5.3 %

Key figures H2 2020 (H2 2019)

<p>Income</p> <p>1.9 MEUR</p> <p>(-3.4)</p>	<p>Operating profit</p> <p>-0.4 MEUR</p> <p>(-5.2)</p>	<p>Full-time employees</p> <p>26 (20)</p>
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RESULT, BALANCE SHEET AND
SOLVENCY

EARNINGS PER SHARE 0,46 FOR FINANCIAL YEAR 2020

	H2 2020	H2 2019	2020	2019	Long-term target
EARNINGS KEY FIGURES					
Continuing earnings, MEUR	30.2	30.7	59.2	55.3	
Growth in continuing earnings, %	-1.8	22.2	7.1	6.3	> 15.0
Income, MEUR	43.1	36.3	69.4	67.2	
Operating profit, MEUR	14.8	10.1	17.5	16.5	
Operating profit, %	34.3	27.8	25.3	24.5	> 20.0
Profit for the period, MEUR	11.7	6.6	13.1	11.5	
Return on equity*, %	18.5	10.9	10.1	9.3	> 15.0
BALANCE SHEET KEY FIGURES					
Equity ratio, %			49.7	46.6	> 30.0
Group's capital adequacy ratio, %			216.2	207.4**	
PER SHARE KEY FIGURES					
Earnings/share, EUR	0.42	0.21	0.46	0.39	
Equity/share, EUR			4.75	4.45	
Share closing price, EUR			8.12	8.42	
OTHER KEY FIGURES					
Cost/income ratio excluding investment operations	79.9	70.8	76.7	83.7	
Cost/income ratio	65.9	70.6	74.6	74.7	
Number of full-time employees, average	195	183	192	186	
Market capitalization, MEUR			229.8	238.3	
Assets under management, BEUR			7.6	7.1	
Guaranty insurance portfolio, BEUR			1.8	1.8	

* Annualised

** Capital adequacy ratio includes the Board of Director's dividend proposal for 2019, of which the Board of Directors has decided on 18 February 2021 not to distribute EUR 4.5 million

TAALERI GROUP'S RESULT IN 2020

EUR 1,000	H2 2020	H2 2019	Change	2020	2019	Change
Continuing earnings*	30,193	30,746	-1.8%	59,220	55,296	7.1%
Performance fees	4,903	5,647	-13.2%	7,108	5,188	37.0%
Investment operations	8,209	-78	neg	3,153	6,687	-52.9%
INCOME	43,306	36,316	19.2%	69,480	67,171	3.4%
Fee and commission expense	-3,416	-3,166	7.9%	-6,030	-5,401	11.6%
Interest expense	-1,610	-1,516	6.2%	-3,275	-2,953	10.9%
Personnel costs	-14,742	-11,880	24.1%	-25,241	-24,197	4.3%
Direct expenses	-8,128	-8,401	-3.3%	-16,115	-16,308	-1.2%
Depreciation, amortisation and impairment	-611	-644	-5.1%	-1,143	-1,218	-6.1%
Impairment losses on receivables	-35	-583	-94.1%	-100	-557	-82.1%
OPERATING PROFIT	14,764	10,125	45.8%	17,577	16,537	6.3%
Operating profit %	34.3	27.8		25.3	24.5	

* Includes share of associates' profit or loss

GROUP BALANCE SHEET

Assets, EUR 1,000	31.12.2020	31.12.2019	
Receivables from credit institutions	25,786	29,102	
Receivables from the public and general government	6,699	8,294	
Debt Securities	1,498	1,498	
Shares and units	21,971	9,232	
Assets classified as held for sale	5,357	7,666	Fixed income investments 86% of Garantia's Investment Portfolio
Participating interests	9,248	8,423	
Insurance assets	160,410	153,325	
- Insurance assets	3,705	4,663	
- Investments	156,705	148,662	Includes receivables related to sold projects EUR 6.4 million
Intangible assets	6,775	6,531	
Tangible assets	2,944	4,435	
Other assets	14,455	18,110	
Accrued income and prepayments	11,237	22,851	
Deferred tax assets	1,611	2,233	Includes development projects EUR 4.5 million
	267,990	269,700	
Liabilities, EUR 1,000	31.12.2020	31.12.2019	
LIABILITIES	134,781	143,971	
Liabilities to credit institutions	14,939	25,929	
Debt securities issued to the public	34,937	34,875	
Insurance liabilities	34,676	32,303	
Other liabilities	5,401	6,509	Tier 2 Note EUR 15 million
Accrued expenses and deferred income	14,623	13,940	
Deferred tax liabilities	15,366	15,591	
Subordinated debt	14,839	14,825	
EQUITY	133,209	125,729	Equity ratio 49.7 %
	267,990	269,700	

CAPITAL ADEQUACY – RAVA CONGLOMERATE & FINANCING SECTOR

CAPITAL ADEQUACY OF RAVA CONGLOMERATE, EUR 1,000	31.12.2020	31.12.2019
Shareholders' equity of the Taaleri Group	133,209	125,729
Goodwill and other intangible assets	-6,778	-6,533
Non-controlling interests	1,134	182
Planned distribution of profit	-9,072	-9,072*
Tier 1 Capital	118,492	110,286
Tier 2 Capital	14,839	14,825
Conglomerate's own funds, total	133,332	125,130
Financing business' requirement for own funds	11,783	11,014
Insurance business' requirement for own funds	49,900	49,307
Minimum amount of own funds of the Conglomerate, total	61,683	60,321
Conglomerate capital adequacy	71,649	64,809
Conglomerate capital adequacy ratio	216.2%	207.4%

The conglomerate's capital adequacy strengthened to 216.2%, 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 1,000 (CRR 49 PERMISSION)	31.12.2020	31.12.2019
Common Equity Tier 1 before deductions	79,929	81,228
Deductions from the Common Equity Tier 1	-8,780	-10,332
Common Equity Tier 1	71,149	70,896
Tier 1 capital	71,149	70,896
Tier 2 capital	14,839	14,825
Total capital	85,988	85,720
Total risk-weighted commitments (total risk)	226,872	242,584
Common Equity tTer (CET 1) in relation to the amount of total risk (%)	31.8%	29.2%
Tier 1 capital (T1) in relation to the amount of total risk (%)	31.8%	29.2%
Total capital (TC) in relation to the amount of total risk (%)	38.4%	35.3%

The Financing sector's Common Equity Tier with the CRR 49 permission is EUR 71.1 million and corresponds to a capital adequacy of 31.8%, when the profit of the year EUR 3.5 million is deducted.

* The Board of Director's dividend proposal for 2019, of which the Board of Directors has decided on 18 February 2021 not to distribute EUR 4.5 million

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SUMMARY OF H2 2020, DIVIDEND PROPOSAL
AND A LOOK INTO 2021

SUMMARY OF H2 2020

- The result of the second half was strong.
- Wealth Management's direction improved towards the end of the year due to the development of income arising from assets under management.
- Energy segment's continuing earnings grew by 57 per cent, SolarWind II fund reached EUR 320 million in commitments.
- Insurance segment had the best insurance technical result ever.
- The real estate business was further developed towards its own operational unit and the special investment fund Taaleri Real Estate started its operations.



DIVIDEND PROPOSAL

The Board of Directors proposes a dividend of EUR 0.32 per share for financial year 2020, a total of EUR 9.1 million. In addition, the Board of Directors has decided that an unpaid dividend of EUR 0.16 per share for 2019 will not be paid.

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 29 March 2021.

The dividend payment date proposed by the Board is 7 April 2021.



A LOOK INTO 2021

- Our goal is to increase assets under management and continuing earnings.
- We are expanding and developing our offering of alternative private equity funds.
- Garantia will continue its scalable strategy, which focuses on diversified consumer and corporate portfolios.
- Taaleri SolarWind II fund is open for subscriptions until June, with a target of EUR 400 million.
- In addition, we are looking growth in impact investments and as a financier of renewable energy, of which Fintoil Oy is a good example. Fintoil Oy prepares for tall oil production.



ATTACHMENTS

SEGMENT RESULT H2 2020

EUR 1,000	WEALTH MANAGEMENT	INSURANCE	ENERGY	OTHER OPERATIONS	Eliminations	TOTAL
Continuing earnings*	18,572	7,713	5,063	803	-1,958	30,193
Performance fees	4,903	-	-	-		4,903
Investment operations	1,230	5,905	-	1,074		8,209
TOTAL INCOME	24,705	13,618	5,063	1,877		43,306
Fee and commission expense	-4,712	-228	-406	-29	1,958	-3,416
Interest expense	-27	-	-3	-1,580		-1,610
Personnel costs	-7,419	-2,245	-2,618	-2,460		-14,742
Direct expenses	-4,880	-919	-825	-1,504		-8,128
Depreciation, amortisation and impairment	-551	-22	-21	-18		-611
Impairment losses on loans and other receivables	-	-	-	-35		-35
OPERATING PROFIT BEFORE OVERHEAD COSTS	7,116	10,205	1,191	-3,748		14,764
Overhead costs	-1,206	-189	-273	1,667		-
Allocation of financing expenses	-	-839	-829	1,668		-
OPERATING PROFIT BEFORE VALUATIONS	5,910	9,178	89	-414		14,764
Change in fair value of investments	-4	3,319	-	-26		3,290
PROFIT BEFORE TAXES AND NCI	5,907	12,497	89	-439		18,054

* Includes share of associates' profit or loss

SEGMENT RESULT H2 2019

EUR 1,000	WEALTH MANAGEMENT	INSURANCE	ENERGY	OTHER OPERATIONS	Eliminations	TOTAL
Continuing earnings*	21,222	6,594	3,225	934	-1,229	30,746
Performance fees	5,647	-	-	-		5,647
Investment operations	31	4,244	-	-4,353		-78
TOTAL INCOME	26,900	10,838	3,225	-3,419		36,316
Fee and commission expense	-3,898	-279	-183	-36	1,229	-3,166
Interest expense	-21	-	-	-1,495		-1,516
Personnel costs	-6,788	-1,671	-1,493	-1,928		-11,880
Direct expenses	-4,818	-1,011	-1,086	-1,487		-8,401
Depreciation, amortisation and impairment	-571	-23	-25	-26		-644
Impairment losses on loans and other receivables	50	-	-469	-164		-583
OPERATING PROFIT BEFORE OVERHEAD COSTS	10,855	7,855	-30	-8,554		10,125
Overhead costs	-1,134	-178	-255	1,567		-
Allocation of financing expenses	-	-1,081	-680	1,761		-
OPERATING PROFIT BEFORE VALUATIONS	9,721	6,596	-965	-5,225		10,125
Change in fair value of investments	5	-168	-	-		-163
PROFIT BEFORE TAXES AND NCI	9,726	6,427	-965	-5,225		9,962

* Includes share of associates' profit or loss

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FURTHER INFORMATION:

Financial statements bulletin 2020 is found on www.taaleri.com/en/investor-relations/reports-and-presentations

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