

TAALERI

Q1

Taaleri Plc Interim Statement

1 January–31 March 2022

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Taaleri's continuing earnings increased to EUR 9.3 million in the first quarter of the year, but unrealized changes in the fair value of investment operations weighed on income and operating profit

January–March 2022

- Continuing earnings grew by 4.3% to EUR 9.3 (8.9) million. The continuing earnings of the Private Asset Management segment grew by 15.8% to EUR 4.9 (4.2) million, and the continuing earnings of the Strategic Investments segment by 7.5% to EUR 3.9 (3.6) million.
- Performance fees were EUR 0.5 (0.8) million and earnings from investment operations were EUR -2.6 (4.0) million due to changes in fair value.
- Income was EUR 7.2 (13.7) million, a decrease of 47.6% due to unrealized changes in the fair value of investment operations amounting EUR -2.8 (1.7) million.
- Operating profit was EUR -0.7 (5.8) million.
- The assets under management in the Private Asset Management segment grew by 1.5% to EUR 2.3 (31.12.2021: 2.2) billion.
- Earnings per share were EUR -0.05 (0.25).

This interim statement has not been prepared in accordance with IAS 34. The interim statement is unaudited. See page 16 for further information of the accounting policies of this Interim Statement.

Key figures

Group key figures	1-3/2022	1-3/2021	Change, %	1-12/2021
Earnings key figures				
Continuing earnings, MEUR	9.3	8.9	4.3	40.7
Income, MEUR	7.2	13.7	-47.6	69.7
Operating profit, MEUR	-0.7	5.8	n/a	30.8
Operating profit, %	neg	42.7		44.2
Profit for the period in consolidated income statement, MEUR	-1.2	6.8	n/a	136.1
Return on equity*, %	-2.2	20.7		75.0
Balance sheet key figures				
Equity ratio, %	72.1	48.1		72.1
Other key figures				
Cost/income ratio excluding investment operations	83.3	88.6		77.9
Cost/income ratio	111.6	60.8		58.3
Full-time personnel in continuing operations, at the end of the period	101	103	-2.0	104
Assets under management in Private Asset Management segment, BEUR	2.3	1.7		2.2
Guaranty insurance portfolio, BEUR	1.7	1.7		1.7

* Annualised

Growth in continuing earnings, %

4.3
(Q1 2021: 5.5)

Income, EUR million

7.2
(Q1 2021: 13.7)

Operating profit, %

neg
(Q1 2021: 42.7)

Assets Under Management, BEUR

2.3
(31.12.2021: 2.2)

Review by CEO Peter Ramsay

In the first quarter of 2022, we continued to advance our strategy focusing on renewable energy, real estate and bioindustry. Both the private asset management business and Garantia's guaranty insurance operations developed well, and operating profit excluding investment operations was EUR 2.0 million, corresponding to a profit margin of 20%. By contrast, changes in the fair value of the Group's investment operations weighed on the Group's income and operating profit. The decrease in the fair values of investments is due to, among other things, the rise in interest rates, which has affected the valuations of Garantia's investment portfolio.

The Russian invasion of Ukraine and the resulting changed geopolitical situation has not had a direct impact on our business. Taaleri has no business operations or investments in Russia or Ukraine. Europe's desire to break away from Russian gas, oil and coal will increase the demand for renewable energy, which will support our private asset management business in the long term. At the same time, the transition to renewable energy is reflected, for example, in project development as tightening competition and rising costs. We consider that our strong long-term investment in our own project development improves our relative competitiveness in this situation.

In spite of the geopolitical situation and the rise in interest rates, we believe that demand for private equity funds will remain strong, as they will allow investors to diversify risks and even out returns. The country risk in Finland that was dreaded in the early stages of the crisis in Ukraine does not seem to have materialised so far. One indication of this was a transaction made after the review period, in which Taaleri Datacenter Ky sold its stake in Ficolo Ltd to a British company. Taaleri expects to record profits of a total of approximately EUR 14 million from the transaction on the co-investment it manages in the form of returns and performance fees in the third quarter of the year.

In the Private Asset Management segment, operational activity has strengthened from last year, and continuing earnings grew by around 16% in the first quarter. During the review period, the renewable energy business focused, for example, on advancing projects of the Taaleri SolarWind II fund that were in the construction phase. In addition, the building of the project development portfolio started as planned and at the end of the review period our portfolio already included 12 projects.

The real estate business carried out several transactions in March. We successfully exited the Taaleri Daycare Properties fund by selling the fund's ten daycare properties to a Norwegian buyer. In addition, we carried out four new investments in Aktia's special investment funds in the portfolio management of the real estate business.

In the bioindustry business, the sale of the Taaleri Bioindustry I private equity fund began in Aktia. During the review period, a decision was made to invest in a torrefied biomass plant to be built in Joensuu. The project will be implemented as a co-investment. In addition, we made an investment in Nordtreat, a company that produces environmentally friendly fire retardants, which opens up investment opportunities for the private equity fund.

In the Strategic Investments segment, Garantia's guaranty insurance operations continued to develop well. The net income from the guaranty insurance operations grew from the corresponding period by 7.4% to EUR 3.9 million, and the combined ratio describing the profitability of insurance operations was excellent at 31.3%. In particular, Garantia's investment operations suffered from rising interest rates and changes in risk premiums, but most of the investment losses were unrealized changes in fair value.

During the first quarter, we completed the project on corporate culture and values we started last year. Taaleri changed as a company with the sale of the wealth management operations, so we wanted to update our target culture and values into something that supports the implementation of our strategy and our daily work in the best possible way. Our three new values – With know-how, skills and will. Dare to succeed and Support each other – give us an excellent foundation from which to pursue our vision of being a Nordic pioneer in alternative investments focusing on sustainability.

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

The Russian invasion of Ukraine in late February had a significant impact on the operating environment, in addition to which COVID-19 restrictions were lifted despite the spread of the highly contagious Omicron variant. Interest rates have risen, risk premiums have increased, and inflation has accelerated. Taaleri has no business operations or investments in Russia or Ukraine, and the changed geopolitical situation has not had a direct impact on our business. The country risk in Finland that was dreaded in the early stages of the crisis in Ukraine does not seem to have materialised so far.

Europe's desire to break away from Russian gas, oil, and coal and to increase its self-sufficiency strengthen the operating environment for renewable energy and bioindustry in particular. In our view, demand for alternative asset classes will remain strong, as they allow investors to diversify risks and even out returns. Responsibility and impact will continue to be very important requirements for investors. Also, among other things, the EU's Sustainable Finance Disclosure Regulation is guiding both investors and financial actors towards sustainable investments.

The operating environment of the renewable energy business remained good during the review period. The global transition to renewable energy and the general rise in energy prices support the operating environment, and we expect the solar and wind power market in particular to continue to grow in the long term. At the same time, the transition to renewable energy is reflected, for example, in project development as tightening competition and rising costs. The war in Ukraine has caused some uncertainty in the activity of investors.

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

The interest in real estate as investments has continued to be strong. The war in Ukraine has not slowed down the transaction market, and so far, there has been no change in the interest of foreign investors. The immediate effects of the war are reflected in the rise in energy prices and in the cost of building maintenance and construction. On the other hand, index-linked rents offer lessors an inflation-protected lease cash flow. Availability of financing for real estate investments has been relatively good. The biggest changes during the reporting period were the increased costs of financing. Interest rates are expected to continue to rise for some time to come, thereby raising the costs of real estate financing as well.

The basic foundations supporting real estate investments, such as urbanisation, are still seen as strong in the Finnish real estate market, and a large amount of new capital is expected to flow into real estate investments also in the near future. Foreign players are expected to remain interested in the Finnish real estate market during 2022, while domestic fund managers and real estate investment companies will continue to grow their real estate portfolios.

In bioindustry, megatrends continue to sustain interest in the business area. The war in Ukraine has further increased the importance of self-sufficiency, to which bioindustry also responds. The activity of the project stream increased as expected in the first quarter, and the number of potential projects for the Taaleri Bioindustry I fund continued to grow. Competition in the target markets for investments is intensifying, which can be prepared for, for example, through letters of intent and exclusive rights. The war in Ukraine may cause some uncertainty among investors. In the operating environment of the Hamina biorefinery of Taaleri's associated company Fintoil, which will start its operations during the second half of the year, raw material prices rose, but refining margins for tall oil refining have remained stable. Deliveries of raw materials to the refinery have started during the first half of the year.

The operating environment and market situation of Garantia Insurance Company Ltd remained steady during the early part of the year despite the war in Ukraine and the worrying geopolitical situation. In Finland, the housing market continued its positive development despite the decline in consumer confidence. The creditworthiness of both consumers and corporate customers remained good, and no significant changes occurred in the risk position of our guaranty insurance portfolio. The investment market was volatile during the review period and, due to rising interest rates, the changes in the fair values of bond investments were negative.

Financial result

Continuing earnings, income, and operating profit

Group, EUR million	1-3/2022	1-3/2021	Change, %	1-12/2021
Continuing earnings	9.3	8.9	4.3%	40.7
Private Asset Management	4.9	4.2	15.8%	20.1
Strategic Investments	3.9	3.6	7.5%	17.6
Other	0.5	1.1	-50.7%	3.0
Income	7.2	13.7	-47.6%	69.7
Private Asset Management	5.3	5.2	2.9%	31.0
Strategic Investments	0.2	7.0	-97.4%	30.3
Other	1.7	1.5	13.3%	8.4
Operating profit	-0.7	5.8	n/a	30.8
Private Asset Management	-0.0	0.4	n/a	7.5
Strategic Investments	-1.0	5.8	n/a	24.4
Other	0.3	-0.4	n/a	-1.0

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 24.

January–March 2022

The Group's continuing earnings grew by 4.3% to EUR 9.3 (8.9) million, of which the growth was 15.8% in the Private Asset Management segment and by 7.5% in the Strategic Investments segment. A total of EUR 0.5 (0.8) million of performance fees were recognised from the divestment of the Taaleri Daycare Properties fund in March. Earnings from investment operations were EUR -2.6 (4.0) million, of which EUR -3.7 (3.4) million was recognized in the Strategic Investments segment. The majority of investment losses were caused by unrealized changes in fair value of EUR -2.8 (1.7) million. During the review period, the Group's income decreased to EUR 7.2 (13.7) million due to unrealized changes in the fair value of investment operations.

The Group's operational activity strengthened from last year, and operating profit excluding investment operations was EUR 2.0 (1.9) million, corresponding to 20.2% (19.3) of income excluding investment operations. The Group's operating profit was EUR -0.7 (5.8) million. The Group's operating expenses remained at the level of the corresponding period at EUR 7.8 (7.8) million, of which personnel costs amounted to EUR 4.1 (4.1) million.

In the consolidated income statement, which applies the IFRS 5 standard, the income from continuing operations fell by 33.4% to EUR 8.1 (12.1) million. The net income from insurance operations totalled EUR 1.5 (7.0) million, which included EUR 3.9 (3.6) million from guaranty insurance operations and EUR -2.4 (3.4) million from investment operations. The return on investment of insurance operations at fair value was -4.4% (2.1). In the consolidated income statement, the profit of continuing operations was EUR -1.2 (3.7) million, the profit of discontinued operations was EUR 0.0 (3.2) million, the profit for the period was EUR -1.2 (6.8) million and the Group's comprehensive income was EUR -5.0 (6.7) million.

Balance sheet, investments, and financing

At the end of the review period, the Group's cash and cash equivalents totalled EUR 60.7 (53.3) million, and Taaleri Group's balance sheet total was EUR 310.0 (318.7) million. The investments were EUR 204.4 (221.5) million, corresponding to 65.9% (69.5) of the Group's balance sheet total. The liabilities of the Group totalled EUR 86.5 (89.0) million, of which interest-bearing liabilities were EUR 14.9 (14.9) million.

Taaleri Group's equity at end of the review period was EUR 223.5 (229.7) million, and the equity ratio remained strong at 72.1% (72.1). The Group's annualised return on equity suffered from investment losses and amounted to -2.2% (20.7) during the review period.

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 24.

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. 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.

Private Asset Management, EUR million	1-3/2022	1-3/2021	Change, %	1-12/2021
Continuing earnings	4.9	4.2	15.8%	20.1
Performance fees	0.5	0.8	-37.3%	11.4
Investment operations	-0.1	0.2	n/a	-0.5
Income	5.3	5.2	2.9%	31.0
Operating profit	-0.0	0.4	n/a	7.5
Allocation of financing expenses	-0.6	-0.5	13.2%	-2.3
Profit before tax	-0.6	-0.1	n/a	5.2
Full-time personnel, at the end of the period	65	58	12.1%	67

Private Asset Management segment's investments, EUR million	31.3.2022	31.12.2021	Change, %
Investments and receivables, fair value	35.7	33.1	7.8%
Renewable energy	17.8	15.9	12.2%
Real estate	7.2	6.5	11.2%
Bioindustry	8.0	6.8	18.3%
Other investments	2.6	3.9	-34.1%

Group investments supporting the core business and the development of the businesses reported under 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 25.

Renewable energy

Renewable energy, EUR million	1-3/2022	1-3/2021	Change, %	1-12/2021
Continuing earnings	3.5	3.2	10.4%	15.2
Performance fees	0.0	0.8	-100.0%	6.2
Investment operations	0.3	0.0	100.0%	0.6
Income	3.8	4.0	-4.5%	22.0
Operating profit	0.6	0.7	-2.0%	7.6
Allocation of financing expenses	-0.4	-0.4	4.9%	-1.5
Profit before tax	0.3	0.3	-10.4%	6.1
Full-time personnel, at the end of the period	34	36	-5.5%	36
Assets under management, EUR billion	1.3	1.1		1.2

January–March 2022

The continuing earnings of the renewable energy business grew by 10.4% to EUR 3.5 (3.2) million, but the income fell by 4.5% to EUR 3.8 (4.0) million. In the past quarter, performance fees were EUR 0.0 (0.8) million, which explains the decrease in income. Operating expenses totalled EUR 3.2 (3.3) million, of which fee and commission expenses were EUR 1.1 (1.1) million and personnel costs EUR 1.5 (1.7) million. The fixed personnel costs were EUR 1.1 (1.0) million and the variable personnel costs were EUR 0.4 (0.7) million. The operating profit of the renewable energy business was EUR 0.6 (0.7) million, corresponding to 16.9% (16.5) of income.

During the review period, the renewable energy business focused on advancing projects of the Taaleri SolarWind II fund that were in the construction phase and on operating the completed projects of its funds. Taaleri SolarWind II fund's projects in the

construction phase in Finland, Norway, Poland and the United States proceeded as planned during the review period, and the Escalade wind farm in Texas that had been in the construction phase entered production.

In December 2021, Taaleri announced that Taaleri Energia had secured EUR 44 million of funding for wind and solar project development. The building of the project development portfolio has started as planned, and at the end of the review period our portfolio included 12 projects. The aim of the renewable energy business is to increase the project development portfolio to 25–30 projects.

Other private asset management

Other private asset management, EUR million	1-3/2022	1-3/2021	Change, %	1-12/2021
Continuing earnings	1.4	1.0	32.9%	4.9
Performance fees	0.5	0.0	100.0%	5.2
Investment operations	-0.3	0.2	n/a	-1.2
Income	1.5	1.2	27.8%	9.0
Operating profit	-0.6	-0.2	-197.9%	-0.2
Allocation of financing expenses	-0.2	-0.2	31.6%	-0.7
Profit before tax	-0.9	-0.4	-126.4%	-0.9
Full-time personnel, at the end of the period	31	22	40.9%	31
Assets under management, EUR billion	1.0	0.6		1.0

January–March 2022

The continuing earnings of Taaleri's real estate, bioindustry and other businesses grew in the first quarter of the year by 32.9% to EUR 1.4 (1.0) million, and performance fees of EUR 0.5 (0.0) million were recognized. The income increased by 27.8% to EUR 1.5 (1.2) million. Taaleri is investing in the growth of the private asset management business in accordance with its strategy, and this is reflected in the increase in the number of employees and personnel costs. The operating expenses of Other private asset management totalled EUR 2.2 (1.4) million, of which personnel costs amounted to EUR 1.1 (0.4) million and fee and commission expenses to EUR 0.6 (0.7) million. The operating profit was EUR -0.6 (-0.2) million.

In March, the real estate business carried out the sale of the Taaleri Daycare Properties fund units, and EUR 0.5 million in performance fees were recorded for the sale. During the review period, four new investments were carried out in Aktia's special investment funds in the portfolio management of the real estate business. The real estate business continued to map investments for Taaleri Housing Fund VIII, which invests in rental housing under construction, and the retail sale of the fund continued in Aktia.

The retail sale of Taaleri Bioindustry I fund, the first private equity fund in the bioindustry business, continued during the review period. In March, Taaleri made a EUR 1.0 million seed investment in the Finnish company Nordtreat, which produces environmentally friendly and non-toxic fire retardants. The investment in Nordtreat opens up investment opportunities for Taaleri Bioindustry I fund, which is in the fundraising phase. In addition, during the review period, the bioindustry business launched more detailed planning work for Joensuu Biocoal Oy, a bioindustry plant to be built in Joensuu as a co-investment project. The decision to invest in the torrefied biomass plant was made in January. The construction work on the Hamina biorefinery of Taaleri's associated company Fintoil, which will start its operations during the second half of the year, continued according to plan. Deliveries of raw materials to the refinery started during the review period.

Taaleri's private equity funds in a table

Renewable energy, EUR million	Founded	Product	Business area	AUM Q1 2022	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				1,266	
Other private asset management, EUR million	Founded	Product	Business area	AUM Q1 2022	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 Daycare Properties Ky	2019	Private equity fund	Real estate	-	Exited
Taaleri Housing Fund IV Ky	2010	Private equity fund	Real estate		Invested
Taaleri Multifunctional Properties Ky	2018	Private equity fund	Real estate		Investing period
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				773	
Taaleri Biorefinery Ky	2020	Co-investment	Bioindustry		Investing period
Joensuu Biocoal	2021	Co-investment	Bioindustry		Fundraising
Taaleri Bioindustry I Ky	2021	Private equity fund	Bioindustry	-	Fundraising
Bioindustry total				53	
Other funds total				169	
Other private asset management total				994	
Taaleri's Private Asset Management segment total, EUR million				2,261	

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	1-3/2022	1-3/2021	Change, %	1-12/2021
Continuing earnings	3.9	3.6	7.5%	17.6
Performance fees	-	-	-	-
Investment operations	-3.7	3.4	n/a	12.7
Income	0.2	7.0	-97.4%	30.3
Operating profit	-1.0	5.8	n/a	24.4
Allocation of financing expenses	-0.5	-0.4	18.8%	-1.8
Profit before tax	-1.4	5.4	n/a	22.6
Full-time personnel, at the end of the period	20	20	6.2%	22

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	1-3/2022	1-3/2021	Change, %	1-12/2021
Net income from guaranty insurance operations	3.9	3.6	7.4%	17.6
- of which Earned premiums, net	4.0	3.9	3.2%	17.9
- of which Claims incurred, net	-0.1	-0.3	-56.4%	-0.3
Net income from investment operations	-2.4	3.4	n/a	10.3
Other income	0.0	0.0	>100.0%	0.0
Income	1.5	7.0	-78.3%	27.9
Operating expenses	-1.1	-1.2	-7.3%	-5.9
Operating profit	0.4	5.8	-93.3%	22.0
Allocation of financing expenses	-0.5	-0.4	18.8%	-1.8
Profit before tax	-0.1	5.4	n/a	20.2
Return on investments at fair value, %	-4.8	-0.3	>100.0%	-1.0
Result at fair value before tax	-4.9	5.2	n/a	19.3
Full-time personnel, at the end of the period	20	20	6.2%	22

Garantia	1-3/2022	1-3/2021	Change, %	1-12/2021
Claims ratio, %	2.8%	6.6%	-3.8%-p.	1.7%
Expense ratio, %	28.5%	31.7%	-3.2%-p.	33.1%
Combined ratio, %	31.3%	38.3%	-7.0%-p.	34.8%
Return on investments at fair value, %	-4.4%	2.1%	-6.5%-p.	6.1%

Garantia	31.3.2022	31.12.2021	Change, %
Investment portfolio, fair value, MEUR	150	170	-12.0%
Guaranty insurance portfolio, MEUR	1,667	1,695	-1.7%
Solvency ratio, %	223.1%	219.2%	3.9%-p.
Credit rating (S&P)	A-	A-	-

January–March 2022

Garantia's income in January–March 2022 was EUR 1.5 (7.0) million. The net income from guaranty insurance operations grew by 7.4% from the period of comparison and amounted to EUR 3.9 (3.6) million. Net income from investment operations decreased to EUR -2.4 (3.4) million. During the review period, net income from investment operations was significantly weaker than usual due to pronounced increases in interest rates and widening risk margins.

Operating expenses were EUR 1.1 (1.2) million, of which personnel expenses were EUR 0.7 (0.8) million. The operating profit was EUR 0.4 (5.8) million. The result at fair value before tax was EUR -4.9 (5.2) million. The combined ratio was 31.3% (38.3).

Insurance operations

Garantia's earned premiums grew 3.2% in January–March 2022 compared to the corresponding period last year and amounted to EUR 4.0 (3.9) million. The increase in earned premiums was mainly attributable to the growth in residential mortgage guaranty operations. The growth in residential mortgage guaranty operations was significantly affected by the favourable market conditions of the housing market. Earned premiums from corporate exposure decreased as compared against the corresponding period last year, as the demand for corporate financing decreased in the review period.

Gross guaranty insurance exposure contracted 1.7% in the review period and amounted to EUR 1,667 (1,695) million at the end of March. The contraction in gross exposure was due to a decrease in corporate exposure according to company's strategy. However, the volume of consumer exposure grew.

Claims incurred in January–March amounted to EUR 0.1 (0.3) million. Claims ratio was 2.8% (6.6), and the ratio of claims, as a percentage of the guaranty insurance exposure¹, was 0.01% (0.02). The level of claims incurred in the review period remained low.

The expense ratio decreased in January–March to 28.5% (31.7) and the combined ratio stood at excellent level at 31.3% (38.3).

¹ The ratio of claims as a percentage of total guaranty insurance exposure is based on Garantia's FAS accounts, where claims expense also includes operating expenses attributable to claims handling. The total guaranty insurance exposure figure used is that from the end of the review period.

Investment operations

Net income from investment operations amounted to EUR -2.4 (3.4) million in the review period, mainly consisting 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 -4.8 (-0.3) million. Hence, investment income at fair value totalled EUR -7.1 (3.2) million, resulting in a return of -4.4% (2.1). Financial markets were volatile in the review period. Equity markets declined and interest rates continued to move higher with accelerating inflation during the first quarter of 2022. At the end of March, the fair value of the investment portfolio was EUR 150 (170) million. During the review period, Garantia distributed a dividend of EUR 15.0 million to the parent company Taaleri Plc.

Risk position

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

The risk position of Garantia's insurance operations has remained stable. Of the company's gross guaranty insurance exposure of EUR 1,667 (1,695) million at the end of March, EUR 1,159 (1,130) million, or 70% (67), was made up of consumer exposures, and EUR 507 (565), or 30% (33), of corporate exposures. The consumer exposures include residential mortgage guaranties and rent guarantees, where underwriting risk relates to the credit risk of households. The corporate exposures are made up of corporate loan guaranties, commercial bonds, and other business-related guaranties, where underwriting risk relates to the credit risk of companies and other organizations.

Regarding the risk position of the consumer exposures, the company's residential mortgage guaranty portfolio plays a central part. No significant changes concerning the risk position of the residential mortgage guaranty portfolio took place during the review period. The portfolio is well diversified by counterparty, geographical location of collateral property and underwriting year. The counterparties in the residential mortgage guaranty portfolio have on average very good creditworthiness. In addition, the credit risks of the portfolio are limited by the means of an excess-of-loss portfolio reinsurance arrangement.

The corporate exposures rated BB- or better made up 74.7% (78.4) of rated corporate exposures. The share of corporate exposures with investment grade ratings of AAA...BBB- was 25.0% (20.6) of rated corporate exposures. The share of exposures with weak ratings of C+ or lower remained near levels seen in the previous year and stood at 3.4% (3.9). The creditworthiness of the company's corporate counterparties has remained good.

The principal industry sectors in the corporate exposure portfolio were manufacturing at 30.2% (28.3), construction at 23.9% (25.6) and wholesale and retail trade at 10.8% (10.4). The shares of other industry sectors were all less than ten per cent each. The 35.8% (40.6) of the construction sector exposure is reinsured.

The risk level of investment operations increased slightly compared to the previous year as the relative share of equity and private equity investments increased due to decreased fixed income investments. At the end of the review period, fixed income investments made up 81.9% (83.2), equity & private equity investments 17.1% (15.9) and real estate investments 1.0% (0.9) of the investment portfolio (incl. cash and bank balances). Fixed income investments mainly consist of investments in bonds of Nordic companies and credit institutions with strong creditworthiness. The proportion of investment grade rated fixed income investments was 70.1% (73.4) of all fixed income investments. The modified duration of bond investments was 3.5 (3.9).

Credit rating

On 11 October 2021, the credit rating agency Standard & Poor's (S&P) confirmed Garantia Insurance Company Ltd.'s credit rating at A- with stable outlook². Neither the credit rating nor the rating outlook changed from the previous.

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	1-3/2022	1-3/2021	Change, %	1-12/2021
Continuing earnings	-	-	-	-
Performance fees	-	-	-	-
Investment operations	-1.3	-	n/a	2.4
Income	-1.3	-	n/a	2.4
Operating profit	-1.3	-	n/a	2.4
Profit before tax	-1.3	-	n/a	2.4

² The credit rating concerns the company's Issuer Credit Rating (ICR), Financial Strength Rating (FSR) and Financial Enhancement Rating (FER).

January–March 2022

Taaleri's shareholding in Aktia Bank Plc was received on 30 April 2021 as part of the transaction amount as a result of the sale of the wealth management operations. In January–March the shareholding produced EUR -1.3 (0.0) million negative change in fair value.

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 2022, Taaleri's non-strategic investments totalled EUR 25.4 (23.7) million. The increase in the portfolio during the review period is mainly due to the change in fair value of EUR 1.2 million in Fellow Finance Plc's shares. The Group investments are presented in further detail under segment information on page 25.

Other, EUR million	1–3/2022	1–3/2021	Change, %	1–12/2021
Continuing earnings	0.5	1.1	-50.7%	3.0
Performance fees	-	-	-	-
Investment operations	1.1	0.4	196.1%	5.4
Income	1.7	1.5	13.3%	8.4
Operating profit	0.3	-0.4	n/a	-1.0
Profit before tax	1.1	-0.2	n/a	0.7
Full-time personnel, at the end of the period	16	24	-33.3%	15

Non-strategic investments, EUR million	31.3.2022	31.12.2021	Change, %
Investments and receivables, fair value	25.4	23.7	7.4%
Real estate	13.4	12.9	4.2%
Other investments	12.0	10.8	11.2%

January–March 2022

In first quarter of the year, the income of the Other group totalled EUR 1.7 (1.5) million, consisting of continuing earnings of EUR 0.5 (1.1) million and earnings from investment operations of EUR 1.1 (0.4) million. Taaleri continued to divest non-strategic investments and further decreased its holding in Betolar Plc during the review period.

The operating expenses were EUR 1.4 (1.9) million, including EUR 0.7 (1.1) million of personnel costs. External interest and finance costs decreased to EUR 0.2 million (0.7). The Other group's operating profit in the review period was EUR 0.3 (-0.4) million.

Sustainability

Focuses in 2022

- We set concrete climate targets and developing impact measurement more broadly
- We continue the integration of sustainability work into business and reporting
- We promote the wellbeing at work of Taaleri employees
- We commit significant partners to Taaleri's sustainability goals

Progress Q1/2022

- We set an ESG target for every Taaleri employee's remuneration criteria
- We released Taaleri's first GRI report
- We reported to fund investors in line with the EU's sustainable finance obligations
- We strengthened our sustainability competence through recruitment and internal training
- We promoted renewable energy impact modelling
- We committed new partners to more specific sustainability requirements
- We introduced an external whistleblowing channel

In the first quarter of 2022, particularly topical items in our sustainability work included the setting of targets, reporting and communication, strengthening of resources and competence, and the introduction of an external whistleblowing channel. We integrated key sustainability and ESG targets and topics into the 2022 remuneration policy, recruited new sustainability experts and strengthened internal and external information sharing and management.

According to our current short-term remuneration policy, remuneration is based on quantitative and qualitative targets, and each Taaleri employee must have at least one ESG target related to environmental/social sustainability or to good governance. In the targets defined for the members of the Executive Management Team and the business areas, sustainability themes affect remuneration with a 10–20% weighting.

Taaleri's annual report for 2021 included, for the first time, a sustainability report in accordance with GRI standards and, on a voluntary basis in the Board of Directors' report, a non-financial information report (NFI report), which follows the requirements of the Accounting Act. In addition, we provided more extensive information on sustainability to fund investors and lenders as part of the periodic reporting of funds/investments and responses to direct investor inquiries in accordance with the EU regulations on sustainability-related disclosures and taxonomy. We communicated and exerted influence through multiple channels, for example, through a podcast series created in cooperation with Futucast and by presenting at a sustainable financing event organised by the Finnish Venture Capital Association.

In terms of recruitment, we filled the positions of a new Group-wide ESG analyst and a fixed-term substitute sustainability specialist. In addition, we clarified and strengthened the role of other Taaleri employees in sustainability work, for example through internal training and information sharing.

Taaleri's new whistleblowing channel is open to the public and is located on the website of an external service provider specialising in anonymous reporting channels. There is a link to the channel on the Governance page on Taaleri's website. Through the channel, Taaleri's stakeholders can report suspicions of crime, violations or other misconduct confidentially. The channel serves as our tool for maintaining our ethical principles and trust and for fulfilling obligations.

We changed our occupational health services provider to a specialist in expert organisations, which supports Taaleri employees' work capacity and wellbeing more comprehensively by offering them, for example, low-threshold preventive services. The new partner also supports Taaleri's management, HR and supervisors in their daily promotion of wellbeing at work.

We also continued to develop our sustainability work through, for example, internal monitoring of risks, mapping of investments, establishment of project-specific public communication channels and modelling of the impact of our investment operations.

Taaleri's personnel

The number of full-time employees in the Group's continuing operations at the end of the review period was 101 (104). The number of full-time employees in the Private Asset Management segment was 65 (67) and in the Strategic Investments segment 20 (22). The number of full-time employees in the Other group was 16 (15). 97% (97) of the personnel were employed in Finland.

Taaleri Group's personnel costs of in January–March remained at the level of the corresponding period at EUR 4.1 (4.1) million, which included fixed personnel costs of EUR 3.0 (2.8) million.

On 31 March 2021, Taaleri announced that the company was planning an employee share savings plan. The objective of the share savings plan is to offer the Group's employees the opportunity to invest a part of their regular salary in the company's shares. By encouraging employees to purchase and own the company's shares, the company aims to strengthen the link between Taaleri's shareholders and employees. The Board of Directors intend for the share savings plan to be launched in 2022.

Shares and share capital

Taaleri's share on Nasdaq Helsinki

1–3/2022	No of shares traded	Total value EUR	High EUR	Low EUR	Average EUR*	Last EUR
TAALA	2,252,221	26,645,544	14.35	10.25	11.83	14.1

* 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 2022, the company possessed 45,000 (45,000) treasury shares. At the end of the review period, the company had 9,123 (7,695) shareholders.

On 31 March 2022, Taaleri Plc's shareholders' equity was EUR 125,000.00 and the company had 28,350,620 registered shares.

Share price development

The chart represents the price development of Taaleri's share since listing from April 20, 2013, to March 31, 2022.



Capital adequacy

On October 29, 2021, the Financial Supervision Authority decided that the Taaleri Group would no longer fall within the scope of the Act on the Supervision of Financial and Insurance Conglomerates (RaVa) after the sale of its wealth management operations.

Taaleri Private Equity Funds Ltd and Taaleri Energia Funds Management Ltd are licensed as alternative fund managers by the Financial Supervisory Authority. 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.

Solvency according to the Insurance Companies Act (Solvency II)

Garantia's solvency strengthened slightly in the first quarter of the year. The company's basic own funds amounted to EUR 113.2 (117.0) million at the end of March. Solvency capital requirement was EUR 50.7 (53.4) million. The solvency ratio, or the ratio of basic own funds to the solvency capital requirement, was 223.1% (219.2).

Basic own funds diminished due to the financial result of the period and decreases in the fair values of investment assets. Most of the decrease in the solvency capital requirement was attributable to the reduced capital requirement for market risks. The reduction in the capital requirement for market risks was attributable to the decrease of the value of the investment portfolio, caused by paid dividends and negative fair value changes.

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

Short term risks and concerns

The Russian invasion of Ukraine in late February 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. The war may increase the country risk in Finland and cause uncertainty among investors. The strong transition to renewable energy may intensify competition in project development and, in turn, increase costs. Interest rates have risen, risk premiums have increased, and inflation has accelerated, which may cause capital markets to fluctuate. The impact of the pandemic is expected to diminish as COVID-19 restrictions are lifted despite the spread of the highly contagious Omicron variant.

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 39 on pages 86–96 of the 2021 financial statements, which is attached to the 2021 annual report.

Material events after the financial period

Taaleri Plc's Annual General Meeting was held on 6 April 2022 in Helsinki. The General Meeting adopted the financial statements for the 2021 financial period, granted the members of the Board of Directors and the CEOs discharge from liability and adopted the Remuneration Report for governing bodies. The General Meeting decided amongst others, that a dividend of EUR 1.20 per share be paid based on the balance sheet adopted for the financial year ended 31 December 2021 according to the proposal of the Board of Directors. The dividend was paid on 20 April 2022.

The Board of Directors of Taaleri Plc decided on 6 April 2022, to launch a new stock option plan directed to the CEO of the company. The company has a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the incentive and commitment program for the CEO. The purpose of the stock options is to encourage the CEO to work on a long-term basis to increase the shareholder value. The purpose of the stock options is also to retain the CEO at the company.

On 11 April 2022, Taaleri Plc announced changes in Taaleri's Executive Management Team. Taaleri appointed Mikko Ervasti as the Group's Head of Sales and a member of the Executive Management Team. He took up his position on 2 May 2022. In addition, Taaleri's General Counsel Janne Koikkalainen resigned. Koikkalainen will continue as Taaleri's General Counsel for the time being and will be available to Taaleri, if necessary, until 15 December 2022. The company will begin the process of recruiting a new General Counsel immediately.

On 25 April 2022, Taaleri Plc announced that it sells its stake in Ficolo Ltd and exits Taaleri Datacenter Ky, through which Taaleri and its co-investors have owned a total of 47 per cent of Ficolo. The company will be purchased by Digital 9 Infrastructure plc for an enterprise value of approximately EUR 135 million. Taaleri estimates that it will record a total profit of approximately EUR 14 million in the third quarter from the transaction and as performance fees from the co-investment it manages. The transaction requires approval from Finland's Ministry of Economic Affairs and Employment, and it is expected to close during the third quarter.

On 26 April 2022, Taaleri Plc announced that it will record an estimated earn-out of EUR 6.7 million in the second quarter from the Finsilva holding sold in 2016. The initial purchase price was EUR 48 million, and the transaction included the possibility of an earn-out if Finsilva's operating profit develops in accordance with the set targets in 2020 and 2021. The terms of the earn-out were met in the second quarter of the year.

Helsinki, 6 May 2022
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 and media

A live webcast for analysts and the media will be held on May 6, 2022, at 11:00 a.m. The event is in Finnish. The webcast can be followed online at <https://taaleri.videosync.fi/osavuositatsaus-q1-2022/>. The event will be recorded and available later on Taaleri's investor pages at www.taaleri.com/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 2.3 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 2021, except for the amendments to IFRS standards that came into force on 1 January 2022 or later. The revised standards and interpretations do not have a material impact on the reported result or financial position.

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 5, and the result of discontinued operations is reported separately from income and expenses from continuing operations. The key figures for the comparison periods have been adjusted accordingly. 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.

	1-3/2022	1-3/2021	1-12/2021
Income, EUR 1,000	8,084	12,138	72,629
Operating profit (-loss), EUR 1,000	-646	5,454	28,785
- as percentage of income	neg	44.9%	39.6%
Segments' operating profit excluding investment operations, EUR 1,000	1,976	1,873	13,234
- as percentage of segments' income	20.2%	19.3%	25.4%
Net profit for the period, EUR 1,000	-1,225	6,829	136,126
- as percentage of income	neg	56.3%	187.4%
Basic earnings per share, EUR	-0.05	0.25	4.81
Diluted earnings per share, EUR	-0.05	0.24	4.71
Return on equity % (ROE) ¹⁾	-2.2%	20.7%	75.0%
Return on equity at fair value % (ROE) ¹⁾	-8.9%	20.2%	74.8%
Return on assets % (ROA) ¹⁾	-1.6%	10.1%	46.4%
Cost/income ratio	111.6%	60.8%	58.9%
Cost/income ratio excluding investment operations	83.3%	88.6%	80.7%
Price/earnings (P/E) ²⁾	n/a	9.7	2.3
Full-time employees, at the end of the period	101	103	104
Equity ratio -%	72.1%	48.1%	72.1%
Net gearing -%	-20.5%	27.1%	-16.7%
Equity/share, EUR	7.91	4.67	8.14
Dividend or distribution of funds /share, EUR ²⁾	-	-	2.20
Dividend or distribution of funds / earnings, %	-	-	45.8%
Effective dividend yield, %	-	-	19.6%
Loan receivables, EUR 1,000	5,323	5,079	6,021
Conglomerate's capital adequacy ratio, % ³⁾	-	163.7%	-
Financing sector capital adequacy ratio, % ³⁾	-	25.3%	-
Number of shares at the end of period ⁴⁾	28,305,620	28,305,620	28,305,620
Average number of shares ⁴⁾	28,305,620	28,305,620	28,305,620
Share average price, EUR	11.83	8.79	10.15
- highest price, EUR	14.35	10.15	12.50
- lowest price, EUR	10.25	7.80	7.80
- closing price, EUR	14.10	9.52	11.20
Market capitalization, EUR 1,000 ⁴⁾	399,109	269,470	317,023
Shares traded, thousands	2,252	2,576	7,826
Shares traded, %	8%	9%	28%

1) Annualized.

2) Distribution of funds EUR 2.20 per share for the financial year 2021 is distributed as follows: Decision of the Annual General Meeting on the dividend for the result of the financial year 2021 EUR 1.20 per share and an additional dividend and return of capital of EUR 1.00 per share distributed in the summer of 2021.

3) According to the decision of the Financial Supervisory Authority on 29 October 2021, Taaleri no longer forms a RaVa conglomerate, and Taaleri no longer reports the conglomerate's solvency ratio. Investment services business is no longer part of Taaleri Group starting 1.5.2021 and therefore Taaleri does not report its financing sector capital adequacy anymore.

4) 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	1-3/2022	1-3/2021	1-12/2021
Net income from insurance	3,872	3,607	17,561
Earned premiums, net	3,983	3,861	17,865
Claims incurred, net	-111	-254	-304
Other income	6	2	44
Net income from investment operations	-2,354	3,427	10,315
Operating expenses	-1,136	-1,225	-5,907
Allocation of financing expenses	-475	-400	-1,775
Profit before tax	-86	5,410	20,237
Change in fair value of investments	-4,791	-252	-967
Profit before tax at fair value	-4,877	5,158	19,270
Combined ratio, %	31.3%	38.3%	34.8%
Claims ratio, %	2.8%	8.7%	1.7%
Expense ratio, %	28.5%	29.6%	33.1%
Return on investments at fair value, %	-4.4%	2.1%	6.1%
Solvency ratio (S2), % ¹⁾	223.1%	231.5%	219.2%
Insurance exposure, EUR million	1,667	1,736	1,695

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

Profit or loss attributable to ordinary shareholders of the parent company

Weighted average number of ordinary shares outstanding - repurchased own shares

Diluted earnings per share, EUR

Profit or loss attributable to ordinary shareholders of the parent company

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

(Segments' operating profit - segments' investment operations) x 100

(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, %	$\frac{\text{Fee and commission expense} + \text{interest and other financing expense} + \text{administrative expenses} + \text{depreciation} + \text{other operating expenses}}{\text{Total income} + \text{share of associates' profit or loss}}$
Cost/income ratio, % excluding investment operations	$\frac{\text{Fee and commission expense} + \text{interest and other financing expense} + \text{administrative expenses} + \text{depreciation} + \text{other operating expenses}}{\text{Fee and commission income} + \text{net income from guaranty insurance operations} + \text{interest income} + \text{other operating income}}$
Price/Earnings (P/E)	$\frac{\text{Price of share at the end of the period}}{\text{Earnings/share}}$
Equity ratio, %	$\frac{\text{Total equity} \times 100}{\text{Balance sheet total}}$
Gearing ratio, %	$\frac{(\text{Interest-bearing liabilities} - \text{cash and cash equivalents}) \times 100}{\text{Total equity}}$
Equity/share, EUR	$\frac{\text{Equity attributable to ordinary shareholders of the parent company}}{\text{Number of shares at end of period} - \text{repurchased own shares}}$
Dividend/share, EUR	$\frac{\text{Dividend payable for the financial period} \times 100}{\text{Weighted average number of ordinary shares outstanding} - \text{repurchased own shares}}$
Dividend/earnings, %	$\frac{\text{Dividend/share} \times 100}{\text{Basic earnings per share}}$
Effective dividend yield, %	$\frac{\text{Dividend/share} \times 100}{\text{Price of share at the end of the period}}$
Conglomerate's capital adequacy ratio, %	$\frac{\text{Conglomerate's total capital base}}{\text{Conglomerate's minimum requirement of total capital base}}$
Total capital in relation to risk-weighted items	$\frac{\text{Total Capital (TC)}}{\text{Risk-weighted items (Total risk)}}$
Common equity tier in relation to risk-weighted items	$\frac{\text{Common Equity Tier (CET1)}}{\text{Risk-weighted items (Total risk)}}$
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, %	$\frac{\text{Shares traded during the financial period} \times 100}{\text{Weighted average number of ordinary shares outstanding}}$

Key figures for insurance operations

Combined ratio, %	Claims ratio, % + Expense ratio, %
Claims ratio, %	$\frac{\text{Claims incurred, net} \times 100}{\text{Earned premiums, net}}$ This key figure is calculated after the share of the reinsurers.
Expense ratio, %	$\frac{\text{Operating expenses} \times 100}{\text{Earned premiums, net}}$ This key figure is calculated after the share of the reinsurers.
Solvency ratio (S2), %	$\frac{\text{Basic own funds} \times 100}{\text{Solvency capital requirement (SCR)}}$

Consolidated income statement

EUR 1,000	1.1.-31.3.2022	1.1.-31.3.2021
Fee and commission income	6,089	4,012
Net income from insurance	1,519	7,034
From guaranty insurance operations	3,872	3,607
From investment operations	-2,354	3,427
Net gains or net losses on trading in securities and foreign currencies	-1,206	468
Income from equity investments	1,258	-87
Interest income	397	456
Other operating income	26	255
Total income	8,084	12,138
Fee and commission expense	-2,120	-352
Administrative expenses		
Personnel costs	-4,164	-4,264
Other administrative expenses	-1,229	-895
Depreciation, amortisation and impairment of tangible and intangible assets	-210	-181
Other operating expenses	-667	-957
Expected credit losses from financial assets measured at amortised cost	-6	-36
Share of associates' profit or loss	-334	
Operating profit	-646	5,454
Interest and other financing expenses	-257	-729
Income tax expense	-322	-1,049
Profit from continuing operations	-1,225	3,676
Discontinued operations		
Profit from discontinued operations (attributable to owners of the parent company)	-	3,153
Profit for the period	-1,225	6,829
Consolidated statement of comprehensive income	1.1.-31.3.2022	1.1.-31.3.2021
Profit for the period	-1,225	6,829
Items that may be reclassified to profit or loss		
Translation differences	21	33
Changes in the fair value reserve	-4,791	-252
Income tax	958	50
Items that may be reclassified to profit or loss in total	-3,812	-169
Items that may not be reclassified to profit or loss		
Changes in the fair value reserve	-6	-9
Income tax	1	2
Items that may not be reclassified to profit or loss in total	-4	-7
Total comprehensive income for the period	-5,041	6,653
Profit for the period attributable to:		
Owners of the parent company	-1,536	6,944
Non-controlling interests	311	-115
Total	-1,225	6,829
Total comprehensive income for the period attributable to:		
Owners of the parent company	-5,352	6,768
Non-controlling interests	311	-115
Total	-5,041	6,653
Earnings per share for profit attributable to the shareholders of the parent company	1.1.-31.3.2022	1.1.-31.3.2021
Basic earnings per share, continuing operations	-0.05	0.13
Diluted earnings per share, continuing operations	-0.05	0.13
Basic earnings per share, discontinued operations	0.00	0.11
Diluted earnings per share, discontinued operations	0.00	0.11
Basic earnings per share, profit for the period	-0.05	0.25
Diluted earnings per share, profit for the period	-0.05	0.24

Consolidated quarterly income statement

EUR 1,000	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Fee and commission income	6,089	16,642	5,355	6,202	4,012
Net income from insurance	1,519	8,363	5,736	6,743	7,034
From guaranty insurance operations	3,872	5,519	3,903	4,531	3,607
From investment operations	-2,354	2,844	1,833	2,211	3,427
Net gains or net losses on trading in securities and foreign currencies	-1,206	3,845	3,157	567	468
Income from equity investments	1,258	585	-1,361	3,026	-87
Interest income	397	388	309	321	456
Other operating income	26	421	26	165	255
Total income	8,084	30,245	13,221	17,025	12,138
Fee and commission expense	-2,120	-4,267	-2,052	-1,654	-352
Administrative expenses					
Personnel costs	-4,164	-7,227	-3,676	-5,507	-4,264
Other administrative expenses	-1,229	-1,880	-1,258	-1,262	-895
Depreciation, amortisation and impairment of tangible and intangible assets	-210	-205	-207	-196	-181
Other operating expenses	-667	-1,596	-642	-1,420	-957
Expected credit losses from financial assets measured at amortised cost	-6	25	16	-2,240	-36
Impairment losses on loans and other receivables	-	-11	-	-638	-
Share of associates' profit or loss	-334	-398	-536	-329	-
Operating profit	-646	14,686	4,867	3,778	5,454
Interest and other financing expenses	-257	-272	-304	-1,058	-729
Income tax expense	-322	-2,343	-1,411	-396	-1,049
Profit from continuing operations	-1,225	12,071	3,153	2,324	3,676
Discontinued operations					
Profit from discontinued operations (attributable to owners of the parent company)	-	-	-	111,749	3,153
Profit for the period	-1,225	12,071	3,153	114,073	6,829
Consolidated statement of comprehensive income					
Profit for the period	-1,225	12,071	3,153	114,073	6,829
Items that may be reclassified to profit or loss					
Translation differences	21	24	24	-10	33
Changes in the fair value reserve	-4,791	-1,425	-81	791	-252
Income tax	958	285	16	-158	50
Items that may be reclassified to profit or loss in total	-3,812	-1,116	-41	623	-169
Items that may not be reclassified to profit or loss					
Changes in the fair value reserve	-6	-40	-	489	-9
Income tax	1	8	-	-98	2
Items that may not be reclassified to profit or loss in total	-4	-32	-	391	-7
Total comprehensive income for the period	-5,041	10,923	3,112	115,087	6,653
Profit for the period attributable to:					
Owners of the parent company	-1,536	11,997	3,226	113,920	6,944
Non-controlling interests	311	74	-74	153	-115
Total	-1,225	12,071	3,153	114,073	6,829
Total comprehensive income for the period attributable to:					
Owners of the parent company	-5,352	10,849	3,186	114,934	6,768
Non-controlling interests	311	74	-74	153	-115
Total	-5,041	10,923	3,112	115,087	6,653

Income is presented as gross figures, except for gains or losses on trading in securities and foreign currencies, which are presented as net figures to give a fair presentation of the operations.

Consolidated balance sheet

Assets, EUR 1,000	31.3.2022	31.12.2021
Receivables from credit institutions	60,737	53,255
Receivables from the public and general government	5,323	6,021
Shares and units	41,975	41,546
Assets classified as held for sale	6,490	5,246
Participating interests	9,556	8,889
Insurance assets	148,609	168,973
Insurance assets	2,253	3,119
Investments	146,356	165,854
Intangible assets	709	711
Goodwill	696	696
Other intangible assets	13	15
Tangible assets	982	1,149
Owner-occupied properties	595	746
Other tangible assets	386	403
Other assets	12,765	13,669
Accrued income and prepayments	20,236	16,921
Deferred tax assets	2,593	2,343
	309,975	318,723

Liabilities, EUR 1,000	31.3.2022	31.12.2021
Liabilities	86,463	88,975
Insurance liabilities	38,568	39,421
Other liabilities	2,286	3,318
Accrued expenses and deferred income	13,776	14,172
Deferred tax liabilities	16,154	16,580
Derivative contracts	821	630
Subordinated debt	14,858	14,854
Equity Capital	223,512	229,747
Share capital	125	125
Reserve for invested non-restricted equity	18,831	18,831
Fair value reserve	-5,122	-1,285
Translation difference	3	-18
Retained earnings or loss	211,661	76,694
Profit or loss for the period	-1,536	136,088
Non-controlling interest	-449	-687
	309,975	318,723

Consolidated statement of cash flows

EUR 1,000	1.1.-31.3.2022	1.1.-31.3.2021
Cash flow from operating activities:		
Operating profit (loss)	-646	5,444
Depreciation	210	198
Other adjustments		
Changes in fair value of investments	2,614	-1,549
Other adjustments	343	19
Interest and other financing expenses	-257	-729
Cash flow before change in working capital	2,265	3,384
Change in working capital		
Increase (-)/decrease (+) in loan receivables	203	1,661
Increase (-)/decrease (+) in current interest-free receivables	-894	1,863
Increase (+)/decrease (-) in current interest-free liabilities	-2,108	-2,746
Cash flow from operating activities before financial items and taxes	-535	4,162
Direct taxes paid (-)	-1,209	-969
Cash flow from operating activities from continuing operations	-1,743	3,193
Cash flow from operating activities from discontinued operations	-	3,968
Cash flow from operating activities (A)	-1,743	7,161
Cash flow from investing activities:		
Investments in tangible and intangible assets	-41	234
Investments in subsidiaries and associated companies net of cash acquired	-1,001	-100
Other investments	10,265	7,692
Cash flow from investing activities from continuing operations	9,223	7,826
Cash flow from investing activities from discontinued operations	-	-554
Cash flow from investing activities (B)	9,223	7,273
Cash flow from financing activities:		
Changes in synthetic options	74	246
Transactions with non-controlling interests	21	-
Decrease in non-current liabilities	-	-2,500
Dividends paid and other distribution of profit		
To non-controlling shareholders	-93	-228
Cash flow from financing activities from continuing operations	2	-2,482
Cash flow from financing activities from discontinued operations	-	-
Cash flow from financing activities (C)	2	-2,482
Increase/decrease in cash and cash equivalents (A+B+C)	7,482	11,951
Cash and cash equivalents at beginning of period	53,255	25,786
Cash and cash equivalents at end of period / Group	60,737	37,738
Net change in cash and cash equivalents	7,482	11,951

Changes in group equity capital

	Share capital	Fair value reserve	Reserve for invested non-restricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
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
1.1.2022	125	-1,285	18,831	-18	211,586	230,435	-687	228,551
Total comprehensive income for the financial period		-3,837		21	-1,536	-5,352	311	-5,041
Earnings for the period					-1,536	-1,536	311	-1,225
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	210,125	223,961	-449	223,512
2021, EUR 1,000								
1.1.2021	125	-864	35,814	-89	99,215	134,202	-1,134	133,068
Total comprehensive income for the financial period		-209		33	6,944	6,768	-115	6,653
Earnings for the period					6,944	6,944	-115	6,829
Other comprehensive income items		-209		33		-176		-176
Distribution of profit					-9,058	-9,058	-228	-9,286
Dividend EUR 0.32/share					-9,058	-9,058		-9,058
Distribution of profit for subgroup							-228	-228
Share-based payments payable as equity					226	226		226
Other					3	3	-6	-3
31.3.2021	125	-1,073	35,814	-56	97,331	132,141	-1,483	130,658

Segment information, earnings 1.1.–31.3.2022

1.1.-31.3.2022, EUR 1,000	Continuing operations					Total
	Private Asset Management	Renewable energy	Other private asset management	Strategic Investments	Other	
Continuing earnings	4,878	3,524	1,354	3,879	534	9,291
Performance fees	500	-	500	-	-	500
Investment operations	-58	285	-343	-3,699	1,122	-2,635
Total income	5,320	3,809	1,511	180	1,657	7,156
Fee and commission expense	-1,638	-1,029	-609	-	-74	-1,712
Personnel costs	-2,630	-1,511	-1,118	-704	-735	-4,069
Direct expenses	-1,048	-620	-428	-429	-537	-2,014
Depreciation, amortisation, and impairment	-6	-3	-3	-3	-6	-15
Impairment losses on loans	-	-	-	-	-6	-6
Operating profit	-2	645	-647	-956	299	-659
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	-1,431	1,128	-901
Change in fair value of investments	-	-	-	-4,791	-6	-4,796
Profit before taxes and NCI	-598	264	-863	-6,222	1,123	-5,698

1.1.-31.3.2021, EUR 1,000

Continuing earnings	4,213	3,193	1,019	3,609	1,083	8,905
Performance fees	797	797	-	-	-	797
Investment operations	162	-	162	3,427	379	3,968
Total income	5,172	3,990	1,182	7,036	1,462	13,670
Fee and commission expense	-1,777	-1,056	-720	-	-107	-1,884
Personnel costs	-2,173	-1,736	-437	-813	-1,137	-4,123
Direct expenses	-770	-530	-239	-403	-588	-1,762
Depreciation, amortisation, and impairment	-12	-9	-3	-9	-4	-24
Impairment losses on loans	-	-	-	-	-36	-36
Operating profit	441	658	-217	5,810	-411	5,841
Operating profit, %	8.5%	16.5%	neg	82.6%	neg	42.7%
Interest expenses	-1	-1	-	-	-713	-714
Allocation of financing expenses	-526	-363	-164	-400	926	-
Profit before tax	-86	295	-381	5,410	-197	5,127
Change in fair value of investments	-	-	-	-252	-9	-261
Profit before taxes and NCI	-86	295	-381	5,158	-206	4,866

Reconciliations

Reconciliation of total income, EUR 1,000	1.1.-31.3.2022	1.1.-31.3.2021
Total income of segments	7,156	13,670
Share of associates' profit or loss allocated to total income of segments	334	-
Transactions between continuing and discontinued operations ¹⁾	-	-1,532
Transit items eliminated in segment reporting	594	-
Consolidated total income	8,084	12,138

Reconciliation of operating profit, EUR 1,000	1.1.-31.3.2022	1.1.-31.3.2021
Total earnings of segments before taxes and NCI	-5,698	4,866
Change in fair value of investments	4,796	261
Interest and other financing expenses (excl. IFRS 16)	257	729
IFRS 16 Leases ²⁾	-1	-2
Transactions between continuing and discontinued operations ¹⁾	-	-51
Direct costs related to the sale of the discontinued operations ³⁾	-	-350
Consolidated operating profit	-646	5,454

¹⁾ Intra-group income and expenses between discontinued and continuing operations have been eliminated in the consolidated income statement. In segment reporting, income and expenses between discontinued and continuing operations are presented as transactions outside the Group. The chosen presentation will improve the comparability of segment reporting in the coming years.

²⁾ The division of lease expense to depreciation and interest expense according to IFRS 16 Leases -standard is not applied in the segment reporting.

³⁾ Direct costs related to the sale of the discontinued operations have been allocated to discontinued operations in segment reporting.

Further information is provided below on Taaleri Group's own balance sheet investments, the fair value of which exceeds EUR one million 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 31.3.2022	Fair value 31.3.2022	Holding 31.3.2022
Renewable energy investments				
Truscott Gilliland East Wind	Shares and participations	10,973	10,104	7.0%
Taaleri SolarWind II	Shares and participations	2,090	2,090	0.9%
Taaleri Debt Ky	Shares and participations	3,000	3,000	15.0%
Masdar Taaleri Generation d.o.o.	Shares and participations	1,174	1,174	50.0%
Real estate investments				
Sepos Oy	Shares and participations	2,500	2,487	30.0%
Sepos Oy	Loan	1,675	1,775	-
Turun Toriparkki Oy	Shares and participations	4,503	2,410	53.4%
Bioindustry investments				
Fintoil Oy	Shares and participations	3,025	3,025	24.2%
Tracegrow Ltd	Shares and participations	1,992	1,992	7.9%
Nordtreat Ltd	Shares and participations	1,000	1,000	12.1%
Other investments				
Taaleri Infra I Ky	Shares and participations	1,950	1,868	50.0%

Strategic investments, EUR 1,000	Investment type	Purchase price 31.3.2022	Fair value 31.3.2022	Holding 31.3.2022
Aktia Bank Plc	Shares and participations	10,000	10,623	1.3%

Non-strategic investments, EUR 1,000	Investment type	Purchase price 31.3.2022	Fair value 31.3.2022	Holding 31.3.2022
Real estate investments				
Taaleri Datacenter Ky (Ficolo)	Shares and participations	2,900	2,901	21.3%
TT Canada RE Holdings Corporation	Loan	6,729	9,743	-
Other investments				
Inderes Plc	Shares and participations + Derivative contract	150	1,259	3.1%
Fellow Finance Plc*	Shares and participations	2,974	6,490	25.7%
Taaleri Telakka Ky	Shares and participations	3,430	1,584	16.1%

* Fellow Finance Plc and Evli Bank Plc announced on 14 July 2021 that Fellow Finance Plc and Evli Pankki Plc's banking business will merge. The date of implementation of the arrangement was after the balance sheet date of the review period, April 2, 2022. Taaleri's holding in the new Fellow Bank Plc will be 17.6 per cent after the arrangement.

As Taaleri's associated company Fellow Finance Plc was listed on the First North exchange in October 2018, Taaleri Plc decided to reclassify the holding as an asset held for sale. Taaleri Plc has promoted actively and continuously the sale. The shares of Fellow Finance Plc have been valued in the balance sheet at the end of the review period on March 31, 2022, at the issue price of the directed share issue carried out in connection with the arrangement.

After the date of implementation of the arrangement, Taaleri will again apply IFRS 9 in the classification and recognition of Fellow Bank Plc's shares and will classify the share position as non-strategic for the Group, as Fellow Bank Plc's operations are not closely related to the Group's strategy. In accordance with Taaleri's accounting policies, such investments are specifically classified at fair value through other comprehensive income on initial recognition. In this case, dividend income is recognized in profit or loss, but changes in fair value, foreign exchange gains and losses and capital gains and losses are recognized in comprehensive income. Items recognized in other comprehensive income are not subsequently transferred to profit or loss.

Private Asset Management segment's investments, EUR 1,000	Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021
Renewable energy investments				
Truscott Gilliland East Wind	Shares and participations	10,973	9,916	7.0%
Taaleri SolarWind II	Shares and participations	2,085	2,085	0.9%
Taaleri Debt Ky	Shares and participations	1,300	1,300	15.0%
Masdar Taaleri Generation d.o.o.	Shares and participations	1,174	1,174	50.0%
Real estate investments				
Sepos Oy	Shares and participations	2,500	2,534	30.0%
Sepos Oy	Loan	1,675	1,737	-
Turun Toriparkki Oy	Shares and participations	3,502	1,682	48.2%
Bioindustry investments				
Fintoil Oy	Shares and participations	3,025	3,025	24.2%
Tracegrow Ltd	Shares and participations	1,992	1,992	7.9%
Other investments				
Taaleri Infra I Ky	Shares and participations	1,950	1,881	50.0%
Betolar Plc	Shares and participations	808	2,063	1.7%
Strategic investments, EUR 1,000				
Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021	
Aktia Bank Plc	Shares and participations	10,000	11,968	1.4%
Non-strategic investments EUR 1,000				
Investment type	Purchase price 31.12.2021	Fair value 31.12.2021	Holding 31.12.2021	
Real estate investments				
Taaleri Datacenter Ky (Ficolo)	Shares and participations	2,900	2,910	22.6%
TT Canada RE Holdings Corporation	Loan	6,729	9,195	-
Other investments				
Inderes Plc	Shares and participations + Derivative contract	150	1,259	3.1%
Fellow Finance Plc	Shares and participations	2,974	5,246	25.7%
Taaleri Telakka Ky	Shares and participations	3,430	1,620	16.1%

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.

TAALERI

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