TAALERI

Q1

Taaleri Plc Interim Statement

1 January–31 March 2023

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Taaleri's continuing earnings increased by 23.6% to EUR 9.8 million in the first quarter of the year

January–March 2023

- Continuing earnings grew by 23.6% to EUR 9.8 (8.0) million. The Private Asset Management segment's continuing earnings grew by 13.8% to EUR 5.6 (4.9) million and the Strategic Investments segment's continuing earnings by 52.2% to EUR 3.9 (2.5) million.
- Performance fees were EUR 0.0 (0.5) million, and net income from investment operations was EUR -0.6 (-2.6) million.
- Income increased by 58.9% to EUR 9.3 (5.8) million.
- Operating profit was EUR 1.6 (-1.0) million, corresponding to 16.8% of income.
- The assets under management in the Private Asset Management segment remained at EUR 2.5 (31 December 2022: 2.5) billion.
- Earnings per share were EUR 0.02 (-0.05).

Taaleri has implemented the IFRS 17 Insurance Contracts standard on January 1, 2023, and the adjusted comparative financial information for 2022 was published on March 30, 2023. The figures for the comparison period in this Interim Statement are adjusted comparison figures.

This Interim Statement has not been prepared in accordance with IAS 34. The Interim Statement is unaudited. Unless otherwise stated, the figures in parentheses in the Interim Statement refer to the corresponding period of the previous year. See page 16 for further information of the accounting policies of this Interim Statement.

Growth in continuing earnings, %	Income, EUR million	Operating profit, %	Assets Under Management, BEUR
23.6	**9.3**	**16.8**	**2.5**
(Q1 2022: n/a)	(Q1 2022: 5.8)	(Q1 2022: neg)	(31.12.2022: 2.5)

Key figures

Group key figures	1–3/2023	1–3/2022	Change, %	1–12/2022
Earnings key figures				
Continuing earnings, MEUR	9.8	8.0	23.6	36.8
Income, MEUR	9.3	5.8	58.9	58.9
Operating profit, MEUR	1.6	-1.0	n/a	27.3
Operating profit, %	16.8	neg		46.3
Profit for the period in consolidated income statement, MEUR	0.6	-1.1	n/a	21.3
Return on equity*, %	1.2	-1.9		10.0
Balance sheet key figures				
Equity ratio, %	65.7	71.4		66.9
Other key figures				
Cost/income ratio excluding investment operations	81.0	84.0		58.0
Cost/income ratio	86.1	122.1		55.2
Full-time permanent personnel, at the end of the period	111	101	9.9	106
Assets under management in Private Asset Management segment, BEUR	2.5	2.3		2.5
Guaranty insurance portfolio, BEUR	1.8	1.7		1.9

* Annualised

Review by CEO Peter Ramsay

We promoted our strategy focusing on renewable energy, real estate and bioindustry as planned during the first quarter of 2023. Our private equity funds focused on sustainable development respond to many current societal challenges, such as mitigating climate change and strengthening self-sufficiency. This also supports new openings, such as the expansion of business to energy storage systems, which took place during the review period.

Both the private asset management business and Garantia's guaranty insurance operations developed well during the first quarter, and the Group's continuing earnings increased by 24%. The Group's income grew to EUR 9.3 million and operating profit to EUR 1.6 million. Garantia's net income from investment operations was profitable, but Group's other unrealised changes in fair value weighed on the income and operating profit.

The continuing earnings of the Private Asset Management segment grew by 14% to EUR 5.6 million, but operating profit decreased due to investments in business growth, and the fact that no performance fees were recognised in the review period.

The renewable energy business continued to raise funds for its sixth fund, Taaleri SolarWind III. The first closing is expected to take place in the second quarter. The fund will be based on a project development portfolio that already included the targeted 35 projects at the end of the first quarter. We aim to reach a size of EUR 700 million with the Taaleri SolarWind III fund, which is double compared to the previous fund.

During the first quarter, the real estate business focused on the active development of new investment products. In addition, preparations for the exit of old funds and the identification of potential new acquisition targets continued during the review period.

During the review period, the bioindustry business prepared the next fund, the strategy of which would be to invest in start-up companies in the bioindustry sector. With the venture capital fund, our goal is to offer early-stage companies the opportunity to grow into the next, scalable phase. At the end of the review period, the Taaleri Bioindustry Fund I made its third investment in the Nordic Bioproducts Group, a company producing cellulose-based materials with a high processing value.

In the Strategic Investments segment, Garantia continued its strong performance. Garantia's insurance service result increased by 44% to EUR 3.8 million during the review period, and the combined ratio strengthened further, being an excellent 24.3%. Garantia's net investment income increased to EUR 0.9 million as the investment market recovered in the first quarter, but investment returns remained moderate.

In March, Taaleri published adjusted financial comparative information in accordance with IFRS 17 Insurance Contracts, applicable from the beginning of the year. In addition to changes in the valuation principles of insurance operations, one of the biggest changes is that, in the future, Garantia's income will include not only insurance revenue and net income from investment operations, but also insurance service costs, such as claims incurred, operating expenses of insurance operations and losses arising from onerous insurance contracts. Thus, reported income will decrease, but the impact of the adoption of the standard on reported operating profit will be minor.

Outlook and financial targets

Taaleri does not publish a short-term outlook. However, the company has set itself targets related to growth, profitability and return on invested capital.

Taaleri's long-term targets include:
- Continuing earnings growth at least 15 per cent
- Operating profit at least 25 per cent of income
- Return on equity at least 15 per cent.

The company's goal is to distribute to its shareholders at least 50 per cent 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.

Operating environment and market prospects

Development of the global economy and of the capital markets is still surrounded by a high degree of uncertainty. Unusually strong inflation has prompted central banks to tighten monetary policy considerably, which has increased the likelihood of a recession.

The operating environment of the capital market has become more challenging due to, for example, rising interest rates and strong inflation. The growth of alternative investments has slowed, but the asset class has become a significant part of the portfolios of institutional investors, as it offers the opportunity to diversify risks and smooth out returns. The decline in the values of listed investments has increased the share of illiquid products in the portfolios of institutional investors, which may affect their short-term allocation. At the same time, the EU's Sustainable Finance Disclosure Regulation is guiding both investors and financial actors towards sustainable investments. In particular, more private capital will be needed in the future to achieve the global emission reduction, energy self-sufficiency and circular economy targets.

Europe's desire to break away from Russian energy sources and to increase its self-sufficiency will strengthen the operating environment for renewable energy and bioindustry, in particular.

> The price of electricity has fallen significantly from the peak level of last year, but it is still higher than in previous years.

In the renewable energy business, the operating environment remained good, although the war in Ukraine, higher interest rates and accelerating inflation have all increased the costs of project development and project construction. The price of electricity has fallen significantly from the peak level of last year, but it is still higher than in previous years. In the autumn, the Council of Europe adopted a regulation on temporary emergency measures in response to the energy crisis and the exceptional rise in energy prices. The regulation, which includes a temporary cap on market revenues and a solidarity levy, has been applied in different ways in different countries. In March, the Finnish Parliament approved an act on temporary profit taxes in electricity business and fossil fuel business for the tax year 2023. According to Taaleri's assessment, the impacts of the Finnish model are not significant for Taaleri's business.

In the real estate business, the rise in interest rates has caused uncertainty in the market. Transaction activity slowed down significantly at the end of last year and remained low during the review period. The rise in interest rates has caused the yield requirements to rise, and thus the values to fall, especially in the real estate segments and properties of the lowest yield claims. However, occupancy rates have remained good in both the housing and commercial properties markets.

The long-term fundamentals supporting real estate investments, such as urbanisation, are still seen as strong in the Finnish real estate market. The nature of the real estate market is characterised by the cyclical nature of the sector. For long-term investors, the opportunities offered by the current economic situation can offer better returns in relation to the average return over the cycle.

In bioindustry business, both investor interest and the activity of potential investees remained at a high level during the review period. The poor availability and/or high price of some raw materials, tightened financing conditions and energy prices affect the timetables and costs of short-term projects of both potential portfolio companies and of investees. The outlook for the long-term operating environment of the business is very good, although the general market uncertainty naturally affects it as well.

In the European operating environment of Taaleri's associated company Fintoil's biorefinery in Hamina, the market situation is still tight, but the prices of raw materials have already started to fall in North America.

The operating environment of Garantia Insurance Company Ltd's insurance operations was sluggish in the early part of the year. Inflation, high market interest rates and economic uncertainty kept consumer confidence low, which led to a decrease in the volumes of housing transactions, mortgage loans raised and guaranties underwritten compared to previous years. However, the creditworthiness of the company's consumer and corporate customers remained good, and no material changes occurred in the risk position of the guaranty insurance portfolio. In the early part of the year, the development of the investment market was positive, the rise in market interest rates levelled off and stock prices rose, which improved the net income from investment operations.

Financial result

Continuing earnings, income, and operating profit

Group, EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Continuing earnings	**9.8**	**8.0**	**23.6%**	**36.8**
Private Asset Management	5.6	4.9	13.8%	20.7
Strategic Investments	3.9	2.5	52.2%	13.7
Other	0.4	0.5	-22.2%	2.4
Income	**9.3**	**5.8**	**58.9%**	**58.9**
Private Asset Management	5.2	5.3	-2.1%	42.6
Strategic Investments	4.1	-1.2	n/a	3.8
Other	-0.1	1.7	n/a	12.6
Operating profit	**1.6**	**-1.0**	**n/a**	**27.3**
Private Asset Management	-0.8	-0.0	>-100.0%	18.6
Strategic Investments	3.7	-1.3	n/a	3.1
Other	-1.4	0.3	n/a	5.5

The Group's share of the result of associated companies is taken into account in the segment income. In addition, transit items that have no effect on the result for the financial year have been eliminated from segment income. Segment information and the reconciliation statement to the IFRS income statement are presented on page 29.

January–March 2023

The Group's continuing earnings grew by 23.6% to EUR 9.8 (8.0) million during the first quarter of the year. The continuing earnings of the Private Asset Management segment grew by 13.8%. The continuing earnings of the Strategic Investments segment grew by 52.2% due to the growth in insurance revenue and the decrease in insurance service expenses. No performance fees were recognised in the quarter, while EUR 0.5 million in performance fees was recognised in the corresponding period. The entire Group's net income from investment operations was EUR -0.6 (-2.6) million, of which EUR 0.3 (-3.7) million was generated in the Strategic Investments segment and -0.5 (1.1) in the Other group. Among other things, Taaleri recognised in net income from investment operations EUR -0.4 million in changes in exchange rates.

The Group's operating expenses totalled EUR 7.7 (6.9) million, of which personnel costs were EUR 4.3 (3.5) million and fee and commission expenses were EUR 1.6 (1.7) million. The Group's operating profit excluding net income from investment operations was EUR 2.1 (1.6) million, corresponding to 21.8% (18.7) of income excluding investment operations. The Group's operating profit was EUR 1.6 (-1.0) million, corresponding to 16.8 (negative in the comparison period) percent of income.

In the Group's consolidated IFRS income statement, income grew by 50.3% to EUR 10.1 (6.8) million. Net income from insurance operations totalled EUR 4.8 (0.2) million, which included EUR 3.8 (2.7) million in insurance service result and EUR 0.9 (-2.4) million in net income from investment operations. Return on investment at fair value from insurance operations was 1.5% (-4.4). In the consolidated IFRS income statement, the profit for the period was EUR 0.6 (-1.1) million and the Group's total comprehensive income was EUR 1.5 (-4.9) million.

Balance sheet, investments, and financing

At the end of the review period, the Group's cash and cash equivalents totalled EUR 52.4 (46.8) million, and Taaleri Group's balance sheet total was EUR 307.6 (299.9) million. The investments were EUR 196.3 (200.7) million, corresponding to 63.8% (66.9) of the Group's balance sheet total. The liabilities of the Group totalled EUR 105.6 (99.4) million, of which insurance contract liabilities were EUR 45.4 (46.5) million, deferred tax liabilities were EUR 17.0 (16.9) million and interest-bearing liabilities were 22.4 (15.3) million. Interest-bearing liabilities largely consisted of EUR 14.9 (14.9) million of Taaleri Plc's Tier 2 bond.

At the end of March, Taaleri Group's equity was EUR 202.0 (200.5) million. The Group's equity ratio remained strong at 65.7% (66.9), and the Group's annualised return on equity stood at 1.2% (-1.9%).

Business segments

Taaleri's continuing operations include two reported segments: Private Asset Management, which is divided to Renewable energy and Other private asset management, and Strategic Investments, which includes Garantia. The group Other presents Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments.

The segment-specific income statements are presented on page 29.

Private Asset Management

In reporting, the Private Asset Management segment is divided into Renewable energy and Other private asset management. Renewable energy includes Taaleri Energia, which develops and invests in industrial-scale wind and solar power projects and energy storage systems. It also manages investments throughout their lifecycle. The other areas within Private Asset Management include Taaleri's real estate, bioindustry and other businesses. Group investments that support the core business and the development of the businesses reported under the Private Asset Management segment are reported under the segment. Such investments include, for example, seed investments in new funds. Group investments are presented in further detail under segment information on page 30.

Private Asset Management, EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Continuing earnings	5.6	4.9	13.8%	20.7
Performance fees	0.0	0.5	-100.0%	19.4
Investment operations	-0.3	-0.1	482.6%	2.5
Income	**5.2**	**5.3**	**-2.1%**	**42.6**
Operating profit	**-0.8**	**-0.0**	**>-100.0%**	**18.6**
Allocation of financing expenses	-0.5	-0.6	-12.3%	-1.8
Profit before tax	**-1.3**	**-0.6**	**120.8%**	**16.8**
Full-time permanent personnel, at the end of the period	76	65	16.9%	72

Private Asset Management segment's investments, EUR million	31.3.2023	31.12.2022	Change, %
Investments and receivables, fair value	**36.7**	**28.4**	**29.2%**
Renewable energy	26.0	18.8	38.6%
Real estate	0.2	0.2	0.0%
Bioindustry	10.6	9.4	11.9%
Other investments	0.0	0.1	-100.0%

Renewable energy

Renewable energy, EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Continuing earnings	3.9	3.5	11.7%	14.6
Performance fees	0.0	0.0	0.0%	10.3
Investment operations	-0.3	0.3	n/a	0.9
Income	**3.6**	**3.8**	**-4.9%**	**25.8**
Operating profit	**-0.3**	**0.6**	**n/a**	**11.5**
Allocation of financing expenses	-0.4	-0.4	10.3%	-1.3
Profit before tax	**-0.7**	**0.3**	**n/a**	**10.2**
Full-time permanent personnel, at the end of the period	45	34	32.4%	42
Assets under management, EUR billion	1.4	1.3		1.4

January–March 2023

Continuing earnings of the renewable energy business grew by 11.7% to EUR 3.9 (3.5) million during the first quarter of the year. No performance fees were recognised during the review period. The net income from investment operations was EUR -0.3 (0.3) million, which was mainly from exchange rate changes in the holding of a wind power project in the United States. Income of the renewable energy business decreased to EUR 3.6 (3.8) million due the net income from investment operations. Operating expenses totalled EUR 3.9 (3.2) million, of which fee and commission expenses were EUR 1.1 (1.0) million and personnel costs were EUR 1.8 (1.5) million. Operating profit of the renewable energy business was EUR -0.3 (0.6) million.

During the review period, the renewable energy business continued fundraising for the Taaleri SolarWind III fund, which is classified as a dark green fund under Article 9 of the EU's Sustainable Finance Disclosure Regulation. The fund's first closing is expected to take place in the second quarter. The Taaleri SolarWind III fund's investment strategy is to acquire, develop, construct and operate a portfolio of utility-scale onshore wind farms, photovoltaic solar parks and battery storage assets. The fund's target markets are the Nordic countries, the Baltic countries, South-East Europe, Iberia and Texas in the Unites States.

The fund will be based on a project development portfolio compiled by Taaleri Energia, which included the targeted 35 projects at the end of the review period.

Other private asset management

Other private asset management, EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Continuing earnings	1.6	1.4	19.0%	6.1
Performance fees	0.0	0.5	-100.0%	9.0
Investment operations	-0.0	-0.3	-93.5%	1.6
Income	**1.6**	**1.5**	**5.2%**	**16.8**
Operating profit	**-0.5**	**-0.6**	**-23.1%**	**7.1**
Allocation of financing expenses	-0.1	-0.2	-52.3%	-0.5
Profit before tax	**-0.6**	**-0.9**	**-30.4%**	**6.6**
Full-time permanent personnel, at the end of the period	31	31	0.0%	30
Assets under management, EUR billion	1.1	1.0		1.1

January–March 2023

Continuing earnings of Taaleri's real estate, bioindustry and other businesses in the first quarter grew by 19.0% to EUR 1.6 (1.4) million due to successful product launches in 2022. No performance fees were recognised in the quarter, while EUR 0.5 million in performance fees were recognised in the corresponding period. Despite this, income from Taaleri's real estate, bioindustry and other businesses grew by 5.2% to EUR 1.6 (1.5) million. In line with its strategy, Taaleri is investing in the growth of the private asset management business, and this is reflected on a front-loaded basis in the increase in the number of employees and personnel costs. Operating expenses in Other private asset management totalled EUR 2.1 (2.2) million. Personnel costs remained at the comparison period's level at EUR 1.1 (1.1) million and fee and commission expenses decreased to EUR 0.5 (0.6) million. Operating profit of Taaleri's real estate, bioindustry and other businesses stood at EUR -0.5 (-0.6) million.

During the first quarter, the real estate business focused on the active development of new investment products. In addition, preparations for the exit of old funds and the identification of potential new acquisition targets continued during the review period.

During the first quarter, the first fund of the bioindustry business, Taaleri Bioindustry Fund I, made its third investment in the Nordic Bioproducts Group, a Finnish company producing cellulose-based materials with a high processing value. The investment is intended to strengthen the growth and expansion of the Nordic Bioproducts Group (NBG). During the review period, the bioindustry business also prepared its next fund, the strategy of which would be to invest in start-up companies in the bioindustry sector. The goal of the venture capital fund would be to offer early-stage companies the opportunity to grow into the next, scalable phase.

The biorefinery of Taaleri's associated company Fintoil in Hamina switched to normal operational activities after the plant's start-up, optimising the refining margin.

Taaleri's private equity funds in a table

Renewable energy, EUR million	Founded	Product	Business area	AUM Q1 2023	Stage of the fund
Taaleri SolarWind II	2019	Private equity fund	Renewable energy		Investing period
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		Investing period
Taaleri Wind Fund IV Ky	2019	Co-investment fund	Renewable energy		Investing period
Managed accounts	2019-	Managed accounts	Renewable energy		Invested
Renewable energy total				**1,364**	

Other private asset management, EUR million	Founded	Product	Business area	AUM Q1 2023	Stage of the fund
Taaleri Real Estate Development Fund Ky	2015	Private equity fund	Real estate		Invested
Taaleri Forest Fund III Ky	2014	Private equity fund	Real estate		Invested
Taaleri Housing Fund IV Ky	2010	Private equity fund	Real estate		Invested
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		Fundraising
Managed accounts	2021-	Managed accounts	Real estate		Investing period
Real estate total				**838**	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry		Invested
Joensuu Biocoal	2021	Co-investment	Bioindustry		Fundraising
Taaleri Bioindustry I Ky	2021	Private equity fund	Bioindustry		Fundraising
Bioindustry total				**163**	
Other funds total				**160**	
Other private asset management total				**1,160**	
Taaleri's Private Asset Management segment total, EUR million				**2,524**	

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.

Strategic Investments

The Strategic Investments segment includes Garantia Insurance Company Ltd., an insurance company specializing in guaranty insurance, and the shares in Aktia Bank Plc, which Taaleri received as part of the transaction amount as a result of the sale of the wealth management operations.

Strategic Investments, EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Continuing earnings	3.9	2.5	52.2%	13.7
Performance fees	-	-	-	-
Investment operations	0.3	-3.7	n/a	-9.9
Income	**4.1**	**-1.2**	**n/a**	**3.8**
Operating profit	**3.7**	**-1.3**	**n/a**	**3.1**
Allocation of financing expenses	-0.5	-0.5	0.0%	-1.9
Profit before tax	**3.3**	**-1.8**	**n/a**	**1.2**
Full-time permanent personnel, at the end of the period	19	20	-5.0%	18

Garantia

The objective of Garantia is to modernize collateral practices and provide customers with easy and cost-effective guaranty solutions and new business opportunities through digital channels. The company's business is divided into guaranty insurance and investment operations.

Garantia, EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Insurance service result	3.8	2.7	43.8%	14.1
Insurance revenue	5.0	4.4	13.4%	19.1
Insurance service expenses	-1.1	-1.7	-32.6%	-4.3
- of which incurred claims	-0.3	-0.2	2.6%	-1.2
- of which other insurance administrative expenses	-0.8	-0.8	2.6%	-3.1
- of which losses on onerous contracts	0.0	-0.4	n/a	-.02
- of which changes in liability of incurred claims	0.1	0.1	-3.5%	1.0
- of which insurance acquisition costs	-0.2	-0.4	-36.8%	-0.8
Net expenses from reinsurance contracts	-0.1	-0.1	-17.4%	-0.7
Net finance income and expense from insurance	0.0	-0.1	n/a	-0.4
Net income from investment operations	0.9	-2.4	n/a	-8.5
Other income	0.0	0.0	92.9%	0.0
Income	**4.8**	**0.2**	**>100.0%**	**5.3**
Other expenses	-0.4	-0.2	>100.0%	-0.6
Operating profit	**4.4**	**-0.0**	**n/a**	**4.6**
Allocation of financing expenses	-0.5	-0.5	0.0%	1.9
Profit before tax	**3.9**	**-0.5**	**n/a**	**2.7**
Change in the fair value of investments	1.4	-4.8	n/a	-10.1
Result at fair value before tax	5.3	-5.3	n/a	-7.4
Full-time permanent personnel, at the end of the period	19	20	-5.0%	18

Garantia	1–3/2023	1–3/2022	Change, %	1–12/2022
Claims ratio (IFRS), %	2.5%	12.5%	-10.0%-p.	2.1%
Expense ratio (IFRS), %	20.0%	25.3%	-5.3%-p.	20.6%
Reinsurance ratio (IFRS), %	1.8%	2.5%	-0.7%-p.	3.5%
Combined ratio (IFRS), %	24.3%	40.3%	-16.0%-p.	26.2%
Return on investments at fair value, %	1.5%	-4.4%	5.9%-p.	-11.2%

Garantia	31.3.2023	31.12.2022	Change, %
Investment portfolio, fair value, MEUR	149	155	-3.4%
Guaranty insurance portfolio, MEUR	1,838	1,862	-1.2%
Solvency ratio, %	235.1%	231.3%	3.8%-p.
Credit rating (S&P)	A-	A-	-

January–March 2023

Garantia's income in January-March was EUR 4.8 (0.2) million. The growth in income was a result of increased net investment income compared to the period of comparison. Also, insurance service result was clearly better than in the period of comparison.

Insurance service result grew by 43.8% to EUR 3.8 (2.7) million in the reporting period. Insurance service result was lifted by increased insurance revenue and a decrease in insurance service expenses. The growth in insurance revenue was a result of the growth in guaranty insurance portfolio compared to the corresponding period last year. Insurance service expenses were lower than in the period of comparison, as losses on onerous contracts, as recognised according to IFRS 17 standard, were booked in the previous year. The combined ratio (IFRS) strengthened and stood at 24.3% (40.3). The profitability of insurance operations was good in the review period.

Net investment income grew to EUR 0.9 (-2.4) million. Net investment income exceeded the level seen in the corresponding period last year, mainly owing to the fact the start of the war in Ukraine and a surge in market interest rates depressed the financial markets in the period of comparison.

Other expenses amounted to 0.4 (0.2). Other expenses include the expenses that are not related to insurance operations.

Operating profit amounted to EUR 4.4 (0.0) million. The result at fair value before tax was EUR 5.3 (-5.3) million.

Insurance operations

Garantia's insurance revenue increased by 13.4% from the period of comparison and amounted to EUR 5.0 (4.4) million. The growth in insurance revenue was a result of growth in the guaranty insurance portfolio, as compared to the corresponding period last year.

Guaranty insurance exposure contracted by 1.2% in the beginning of the year and amounted to EUR 1,838 (1,862) million at the end of the review period.

Of the total guaranty insurance exposure, EUR 1,324 (1,343) million, or 72% (72), was made up of consumer exposure and EUR 514 (519) million, or 28% (28), of corporate exposure. The consumer exposure includes residential mortgage guaranties and rent guarantees. The corporate exposure includes corporate loan guaranties, commercial bonds, and other business-related guarantees.

Insurance service expenses amounted to EUR 1.1 (1.7) million in the beginning of the year. Insurance service expenses were mainly reduced due to a decreased losses on onerous contracts compared against the corresponding period last year. Claims ratio (IFRS) was at a low level at 2.5% (12.5). Expense ratio (IFRS) came down to 20.0% (25.3). The improvements seen in the claims ratio and expense ratio were both driven by increased insurance revenue compared to the period of comparison.

Net expenses from reinsurance contracts amounted to EUR 0.1 (0.1.) million during the review period. Reinsurance ratio (IFRS) stood at 1.5% (2.5).

Garantia's combined ratio was 24.3% (40.3) in the beginning of the year.

The accounting principles of the new key ratios calculated according to IFRS 17 Insurance Contracts have been presented on page 23.

Investment operations

Net income from investment operations amounted to EUR 0.9 (-2.4) million in the beginning of the year, and mainly consisted of interest income, fair value changes and realized gains and losses. The change in the fair value of investment assets recognized in comprehensive income before taxes was EUR 1.4 (-4.8) million. Hence, net investment income at fair value totalled EUR 2.3 (-7.1) million, resulting in a return of -1.5% (-4.4).

The financial markets developed favourably in the beginning of the year, despite the suspicions related to the global banking sector. Both the US and Europe saw positive development in all asset classes during the first quarter. In Europe inflation has remained high, but in the US there were already signs of inflation cooling down, which in turn lead to increased demand for riskier investment assets, and to expectations on the cessation of hikes on central bank rates. In Europe, however, the central bank is expected to continue raising interest rates. The US dollar also continued weakening on the Euro.

At the end of the review period, the fair value of Garantia's investment portfolio was EUR 149 (155) million. The reduction in the value of investment assets was caused by the EUR 10.0 million dividend paid to the parent company during the review period.

Risk position

The principal risks associated with Garantia's operations are the credit risks arising from guaranty insurance operations, and the market risks incurred in investment operations.

The risk position of Garantia's guaranty insurance operations has remained stable. Total guaranty insurance exposure contracted slightly compared to the end of the previous year, and the proportions of consumer and corporate exposures remained at the level seen at the end of the previous year.

Consumer exposures amounted to EUR 1,324 (1,343) million at the end of the first quarter and represented 72% (72) of the total guaranty insurance exposure. The consumer exposures are made up of residential mortgage guaranties and rent guarantees underwritten to private households. The residential mortgage guaranty is a supplementary collateral underwritten to cover a housing loan. The purpose of the rent guarantee is to protect landlords against tenants defaulting on residential lease contract obligations.

Most of the consumer exposure is made up of the residential mortgage guaranty portfolio, the risk position of which did not see any material changes during the first quarter of the year. The portfolio is well diversified with respect to counterparty, geographical location of collateral property and underwriting year, and the creditworthiness of the counterparties in the portfolio is very good on average. The credit risks of the portfolio are in addition limited by means of an excess-of-loss portfolio reinsurance arrangement.

Corporate exposure amounted to EUR 514 (519) million at the end of the financial year and represented 28% (28) of the total guaranty insurance exposure. The corporate exposure is made up of corporate loan guarantees, commercial bonds, and other business-related guarantees. The guaranteed companies in the corporate portfolio mainly include medium and large Finnish companies and other organisations. The credit risks in the portfolio are, in addition to risk selection, managed by applying reinsurance, collaterals and risk-mitigating contractual arrangements.

The share of exposures with investment grade ratings of AAA…BBB- amounted to 22.4% (23.0), and the share of exposures rated BB- or better made up 68.5% (67.0) of all rated corporate exposures. The share of exposures with weak ratings of C+ or lower remained nearly unchanged and stood at 2.3% (2.2). The creditworthiness of the corporate counterparties in the company's guaranty insurance portfolio has remained good on average, although the weakened economic outlook has had an impact on the creditworthiness of some counterparties.

The principal industry sectors in the corporate portfolio were manufacturing at 24.5% (23.8), construction at 16.2% (17.2), retail and wholesale trade at 15.3% (15.6), and financial and insurance services at 13.2% (13.1). The shares of other industry sectors were all less than 10%.

In investment operations, interest rate risk was reduced compared to the end of last year. At the end of review period, fixed-income investments (incl. cash & bank balances) made up 87.6% (88.2), equity & private equity investments 11.0% (10.4) and real estate investments 1.4% (1.4) of the investment portfolio (incl. cash, bank balances and accrued interest). The majority of the fixed income investments was made up of investments in bonds of Nordic companies, credit institutions and insurance companies with strong creditworthiness. The fixed-income investments also include bond funds that invest in government debt securities. The proportion of investment grade-rated fixed-income investments was 67.4% (71.4). The modified duration of the fixed-income investments was 2.1 (2.3).

Credit rating

On 7th November 2022, Standard & Poor's Global Ratings (S&P) confirmed Garantia Insurance Company's credit rating as A- with a stable outlook[1]. There have been no changes in the credit rating or the outlook since.

Shareholding in Aktia Bank Plc

In addition to Garantia, the Strategic Investments segment includes the shares in Aktia Bank Plc, which Taaleri received as part of the transaction amount as a result of the sale of the wealth management operations.

Shareholding in Aktia Bank Plc, EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Continuing earnings	-	-	-	-
Performance fees	-	-	-	-
Investment operations	-0.7	-1.3	-51.4%	-1.5
Income	**-0.7**	**-1.3**	**-51.4%**	**-1.5**
Operating profit	**-0.7**	**-1.3**	**-51.4%**	**-1.5**
Profit before tax	**-0.7**	**-1.3**	**-51.4%**	**-1.5**

January–March 2023

In January–March the shareholding produced EUR -0.7 (-1.3) million change in fair value. The closing price for Aktia's share at the end of the review period was EUR 9.55 (31.12.2022: 10.22) and the market value of the shareholding was EUR 9.3 (10.0) million.

Other

The group Other is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments. On 31 March 2023, Taaleri's non-strategic investments totalled EUR 24.6 (25.2) million. The Group investments are presented in further detail under segment information on page 30.

Other, EUR million	1–3/2023	1–3/2022	Change, %	1–12/2022
Continuing earnings	0.4	0.5	-22.2%	2.4
Performance fees	-	-	-	-
Investment operations	-0.5	1.1	n/a	10.2
Income	**-0.1**	**1.7**	**n/a**	**12.6**
Operating profit	**-1.4**	**0.3**	**n/a**	**5.5**
Profit before tax	**-0.6**	**1.1**	**n/a**	**8.3**
Full-time permanent personnel, at the end of the period	16	16	0.0%	16

[1] The credit rating concerns the company's Issuer Credit Rating (ICR), Financial Strength Rating (FSR) and Financial Enhancement Rating (FER).

Non-strategic investments, EUR million	31.3.2023	31.12.2022	Change, %
Investments and receivables, fair value	**24.6**	**25.2**	**-2.4%**
Real estate	16.1	16.4	-1.7%
Other investments	8.5	8.9	-3.8%

January–March 2023

In the first quarter of the year, the income of the Other group totalled EUR -0.1 (1.7) million, consisting of continuing earnings of EUR 0.4 (0.5) million and net income from investment operations of EUR -0.5 (1.1) million. Negative exchange rate changes and unrealised changes in fair value had an impact of EUR -0.2 million on the net income from investment operations in the quarter.

Operating expenses were EUR 1.3 (1.4) million, of which personnel costs amounted to EUR 1.0 (0.7) million. The Other group's operating profit in the first quarter of the year was EUR -1.4 (0.3) million.

Sustainability

Focuses in 2023

- Planning and implementing the climate roadmap and preparing NZAM reporting
- Sustainable partnerships: better understanding of sustainability impacts in the value chain, due diligence and audits
- Sustainability data and reporting: regulatory compliance and preparation for regulatory developments, ensuring data availability and accuracy
- Promoting the wellbeing of personnel and expanding and developing related measurement

Progress Q1/2023

- Collecting and publishing sustainability data more extensively as part of the Group's annual report and the annual reports of the funds
- Refining greenhouse gas emissions data
- Preparing carbon roadmaps for real estate funds
- Developing a system with a partner to support the collection, management and reporting of sustainability data
- Continuing to implement the Partner Code of Conduct

In the first quarter of the year, we emphasised in our sustainability work the collection and reporting of data describing the positive impact of our operations and adverse sustainability impacts. In the Group's annual report for 2022, we reported more extensively on Taaleri's sustainability in accordance with the EU's future corporate sustainability reporting regulation and GRI indicators. We expanded and refined our reporting on, for example, direct and indirect greenhouse gas emissions (Scope 1, 2 and 3) and information describing personnel.

In our funds' annual reports, a broader description of sustainability information followed for the first time the templates of the new EU Regulatory Technical Standards on disclosure requirements for funds classified under Article 9 and Article 8 of the SFDR. In some of the funds, we will also publish information on adverse sustainability impacts during the second quarter, complementing what was previously reported and ensuring compliance with regulatory requirements and our commitments.

We use the collected data to manage the impacts and risks of our operations and to utilise business opportunities. In the future, the principal adverse impacts and impact indicators will be monitored quarterly for investees and used in management at both Group and fund level to promote our sustainability work. For example, with the help of the carbon roadmaps of investees, we will develop measures to reduce emissions in line with our climate target. The collected data will also support future deeper analysis of the value chain and supply chain management. Personnel indicators and cooperation promoting the diversity of the industry, on the other hand, support the preparation of the forthcoming personnel survey and the promotion of wellbeing at work.

Taaleri's personnel

The number of permanent full-time employees in the Group at the end of the review period was 111 (106). The number of permanent full-time employees in the Private Asset Management segment was 76 (72) and in the Strategic Investments segment 19 (18). The number of permanent full-time employees in the Other group was 16 (16). 95% (96) of the personnel were employed in Finland.

Taaleri Group's personnel costs in January–March were EUR 4.3 (3.5) million, of which fixed personnel costs were EUR 2.8 (2.5) million and variable personnel costs EUR 1.5 (1.1) million.

Incentive schemes

At the end of the review period, Taaleri had in force the CEO's stock option plan, two share-based incentive schemes for the Group's key personnel and an employee share savings plan. Further information on share-based incentive schemes can be found in Note 43 on pages 112–115 of Taaleri's Consolidated Financial Statements included in the Annual Report 2022. No new share-based incentive schemes were launched during the review period.

Shares and share capital

Taaleri's share on Nasdaq Helsinki

1–3/2023	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	1,112,077	12,493,597	12.94	9.69	11.23	10.60

* Volume weighted average

Taaleri's share has been listed on Nasdaq Helsinki, among mid-cap companies, since 2016. The trading code is TAALA. On 31 March 2023, the company possessed 45,000 (45,000) treasury shares. At the end of the review period, the company had 11,099 (10,201) shareholders.

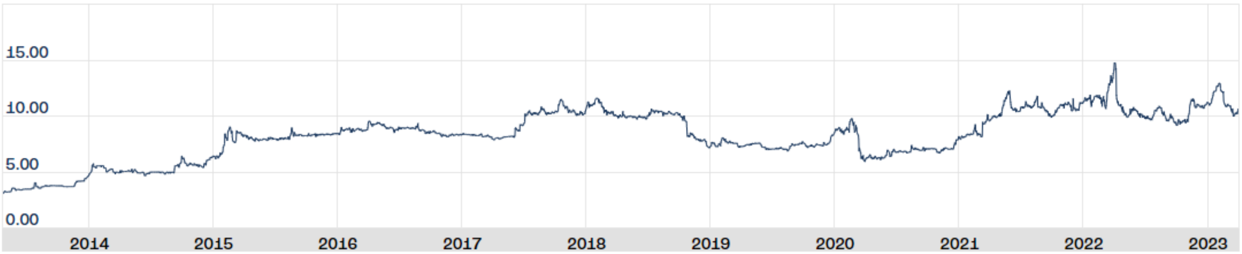
On 31 March 2023, Taaleri Plc's shareholders' equity was EUR 125,000.00 and the company had 28,350,620 registered shares.

Flaggings during January–March 2023

During the review period, there were no changes in shareholdings that would have required a flagging notification.

Share price development

The chart represents the price development of Taaleri's share since listing from April 20, 2013, to March 31, 2023:



Capital adequacy

The Taaleri Group forms an insurance company group according to Chapter 26 of the Insurance Companies Act and is supervised by the Finnish Financial Supervisory Authority. According to the FSA's decision, as the parent company of an insurance company group, Taaleri Plc fulfills the definition of a multi-sector holding company according to Chapter 26, section 1, subsection 1, point 10 of the Insurance Companies Act.

Garantia Insurance Company Ltd is an insurance company operating under the supervision of the Finnish Financial Supervisory Authority. Taaleri Plc's operations are regulated especially by the requirements of a listed company, and Garantia is mainly responsible for meeting the requirements set by the Insurance Companies Act in the Taaleri Group.

Taaleri Private Equity Funds Ltd and Taaleri Energia Funds Management Ltd are licensed as alternative fund managers by the Financial Supervisory Authority. Alternative fund managers are subject to their own capital adequacy requirements.

Solvency according to the Insurance Companies Act (Solvency II)

Garantia's solvency strengthened as compared to the end of the previous year mainly thanks to an increased amount of basic own funds. At the end of March, the company's basic own funds amounted to EUR 109.0 (105.3) million, and the solvency capital requirement amounted to EUR 46.4 (45.5) million. The solvency ratio, or the ratio of basic own funds to the solvency capital requirement, was 235.1% (231.3).

Basic own funds grew mainly due to profits accumulated in the review period. The solvency capital requirement grew, too, but the growth rate was less than the growth rate of basic own funds. The solvency capital requirement was mainly driven up by increased capital requirements for underwriting risk. The capital requirement for market risk decreased as a result of decreased volume of investment assets, however. Investment assets were reduced due to the dividends paid out during the review period.

Solvency II capital adequacy regulations do not fall within the sphere of statutory audit, and hence the Solvency II figures have not been audited.

Short term risks and concerns

The Russian invasion of Ukraine in late February 2022 increased uncertainty in the operating environment. Since Taaleri has no business operations or investments in Russia or Ukraine, the changed geopolitical situation does not have a direct impact on our business. However, the war may increase the country risk in Finland and cause uncertainty among investors, but Finland's Nato membership has brought stability to the situation. Interest rates have risen, risk premiums have increased, and inflation is strong. This has prompted central banks to tighten monetary policy considerably, which has increased the likelihood of a recession.

The result of Private Asset Management segment is influenced by the development of assets under management, which depends among other things on the progress of private equity fund projects, the development of capital markets and the success of the cooperation with Aktia. Profit development is also influenced by the realization of performance fees and the success of own investment projects.

Garantia's guaranty insurance business and investment activities have a major impact on Taaleri's operational income and capital adequacy. Garantia's risk position is described in more detail on page 10.

The Other group's income consist of the market value changes in investments and of sales profits/losses gained as well as returns of loans granted. The earnings and results of the Other group may thus vary significantly between periods under review.

Taaleri's risks and risk management are described in more detail in Note 37 on pages 96–107 of the 2022 Financial Statements, which is attached to the 2022 Annual Report.

Material events after the financial period

Taaleri Plc's Annual General Meeting was held on 13 April 2023 in Helsinki. The General Meeting adopted the financial statements for the 2022 financial period, granted the members of the Board of Directors and the CEO discharge from liability and approved the Remuneration Report for governing bodies. The General Meeting decided according to the proposal of the Board of Directors that a dividend of EUR 0.70 per share be paid based on the balance sheet adopted for the financial year ended 31 December 2022. The dividend was paid on 24 April 2023.

Helsinki, 3 May 2023
Taaleri Plc
Board of Directors

Additional info

CEO Peter Ramsay, +358 50 343 7493, peter.ramsay@taaleri.com
CFO Minna Smedsten, +358 40 700 1738, minna.smedsten@taaleri.com
Head of Communications and IR Siri Markula, +358 40 743 2177, siri.markula@taaleri.com

Webcast presentation for analysts, investors and media

An analyst, investor and media conference will be held in English by CEO Peter Ramsay and CFO Minna Smedsten on May 3, 2023, at 11:00 EEST at Event Venue Eliel at Sanomatalo, Töölönlahdenkatu 2, Helsinki. The webcast can be followed online at: https://taaleri.videosync.fi/q1-2023-result. The event will be recorded and available later on Taaleri's investor pages at www.taaleri.com/en/investors/reports-and-presentations.

Taaleri in brief

Taaleri is a Nordic investment and asset manager with an emphasis on renewable energy and other alternative investments. We channel capital towards economically profitable undertakings that have a lasting positive impact on the environment and society. We combine capital with talent, expertise, entrepreneurship, and a bold sense of purpose. We are a signatory of the UN Principles for Responsible Investment (UNPRI) since 2010, and we joined the Net Zero Asset Managers initiative in 2021. Taaleri's vision is to be a Nordic forerunner in alternative investments focusing on sustainability.

Taaleri has two business segments: Private Asset Management and Strategic Investments. Private Asset Management consists of renewable energy, real estate and bioindustry businesses. The Strategic Investments segment includes Garantia Insurance Company Ltd.

Taaleri has EUR 2.5 bn of assets under management in its private equity funds and co-investments. The company has approximately 120 employees. Taaleri Plc is listed on Nasdaq Helsinki.

www.taaleri.com

Accounting policies of the Interim Statement

Taaleri's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This Interim Statement has not been prepared in accordance with IAS 34. The Interim Statement is unaudited. The Interim Statement has been published in Finnish and English. The Finnish Interim Statement is official and is used if there is a discrepancy between the language versions. All figures in the Interim Statement have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The accounting policies of the Interim Statement are substantially the same as those presented in Taaleri's financial statements for 2022, except for the amendments to IFRS standards that came into force on 1 January 2023 or later. The significant accounting policies for preparing Taaleri's consolidated financial statements regarding the IFRS 17 standard, which entered into force on January 1, 2023, are described below. Other revised standards and interpretations do not have a material impact on the reported result or financial position.

IFRS 17 Insurance Contracts

Insurance contracts

The company measures its primary insurance contracts and its ceded reinsurance contracts according to IFRS 17 Insurance Contracts. The company applies the standard in financial periods beginning on and after 1 January, 2023. The transition date of the company was 1 January, 2022.

A contract is considered to be an insurance contract if a transfer of significant insurance risk is accepted from the insured in a way that the insurer is liable for reimbursing the beneficiary in case an insurance event specified in the contract adversely affects the beneficiary.

The company's insurance contracts, where the company acts as the insurer, are in their entirety made up of guaranty insurance contracts, and the ceded reinsurance contracts, where the company acts in the role of the insured, are entirely made up of reinsurance contracts taken up to reinsure risks arising from the guaranty insurance contracts. The company's insurance contracts do not include service components, investment components or embedded derivatives, that should be separated from the insurance component.

For the purposes of measuring insurance contracts, the company divides its insurance contracts into four (4) insurance contract portfolios, and furthermore, into insurance contract groups. The division into insurance contract portfolios is done on the basis of similarities in risk characteristics and the way the contracts are managed. The division into insurance contract groups is done on the basis of the timing of initial recognition, whether the contracts are onerous or not, and on the basis of possible reinsurance cover related to the contract. The number of the company's insurance contract groups is approximately 70. Insurance contracts are recognised and measured on an insurance contract group basis.

Insurance groups are recognised on the start date of the first insurance contract of the group or on the due date of the insurance premium collected from the insured in the case the due date is before the start date of the contract. Onerous insurance contract groups are recognised when the groups become onerous.

The company applies the Building Block Approach (BBA), as specified in IFRS 17 Insurance Contracts, in the measurement of all its insurance contracts.

Measurement of insurance contracts on initial recognition

In connection with initial recognition, the company measures an insurance contract group to be the sum of the capital value of the fulfilment cashflows required to satisfy the contract, a risk adjustment for non-financial risk, and the contractual service margin.

The capital value of the fulfilment cashflows includes the present value of expected future cash flows arising from premiums, claims, claims recourse collections, administrative expenses, and acquisition costs of the insurance contracts.

The fulfilment cashflows are discounted into their present value by applying an interest rate curve, that includes a risk-free rate, reflecting the time value of money, and an adjustment for financial risk that reflects the illiquidity of the cashflows of the insurance contracts (the liquidity premium). The applied risk-free interest rate is the German government bond yield curve. The liquidity premium has been estimated based on observed market risk premia on instruments with similar risk characteristics compared with the company's guaranty insurance portfolio.

The risk adjustment for non-financial risk reflects the implicit cost of capital that the company incurs, when in it exposes itself to the uncertainty related to future claims. The cost of capital is calculated by estimating the amount of unexpected claims arising from the insurance contracts in each future period, resulting in an estimate on the amount of capital required to cover these claims. The monetary cost of the capital required is then calculated by applying a specific 6.0% annual cost of capital rate on the future capital requirements. The adjustment for non-financial risk is then achieved by discounting the hypothetical future cost of capital payments to their present value, applying the discount rate discussed above.

The capital requirement for the contracts is calculated on contract level primarily by applying the Internal Ratings Approach set by the Basel II capital adequacy regulations. A confidence level of 99.5% is applied, matching the level set forth in the Solvency II rules governing the capital requirements for insurance companies. Due to the confidence level applied, the capital requirement for the contracts reflects the amount of claims, in excess of expected claims, that is exceeded once every 200 years.

The contractual service margin represents the unearned profit of insurance contract groups, that will be recognised in future reporting periods, proportionate to insurance services delivered in these periods.

Subsequent measurement of insurance contracts and recognition principles

The carrying value of an insurance contract group is made up of the liability for remaining coverage and the liability for incurred claims.

The liability for remaining coverage includes the capital value of the fulfilment cash flows required to satisfy the contract, an adjustment for non-financial risk., and the contractual service margin (i.e., unearned profit).

The liability for incurred clams includes the capital value of future claims payments from claims that have already been incurred, and a risk adjustment reflecting the uncertainty of these cash flows. The future claims also include the estimated effects of claims recourse recoveries.

The company recognises insurance revenue on the basis of expiration of the liability for remaining coverage to the extent that the expiration is attributable to insurance services delivered in the reporting period. Hence, the recognised revenue equals the monetary value of the compensation the company considers it has earned by delivering insurance services in that period.

An insurance contract that has been underwritten by the company in the role of the insurer ends and will be derecognised off the balance sheet, when the insurance contract ceases to exist, the company is no more subjected to risk from the contract, and when the company can no longer be required to forgo economic resources to satisfy the contract.

Onerous contracts

An insurance contract group is onerous on initial recognition, if the capital value of fulfilment cashflows required to fulfil the contract, the risk adjustment for non-financial risk, and the cashflows arising from the acquisition costs of the insurance contract result in net cash outflow.

Insurance contract groups classified as onerous will result in a loss recognised in the income statement on the basis of the negative net cash flow of the group. In this case, the carrying value of the insurance contract liability of the onerous insurance contract group equals the capital value of the fulfilment cashflows required to satisfy the contract, and the contractual service margin of the group will be nil.

An insurance contract group will become subsequently onerous, if the adverse changes in the fulfilment cashflows of the group, in consequence of any changes in estimates of cashflows concerning future service exceed the carrying value of the contractual service margin of the group

Reinsurance contracts

The company divides its' ceded reinsurance contracts into insurance contract portfolios and groups in the same manner as in contracts related to primary insurance. In addition, the measurement accounts for counterparty default risk of the reinsurers.

At initial recognition of ceded reinsurance contracts, the company recognises a contractual service margin that can arise from a net profit or a net loss attributable to the ceded reinsurance contract.

Net profit is generated if the present value of cash inflows of the ceded reinsurance contract is greater than the value of its cash outflows. Net loss is generated if the present value of the cash outflows is greater than the value of cash inflows.

If the contractual service margin of the ceded reinsurance contracts is made up of net profit, the contractual service margin is recognised as a liability. If the contractual service margin is made out of a net loss, it is recognised as an asset.

Transition approaches applied

The company has applied the Full Retrospective Approach in the transition of most insurance contracts recognised in 2020-2021, and the Modified Retrospective Approach for most of the insurance contracts recognised in 2019 and earlier. The Modified Retrospective Approach has also been applied on a small number of contracts recognised in 2020-2021. The company has also applied the Fair Value Approach (FVA) on a small number of contracts recognised in 2019 and earlier.

Contracts measured according to the Full Retrospective Approach have been valued as if IFRS 17 Insurance Contracts would have been applied always. If the information needed for the application of the Full Retrospective Approach has not been available, the contracts have been measured following the Modified Retrospective Approach by using reasonable and justifiable information. In other cases, the contracts have been measured according to the Fair Value Approach.

Of the total insurance revenue generated in the financial year 2022, 51% was generated from contracts measured using the Full Retrospective Approach, 49% was generated from contracts measured using the Modified Retrospective Approach, an 0% from contracts using the Fair Value Approach.

Effect on opening Group balance sheet 1 January 2022

Assets, EUR 1,000	Reported 31.12.2021 (audited)	Change 1.1.2022 (unaudited)	Adjusted 1.1.2022 (unaudited)
Receivables from credit institutions	53,255	-	53,255
Receivables from the public and general government	6,021	-	6,021
Shares and units	41,546	-	41,546
Assets classified as held for sale	5,246	-	5,246
Participating interests	8,889	-	8,889
Insurance assets	168,973	-1,790	167,183
Insurance assets	3,119	-3,119	-
Reinsurance contract assets	-	1,329	1,329
Investments	165,854	-	165,854
Intangible assets	711	-	711
Goodwill	696	-	696
Other intangible assets	15	-	15
Tangible assets	1,149	-	1,149
Owner-occupied properties	746	-	746
Other tangible assets	403	-	403
Other assets	13,669	5	13,674
Accrued income and prepayments	16,921	-	16,921
Deferred tax assets	2,343	-	2,343
	318,723	**-1,785**	**316,938**

Liabilities, EUR 1,000	Reported 31.12.2021 (audited)	Change 1.1.2022 (unaudited)	Adjusted 1.1.2022 (unaudited)
Liabilities	**88,975**	**368**	**89,344**
Liabilities to the public and general government	-	-	-
Insurance liabilities	39,421	-39,421	-
Insurance contract liabilities	-	41,175	41,175
Other liabilities	3,318	-416	2,902
Accrued expenses and deferred income	14,172	-431	13,741
Deferred tax liabilities	16,580	-538	16,042
Derivative contracts	630	-	630
Subordinated debt	14,854	-	14,854
Equity	**229,747**	**-2,154**	**227,594**
Share capital	125	-	125
Reserve for invested non-restricted equity	18,831	-	18,831
Fair value reserve	-1,285	-	-1,285
Translation difference	-18	-	-18
Retained earnings or loss	76,694	-2,154	74,541
Profit or loss for the period	136,088	-	136,088
Non-controlling interest	-687	-	-687
	318,723	**-1,785**	**316,938**

Accounting policies requiring management's judgment and key uncertainties regarding estimations

The measurement of Garantia's insurance contract liability according to IFRS 17 Insurance Contracts includes several factors that involve judgement and uncertainty. The most significant uncertainties are related to the estimation of future claims cashflows, and to the estimation of the amount of the adjustment for non-financial risk reflecting the variation in the claims cashflows. Also, the selection of the interest rate curve applied in cashflow discounting, and the measurement of the liquidity premium include uncertainties.

The value of Garantia's insurance contract liability differs significantly between IFRS and national GAAP accounting. The valuation difference gives rise to a deferred tax liability, that has been recognised on the group balance sheet. Most of the valuation difference is attributable to the equalisation provision, a part of the technical provisions as measured by the national GAAP rules. The measurement of the equalisation provision is based on calculation principles approved by the Financial Supervisory Authority, claims statistics approved by the management, and estimated future claims development. When calculating the equalisation provision, judgement is exercised in comparing the claims ratio for the period against expected long term average, that forms the basis for the accumulation or reversal of the equalisation provision. Hence, the accumulation and reversal of the equalisation provision have direct effect on the value of the deferred tax liability arising from the valuation difference of insurance contract liabilities.

Key figures

The Group

Unless otherwise stated, the key figures regarding the Consolidated Income Statement presented in the table below have been calculated on the basis of the Group's Consolidated Income Statement, which applies IFRS standards. The key figures regarding the Consolidated Income Statement presented in the explanatory part of this Interim Statement have been calculated on the basis of the Group's segment reporting, unless otherwise stated.

	1–3/2023	1–3/2022	1–12/2022
Income, EUR 1,000	10,147	6,751	56,752
Operating profit (-loss), EUR 1,000	1,562	-1,036	27,347
- as percentage of income	15.4%	-15.3%	48.2%
Segments' operating profit excluding investment operations, EUR 1,000	2,144	1,586	24,665
- as percentage of segments' income	21.8%	18.7%	43.9%
Net profit for the period, EUR 1,000	625	-1,051	21,302
- as percentage of income	6.2%	-15.6%	37.5%
Basic earnings per share, EUR	0.02	-0.05	0.73
Diluted earnings per share, EUR	0.02	-0.05	0.71
Return on equity % (ROE) 1)	1.2%	-1.9%	10.0%
Return on equity at fair value % (ROE) 1)	2.9%	-8.7%	4.4%
Return on assets % (ROA) 1)	0.8%	-1.3%	6.9%
Cost/income ratio	86.9%	120.1%	56.7%
Cost/income ratio excluding investment operations	82.4%	84.1%	58.8%
Price/earnings (P/E) 1)	143.2	-73.3	15.4
Full-time permanent personnel, at the end of the period	111	101	106
Equity ratio -%	65.7%	71.4%	66.9%
Net gearing -%	-14.9%	-20.7%	-15.7%
Equity/share, EUR	7.15	7.84	7.10
Dividend or distribution of funds /share, EUR	-	-	0.70
Dividend or distribution of funds / earnings, %	-	-	96.2%
Effective dividend yield, %	-	-	6.3%
Loan receivables, EUR 1,000	7,756	5,323	6,243
Number of shares at the end of period 2)	28,305,620	28,305,620	28,305,620
Average number of shares 2)	28,305,620	28,305,620	28,305,620
Share average price, EUR	11.23	11.83	11.37
- highest price, EUR	12.94	14.35	14.82
- lowest price, EUR	9.69	10.25	8.97
- closing price, EUR	10.60	14.10	11.18
Market capitalization, EUR 1,000 2)	300,040	399,109	316,457
Shares traded, thousands	1,112	2,252	5,606
Shares traded, %	4%	8%	20%

1) Annualised
2) Reduced by own shares acquired

Insurance operations key figures

Taaleri's insurance business operations consist entirely of Garantia. Insurance Company Ltd. Garantia Insurance Company Ltd has been consolidated from 1 April 2015.

EUR 1,000	1–3/2023	1–3/2022	1–12/2022
Insurance service result	**3,815**	**2,653**	**14,102**
Insurance revenue	5,038	4,444	19,102
Insurance service expenses	-1,130	-1,677	-4,330
- of which incurred claims	-252	-245	-1,182
- of which other insurance administrative expenses	-771	-751	-3,089
- of which losses on onerous contracts		-441	-228
- of which changes in liability of incurred claims	128	132	1,019
- of which insurance acquisition costs	-235	-372	-849
Net expenses from reinsurance contracts	-93	-113	-670
Net finance income and expense from insurance	49	-113	-409
Net income from investment operations	908	-2,354	-8,453
Other income	9	5	13
Income	**4,781**	**192**	**5,252**
Other expenses	-403	-194	-646
Operating profit	**4,379**	**-2**	**4,607**
Allocation of financing expenses	-475	-475	-1,900
Profit before tax	**3,904**	**-477**	**2,707**
Change in fair value of investments	1,398	-4,791	-10,141
Profit before tax at fair value	**5,301**	**-5,268**	**-7,434**
Claims ratio (IFRS), %	2.5%	12.5%	2.1%
Expense ratio (IFRS), %	20.0%	25.3%	20.6%
Reinsurance ratio (IFRS), %	1.8%	2.5%	3.5%
Combined ratio (IFRS), %	24.3%	40.3%	26.2%
Return on investments at fair value, %	1.5%	-4.4%	-11.2%
Investment portfolio, fair value, MEUR	149	150	155
Insurance exposure, EUR million	1,838	1,667	1,862
Solvency ratio (S2), % 1)	235.1%	223.1%	231.3%

1) The key figures based on the Solvency II regulations do not fall within the sphere of statutory auditing under the Insurance Companies Act. The related key figures have not been audited.

Key figures accounting principles

Basic earnings per share, EUR

$$\frac{\text{Profit or loss attributable to ordinary shareholders of the parent company}}{\text{Weighted average number of ordinary shares outstanding - repurchased own shares}}$$

Diluted earnings per share, EUR

$$\frac{\text{Profit or loss attributable to ordinary shareholders of the parent company}}{\text{Weighted average number of ordinary shares outstanding + dilutive potential ordinary shares - repurchased own shares}}$$

Alternative performance measures

The Alternative Performance Measures (APMs) are presented to illustrate the financial performance of business operations and to improve comparability between reporting periods. They should not be replacements for the performance measures defined in IFRS standards.

Segments' operating profit excluding investment operations, % of segments' income

$$\frac{\text{(Segments' operating profit - segments' investment operations) x 100}}{\text{(Segments' income - segments' investment operations)}}$$

Return on equity (ROE), %	Profit for the period x 100 / Total equity (average of the beginning and end of the year)
Return on equity at fair value %, (ROE)	Total comprehensive income for the period x 100 / Total equity (average of the beginning and end of the year)
Return on assets (ROA), %	Profit for the period x 100 / Balance sheet total (average of the beginning and end of the year)
Cost/income ratio, %	Fee and commission expense + interest and other financing expense + administrative expenses + depreciation + other operating expenses / Total income + share of associates' profit or loss
Cost/income ratio, % excluding investment operations	Fee and commission expense + interest and other financing expense + administrative expenses + depreciation + other operating expenses / Fee and commission income + insurance service result + net finance expenses from insurance contracts + interest income + other operating income
Price/Earnings (P/E)	Price of share at the end of the period / Earnings/share
Equity ratio, %	Total equity x 100 / Balance sheet total
Gearing ratio, %	(Interest-bearing liabilities - cash and cash equivalents) x 100 / Total equity
Equity/share, EUR	Equity attributable to ordinary shareholders of the parent company / Number of shares at end of period - repurchased own shares
Dividend/share, EUR	Dividend payable for the financial period x 100 / Weighted average number of ordinary shares outstanding - repurchased own shares
Dividend/earnings, %	Dividend/share x 100 / Basic earnings per share
Effective dividend yield, %	Dividend/share x 100 / Price of share at the end of the period
Conglomerate's capital adequacy ratio, %	Conglomerate's total capital base / Conglomerate's minimum requirement of total capital base
Total capital in relation to risk-weighted items	Total Capital (TC) / Risk-weighted items (Total risk)
Common equity tier in relation to risk-weighted items	Common Equity Tier (CET1) / Risk-weighted items (Total risk)
Market capitalization	Number of shares at end of financial period, less repurchased own shares, multiplied by stock exchange price at end of financial period
Shares traded, %	Shares traded during the financial period x 100 / Weighted average number of ordinary shares outstanding

Key figures for insurance operations

Combined ratio (IFRS), %	Claims ratio + Expense ratio + Reinsurance ratio
Claims ratio (IFRS), %	$\frac{\text{Incurred claims + Losses on onerous contracts + Changes in liability for incurred claims}}{\text{Insurance revenue}}$
Expense ratio (IFRS), %	$\frac{\text{Insurance administrative expenses + Insurance acquisition costs}}{\text{Insurance revenue}}$
Reinsurance ratio (IFRS), %	$\frac{\text{Net expenses from reinsurance contracts}}{\text{Insurance revenue}}$
Solvency ratio (S2), %	$\frac{\text{Basic own funds}}{\text{Solvency capital requirement (SCR)}}$

Consolidated income statement

EUR 1,000	1.1.-31.3.2023	1.1.-31.3.2022
Fee and commission income	5,943	6,089
Net income from insurance	4,772	187
Insurance service result	3,815	2,653
Net finance expenses from insurance contracts	49	-113
Net income from investment operations	908	-2,354
Net gains or net losses on trading in securities and foreign currencies	-1,178	-1,206
Income from equity investments	-	1,258
Interest income	227	397
Other operating income	382	25
Total income	**10,147**	**6,751**
Fee and commission expense	-2,010	-2,120
Administrative expenses		
Personnel costs	-4,397	-3,652
Other administrative expenses	-1,166	-942
Depreciation, amortisation and impairment of tangible and intangible assets	-150	-208
Other operating expenses	-541	-526
Expected credit losses from financial assets measured at amortised cost	-3	-6
Share of associates' profit or loss	-317	-334
Operating profit	**1,562**	**-1,036**
Interest and other financing expenses	-276	-257
Income tax expense	-661	242
Profit for the period	**625**	**-1,051**

Consolidated statement of comprehensive income	1.1.-31.3.2023	1.1.-31.3.2022
Profit for the period	**625**	**-1,051**
Items that may be reclassified to profit or loss		
Translation differences	-17	21
Changes in the fair value reserve	1,398	-4,791
Income tax	-280	958
Items that may be reclassified to profit or loss in total	**1,101**	**-3,812**
Items that may not be reclassified to profit or loss		
Changes in the fair value reserve	-338	-6
Income tax	68	1
Items that may not be reclassified to profit or loss in total	**-270**	**-4**
Total comprehensive income for the period	**1,455**	**-4,867**

Profit for the period attributable to:		
Owners of the parent company	524	-1,362
Non-controlling interests	101	311
Total	**625**	**-1,051**

Total comprehensive income for the period attributable to:		
Owners of the parent company	1,355	-5,178
Non-controlling interests	101	311
Total	**1,455**	**-4,867**

Earnings per share for profit attributable to the shareholders of the parent company	1.1.-31.3.2023	1.1.-31.3.2022
Basic earnings per share, profit for the period	0.02	-0.05
Diluted earnings per share, profit for the period	0.02	-0.05

Consolidated quarterly income statement

EUR 1,000	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Fee and commission income	5,943	18,504	12,689	5,662	6,089
Net income from insurance	4,772	1,283	4,374	-603	187
From guaranty insurance operations	3,815	4,713	3,290	3,445	2,653
From investment operations	49	-143	-10	-143	-113
Net gains or net losses on trading in securities and foreign currencies	908	-3,288	1,094	-3,906	-2,354
Income from equity investments	-1,178	-907	1,410	6,157	-1,206
Interest income	-	50	-78	586	1,258
Other operating income	227	91	318	333	397
Total income	**382**	**39**	**50**	**43**	**25**
Fee and commission expense	10,147	19,060	18,763	12,177	6,751
Administrative expenses	-2,010	-2,974	-2,624	-2,131	-2,120
Personnel costs					
Other administrative expenses	-4,397	-3,304	-3,765	-3,776	-3,652
Depreciation, amortisation and impairment of tangible and intangible assets	-1,166	-1,525	-1,002	-1,304	-942
Other operating expenses	-150	-221	-208	-556	-208
Expected credit losses from financial assets measured at amortised cost	-541	-1,218	-314	-998	-526
Share of associates' profit or loss	-3	11	181	-20	-6
Operating profit	**-317**	**-2,592**	**7,289**	**-566**	**-334**
Interest and other financing expenses	1,562	7,237	18,320	2,826	-1,036
Income tax expense	-276	-255	-210	-232	-257
Profit for the period	**-661**	**-1,271**	**-3,396**	**-667**	**242**

Consolidated statement of comprehensive income	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Profit for the period	**625**	**5,711**	**14,715**	**1,928**	**-1,051**
Items that may be reclassified to profit or loss					
Translation differences	-17	-72	35	57	21
Changes in the fair value reserve	1,398	2,721	-1,055	-7,016	-4,791
Income tax	-280	-544	211	1,403	958
Items that may be reclassified to profit or loss in total	**1,101**	**2,105**	**-809**	**-5,556**	**-3,812**
Items that may not be reclassified to profit or loss					
Changes in the fair value reserve	-338	-259	-2,478	-1,243	-6
Income tax	68	52	496	-450	1
Items that may not be reclassified to profit or loss in total	**-270**	**-207**	**-1,983**	**-1,693**	**-4**
Total comprehensive income for the period	**1,455**	**7,609**	**11,923**	**-5,321**	**-4,867**

Profit for the period attributable to:					
Owners of the parent company	524	5,652	14,428	1,878	-1,362
Non-controlling interests	101	59	286	50	311
Total	**625**	**5,711**	**14,715**	**1,928**	**-1,051**

Total comprehensive income for the period attributable to:					
Owners of the parent company	1,355	7,550	11,637	-5,371	-5,178
Non-controlling interests	101	59	286	50	311
Total	**1,455**	**7,609**	**11,923**	**-5,321**	**-4,867**

Consolidated balance sheet

Assets, EUR 1,000	31.3.2023	31.12.2022
Receivables from credit institutions	52,405	46,817
Receivables from the public and general government	7,756	6,243
Shares and units	48,814	44,462
Participating interests	3,396	3,708
Insurance assets	144,809	153,043
Reinsurance contract assets	759	526
Investments	144,050	152,517
Intangible assets	353	355
Goodwill	347	347
Other intangible assets	6	8
Tangible assets	2,635	421
Owner-occupied properties	2,294	83
Other tangible assets	341	338
Other assets	13,220	13,210
Accrued income and prepayments	30,874	28,451
Deferred tax assets	3,333	3,208
	307,595	**299,918**

Liabilities, EUR 1,000	31.3.2023	31.12.2022
Liabilities	**105,619**	**99,397**
Liabilities to the public and general government	7,515	410
Insurance contract liabilities	45,355	46,544
Other liabilities	2,987	1,454
Accrued expenses and deferred income	17,926	19,185
Deferred tax liabilities	16,963	16,933
Subordinated debt	14,874	14,870
Equity Capital	**201,977**	**200,521**
Share capital	125	125
Reserve for invested non-restricted equity	18,831	18,831
Fair value reserve	-12,437	-13,285
Translation difference	6	23
Retained earnings or loss	195,400	174,631
Profit or loss for the period	524	20,597
Non-controlling interest	-472	-400
	307,595	**299,918**

Consolidated statement of cash flows

EUR 1,000	1.1.-31.3.2023	1.1.-31.3.2022
Cash flow from operating activities:		
Operating profit (loss)	1,562	-1,036
Depreciation	150	208
Other adjustments		
Changes in fair value of investments	835	2,614
Other adjustments	-50	451
Interest and other financing expenses	35	-257
Cash flow before change in working capital	2,531	1,979
Change in working capital		
Increase (-)/decrease (+) in loan receivables	-1,562	203
Increase (-)/decrease (+) in current interest-free receivables	-2,310	-2,769
Increase (+)/decrease (-) in current interest-free liabilities	-2,985	-861
Cash flow from operating activities before financial items and taxes	-4,326	-1,447
Direct taxes paid (-)	-2,444	-299
Cash flow from operating activities (A)	**-6,770**	**-1,746**
Cash flow from investing activities:		
Investments in tangible and intangible assets	-23	-38
Investments in subsidiaries and associated companies net of cash acquired	-5	-1,001
Other investments	5,284	10,265
Cash flow from investing activities (B)	**5,255**	**9,225**
Cash flow from financing activities:		
Changes in share-based incentives	174	74
Transactions with non-controlling interests	-	21
Increase (+)/decrease (-) in current liabilities	7,105	-
Dividends paid and other distribution of profit		
To non-controlling shareholders	-175	-93
Cash flow from financing activities (C)	**7,104**	**2**
Increase/decrease in cash and cash equivalents (A+B+C)	5,589	7,482
Cash and cash equivalents at beginning of period	46,817	53,255
Cash and cash equivalents at end of period	52,405	60,737
Net change in cash and cash equivalents	**5,589**	**7,482**

Changes in group equity capital

2023, EUR 1,000	Share capital	Fair value reserve	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
1.1.2023	**125**	**-13,285**	**18,831**	**23**	**195,228**	**200,922**	**-400**	**200,521**
Total comprehensive income for the financial period		848		-17	524	1,355	101	1,455
Earnings for the period					524	524	101	625
Other comprehensive income items		848		-17		831		831
Distribution of profit						-		-
Distribution of profit for subgroup						-	-175	-175
Share-based payments payable as equity					174	174		174
Other					-1	-1	3	1
31.3.2023	**125**	**-12,437**	**18,831**	**6**	**195,924**	**202,448**	**-472**	**201,977**
2022, EUR 1,000								
31.12.2021	**125**	**-1 285**	**18 831**	**-18**	**212 782**	**230 435**	**-687**	**229 747**
Changes to previous periods *)					-1 196	-1 196		-1 196
Implementation of IFRS 17 standard					-2 154	-2 154		-2 154
1.1.2022	**125**	**-1 285**	**18 831**	**-18**	**209 433**	**227 085**	**-687**	**226 398**
Total comprehensive income for the financial period		-3 837		21	-1 362	-5 178	311	-4 867
Earnings for the period					-1 362	-1 362	311	-1 051
Other comprehensive income items		-3 837		21		-3 816		-3 816
Distribution of profit						-	-93	-93
Distribution of profit for subgroup						-	-93	-93
Share-based payments payable as equity					74	74		74
Transactions with non-controlling interests						-	21	21
31.3.2022	**125**	**-5 122**	**18 831**	**3**	**208 145**	**221 981**	**-449**	**221 532**

*) Changes to previous periods include exchange rate adjustments of balance sheet items.

Segment information, earnings 1.1.–31.3.2023

1.1.-31.3.2023, EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
	Continuing operations					
Continuing earnings	5,550	3,938	1,612	3,874	416	9,839
Performance fees	-	-	-	-	-	-
Investment operations	-339	-317	-22	255	-503	-587
Total 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 loans	-	-	-	-	-3	-3
Operating profit	**-798**	**-300**	**-498**	**3,726**	**-1,371**	**1,557**
Operating profit, %	**neg**	**neg**	**neg**	**90.2%**	**neg**	**16.8%**
Interest expenses	-127	-127	-	-	-147	-274
Allocation of financing expenses	-396	-293	-103	-475	871	-
Profit before tax	**-1,321**	**-720**	**-601**	**3,251**	**-647**	**1,283**
Change in fair value of investments	-17	-17	-	1,398	-338	1,043
Profit before taxes and NCI at fair value	**-1,338**	**-737**	**-601**	**4,648**	**-985**	**2,325**

1.1.-31.3.2022, EUR 1,000	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	Total
Continuing earnings	4,878	3,524	1,354	2,545	534	7,958
Performance fees	500	-	500	-	-	500
Investment operations	-58	285	-343	-3,699	1,122	-2,635
Total income	**5,320**	**3,809**	**1,511**	**-1,153**	**1,657**	**5,823**
Fee and commission expense	-1,638	-1,029	-609	-	-74	-1,712
Personnel costs	-2,630	-1,511	-1,118	-175	-735	-3,540
Direct expenses	-1,048	-620	-428	-19	-536	-1,603
Depreciation, amortisation, and impairment	-6	-3	-3	-	-6	-12
Impairment losses on loans	-	-	-	-	-6	-6
Operating profit	**-2**	**645**	**-647**	**-1,347**	**300**	**-1,049**
Operating profit, %	**neg**	**16.9%**	**neg**	**neg**	**18.1%**	**neg**
Interest expenses	-1	-1	-	-	-242	-242
Allocation of financing expenses	-596	-380	-215	-475	1,071	-
Profit before tax	**-598**	**264**	**-863**	**-1,822**	**1,129**	**-1,291**
Change in fair value of investments	-	-	-	-4,791	-6	-4,796
Profit before taxes and NCI at fair value	**-598**	**264**	**-863**	**-6,613**	**1,123**	**-6,088**

Reconciliations

Reconciliation of total income, EUR 1,000	**1.1.-31.3.2023**	**1.1.-31.3.2022**
Total income of segments	9,252	5,823
Share of associates' profit or loss allocated to total income of segments	317	334
Transit items eliminated in segment reporting	578	594
Consolidated total income	**10,147**	**6,751**

Reconciliation of operating profit, EUR 1,000	**1.1.-31.3.2023**	**1.1.-31.3.2022**
Total earnings of segments before taxes and NCI	2,325	-6,088
Change in fair value of investments	-1,043	4,796
Interest and other financing expenses (excl. IFRS 16)	276	257
IFRS 16 Leases [1]	3	-1
Consolidated operating profit	**1,562**	**-1,036**

[1] The division of lease expense to depreciation and interest expense according to IFRS 16 Leases -standard is not applied in the segment reporting.

Further information is provided below on Taaleri Group's own balance sheet investments, the fair value of which exceeds one million euros at the balance sheet date. Taaleri Group's investments that support the core business and development of the private asset management, are reported under Private Asset Management segment. Taaleri's shareholding in Aktia Bank Plc is strategic for Taaleri's business and is presented as part of Strategic Investments segment together with Garantia. Non-strategic investments are presented as part of the Other group.

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 31.3.2023	Fair value 31.3.2023	Holding 31.12.2022
Renewable energy investments				
Truscott Gilliland East Wind	Shares and participations	10,973	10,346	7.0%
Taaleri SolarWind II	Shares and participations	2,293	2,293	0.9%
Taaleri Debt Ky	Shares and participations	3,000	3,000	15.0%
Masdar Taaleri Generation d.o.o.	Shares and participations	50	50	50.0%
Masdar Taaleri Generation d.o.o.	Loan	1,250	1,284	-
Bioindustry investments				
Fintoil Oy	Shares and participations	3,000	4,800	24.0%
Tracegrow Ltd	Shares and participations	1,992	2,184	7.9%
WasteWise Ltd	Loan	1,100	1,123	-
Taaleri Biocoal Development Ky	Shares and participations	1,120	1,067	13.7%

Strategic investments, EUR 1,000	Investment type	Purchase price 31.3.2023	Fair value 31.3.2023	Holding 31.12.2022
Aktia Bank Plc	Shares and participations	10,000	9,307	1.3%

Non-strategic investments EUR 1,000	Investment type	Purchase price 31.3.2023	Fair value 31.3.2023	Holding 31.12.2022
Real estate investments				
TT Canada RE Holdings Corporation	Loan	6,729	10,016	-
Sepos Oy	Shares and participations	2,834	606	30.0%
Sepos Oy	Loan	1,772	1,824	-
Turun Toriparkki Oy	Shares and participations	6,198	2,474	59.2%
Other investments				
Fellow Bank Plc	Shares and participations	5,460	5,213	17.3%
Taaleri Infra I Ky	Shares and participations	2,040	1,847	50.0%

Investments in the non-strategic investment portfolio have a project-specific exit plan. Taaleri's own co-investment projects will be divested at the same pace as other co-investors.

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 31.12.2022	Fair value 31.12.2022	Holding 31.12.2022
Renewable energy investments				
Truscott Gilliland East Wind	Shares and participations	10,973	10,580	7.0%
Taaleri SolarWind II	Shares and participations	2,363	2,363	0.9%
Taaleri Debt Ky	Shares and participations	3,000	3,000	15.0%
Masdar Taaleri Generation d.o.o.	Shares and participations	50	50	50.0%
Masdar Taaleri Generation d.o.o.	Loan	1,250	1,280	-
Taaleri Aurinkotuuli Management Ky	Shares and participations	615	1,026	80.1%
Bioindustry investments				
Fintoil Oy	Shares and participations	3,000	4,800	24.0%
Tracegrow Ltd	Shares and participations	1,992	2,184	7.9%
WasteWise Ltd	Loan	1,047	1,109	-

Strategic investments, EUR 1,000	Investment type	Purchase price 31.12.2022	Fair value 31.12.2022	Holding 31.12.2022
Aktia Bank Plc	Shares and participations	10,000	9,960	1.3%

Non-strategic investments EUR 1,000	Investment type	Purchase price 31.12.2022	Fair value 31.12.2022	Holding 31.12.2022
Real estate investments				
TT Canada RE Holdings Corporation	Loan	6,729	10,014	-
Sepos Oy	Shares and participations	2,834	606	30.0%
Sepos Oy	Loan	1,722	1,743	-
Turun Toriparkki Oy	Shares and participations	6,198	2,791	59.2%
Other investments				
Fellow Bank Plc	Shares and participations	5,460	5,550	17.3%
Taaleri Infra I Ky	Shares and participations	2,040	1,858	50.0%

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