

TAALERI

Impact through alternatives

Capital Markets Day
23 March 2021



DISCLAIMER

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Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The information presented in this presentation is conditional on the completion of the sale of Taaleri's wealth management business operations announced by Taaleri on 10 March 2021. Should the implementation not take place for any reason, Taaleri will inform about the non-implementation and its effects on the matters set out in this presentation.

TAALERI CAPITAL MARKETS DAY 2021

AGENDA

TAALERI

12:00-12:05	Welcome	Siri Markula, Head of Communications and IR
12:05-12:35	Taaleri's revised strategy	Robin Lindahl, CEO
12:35-12:45	Cooperation with Aktia Bank	Perttu Purhonen, Director, Wealth Management
12:45-12:50	Private Asset Management segment	Robin Lindahl, CEO
12:50-13:15	Renewable Energy	Kai Rintala, Director, Renewable Energy
13:15-13:40	Real Estate	Essi Sten, Director, Real Estate
13:40-13:45	Break	
13:45-14:05	Bioindustry	Tero Saarno, Director, Bioindustry
14:05-14:10	Strategic Investments segment	Robin Lindahl, CEO
14:10-14:35	Garantia	Titta Elomaa, CEO, Garantia Insurance Company Ltd
14:35-14:55	Taaleri Group Finances	Minna Smedsten, CFO
14:55-15:00	Closing words	Robin Lindahl, CEO



FOCUS

Creating value through
impact and renewables



GROWTH

Strong growth by excelling in alternative
investment funds



RETURNS

Efficient use of capital
and resources enabled
by scalable business models

MEGATRENDS AFFECTING TAALERI'S BUSINESS ENVIRONMENT

TAALERI



Climate change

Electrification



Changing values

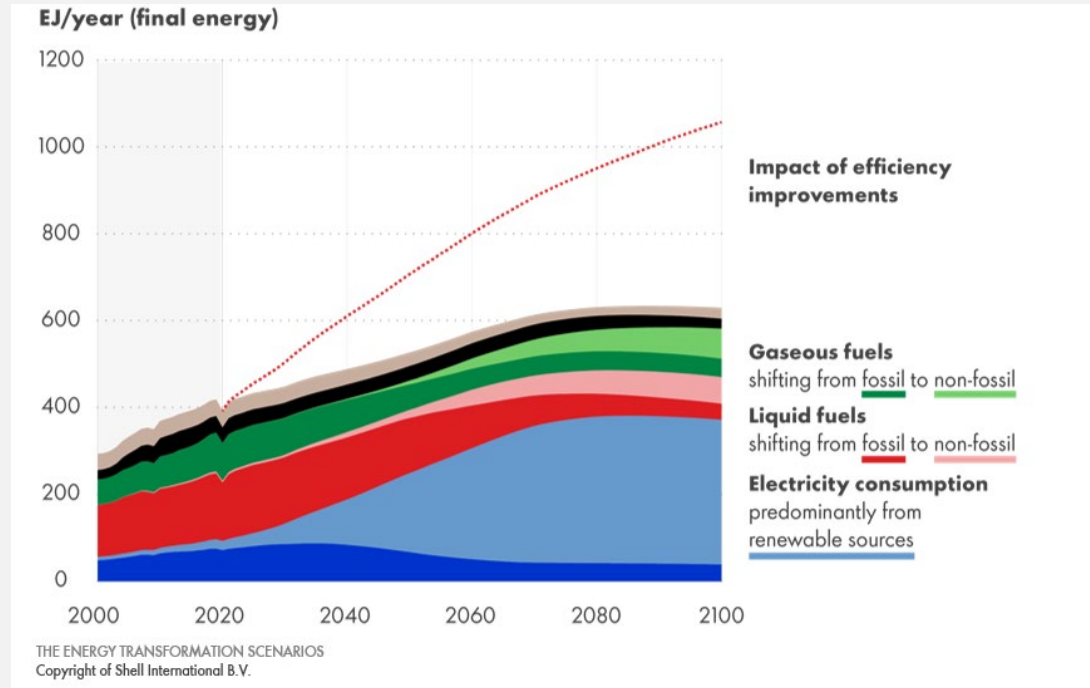
Urbanisation

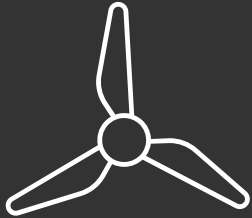


Ageing populations



ELECTRICITY CONSUMPTION ESCALATES





Investment in renewables
highly attractive



Rising allocations into
private asset classes



Growing institutional &
private wealth



Zero interest rate
environment

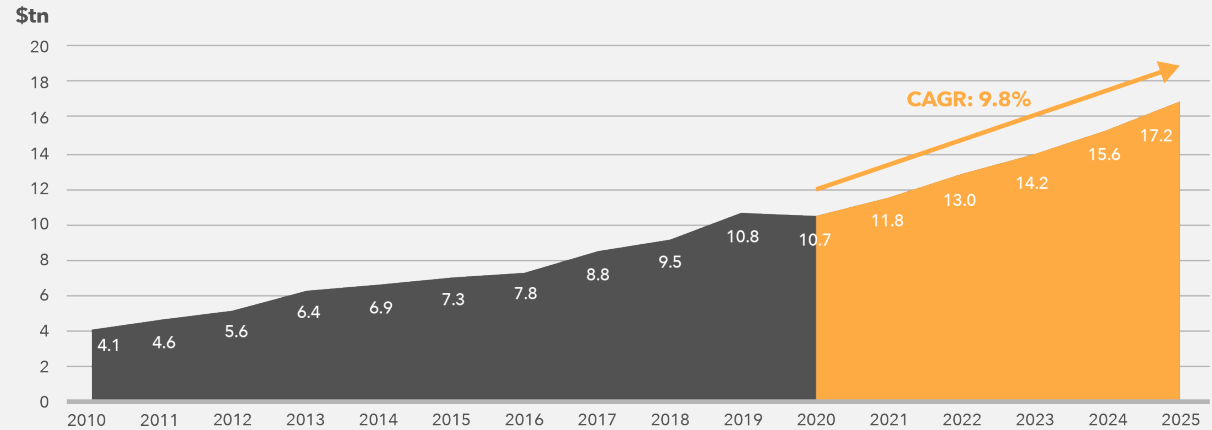
ALTERNATIVES ATTRACT

81%

of investors expect to increase allocations to alternatives*

* Preqin: Future of Alternatives 2025 survey

ALTERNATIVE ASSETS UNDER MANAGEMENT*



*2020 figure is annualized based on data to October. 2021-2025 are Preqin's forecasted figures | Source: Preqin

ALTERNATIVES ATTRACT

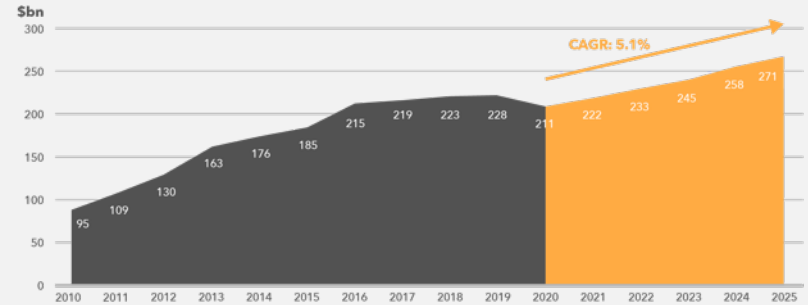
Alternative Assets Under Management 2020 vs. 2025

Real Estate	1,046	1,238	+20%
Infrastructure	639	795	+18%
Natural Resources	211	271	+24%

Natural Resources 2010–2025

TAALERI

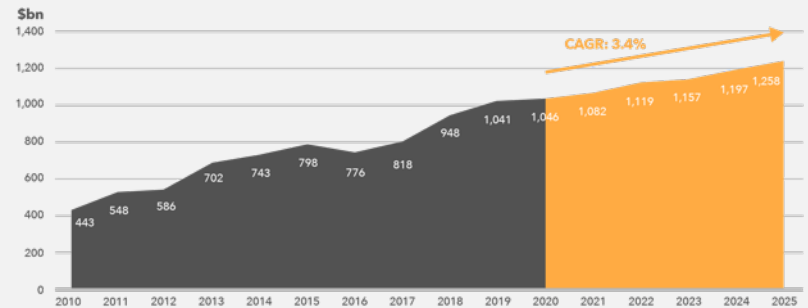
UNLISTED NATURAL RESOURCES ASSETS UNDER MANAGEMENT*



*2020 figure is annualized based on data to October. 2021-2025 are Preqin's forecasted figures | Source: Preqin

Real Estate 2010–2025

PRIVATE REAL ESTATE ASSETS UNDER MANAGEMENT*



*2020 figure is annualized based on data to October. 2021-2025 are Preqin's forecasted figures | Source: Preqin

**WE STRIVE TO BE
A NORDIC FORERUNNER IN
ALTERNATIVE INVESTMENTS
FOCUSING ON SUSTAINABILITY**

1

We put impact and renewable energy at the heart of our operations

2

We seek to scale all our businesses

3

We are expanding the sales and distribution of our private equity funds

4

We optimise return on capital and balance sheet usage

1

WE PUT IMPACT AND RENEWABLE ENERGY AT THE HEART OF OUR OPERATIONS

TAALERI

We are developing and expanding private equity funds that seek not only economic returns but also measurable benefits for the environment and society.



We use our funds to create, among other things, wind and solar power, biofuels, real estate and other infrastructure.



2

WE SEEK TO SCALE ALL OUR BUSINESSES



In our private equity funds, we aim to significantly increase the average size of funds and our assets under management, which will increase continuing earnings and improve the funds' profitability.

At Garantia Insurance Company Ltd, we will continue to promote a strategy based on a scalable business model, risk pooling and an extensive distribution network.



3

WE ARE EXPANDING THE SALES AND DISTRIBUTION OF OUR PRIVATE EQUITY FUNDS

TAALERI

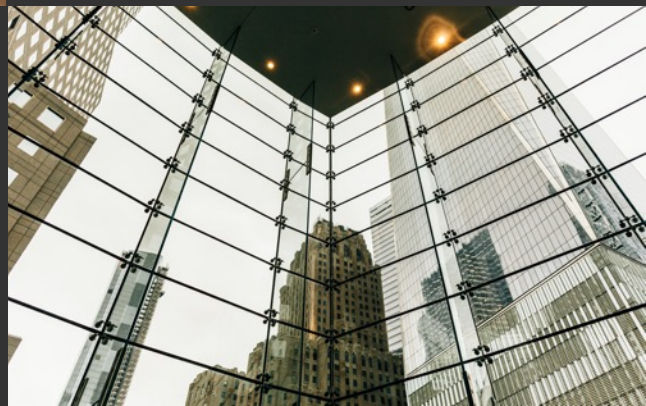
We are starting a strategic partnership with Aktia, which will open a significant distribution channel for our products.



We are seeking new international distribution channels.



We are strengthening our own sales towards major institutional clients and international investors.



4

WE OPTIMISE RETURN ON CAPITAL AND BALANCE SHEET USAGE

Our objective is to distribute at least 50 percent of the profit for the financial year to our shareholders.



We will increase the efficiency of our use of capital and distribute to shareholders the capital that the company does not need for growth investments or to fulfil its targets for solvency.



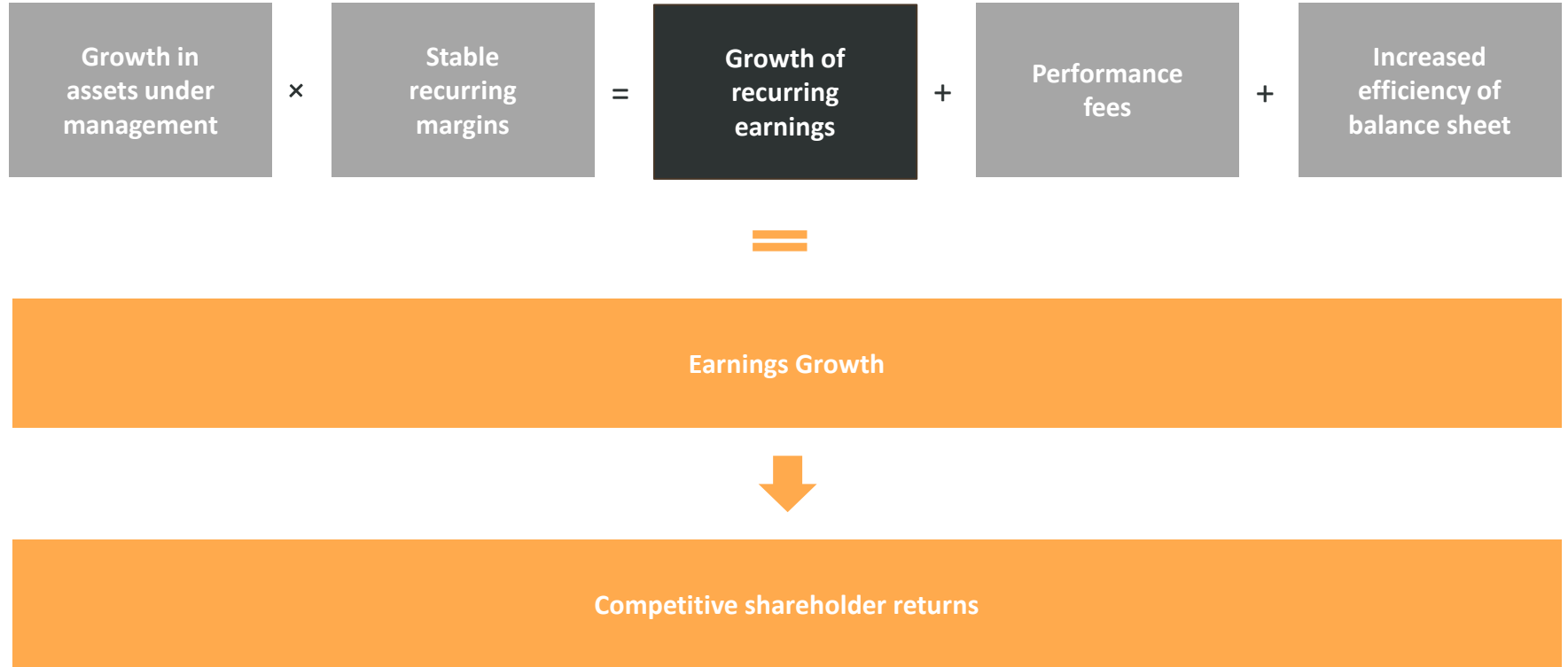
STRATEGIC ROADMAP FOR THE GROUP

TAALERI

2021	2022	2023
<ul style="list-style-type: none">• Ensure synergies with Aktia• Grow Real Estate, launch Bioindustry and Infra funds• Cost-effective structure and organisation• Pipeline for M&A and exits for non-strategic investments• Garantia: From individual risks to a diversified portfolio	<ul style="list-style-type: none">• Maximise the potential of Aktia cooperation• Grow internationally in Tier 1• New channels to selected markets• M&A execution, exits from non-strategic investments• Garantia: Exploring cooperation possibilities outside Finland	<ul style="list-style-type: none">• Grow internationally in Tier 1• Scale up channels in new markets• Launch Solarwind III• Exits from non-strategic investments• Garantia: Strengthening cooperation in portfolio models with partners
<p>Must-haves Cost-effective organisation, scalable processes, deep expertise, talent attraction</p>		

COMPETITIVE SHAREHOLDER RETURNS

TAALERI



LONG-TERM FINANCIAL TARGETS

TAALERI



GROWTH

>15% growth in recurring revenues



PROFITABILITY

Operating profit >25%



SHAREHOLDER VALUE

ROE >15%

DIVIDEND POLICY

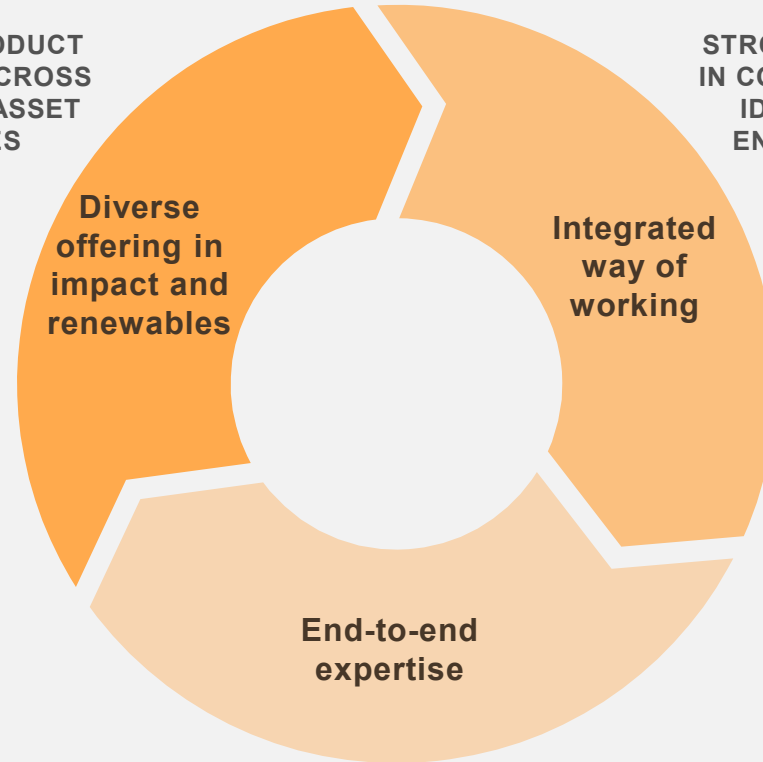
Taaleri's objective is to distribute to shareholders at least 50 percent of the profit for the financial year, as well as the capital that the company does not need for growth investments or to fulfil its targets for solvency.

NEW STRATEGY IS BUILT ON TAALERI'S STRENGTHS

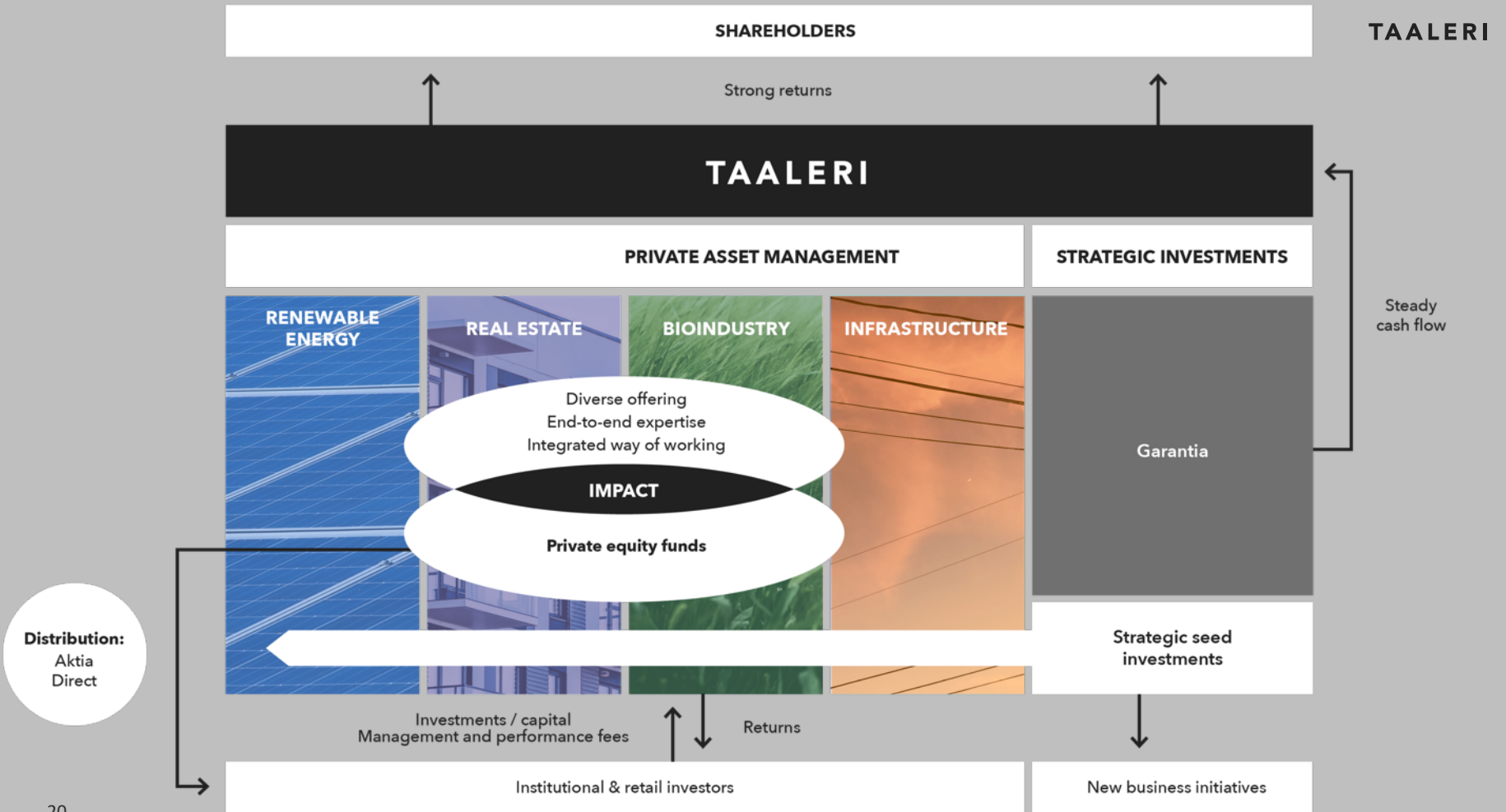
TAALERI

UNIQUE PRODUCT
OFFERING ACROSS
SELECTED ASSET
CLASSES

STRONG TRACK-RECORD
IN CONNECTING CAPITAL,
IDEAS, TALENT AND
ENTREPRENEURSHIP



ROBUST END-TO-END CAPABILITIES
TO DEVELOP, BUILD, MANAGE
AND EXIT INVESTMENTS



COOPERATION AGREEMENT WITH AKTIA

- As part of the transaction regarding Taaleri's wealth management operations, Taaleri and Aktia agreed on cooperation in terms of development, distribution, sales and marketing of Taaleri's alternative investment products
- Aktia will distribute Taaleri's alternative investment products in Finland
- The cooperation will expand Taaleri's domestic distribution channel to over two times its current size
- Aktia's customers will have access to Taaleri's wide and diverse range of alternative investment products
- Taaleri believes the cooperation will bring significant synergy benefits



Q&A

TAALERI – IMPACT THROUGH ALTERNATIVES

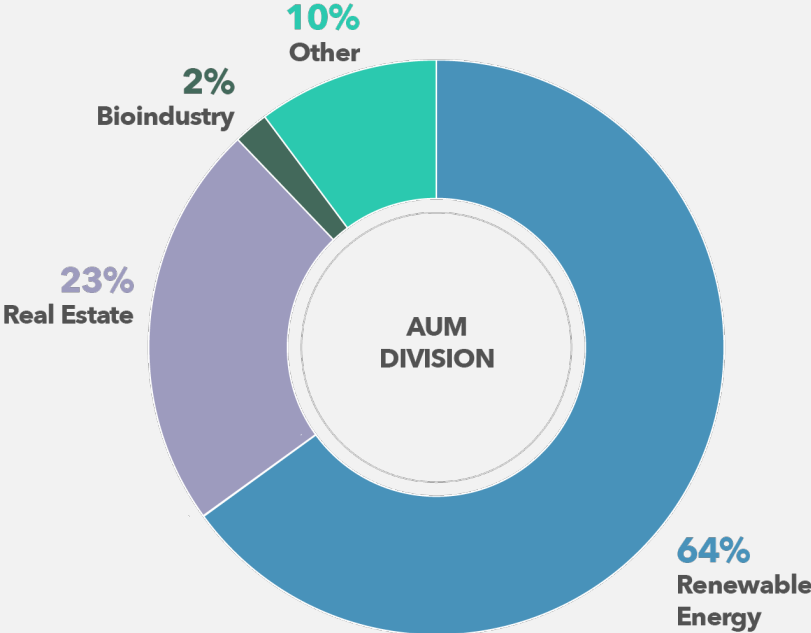
**OUR BUSINESSES DELIVER ON OUR
GROUP-LEVEL GOALS**

PRIVATE ASSET MANAGEMENT

PRIVATE ASSET MANAGEMENT

- Among the rare few Nordic players that possess the expertise and resources to create a positive impact while delivering strong returns
- An investment and asset manager with a convincing 10-year track record
- Strong capabilities in developing and managing sustainable infrastructure investments while mastering the entire investment lifecycle
- Our specialty areas within private asset management include **renewable energy, real estate, bioindustry and infrastructure.**

Over EUR **3** billion
AUM target 2023

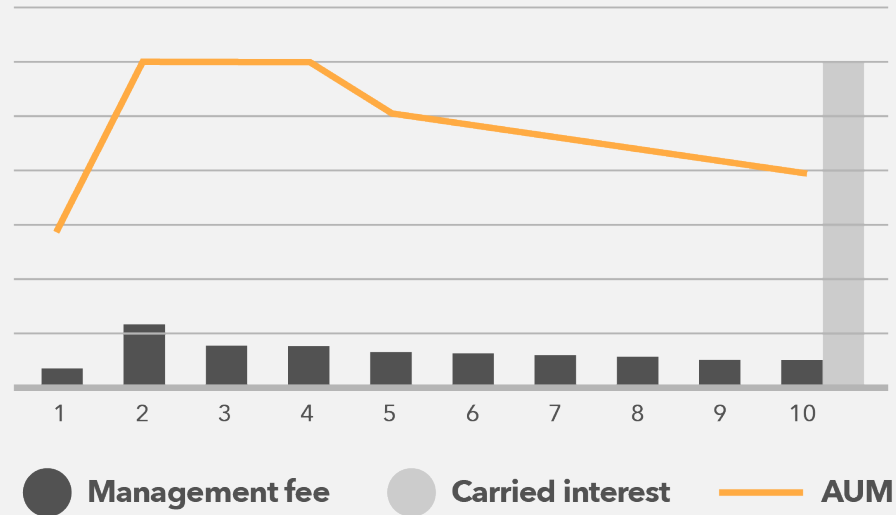


TAALERI ALTERNATIVE FUNDS EARNINGS MODEL

Taaleri receives long-term income from its alternative funds. The fee income comprises of management fees and carried interest. The recognition of fee income is somewhat different between domestic and international funds.

TAALERI

EXAMPLE OF NEW INTERNATIONAL TAALERI FUND FEES AND AUM



RENEWABLE ENERGY

RENEWABLE ENERGY

WHAT WE DO

- Invest in utility-scale wind and solar power plants
- Manage energy infrastructure assets throughout their entire lifecycles
- One of the largest teams in Europe, with end-to-end expertise in project development, deal sourcing, technical due diligence, project financing, transaction execution, construction and operations
- Manage a 2.8 GW portfolio of wind and solar assets in Europe, the US and the Middle East
- Among the most significant private equity owner-operators in the Finnish wind market
- Partner with investors of the highest calibre to accelerate the global transition to a renewable energy future

TAALERI

AUM
€700
million

4
funds

€14
million
recurring
revenues in
2020

38
employees

RENEWABLE ENERGY – OUR STRATEGIC PRIORITIES

TAALERI

CONTINUE THE GROWTH IN FUND MANAGEMENT

Maximise the performance and value of the solar and wind investments under management, making Taaleri Energia managed funds attractive to a wide pool of institutional investors

EXPAND THE MANAGED ACCOUNTS BUSINESS

Build on the success of Taaleri Energia's first Separately Managed Account and expand the business line with the focus on Nordic operational wind assets – a complimentary strategy to our fund strategies

BUILD A DEVELOPMENT PORTFOLIO

Continue to assemble a portfolio of development assets and manage its progression in order to seed the upcoming SolarWind III fund with high-quality investments



Together with our investors, we are accelerating the global transition to a future powered by renewable energy

RENEWABLE ENERGY ROADMAP 2021–2023

TAALERI

HOW WE EXECUTE OUR STRATEGY

2021	2022	2023	2025 Ambition AUM Exceeding EUR 2 billion
<p>Managing the construction of SolarWind I and II fund projects</p> <p>SolarWind II fund investment period continues / final closing in H1 2021</p> <p>Preparations for the launch of the SolarWind III fund</p> <p>Development funding vehicle launched</p> <p>New development projects</p> <p>New Managed Accounts</p>	<p>Reaching the effective end of SolarWind II fund investment period</p> <p>The launch of marketing of the SolarWind III fund</p> <p>Managing the construction of SolarWind II fund projects</p> <p>New development projects</p> <p>New Managed Accounts</p>	<p>Managing the construction of SolarWind II fund projects</p> <p>First closing of the SolarWind III fund</p> <p>Transfer of development projects to the SolarWind III fund</p> <p>New Managed Accounts</p> <p>Preparing for the exit of the Wind II & III funds</p>	

RENEWABLE ENERGY

A STRONG TEAM WITH DEEP EXPERTISE

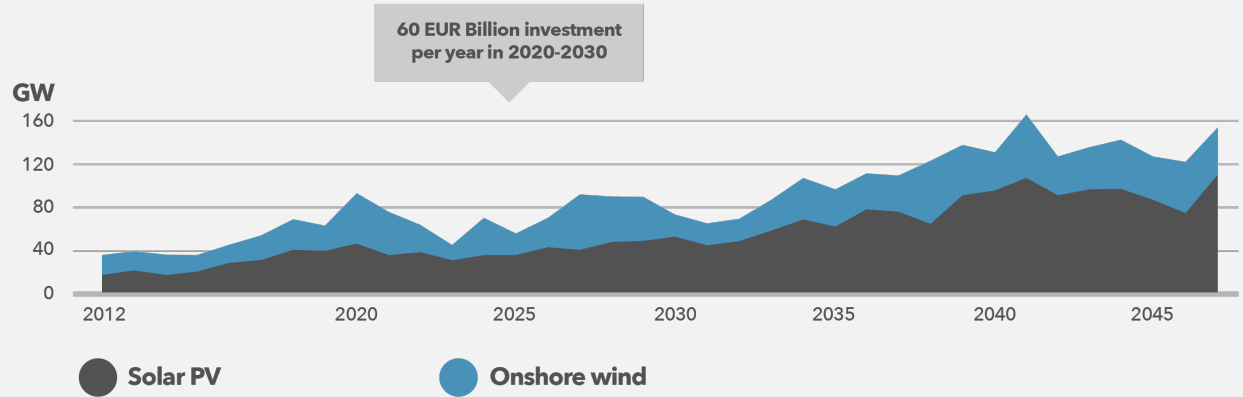
TEAM	EMPLOYEES	VALUE ADD
INVESTMENT	16	Deal sourcing, transaction execution at entry and exit, financial engineering, refinancing, investment management
TECHNICAL	8	Technical due diligence management, on-time and budget delivery, production optimisation, asset quality optimisation
DEVELOPMENT	4	Proprietary deal flow with advantageous terms and higher quality, development management, developer relationships
SUPPORT FUNCTIONS	10	Efficient business operations, deep institutional investor and senior debt provider relationships

RENEWABLE ENERGY TECHNOLOGY AND GEOGRAPHY








RENEWABLE ENERGY - TECHNOLOGY AND GEOGRAPHY

TAALERI

Annual gross capacity additions (GW) - Europe and North America



Source: Bloomberg New Energy Finance

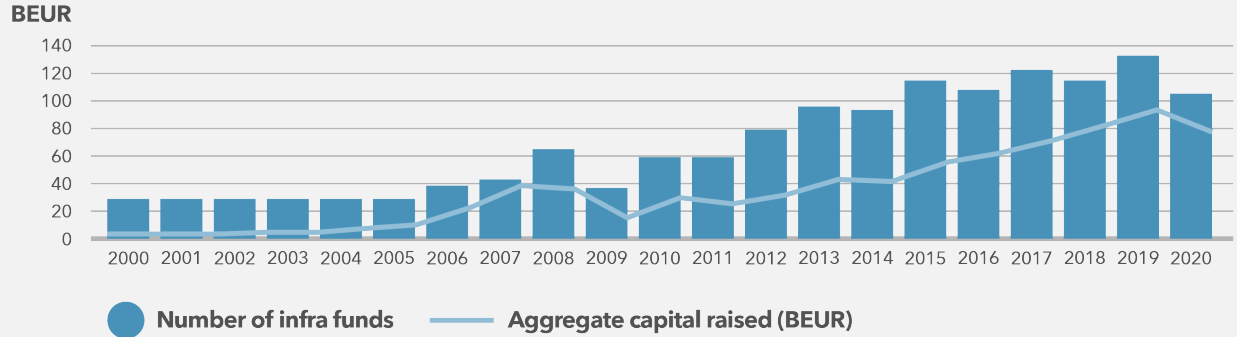
	Nordics & Baltics 	Poland 	Southeast Europe 	Iberia 	Texas 
	✗	✗	✓	✓	✓
	✓	✓	✓	✗	✓

RENEWABLE ENERGY

A PLATFORM FOR FUTURE GROWTH

TAALERI

THE MARKET IS EXPECTED TO CONTINUE TO GROW



EUR/USD exchange rate of 1.21 | Source: Preqin

STRONG RELATIONSHIPS WITH OUR INSTITUTIONAL ANCHOR INVESTORS



Q&A

TAALERI – IMPACT THROUGH ALTERNATIVES

REAL ESTATE

REAL ESTATE WHAT WE DO

- Specialise in real estate investments and real estate funds.
- Strong team of 12 real estate investment, finance, development, fund and asset management professionals.
- Strong track record in rental residential: among the first managers to introduce housing funds to Finland.
- Manage the entire real estate value chain, incorporating ESG and sustainability into all operations.
- Manage the interests of two main stakeholders - our clients, the investors, and occupiers, our tenants.

AUM
€400
million

10
funds

12
employees

REAL ESTATE – OUR STRATEGIC PRIORITIES

TAALERI

**GROW
THE FUND
MANAGEMENT
BUSINESS**

Grow the Fund Management Business through Scalable Investment Products and Funds

**EXPAND
THE MANAGED
ACCOUNTS
BUSINESS**

Expand the Managed Account Business through high performance Investment and Asset Management Platform

**TOP FOCUS ON
SUSTAINABILITY**

Prioritise and incorporate ESG and sustainability into all Investment, Development and Asset Management Operations



We aim to be the leading local partner for investors who seek to gain profitable returns while taking part in shaping a more sustainable environment and communities for the future.

REAL ESTATE ROADMAP 2021–2023

HOW WE EXECUTE OUR STRATEGY

2021	2022	2023	<p data-bbox="1541 463 1709 547">2025 Ambition</p> <p data-bbox="1512 631 1738 715">AUM EUR 1 billion</p>
<p data-bbox="189 401 413 467">NEW CORE PRODUCTS</p>	<p data-bbox="600 401 880 467">SCALE UP THE CORE PRODUCTS</p>	<p data-bbox="1049 401 1315 467">BROADEN THE INVESTOR BASE</p>	
<p data-bbox="137 568 417 623">Launch a new closed-end housing fund</p> <p data-bbox="137 645 426 699">Portfolio management for two new open-end funds</p> <p data-bbox="137 721 446 776">Takeover of a new separate mandate</p> <p data-bbox="137 798 469 885">Wider access to Finnish retail & institutional capital through Aktia cooperation</p>	<p data-bbox="581 568 836 590">Scale up the core funds</p> <p data-bbox="581 623 890 710">New fundraising team for large Finnish & international clients</p>	<p data-bbox="1020 568 1248 623">Launch new scalable investment products</p> <p data-bbox="1020 645 1348 699">Partner with new institutional investors</p> <p data-bbox="1020 721 1319 776">Access new capital through new separate mandates</p>	

REAL ESTATE

OUR FUNDS & MANDATES

LAUNCHING PHASE	TAALERI Asunto VIII						
	Type: Closed End Strategy: Built to Rent Residential, ESG						
INVESTMENT PERIOD	TAALERI Kiinteistöt	AKTIA Toimitilakiinteistöt	TAALERI Vuokratoti	TAALERI Päiväkoti	TAALERI Tallikiinteistöt	AKTIA Life Portfolio	
	Type: Open End Strategy: Buy & Hold, Wide Allocation	Type: Open End Strategy: Buy & Hold, Commercial	Type: Closed End Strategy: Built to Rent Residential, Impact	Type: Closed End Strategy: Built to Rent Public Properties	Type: Closed End Strategy: Built to Rent Warehouse	Type: Separate Mandate Strategy: Set by Portfolio Owner	
HOLDING PERIOD	TAALERI Tontti I	TAALERI Tontti II					
	Type: Closed End Strategy: Buy & Hold, Residential Plots	Type: Closed End Strategy: Buy & Hold, Residential Plots					
EXIT PHASE	TAALERI Asunto VI	TAALERI Asunto IV	TAALERI Linnainmaankulma	TAALERI Kiinteistökehitys			
	Type: Closed End Strategy: Built to Rent, Residential	Type: Closed End Strategy: Built to Rent, Residential	Type: Closed End Strategy: Built to Rent, Commercial	Type: Closed End Strategy: Property Development			

REAL ESTATE

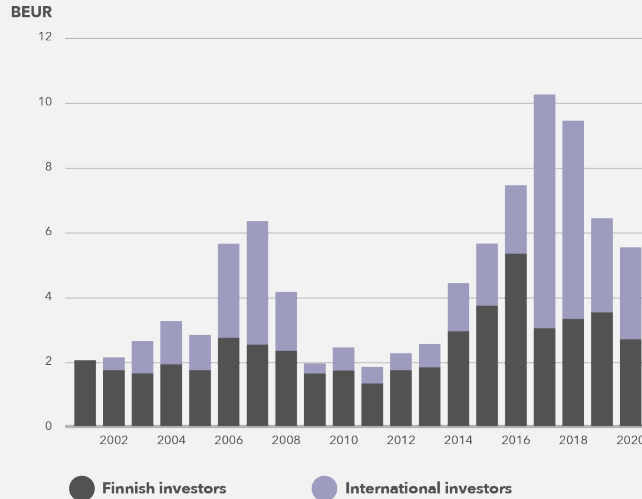
A VERSATILE TEAM OF IN-HOUSE EXPERTS

TEAM	EMPLOYEES	VALUE ADD
INVESTMENT	4	Deal sourcing, investment analysis, due diligence, acquisitions & sales
PROPERTY FINANCE	2	Debt sourcing, finance planning & optimisation, loan & collateral arrangements
PROPERTY DEVELOPMENT	2	Project analysis, project management, project controlling, site steering, ESG and sustainability
ASSET MANAGEMENT	2	Strategic asset management, leasing, financial and technical asset management
FUND MANAGEMENT	2	Investor reporting, fund valuation, fund accounting and controlling, risk management

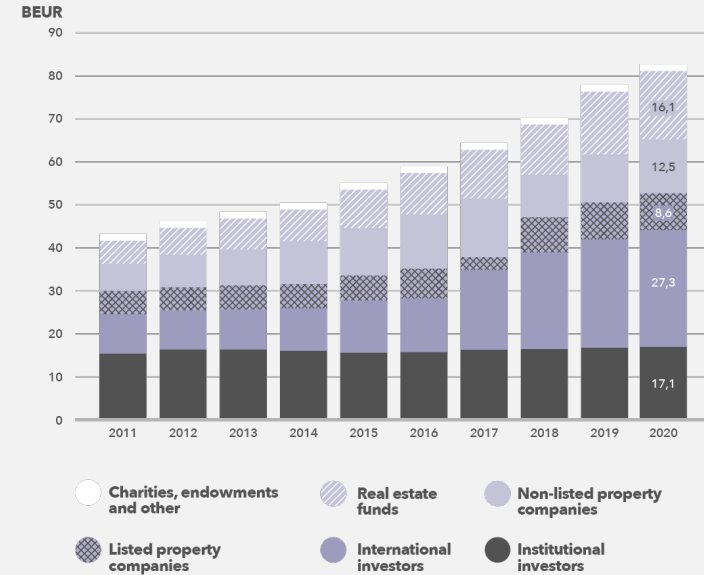
REAL ESTATE A PLATFORM FOR FUTURE GROWTH

TAALERI

TRANSACTION VOLUME 2001 - 2020/10, SOURCE: KTI



STRUCTURE OF FINNISH PROPERTY INVESTMENT MARKET BY INVESTOR GROUP, SOURCE: KTI



Q&A

TAALERI – IMPACT THROUGH ALTERNATIVES



BIOINDUSTRY

BIOINDUSTRY

WHAT WE DO

- Focus on investments developing and producing resource-efficient and sustainable biofuels and materials on an industrial scale
- Combine investment capital, industry partnerships and strong expertise on new technologies to offer our investors good returns and positive environmental impacts.
- Help expand proven technologies to industrial scale as well as enable disruptive bioindustry solutions to go to market
- First investments by Taaleri's Bioindustry are a biorefinery for processing tall oil and a bio-coal production plant. We have a pipeline for several other industrial-scale projects.

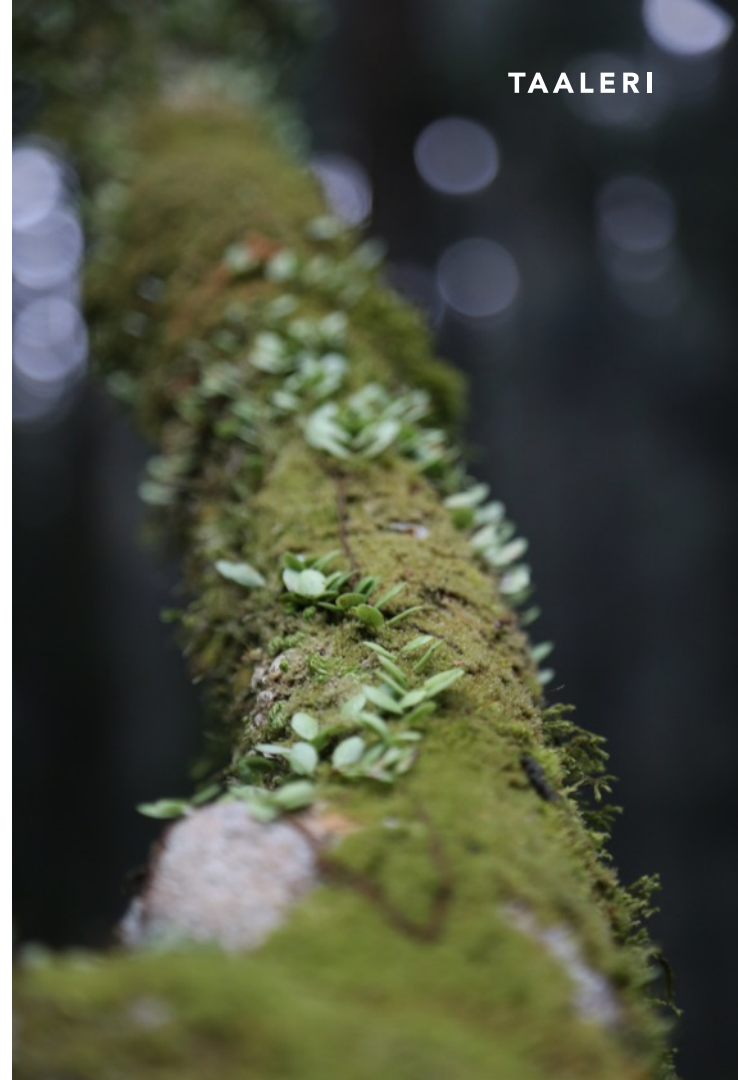
AUM
€45
million

4
employees



WHAT IS BIOINDUSTRY

- Bioindustry is a part of bioeconomy
- Bioindustry production facilities can use renewable or re-usable natural resources as their feedstock. The guiding principle is **for bioindustry factories to replace the use of fossil or virgin natural resources.**
- Modern pulp mills are commonly named as bioproduct plants and they produce several different fibers and renewable oil products as side streams from the actual pulp
- Bioindustry products are becoming commercially viable and welcomed by markets with ever greater impact



BIOINDUSTRY – OUR STRATEGIC PRIORITIES



We aim to speed up the shift from fossil-based materials to sustainable solutions by enabling disruptive technologies to go to market, empowered by investment capital, industry partnerships and strong expertise on new technologies

BIOINDUSTRY ROADMAP 2021–2023

HOW WE EXECUTE OUR STRATEGY

2021	2022	2023	2025 Ambition AUM MEUR 500
BUILD THE PLATFORM	GROW FIRST FUNDS	SCALE UP	
<ul style="list-style-type: none">Launch of first fundSecure success of FintoilBio-coal investment project securedBuild and launch of new materials business modelFocus on Scandinavia	<ul style="list-style-type: none">Grow fund sizeSecure attractive deal flowLaunch of second fundProject management capabilitiesEvaluate green hydrogen investments	<ul style="list-style-type: none">Expand new materials and bio-coalEvaluate hydro/pump storage investmentsFintoil and bio-coal refinancing & expansionFocus on Europe and North America	

TAALERI BIOINDUSTRY

TEAM WITH DEEP TECHNOLOGICAL KNOWLEDGE

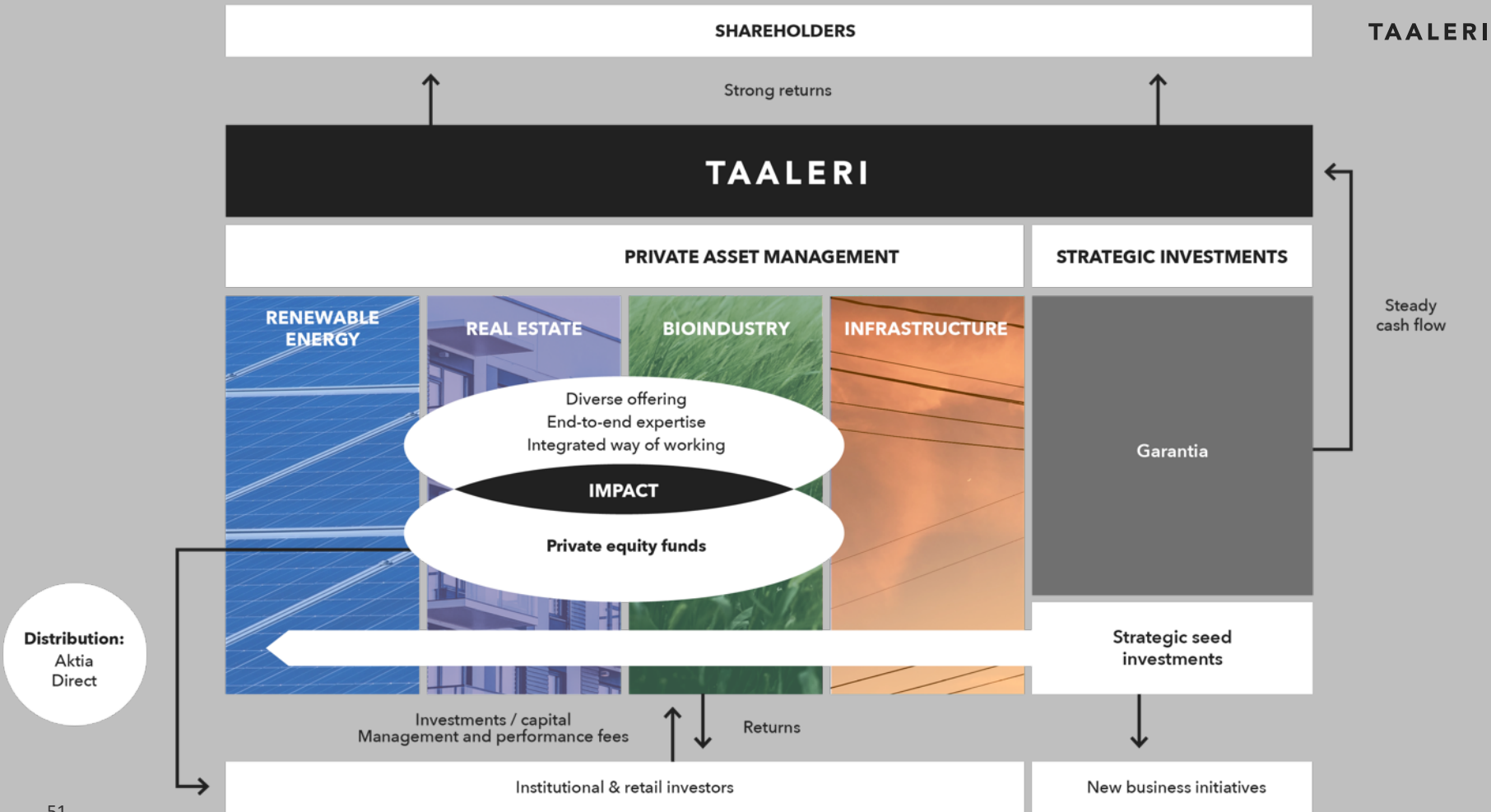
TAALERI

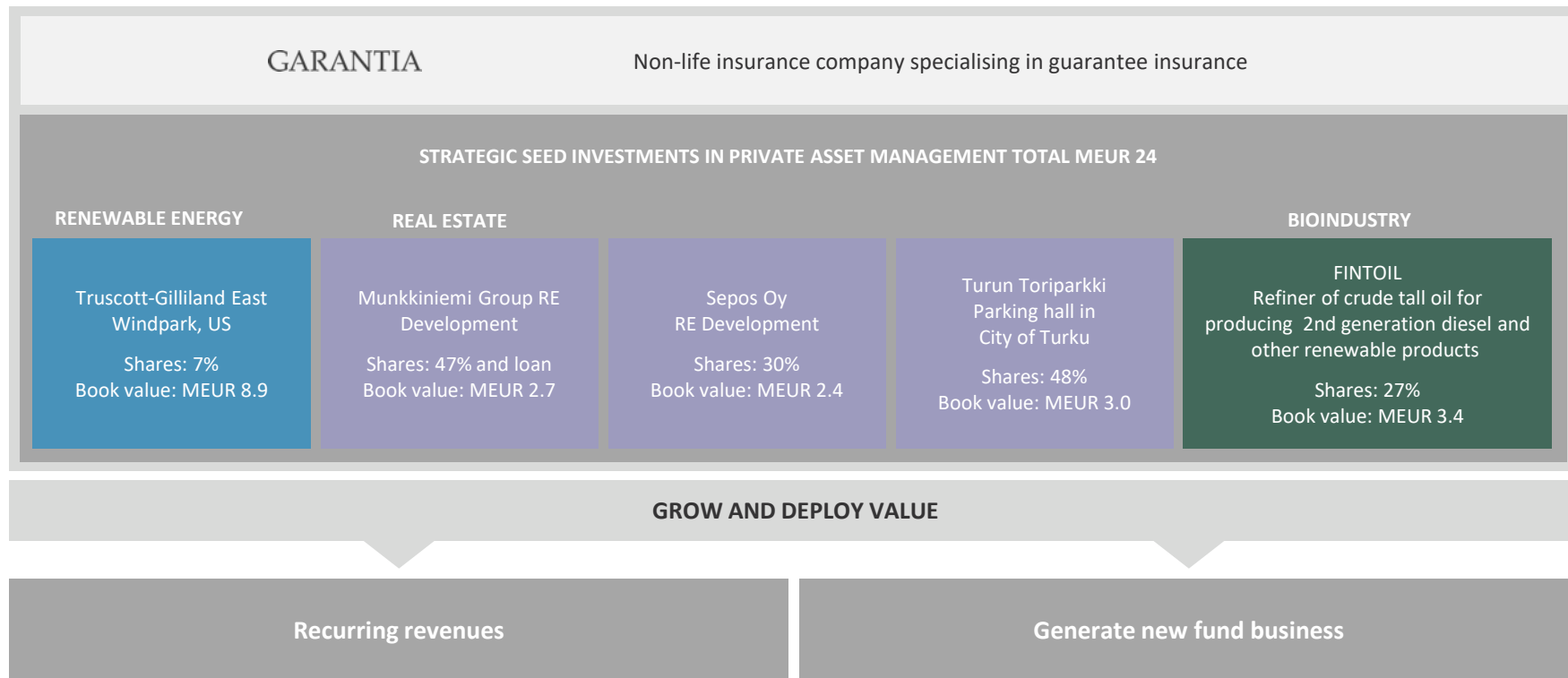
TEAM	EMPLOYEES	VALUE ADD
INVESTMENT	1	Deal sourcing, transaction execution at entry and exit, financial engineering, refinancings, investment management
TECHNICAL	1	Technical due diligence management, on time and budget delivery, production optimisation, asset quality optimisation
DEVELOPMENT	2	Proprietary deal flow with advantageous terms and higher quality, development management, developer relationships
SUPPORT FUNCTIONS FROM TAALERI PLC	5	Efficient business operations, deep institutional investor and senior debt provider relationships

Q&A

TAALERI – IMPACT THROUGH ALTERNATIVES

STRATEGIC INVESTMENTS





TAALERI

GARANTIA

GARANTIA AS PART OF THE TAALERI GROUP

- Garantia has strong positive cash flows and continues to grow profitably.
- Runs as an independent company, complying with the Financial Supervisory Authority rules for the group.
- Garantia has its own external Board, Corporate Governance, business plan and risk management processes.
- Taaleri Plc continues to receive annual dividends, which are based on the levels of Garantia's internal and external solvency targets.



GARANTIA

WHAT WE DO

- Our guarantee is a collateral when there is a need to increase trustworthiness.
- We provide our customers with easy and cost-effective guarantee solutions and new business opportunities.
- We underwrite housing guarantee products for homeowners, landlords and housing companies, as well as guarantees for corporate loans and other corporate commitments.
- We operate an attractive business model that is highly scalable and improves capital efficiency.
- We collaborate closely with our customers and partners and build long-lasting customer relationships.
- The principal risks associated with our business operations are credit risk arising from underwriting guarantees, and the market risk of the investment operations.

€1.82

billion
12/2020

Gross insurance exposure

TAALERI

38%

Combined
ratio

229%

Solvency
ratio

A-

Credit rating
(S&P)

GARANTIA'S STRENGTHS

- Tailored customer-specific solutions
- Scalable business model
- Strong capital adequacy
- Extensive knowledge in the financial sector
- Extensive collaboration and distribution network; bancassurance partnerships, online distribution channels and direct relationships

GARANTIA – OUR STRATEGIC PRIORITIES

TAALERI

SHIFT FROM SELECTIVE UNDERWRITING TO RISK POOLING

Expanding insurance operations with corporate customers to scalable guarantee solutions. Through corporate cooperation and partnerships, the issuance of guarantees is shifting from individual risks to an increasingly diversified insurance portfolio.

OPTIMISE THE USE OF CAPITAL

Efficient capital management while maintaining the strong capital adequacy to offset underwriting/insurance risks.

EXPAND DISTRIBUTION

Aiming for substantial growth with a focus on new distribution channels and diversifying revenue streams. Underwriting guarantees in Finland, and later in North Europe, with domestic partners.



We enhance capital efficiency by modernising traditional collateral practices for the benefit of our customers

GARANTIA ROADMAP 2021–2023

HOW WE EXECUTE OUR STRATEGY

2021	2022	2023
FROM INDIVIDUAL RISKS TO A DIVERSIFIED PORTFOLIO	MAXIMISING POTENTIAL OF DISTRIBUTION NETWORK	FOCUS ON DIVERSIFIED PORTFOLIOS
<p>Distribution network potential scaled up in residential mortgage guarantees.</p> <p>Creating and launching cooperation with corporations in scalable portfolio guarantee models.</p> <p>Renewing rental deposit practices with a guarantee.</p>	<p>Distribution network for residential mortgage guarantees in full flow.</p> <p>Establishing and expanding the portfolio cooperation model with Finnish corporations and exploring cooperation possibilities outside Finland.</p> <p>Establishing rental guarantee as the new normal.</p>	<p>Expanding distribution network channel for residential mortgage guarantees.</p> <p>Strengthening the cooperation in portfolio models with current partners and expanding them with new partners in Finland and abroad.</p> <p>Exploring new possibilities to offer protection from credit losses in the form of a guarantee.</p>

GARANTIA IN NUMBERS

Business has been on a growth path since the beginning of Taaleri's ownership in 2015

TAALERI

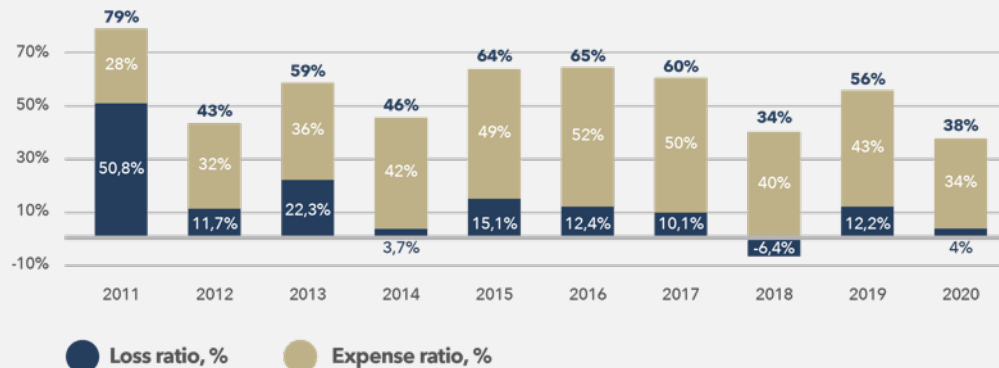
GROSS PREMIUM WRITTEN AND EARNINGS BEFORE TAX, FAS

CAGR ON PREMIUMS
(2015-20), 13,7%



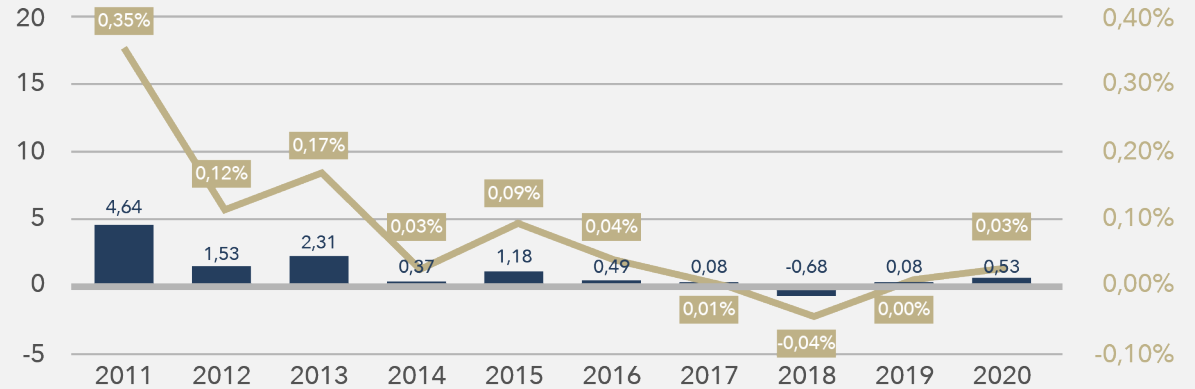
COMBINED RATIO, %

Loss ratio 13,6 % 10 y. average



ANNUAL NET CLAIMS PAID BY GARANTIA, FAS

MEUR



● Net claims paid, € mn — Net claims paid /Gross exposure, %

Q&A

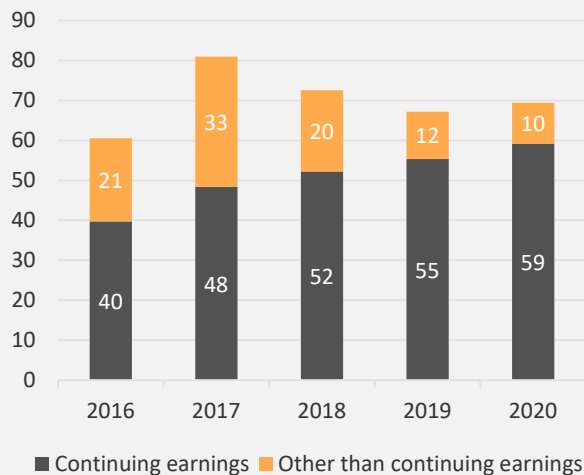
TAALERI – IMPACT THROUGH ALTERNATIVES

FINANCIALS

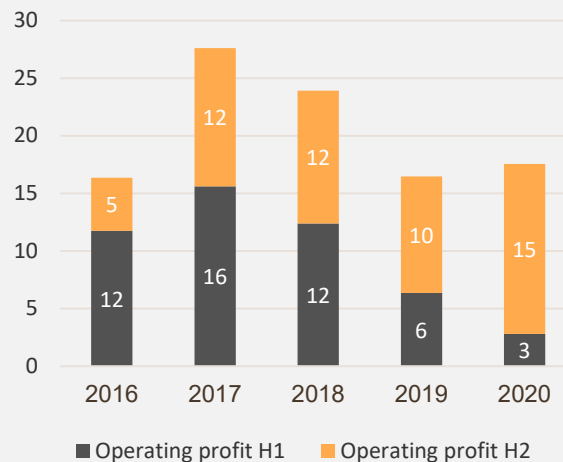
KEY FIGURES 2016–2020

TAALERI

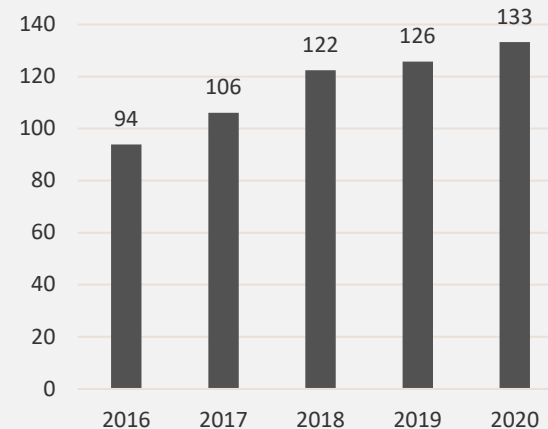
INCOME, MEUR



OPERATING PROFIT, MEUR



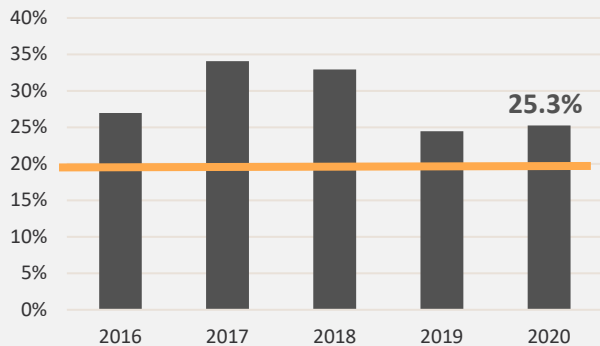
EQUITY, MEUR



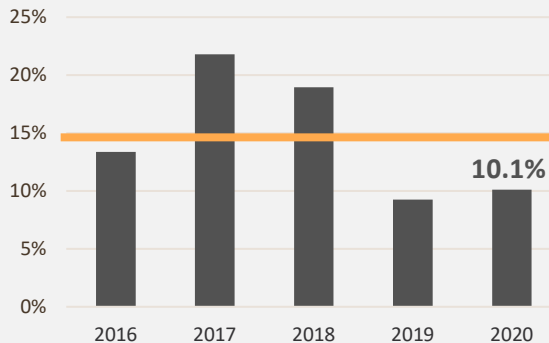
KEY FIGURES 2016–2020

TAALERI

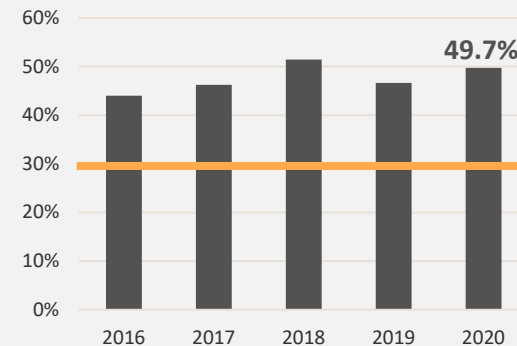
OPERATING PROFIT %



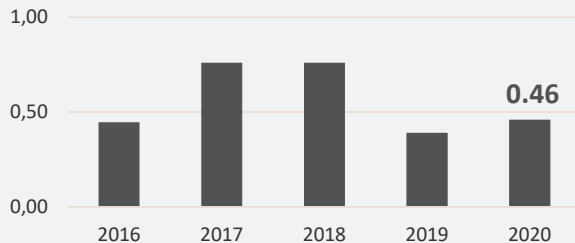
RETURN ON EQUITY, %



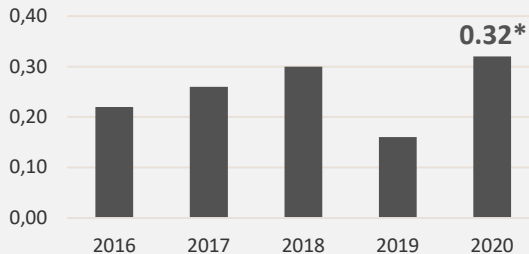
EQUITY RATIO, %



EARNINGS/SHARE, EUR



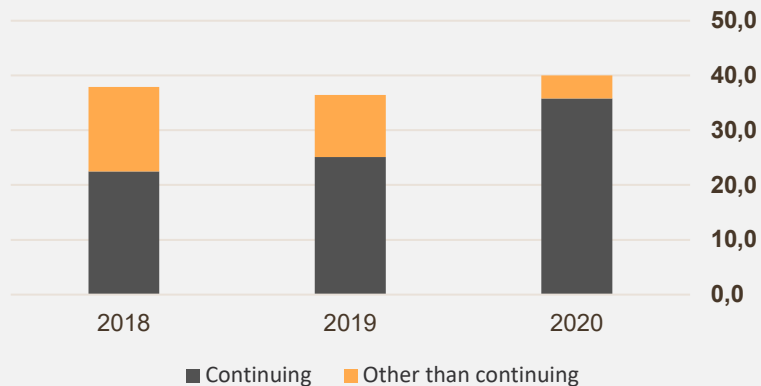
DIVIDEND/SHARE, EUR



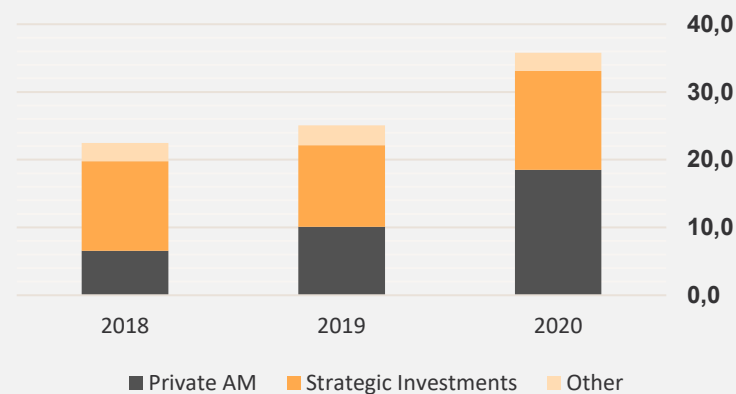
— Long-term target
* Dividend proposal for 2020

INCOME DEVELOPMENT 2018–2020 – ACCORDING TO THE REVISED STRATEGY WITHOUT WEALTH MANAGEMENT

INCOME 2018–2020, MEUR



CONTINUING REVENUES 2018–2020, MEUR



SEGMENT RESULT IN 2020 ACCORDING TO REVISED STRATEGY WEALTH MANAGEMENT CLASSIFIED AS HELD-FOR-SALE

MEUR	PRIVATE ASSET MANAGEMENT	Renewable energy	Other private asset management	STRATEGIC INVESTMENTS (Garantia)	OTHER	TOTAL
Continuing earnings*	18.5	14.3	4.2	14.6	2.7	35.9
Performance fees	1.0	1.0	0.0	-	-	1.0
Investment operations	2.4	2.1	0.3	2.5	-1.8	3.2
TOTAL INCOME	21.9	17.4	4.5	17.2	0.9	40.0
Fee and commission expenses	-7.0	-4.3	-2.7	-0.2	-1.0	-8.2
Interest expenses	0.0	0.0	0.0	-	-3.2	-3.2
Personnel costs	-5.5	-4.3	-1.2	-3.3	-4.5	-13.3
Direct expenses	-3.1	-2.2	-0.9	-1.7	-1.1	-6.0
Depreciation, amortisation and impairment	-0.1	0.0	0.0	0.0	0.0	-0.1
Impairment losses on loans and other receivables	-	-	-	-	-0.1	-0.1
OPERATING PROFIT BEFORE ALLOCATING THE FINANCING EXPENSES	6.2	6.6	-0.4	11.9	-9.0	9.1
Allocation of financing expenses	-2.5	-1.7	-0.8	-1.7	4.2	-
OPERATING PROFIT	3.7	4.9	-1.2	10.2	-4.8	9.1
OPERATING PROFIT, %	17%	28%	-26%	59%	-524%	23%

PRIVATE ASSET MANAGEMENT

TAALERI

MEUR	PRIVATE ASSET MANAGEMENT	Renewable energy	Other private asset management
Continuing earnings	18.5	14.3	4.2
Performance fees	1.0	1.0	0.0
Investment operations	2.4	2.1	0.3
TOTAL INCOME	21.9	17.4	4.5
Fee and commission expense	-7.0	-4.3	-2.7
Interest expense	0.0	0.0	0.0
Personnel costs	-5.5	-4.3	-1.2
Direct expenses	-3.1	-2.2	-0.9
Depreciation, amortisation and impairment	-0.1	0.0	0.0
Impairment losses on loans and other receivables	-	-	-
OPERATING PROFIT BEFORE ALLOCATING THE FINANCING EXPENSES	6.2	6.6	-0.4
Allocation of financing expenses	-2.5	-1.7	-0.8
OPERATING PROFIT	3.7	4.9	-1.2
OPERATING PROFIT, %	17%	28%	-26%

FINANCIAL PERFORMANCE

Continuing earnings of Renewable Energy comprises 77% of Private Asset Management continuing earnings, while the remaining 23% consists of Real Estate, Bioindustry and other Private AM income.

Renewable Energy income includes income that Taaleri receives from all its Wind and Solar funds. Fee expenses include external fees related to the funds, incl. fees to Aktia Bank.

Other Private Asset Management businesses still do not cover their own costs.

Financing expenses have mostly accrued from the project development financing.

* Includes share of associates' profit or loss

STRATEGIC INVESTMENTS (GARANTIA)

MEUR	STRATEGIC INVESTMENTS (Garantia)
Continuing earnings	14.6
Performance fees	-
Investment operations	2.5
TOTAL INCOME	17.2
Fee and commission expense	-0.2
Interest expense	-
Personnel costs	-3.3
Direct expenses	-1.7
Depreciation, amortisation and impairment	0.0
Impairment losses on loans and other receivables	-
OPERATING PROFIT BEFORE ALLOCATING THE FINANCING EXPENSES	11.9
Allocation of financing expenses	-1.7
OPERATING PROFIT	10.2
OPERATING PROFIT, %	59%

* Includes share of associates' profit or loss

FINANCIAL PERFORMANCE

Strategic Investments consist only of Garantia Insurance Company Ltd. The strategic seed investments are presented directly under Private Asset Management. Non-strategic investments are reported under the Other group.

Net income from insurance operations increased by 21.5 per cent to MEUR 14.6 (12.1).

Net income from investment operations totaled MEUR 2.5 (9.2).

Garantia's operating profit before allocating financing expenses was MEUR 11.9 and operating profit MEUR 10.2, corresponding to 59%.

Financing expenses have only been allocated in the segment reporting to Garantia to reflect the parent company's financing costs and have thus not been charged from the company.

OTHER – NON-STRATEGIC INVESTMENTS, KAPITAALI, MOBIFY, GROUP SERVICES

MEUR	OTHER
Continuing earnings*	2.7
Performance fees	-
Investment operations	-1.8
TOTAL INCOME	0.9
Fee and commission expense	-1.0
Interest expense	-3.2
Personnel costs	-4.5
Direct expenses	-1.1
Depreciation, amortisation and impairment	0.0
Impairment losses on loans and other receivables	-0.1
OPERATING PROFIT BEFORE ALLOCATING THE FINANCING EXPENSES	-9.0
Allocation of financing expenses	4.2
OPERATING PROFIT	-4.8
OPERATING PROFIT, %	-524%

* Includes share of associates' profit or loss

FINANCIAL PERFORMANCE

The Other group consists of Taaleri's non-strategic investments, Taaleri Kapitaali, Mobify and Taaleri Group Services.

The reported result consists of the group as it would have been in 2020 without the Wealth Management segment.

Income consists of fee income from Kapitaali transactions, co-investments and non-strategic investments. Fair value change from Fellow Finance was -2,3 Me.

Fee expenses consist mostly of Kapitaali fee expenses and fees to Aktia.

Taaleri will renegotiate its outstanding debt after the transaction and foresees that the interest costs will be much lower going forward.

Personnel costs of EUR 4.5 million include EUR 3.0 million personnel costs in the parent company.

GROUP BALANCE SHEET, MEUR

	2020	2019
Assets		
Receivables from credit institutions	25.8	29.1
Receivables from the public and general government	6.7	8.3
Debt securities	1.5	1.5
Shares and units	22.0	9.2
Assets classified as held for sale	5.4	7.7
Participating interests	9.2	6.4
Insurance assets	160.4	153.3
- Insurance assets	3.7	4.7
- Investments	156.7	148.7
Other assets	37.0	54.2
	268.0	269.7
Liabilities		
LIABILITIES	134.8	144.0
Liabilities to credit institutions	14.9	25.9
Debt securities issued to the public	34.9	34.9
Insurance liabilities	34.7	32.3
Other liabilities	5.4	6.5
Accrued expenses and deferred income	14.6	13.9
Deferred tax liabilities	15.4	15.6
Subordinated debt	14.8	14.8
EQUITY	133.2	125.7
	268.0	269.7

The divested wealth management business is to be sold at its enterprise value of MEUR 120 + net cash of ~ MEUR 10.

Maximum of EUR 10 million may be paid in new Aktia shares and the remainder in cash.

Taaleri currently has outstanding debt financing of EUR 65 million, which will be reassessed after the transaction.

The divested wealth management business is asset-light.

CAPITAL ADEQUACY

RAVA CONGLOMERATE & FINANCING SECTOR

CAPITAL ADEQUACY OF RAVA CONGLOMERATE, EUR 1,000	2020	2019
Shareholders' equity of the Taaleri Group	133.2	125.7
Goodwill and other intangible assets	-6.8	-6.5
Non-controlling interests	1.1	0.2
Planned distribution of profit	-9.1	-9.1*
Tier 1 Capital	118.5	110.3
Tier 2 Capital	14.8	14.8
Conglomerate's own funds, total	133.3	125.1
Financing business' requirement for own funds	11.8	11.0
Insurance business' requirement for own funds	49.9	49.3
Minimum amount of own funds of the Conglomerate, total	61.7	60.3
Conglomerate capital adequacy	71.6	64.8
Conglomerate capital adequacy ratio	216.2%	207.4%

FINANCING SECTOR'S CAPITAL ADEQUACY, EUR 1,000 (CRR 49 PERMISSION)	2020	2019
Common Equity Tier 1 before deductions	79.9	81.2
Deductions from the Common Equity Tier 1	-8.8	-10.3
Common Equity Tier 1	71.1	70.9
Tier 1 capital	71.1	70.9
Tier 2 capital	14.8	14.8
Total capital	86.0	85.7
Total risk-weighted commitments (total risk)	226.9	242.6
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 regulation of Taaleri will change with the divestment of the Wealth Management business operations. Following the completion of the transaction, Taaleri will in its own view not be subject to the regulation of the investment services business, nor will Taaleri form a Financial and Insurance Conglomerate.

Garantia's basic own funds amounted to EUR 114.1 (112.7) million and the solvency capital requirement was EUR 49.7 (48.6) million. The solvency ratio was 229.4% (231.8).

Taaleri will provide more information about the changes after the transaction has been implemented.

Q&A

TAALERI – IMPACT THROUGH ALTERNATIVES



FOCUS

Creating value through impact and renewables



GROWTH

Strong growth by excelling in alternative investment funds



RETURNS

Efficient use of capital and resources enabled by scalable business models

T A A L E R I