



TERVEYSTALO GROUP INTERIM REPORT

1 JANUARY – 31 MARCH 2021

REVENUE INCREASED AND RESULT IMPROVED CLEARLY, DRIVEN BY CORPORATE CUSTOMERS

January–March 2021 in brief

- Revenue increased by 8.3% year-on-year to EUR 278.7 (257.4) million.
- Adjusted¹⁾ earnings before interest, taxes, and amortization (EBITA) increased by 66.6% to EUR 38.2 (22.9) million, representing 13.7% (8.9%) of revenue.
- Adjusted items affecting comparability were EUR 0.1 (2.3) million.
- Profit for the period was EUR 23.9 (8.8) million.
- Earnings per share (EPS) were EUR 0.19 (0.07).
- Net debt/adjusted EBITDA¹⁾ was 2.7 (3.2).
- Cash flow from operating activities was EUR 31.1 (32.9) million.
- Digital appointments nearly doubled to 243,000 (124,000) appointments.

The figures in parentheses refer to the corresponding period one year ago.

1) Adjustments are material items outside the ordinary course of business, associated with acquisition-related expenses, restructuring-related expenses, net gains and losses on the sale of assets, strategic projects, and other items affecting comparability.

CEO Ville Iho: A strong start to 2021

Terveystalo had a strong start to the year 2021. Our topline grew by 8.3% to EUR 278.7 million and in March, for the first time in Terveystalo's history, we exceeded our monthly revenue of EUR 100 million. During the review period, our business grew in all customer groups. Demand for COVID-19 related services remained strong and digital and well-being services continued to grow. Our profitability also improved significantly year-on-year, and adjusted EBITA increased by almost 67% to EUR 38.2 million. The Net Promoter Score of our appointments (NPS) continued to develop favorably and was all-time high at 84 (73 in December 2019).

The sales mix remained unusual during the first quarter. The underlying demand for health services and general practitioner (GP) visits remained well below normal level due to the decline in acute infections. However, the decline in physical appointments was partly offset by the continued expansion of remote services; the number of digital visits more than doubled year-on-year to about 243,000 visits. In well-being services, the demand for mental well-being, nutrition therapy and physiotherapy services was very strong.

The decline in infections related GP visits was also partly offset by growing demand in specialty care; the Focus special units launched in the beginning of this year had a positive start. We have brought together the best expertise in mental well-being, musculoskeletal disorders and issues related to the abdominal area into dedicated Focus-units. In addition to high medical quality, the goal of these centers of excellence is to make the services easily accessible and relevant to the customer. The new operating model will later expand to other specialties as well, where we see similar opportunities to create customer value and grow the business.

The closer relationship with the customer, emphasized in our strategy under the theme of Customer's health partner, changes the tradition of healthcare from episodic treatment to a continuum of overall health. At the same time, it enables the growth of holistic well-being and health services in the consumer business. One example of new services offered through our platform is the launch of a strategic partnership with the Finnish health technology company Nightingale Health. With the agreement, we will develop new well-being services utilizing the blood analysis technology developed by Nightingale, which measures the prevention needs related to the body's well-being and health. Based on the collaboration, a new low-threshold subscription service will be built that supports and motivates lifestyle change.

The other focus area of our strategy, the smartest platform in the industry, is also moving forward with concrete steps. System-level care protocols guide and facilitate the work of a medical professional and serve as a basis for effective steering of customers. The implemented functionalities in customer steering and supply management have already reduced bottlenecks in supply, increased the level of self-service and improved booking conversion. There is still room for improvement, and we will continue to invest in our engine room.

The COVID-19 pandemic, in all its severity, has been a necessary stimulus for reforming of the entire health care system. While the acute crisis will ease as vaccine coverage rises, COVID-19 will be part of the everyday healthcare for some time to come, in some shape or form. At the same time, trends related to well-being, lifestyle diseases, continuous measurement, and disease prevention are intensifying.

After the initial shock and management of the pandemic, the crisis enters its third phase; aftercare and sustainable renewal. Our most important task is still to provide measured quality care at a reasonable cost - whether it is promoting well-being, preventing diseases or treating them. We can invest in new solutions and quickly upgrade our operations to meet changing customer needs. Healthcare is, for good reason, a conservative industry, but technology offers unprecedented opportunities for service development. With our investments, we improve the productivity of operations and the value of our services to the customer. Our actions encourage the renewal of all healthcare to improve people's quality of life and well-being. As a forerunner in the industry, we are also the best possible partner for the public sector.

We at Terveystalo work towards a future where more and more people have fast and unhindered access to healthcare and well-being services.

Towards a better tomorrow,

Ville Iho



Outlook

- In the short term, the market environment is still uncertain because of the changes in consumer behavior resulting from the COVID-19 pandemic, and predicting demand is challenging in the short term. Demand for coronavirus testing is expected to remain high throughout the first half of 2021 and to decrease to a lower level during the third quarter, and demand for healthcare services in general is expected to grow clearly year-on-year.
- Demand from corporate customers for preventive and statutory occupational health services is expected to develop positively. The recovery of demand for acute and non-urgent medical care is uncertain, owing to a reduction in general morbidity and the measures to restrict the pandemic. Significant changes in the employment rate may be reflected in the underlying demand.
- Overall demand from private customers is expected develop positively, and to increase clearly year-on-year. However, there may be considerable differences between specialties and geographical areas in the short term because of variation in general morbidity and pandemic-related area-specific restrictive measures. Demand for remote services is expected to continue to increase. Significant changes in consumer confidence may be reflected in the underlying demand.
- Stable demand from the public sector is expected to continue in occupational health, service sales, and staffing services. Revenue from outsourcing business will decrease slightly, following the planned expiry of outsourcing contracts.

These views are based on the expected development of demand for Terveystalo's services within the next six months, compared with the past six months.

The impacts of COVID-19 and the measures taken by Terveystalo

Overall demand for services varies greatly in the short term, owing to variation in general morbidity and pandemic-related area-specific restrictive measures. During the first quarter of 2021, the services provided by Terveystalo were characterized by various COVID-19-related services as well as well-being and digital services. Demand for the latter increased significantly compared with the reference period.

The company's liquidity and financing situation has remained strong. During the review period, the company fulfilled the covenant requirement included in the financing agreement that depicts relative indebtedness. Because of the prevailing uncertainty, Terveystalo continues the increased reporting of explanatory financial information on the company's liquidity, assets, and liabilities as well as the maturity of loans in Note 12.

The company estimates that, in addition to the direct impacts of the crisis, changes in the employment rate and consumer confidence may be reflected in the underlying demand even after the acute phase has passed. Nevertheless, the company estimates that its diverse customer base and service offering will mitigate the impacts on its business from any changes in demand for individual services or in individual customer relationships.

Key figures

| Terveystalo Group, EUR million | 1-3/ 2021 | 1-3/ 2020 | Change, % | 2020 |
|--------------------------------------------------------------------------------------|--------------|--------------|-----------|---------|
| Revenue | 278.7 | 257.4 | 8.3 | 986.4 |
| Adjusted EBITDA, * ¹⁾ | 53.3 | 38.2 | 39.6 | 162.8 |
| EBITDA ¹⁾ | 53.2 | 35.9 | 48.3 | 158.3 |
| Adjusted EBITA, * ¹⁾ | 38.2 | 22.9 | 66.6 | 101.9 |
| Adjusted EBITA margin, % * ¹⁾ | 13.7 | 8.9 | - | 10.3 |
| EBITA ¹⁾ | 38.0 | 20.6 | 84.7 | 97.4 |
| EBITA margin, % ¹⁾ | 13.6 | 8.0 | - | 9.9 |
| EBIT | 32.2 | 13.0 | 147.3 | 67.2 |
| Return on equity (ROE), % ¹⁾ | 10.6 | 8.4 | - | 8.2 |
| Equity ratio, % ¹⁾ | 42.0 | 40.5 | - | 42.1 |
| Earnings per share (EUR) | 0.19 | 0.07 | 171.4 | 0.36 |
| Net debt | 477.1 | 530.6 | -10.1 | 490.9 |
| Gearing, % ¹⁾ | 82.4 | 96.4 | - | 85.9 |
| Net debt/adjusted EBITDA (last 12 months) ¹⁾ | 2.7 | 3.2 | - | 3 |
| Total assets | 1,381.7 | 1,361.3 | 1.5 | 1,361.0 |
| Adjusted EBITDA (last 12 months), excluding IFRS 16 * ¹⁾ | 133.1 | 121.7 | 9.4 | 118.0 |
| Net debt, excluding IFRS 16 | 302.6 | 338.3 | -10.6 | 312.4 |
| Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾ | 2.3 | 2.8 | - | 2.6 |
| Average personnel in person-years | 5,170 | 5,051 | 2.3 | 4,900 |
| Personnel (end of period) | 8,427 | 8,711 | -3.3 | 8,253 |
| Private practitioners (end of period) | 5,051 | 5,132 | -1.6 | 5,057 |
| Responsibility | | | | |
| Quality index ²⁾ | 97.9 | 94.0 | 4.1 | 94.2 |
| Net Promoter Score (NPS), appointments | 84.0 | 73.8 | - | 82.8 |

*) Adjustments are material items outside the ordinary course of business, associated with acquisition-related expenses, restructuring-related expenses, gain on sale of assets, strategic projects, and other items affecting comparability.

1) Alternative performance measure. In addition to the IFRS figures, Terveystalo presents additional, alternative performance indicators which the company monitors internally and which provide the company management, investors, stock market analysts, and other stakeholders with important additional information concerning the company's financial performance, financial position, and cash flows. These performance indicators should not be reviewed separate from the IFRS figures and they should not be considered to replace the IFRS figures.

2) The quality index consists of seven effectiveness indicators that describe the clinical and experienced quality, access to care, and the proportion of preventive care.

Operating environment

The coronavirus pandemic continued to have a material impact on the Finnish healthcare market in the review period. Privately provided healthcare services focused more strongly on remote appointments, while demand for coronavirus testing continued strong. The distribution of coronavirus vaccines began towards the end of 2020. Mass vaccination of the working-age population is expected to begin in May 2021, depending on the availability of vaccines. To this date, approximately 30 percent of Finns over 16 years of age have received a coronavirus vaccination. The inclusion of occupational health services in the vaccination campaign would considerably accelerate the distribution of vaccines. However, this would require an amendment to the law or a notification from the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare.

The duration and extent of the impacts of the coronavirus on the demand for private healthcare services depend largely on the development of the pandemic and its effects on consumer behavior and employment. The contraction of non-urgent care in the private and public healthcare sectors while the restrictions were in place has resulted in a significant treatment gap in other illnesses. The clearing of the queues for non-urgent care in the public sector will require more extensive use of private healthcare services in the aftercare of the pandemic. According to the Finnish Institute for Health and Welfare (THL),

7,619 (5.4 %) of those queuing for non-urgent specialized care at the end of 2020 had been in the queue for more than six months. For the past ten years, the average figure on the survey date has been 1,500 people.

In December 2020, the Finnish Government made a proposal on the social and healthcare reform to Parliament. According to the proposal, the responsibility for providing social welfare, healthcare, and rescue services will be transferred from the municipalities to the 21 well-being services counties to be established and the City of Helsinki. If the proposal is accepted, it will enter into force as of the beginning of 2023, but transition periods will be applied to existing agreements. The proposal is now in the committee stage and it is uncertain whether it will be approved in the proposed form. According to the company's assessment, if the proposal is approved it will have no material effect on Terveystalo's business.

With the most extensive network of clinics and hospitals as well as its broad range of services, the company believes that it is an attractive partner for different customer groups in the management of the pandemic as well as the post-pandemic clearing of queues and closing of the treatment gap. Terveystalo's diverse customer base and service selection will also mitigate the impacts on its business from any significant changes in demand for individual services. As a leading occupational healthcare service provider, Terveystalo has an important role in supporting the business sector in the return to normal and in the resumption of operations after the pandemic is over.

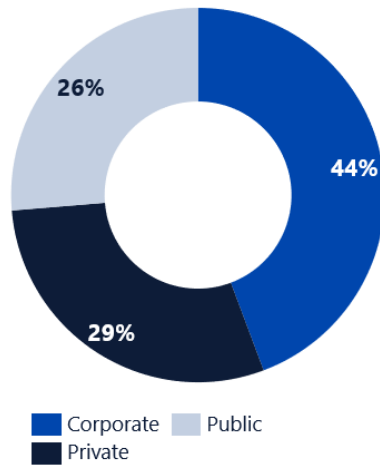
Revenue

Revenue for the first quarter increased by 8.3% year-on-year to EUR 278.7 (257.4) million. Revenue increased in all customer groups. Revenue from corporate customers increased by 10.9% year-on-year, resulting from increased demand for preventive occupational health services and sales of coronavirus testing services to corporate customers. Revenue from private customers increased by 2.3%. This was mainly driven by COVID-19-related services as well as growth in well-being services and services relating to some specialties. Revenue from public sector customers increased by 11.0%. Occupational health services provided to public sector customers increased clearly, as well as service sales. Revenue from outsourcing business increased slightly, owing to the launching of outsourced services in Hattula in April 2020 and the invoicing of COVID-19-related additional services. Revenue from insurance companies also developed favorably during the review period. The number of appointments associated with various infections reduced considerably year-on-year. Demand for appointments with specialists was nearly on par with the reference period. Demand for well-being services remained strong: revenue increased by 16% to EUR 25.5 (21.9) million. Appointments were increasingly provided remotely through digital channels, and the number of digital appointments nearly doubled to approximately 243,000 (124,000) appointments. During the first quarter, Terveystalo performed over 122,000 coronavirus tests. Acquisitions did not have a material effect on the development of revenue. There were 62 business days in January–March, compared with 63 in the reference period.

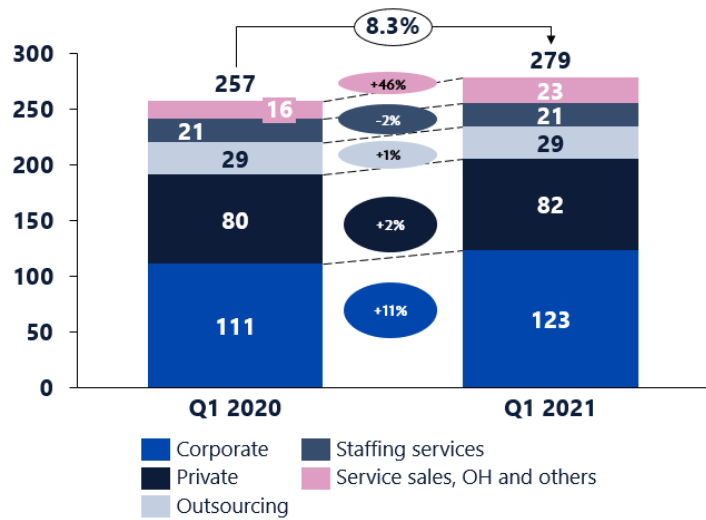
| EUR million | 1-3/ 2021 | 1-3/ 2020 | Change, % | 2020 |
|------------------------------------------------------|--------------|--------------|--------------|--------------|
| Corporate customers | 123.4 | 111.3 | 10.9 | 418.8 |
| Private customers | 81.9 | 80.0 | 2.3 | 295.4 |
| Public sector customers | 73.3 | 66.1 | 11.0 | 272.2 |
| <i>Outsourcing</i> | 29.2 | 28.9 | 1.2 | 121.4 |
| <i>Staffing services</i> | 21.1 | 21.4 | -1.7 | 83.1 |
| <i>Service sales. occupational health and others</i> | 23.0 | 15.8 | 46.1 | 67.7 |
| Total | 278.7 | 257.4 | 8.3 | 986.4 |

Revenue by payer group

Q1/21 revenue by payer group, %



Q1/21 revenue by payer group, M€



Corporate customers

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health customers, excluding municipal occupational healthcare customers, which are included in the public sector customer group. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational health services in Finland in terms of revenue and the number of end users. Terveystalo provides occupational health services for over 24,000 companies and in 2020, the company provided occupational health services for a total of approximately 630,000 customers among corporate customers.

Revenue for the first quarter from corporate customers increased by 10.9%, amounting to EUR 123.4 (111.3) million.

Revenue from preventive occupational health services* increased year-on-year, as basic occupational health services, such as guidance and counseling, health examinations, and work ability risk assessments, returned to a normal level. Revenue also increased due to the COVID-19 testing services offered to companies, as the number of coronavirus tests performed rose to over 87,000. However, demand for medical appointments not associated with COVID-19 was still clearly below the reference period, mainly owing to the low number of infections. Compared with the reference period, the proportion of remote appointments was emphasized. Revenue from well-being services increased by approximately 15% year-on-year. The strongest growth was seen in mental well-being services. An increasing proportion of occupational health appointments were provided remotely, and the use of digital services increased by 76% to approximately 180,000 (104,000) appointments.

*The statutory task of occupational healthcare is to prevent work-related adverse health effects. Preventive services include, for example, workplace surveys to examine the conditions and exposures at the workplace; health examinations; suggested measures to improve work conditions and to promote the employees' ability to work; guidance and counseling; participation in the planning and implementation of measures that maintain work ability; promotion of coping at work and, when necessary, referrals to rehabilitation in case of reduced work ability; guidance in first aid preparedness at the workplace; and assessment and monitoring of the quality and impact of occupational healthcare activities.

**Well-being services include, for example, physiotherapy, mental well-being services (psychologists and psychotherapists), nutritional therapy, work ability coaching, and massage services at Relä hierojat (Terveystalo's subsidiary).

Private customers

Private customers are Terveystalo's second-largest customer group. Private customers include private individuals and families. The company's strong brand, easy access to services without long waiting times, extensive service portfolio for private customers, families, and senior citizens, and personalized digital services give Terveystalo a competitive edge over other private operators and public healthcare services and encourage customers to invest in their own health. Services for private customers are paid for either by the customers themselves or by their insurance companies.

Revenue for the first quarter from private customers increased by 2.3%, amounting to EUR 81.9 (80.0) million.

Demand for general practitioner appointments was still clearly below the reference period level, owing to the low number of infections and the new pandemic-related restrictions. However, demand for secondary health care services in fields such as orthopedics, gynecology, ophthalmology, and dermatology increased year-on-year. The growth in demand was mainly concentrated outside the Helsinki metropolitan area due to the development of the pandemic situation. Demand for well-being services, such as mental well-being and physical therapy services, continued strong and revenue increased by 13% year-on-year. Nearly 21,000 coronavirus tests were performed on private customers during the quarter, which boosted the revenue from laboratory services in particular. In addition, revenue from surgical operations and imaging services increased year-on-year. Oral health service appointments were nearly on par year-on-year, and revenue increased slightly. The proportion of remote appointments continued to increase, and the number of digital visits nearly tripled to 26,509 (9,405) appointments year-on-year. Revenue from private healthcare services to occupational health customers increased year-on-year.

Public sector customers

Terveystalo's public sector customer group consists of Finnish public sector organizations, such as municipalities, municipal federations, and hospital districts as well as municipal occupational health customers. Terveystalo's broad nationwide platform, digital offering, good reputation, and established brand, as well as its thorough expertise and experience in healthcare services throughout the chain of care, make Terveystalo an attractive partner for the public sector. Terveystalo's services for public sector customers are mainly financed from budgets of municipalities, municipal federations, and hospital districts. The services offered to public sector customers include full and partial outsourcing, healthcare staffing services, specialized care services, other healthcare services as well as occupational health services for municipalities, municipal federations, and hospital districts. Occupational health services covered approximately 80,000 persons.

Revenue for the first quarter from public sector customers increased by 11.0% year-on-year, amounting to EUR 73.3 (66.1) million.

Revenue from outsourcing business increased by 1.2% to EUR 29.2 (28.9) million. This resulted from the launching of outsourced services in Hattula in April 2020 and the invoicing of COVID-19-related additional services. On the other hand, revenue was decreased by the expiry of several minor partial outsourcing agreements at year-end.

Revenue from staffing services decreased by 1.7% to EUR 21.1 (21.4) million. Demand for staffing services is high, and the increase of revenue is restricted mainly by the limited supply of physicians.

Revenue from service sales as well as services provided for municipal occupational health customers and other public sector customers increased by 46.1% year-on-year to EUR 23.0 (15.8) million. This resulted mainly from the strong sales of coronavirus-related services as well as the occupational health business that increased through acquisitions and new agreements. Digital appointments more than tripled to over 33,000 (10,000) consultations. The revenue from well-being services grew by 34% percent year-on-year. Over 14,000 coronavirus tests were performed on corporate customers during the quarter. In addition to testing, Terveystalo acted as a partner to public healthcare services in sample taking.

Financial performance

Adjusted earnings for the first quarter of 2021 before interest, taxes, and amortization (EBITA) increased by 66.6% to EUR 38.2 (22.9) million, representing 13.7% (8.9%) of revenue. Profitability was improved by increased revenue from all customer groups. Material costs and services were on par with the reference period, amounting to EUR 120.1 (119.9) million. Employee benefit expenses increased by 4.8% year-on-year to EUR 86.7 (82.7) million. The cost level was increased by higher personnel costs associated with COVID-19-related services and digitalization. Other operating expenses decreased by 3.1% to EUR 19.1 million.

Adjusted EBITDA increased by 39.6% year-on-year to EUR 53.3 (38.2) million.

Adjusted EBIT for the first quarter amounted to EUR 32.4 (15.4) million. EBIT amounted to EUR 32.2 (13.0) and profit before tax was EUR 29.9 (10.6) million.

Net financial expenses decreased by 6.7% to EUR 2.3 (2.4) million. Taxes on income increased to EUR 6.0 (1.8) million. Result for the first quarter was EUR 23.9 (8.8) million, and earnings per share were EUR 0.19 (0.07).

First-quarter operating cash flow decreased, amounting to EUR 31.1 (32.9) million. The growth of trade receivables and inventories increased tied-up net working capital and reduced cash flow in the review period.

First-quarter cash flow from investing activities was EUR -9.5 (-10.0) million. Compared with the reference period, investments in fixed assets were lower and the number of completed subsidiary acquisitions was higher.

First-quarter cash flow from financing activities was EUR -12.1 (-12.1) million.

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 86.7 (51.5) million. Total assets of the Group amounted to EUR 1,381.7 (1,361.3) million.

Equity attributable to owners of the parent company totaled EUR 579.1 (550.3) million. The growth was due to the increase in retained earnings. During the review period, the Annual General Meeting decided on a dividend of EUR 0.13 per share, in total EUR 16.5 million. The dividend was recognized as liability for dividend distribution and paid on April 7, 2021.

Gearing at the end of the review period was 82.4% (96.4%) and net interest-bearing debt amounted to EUR 477.1 (530.6) million.

During the review period, the company fulfilled the covenant requirement included in its financing agreement that depicts relative indebtedness. Of the credit included in the financing agreement, EUR 40 million remained unused at the end of the review period.

Return on equity for the review period was 10.6% (8.4%). Equity ratio was 42.0% (40.5%).

Seasonal variation and the impact of the number of business days

Terveystalo's revenue from corporate and private customers has typically been lower during the vacation seasons, particularly in July and August. The number of business days has an effect on the revenue and earnings development, particularly when comparing quarterly performance. Revenue from public sector customers is distributed evenly with the exception of staffing services. Because of the seasonal nature of business, the required net working capital varies during the year. Variation is caused by the timing of pension and VAT payments, vacation pay obligations and service fees related to occupational healthcare, etc.

Investments and acquisitions

Net investments* during the review period, including M&A, amounted to EUR 10.7 (10.5) million. The Group's net cash capital expenditure, excluding M&A, was EUR 5.8 (9.4) million and the corresponding non-cash capital expenditure EUR 1.3 (0.7) million. The investments consisted mainly of investments in IT system projects (including ERP and EMR), digital application and service development, medical equipment, and the network. The relative share of intangible investments in gross investments increased, whereas the share of tangible investments fell respectively.

During the first quarter, Terveystalo made three acquisitions to supplement its business. It acquired the dental clinic Espoon Keskuksen Hammaslääkärit Oy, the therapy service provider Attentio Oy, and the advanced child welfare service provider Keltaisen Kartanon Kuntoutus Oy (auxiliary business name Nuorten Sutela).

** Net investments do not include the increases of right-of-use assets related to leases for business premises recognized on the balance sheet*

Personnel

The number of Terveystalo's employed staff on March 31, 2021 was 8,427 (8,711). The decrease was mainly due to the termination of nonactive employment contracts in staffing services. In person-years, the average number of staff was 5,170 (5,051). The number of private practitioners was 5,051 (5,132).

Decisions of the Annual General Meeting 2021 and the first Board meeting

The Annual General Meeting of Terveystalo Plc was held on 25 March 2021 in Helsinki, Finland. The Annual General Meeting adopted the financial statements for the financial year 2020 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting approved the remuneration report for governing bodies and decided to support the amended remuneration policy for governing bodies which was presented to the Annual General Meeting.

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.13 per share (totaling approximately EUR 16.5 million with the current number of shares) be paid based on the balance sheet adopted for the financial year ended 31 December 2020. The dividend was paid to a shareholder registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the dividend record date of 29 March 2021. The dividend was paid on 7 April 2021.

Further, the Board of Directors was authorized to resolve in its discretion on the payment of dividend as follows: The amount of dividend to be paid based on the authorization shall not exceed EUR 0.13 per share. The authorization is valid until the opening of the next Annual General Meeting. Unless the Board of Directors decides otherwise for a justified reason, the authorization will be used to pay dividend one time during the period of validity of the authorization. In this case the Board of Directors will make a separate resolution on the payment of dividend so that the dividend would preliminarily be paid by the end of November 2021. The Company shall make separate announcement of such resolution and confirm the final record and payment dates in such announcement. The dividend to be paid based on a resolution of the Board of Directors will be paid to a shareholder registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the dividend record date.

The number of members of the Board of Directors was confirmed to be seven (7). Dag Andersson, Kari Kauniskangas, Åse Aulie Michelet, Niko Mokka, Katri Viippola, and Tomas von Rettig were re-elected as members of the Board and Kristian Pullola was elected as a new member of the Board.

KPMG Oy Ab was re-elected as the Company's auditor. KPMG Oy Ab has notified that Henrik Holmbom, APA, would be acting as the principal auditor.

As proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of the Company's own shares using the unrestricted equity of the

Company. The authorization covers a maximum of 12,803,653 shares, which corresponds to approximately 10 per cent of all shares in the Company. In addition, as proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act. The authorization covers a maximum of 12,803,653 shares, which corresponds to approximately 10 per cent of all shares in the Company. These authorizations are effective until the end of the next Annual General Meeting, however no longer than until 30 June 2022.

As proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to decide on donations in a total maximum of EUR 150,000 for charitable or corresponding purposes. In addition, the Annual General Meeting resolved to authorize the Board of Directors to decide on the donation recipients, purposes of use and other terms of the donations. The authorization will remain effective until the end of the next Annual General Meeting 2022, however no longer than for a period of 18 months from the date of the resolution of the Annual General Meeting.

The new Board elected Kari Kauniskangas as Chairman of the Board and Tomas von Rettig as Vice Chairman of the Board. Kristian Pullola was elected Chairman of the Audit Committee and Tomas von Rettig and Niko Mokka were elected members. Kari Kauniskangas was elected Chairman of the Remuneration Committee and Dag Andersson, Åse Michelet and Katri Viippola were elected members of the Committee.

The most significant short-term risks and uncertainty factors

Terveystalo's risk management is governed by the risk management policy approved by the Board. The policy defines goals, principles, organizations, responsibilities, and practices for risk management. The management of financial risks complies with the Group's financing policy approved by Terveystalo's Board.

The risks and uncertainty factors described below are considered to potentially have a significant impact on the company's business operations, financial results and future outlook within the next 12 months. The list is not intended to be exhaustive.

- The global pandemic and the related restrictive measures may have a significant impact on consumer behavior, demand for healthcare services, and the company's expected financial development. The Emergency Powers Act and other regulations pertaining to emergency circumstances give the public sector the power to intervene in service production and even take private sector resources into public use if necessary.
- The restrictions complicate supply chain operations globally, which reduces the availability of the personal protective equipment necessary in service provision, among other things.
- Changes in the competitive landscape, new competitors entering the markets and increasing price competition may have a negative impact on the company's profitability and growth potential.
- The development and implementation of information system projects and services, service products, and operating models involves risks. The company is gradually replacing its operating systems and support systems as well as creating new digital customer solutions, which increases the overall risk related to information systems. Risk management is an essential aspect of the systems integration and deployment processes.
- The company's business operations rely on its capacity to identify, recruit, and retain competent and professional healthcare professionals, employees, and executives. The increased supply of services and increased competition may affect the availability of healthcare professionals, particularly in major cities. Turnover in key employees involves the risk of losing knowledge and expertise.
- The company may not be able to find suitable acquisition targets or expansion opportunities under favorable terms, and the integration of acquisition targets is not necessarily realized as planned.
- The company's business is very dependent on functioning information systems, data communication, and external service providers. Interruptions can result from hardware failure, software failure, or cyber threats. Long-lasting malfunction of information systems or payment transfers can lead to significant loss of sales and decline in customer satisfaction.
- Endangered information security or privacy can lead to losses and claims for damages and endanger reputation.
- Corporate responsibility aspects are increasingly important for customers, such as ensuring the responsibility of the product supply chain, fair and equal treatment of employees, avoidance of corruption, and protection of the

environment. Possible failures associated with corporate responsibility would mean negative publicity for Terveystalo and could cause operational and financial damage. Challenges related to Terveystalo's corporate responsibility work include communicating the corporate responsibility principles to the key stakeholders and ensuring the responsibility of the product and service supply chain.

- The company is a party to, and may become a party to, legal action or administrative procedures initiated by the authorities, patients, or third parties. According to the company's opinion, its currently pending legal obligations and court cases are not significant in nature.

Risk management at Terveystalo and risks related to the company's business are described in more detail at <https://www.terveystalo.com/en/investors/Corporate-governance/Risk-management-and-risks/> and in the company's Annual Review.

Financial reporting 2021

In 2021, Terveystalo Plc will publish financial reports as follows:

- Half-Year Report for January–June 2021 on Friday, July 16, 2021
- Interim report for January–September 2021 on Thursday, October 28, 2021

The financial reviews 2021 will be published at approximately 9:00 a.m. EET. Financial reports are published in Finnish and English.

Briefing

Terveystalo will arrange a webcast in English on its result on April 29, 2021, starting at 12:30 EEST.

You can watch the webcast online at: <https://terveystalo.videosync.fi/2021-q1-results>

To ask questions, please join the telephone conference 5–10 minutes prior to the start time using your local number (Finland: +358 981 710 310, Sweden: +46 856 642 651, UK: +44 33 3300 0804, US: +1 631 913 1422. If you are calling from another location, please use any of the numbers above. The Participant Passcode is 28322439#

Helsinki, April 29, 2021

Terveystalo Plc

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About Terveystalo

Terveystalo is Finland's largest health service company in terms of revenue and network, with the aim of empowering lifelong health and well-being and building a healthier society. The company provides comprehensive well-being, primary care and specialist care services to corporate and private customers, as well as the public sector. Terveystalo's digital appointment services are available 24/7, regardless of time and place. In addition, the company offers health and well-being services in more than 300 locations throughout Finland.

In 2020, Terveystalo had 1.2 million individual customers. Some 6.9 million customer visits were made, of which more than a quarter took place in remote channels. Terveystalo employs more than 13,000 health and well-being professionals.

Consolidated statement of income

| EUR mill. | Note | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|--------------------------------------------------|------|--------------|--------------|--------------|--------------|
| Revenue | 4 | 278.7 | 257.4 | 8.3 | 986.4 |
| Other operating income | | 0.5 | 0.9 | -43.7 | 2.7 |
| Materials and services | 5 | -120.1 | -119.9 | 0.2 | -447.6 |
| Employee benefit expenses | 6 | -86.7 | -82.7 | 4.8 | -310.2 |
| Depreciation, amortization and impairment losses | | -20.9 | -22.8 | -8.3 | -91.2 |
| Other operating expenses | 7 | -19.1 | -19.8 | -3.1 | -73.0 |
| Operating profit | | 32.2 | 13.0 | 147.3 | 67.2 |
| Financial income | | 0.1 | 0.1 | 12.1 | 0.2 |
| Financial expenses | | -2.3 | -2.5 | -6.3 | -10.3 |
| Net finance income and expenses | | -2.3 | -2.4 | -6.7 | -10.0 |
| Share of result in associated companies | | -0.1 | 0.0 | >200.0 | -0.6 |
| Profit before taxes | | 29.9 | 10.6 | 181.8 | 56.6 |
| Income tax expense | 8 | -6.0 | -1.8 | >200.0 | -10.8 |
| Profit for the period | | 23.9 | 8.8 | 171.4 | 45.8 |
| Profit attributable to: | | | | | |
| Owners of the parent company | | 23.9 | 8.8 | 171.4 | 45.8 |
| Non-controlling interests | | - | 0.0 | -100.0 | -0.0 |

Consolidated statement of comprehensive income

| EUR mill. | Note | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|------------------------------------------------------------------------------------------------------|------|-------------|------------|--------------|-------------|
| Profit for the period | | 23.9 | 8.8 | 171.4 | 45.8 |
| Other comprehensive adjustments, net of taxes | | - | - | - | - |
| Total comprehensive income | | 23.9 | 8.8 | 171.4 | 45.8 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent company | | 23.9 | 8.8 | 171.4 | 45.8 |
| Non-controlling interest | | - | 0.0 | -100.0 | -0.0 |
| Earnings per share for profit attributable to the shareholders of the parent company, in euro | | | | | |
| Basic earnings per share | | 0.19 | 0.07 | 171.4 | 0.36 |
| Diluted earnings per share | | 0.19 | 0.07 | 170.2 | 0.36 |

The notes are an integral part of the consolidated interim financial statements.

Consolidated statement of financial position

| EUR mill. | Note | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|-------------------------------------------------------------------|------|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 9 | 67.0 | 70.4 | 67.6 |
| Right-of-use assets | 11 | 168.2 | 187.0 | 172.4 |
| Goodwill | 10 | 786.1 | 779.7 | 781.8 |
| Other intangible assets | 10 | 149.8 | 158.5 | 152.2 |
| Investment properties | | 0.5 | 0.5 | 0.5 |
| Investments in associates | | 2.0 | 2.2 | 2.2 |
| Loan receivables | | 0.3 | 0.5 | 0.3 |
| Deferred tax assets | | 4.5 | 4.3 | 4.4 |
| Other non-current assets | | 0.8 | - | - |
| Total non-current assets | | 1,179.2 | 1,203.2 | 1,181.3 |
| Current assets | | | | |
| Inventories | | 6.9 | 6.0 | 6.8 |
| Trade and other receivables | | 109.0 | 99.9 | 95.1 |
| Cash and cash equivalents | | 86.7 | 51.5 | 77.1 |
| Total current assets | | 202.5 | 157.4 | 179.0 |
| Non-current assets held for sale | | - | 0.8 | 0.8 |
| TOTAL ASSETS | | 1,381.7 | 1,361.3 | 1,361.0 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | | 0.1 | 0.1 | 0.1 |
| Invested non-restricted equity reserve | | 492.8 | 492.8 | 492.8 |
| Treasury shares | | -6.7 | -6.7 | -6.7 |
| Retained earnings | | 92.9 | 64.1 | 85.3 |
| Equity attributable to equity holders of the Company total | | 579.1 | 550.3 | 571.4 |
| Non-controlling interest | | - | 0.0 | - |
| TOTAL EQUITY | | 579.1 | 550.3 | 571.4 |
| Non-current liabilities | | | | |
| Non-current financial liabilities | | 302.2 | 343.1 | 302.3 |
| Non-current lease liabilities | 11 | 134.8 | 153.2 | 141.1 |
| Deferred tax liabilities | | 25.4 | 29.0 | 26.0 |
| Provisions | | 7.4 | 8.7 | 7.7 |
| Other liabilities | | 10.3 | 9.8 | 9.4 |
| Total non-current liabilities | | 480.2 | 543.9 | 486.6 |
| Current liabilities | | | | |
| Current financial liabilities | | 87.3 | 46.7 | 87.2 |
| Current lease liabilities | 11 | 39.7 | 39.1 | 37.3 |
| Current tax liabilities | | 3.6 | 0.0 | 13.5 |
| Provisions | | 2.2 | 2.2 | 2.4 |
| Trade and other payables | | 173.1 | 179.1 | 162.7 |
| Dividend liability | | 16.5 | - | - |
| Total current liabilities | | 322.4 | 267.2 | 303.1 |
| TOTAL LIABILITIES | | 802.6 | 811.1 | 789.6 |
| TOTAL EQUITY AND LIABILITIES | | 1,381.7 | 1,361.3 | 1,361.0 |

The notes are an integral part of the consolidated interim financial statements.

Consolidated statement of changes in equity

| Equity attributable to owners of the parent company | | | | | | | |
|-----------------------------------------------------|---------------|----------------------------------------|-----------------|-------------------|--------------|---------------------------|--------------|
| EUR mill. | Share capital | Invested non-restricted equity reserve | Treasury shares | Retained earnings | Total | Non-controlling interests | Total equity |
| Equity 1 Jan 2021 | 0.1 | 492.8 | -6.7 | 85.3 | 571.4 | - | 571.4 |
| Comprehensive income | | | | | | | |
| Profit for the period | - | - | - | 23.9 | 23.9 | - | 23.9 |
| Transactions with owners | | | | | | | |
| Share-based payments | - | - | - | 0.3 | 0.3 | - | 0.3 |
| Dividend | - | - | - | -16.5 | -16.5 | - | -16.5 |
| Equity 31 Mar 2021 | 0.1 | 492.8 | -6.7 | 92.9 | 579.1 | - | 579.1 |

| Equity attributable to owners of the parent company | | | | | | | |
|-----------------------------------------------------|---------------|----------------------------------------|-----------------|-------------------|--------------|---------------------------|--------------|
| EUR mill. | Share capital | Invested non-restricted equity reserve | Treasury shares | Retained earnings | Total | Non-controlling interests | Total equity |
| Equity 1 Jan 2020 | 0.1 | 492.8 | -6.7 | 55.1 | 541.2 | 0.0 | 541.2 |
| Comprehensive income | | | | | | | |
| Profit for the period | - | - | - | 8.8 | 8.8 | 0.0 | 8.8 |
| Transactions with owners | | | | | | | |
| Share-based payments | - | - | - | 0.2 | 0.2 | - | 0.2 |
| Equity 31 Mar 2020 | 0.1 | 492.8 | -6.7 | 64.1 | 550.3 | 0.1 | 550.3 |

| Equity attributable to owners of the parent company | | | | | | | |
|-----------------------------------------------------|---------------|----------------------------------------|-----------------|-------------------|--------------|---------------------------|--------------|
| EUR mill. | Share capital | Invested non-restricted equity reserve | Treasury shares | Retained earnings | Total | Non-controlling interests | Total equity |
| Equity 1 Jan 2020 | 0.1 | 492.8 | -6.7 | 55.1 | 541.2 | 0.0 | 541.2 |
| Comprehensive income | | | | | | | |
| Profit for the period | - | - | - | 45.8 | 45.8 | 0.0 | 45.8 |
| Transactions with owners | | | | | | | |
| Share-based payments | - | - | - | 0.9 | 0.9 | - | 0.9 |
| Dividend | - | - | - | -16.5 | -16.5 | - | -16.5 |
| Equity 31 Dec 2020 | 0.1 | 492.8 | -6.7 | 85.3 | 571.4 | 0.0 | 571.4 |

Consolidated statement of cash flows

| EUR mill. | 1-3/2021 | 1-3/2020 | 2020 |
|-----------------------------------------------------------|--------------|--------------|--------------|
| Cash flows from operating activities | | | |
| Profit before taxes | 29.9 | 10.6 | 56.6 |
| Adjustments for | | | |
| Non-cash transactions | | | |
| Depreciation, amortization and impairment losses | 20.9 | 22.8 | 91.2 |
| Change in provisions | -0.4 | 1.9 | 1.0 |
| Other non-cash transactions | -0.1 | -0.5 | -0.8 |
| Gains and losses on sale of property, plant, equipment | 0.0 | 0.0 | 0.0 |
| Net finance expenses | 2.3 | 2.4 | 10.0 |
| Changes in working capital | | | |
| Trade and other receivables | -15.8 | -0.6 | 5.3 |
| Inventories | 0.0 | -0.4 | -1.2 |
| Trade and other payables | 7.6 | 12.7 | -1.4 |
| Interest received | 0.1 | 0.1 | 0.2 |
| Income taxes paid | -13.3 | -16.1 | -17.2 |
| Net cash from operating activities | 31.1 | 32.9 | 143.7 |
| Cash flows from investing activities | | | |
| Acquisition of subsidiaries, net of cash acquired | -3.7 | -0.1 | -2.0 |
| Acquisition of property, plant and equipment | -2.9 | -5.3 | -13.0 |
| Acquisition of intangible assets | -3.0 | -4.1 | -20.1 |
| Investments to associates | - | - | -0.5 |
| Proceeds from sale of available-for-sale financial assets | - | - | 0.0 |
| Acquisition of business operation, net of cash acquired | - | -0.2 | -0.6 |
| Long-term loans granted | - | -0.2 | -0.2 |
| Proceeds from sale of property, plant and equipment | 0.0 | 0.0 | 0.4 |
| Dividends received | - | 0.0 | 0.0 |
| Net cash from investing activities | -9.5 | -10.0 | -36.0 |
| Cash flows from financing activities | | | |
| Repayment of non-current borrowings | - | - | -41.5 |
| Proceeds from current borrowings | - | - | 40.0 |
| Payment of lease liabilities | -9.6 | -9.4 | -37.7 |
| Payment of hire purchase liabilities | -1.4 | -1.4 | -5.5 |
| Interests and other financial expenses paid | -1.1 | -1.2 | -10.0 |
| Dividends paid | - | - | -16.5 |
| Net cash from financing activities | -12.1 | -12.1 | -71.2 |
| Net change in cash and cash equivalents | 9.6 | 10.9 | 36.5 |
| Cash and cash equivalents at the beginning of the period | 77.1 | 40.6 | 40.6 |
| Cash and cash equivalents at the end of the period | 86.7 | 51.5 | 77.1 |

The notes are an integral part of the consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Basis of accounting principles

These interim financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting -standard and should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended 31 December 2020. The accounting policies adopted are consistent with those of the annual financial statements for 2020. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

2. Use of judgments and estimates and information about the COVID-19 outbreak on financial reporting

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mainly the same as those that applied to the consolidated financial statements as at the year ended 31 December 2020.

Due to the uncertainty caused by the epidemic, Terveystalo has assessed the impacts of the coronavirus on the reported figures and forecasts as described below. In the current situation, these forecasts strongly rely on assessments made by the Group management.

Because of the uncertainty in the economic operating environment, the credit loss risk of trade receivables and the impairment risk of assets were assessed in light of the latest forecasts in connection with the financial reporting on the first quarter. The risk of credit losses for trade receivables was not found to have increased significantly and no indications were noted of heightened impairment risk of assets.

The Group's liquidity and financing situation have remained strong. During the review period, the Group fulfilled the covenant requirement included in the financing agreement that depicts relative indebtedness. Because of the prevailing uncertainty, Terveystalo continues the increased reporting of explanatory financial information on the Group's liquidity, assets, and liabilities as well as the maturity of loans in Note 12.

3. Events after the reporting period

The Group has not had material events affecting financial reporting after the end of the reporting period.

4. Revenue

The Group's distribution of revenue is based on the customer types. The Group does not have customers whose revenue exceeds 10 percent of the Group's total revenue. Terveystalo offers its primary and outpatient secondary health care services to three distinct customer groups: corporate customers, private customers and public customers.

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health care customers, excluding municipal occupational health care customers. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational healthcare services in Finland in terms of revenue and the number of end-users. Terveystalo provides occupational healthcare services for over 24,000 companies.

Private customers are Terveystalo's second-largest customer group. Private customers include private individuals and families. The company's strong brand, easy access to services without long waiting times, leading service portfolio for private customers, families, and senior citizens, and personalized digital services give Terveystalo a competitive edge over public health care services and encourage customers to invest in their own health. Services for private customers are paid for either by the customers themselves or by their insurance companies.

Terveystalo's public customer group is made up of Finnish public sector organizations, such as municipalities, municipal federations, and hospital districts, as well as municipal occupational health care customers. Terveystalo's broad nationwide platform, digital offering, good reputation, and established brand, as well as its thorough expertise and experience in health care services throughout the chain of care, make Terveystalo an attractive partner for the public sector. Terveystalo's services for public sector customers are mainly financed from budgets of municipalities, municipal federations, and hospital districts. The services offered to public sector customers include full and partial outsourcings, health care staffing services, specialized care services, other health care services, as well as occupational health care services for municipalities, municipal federations, and hospital districts.

Disaggregation of revenue

| EUR mill. | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|--------------------------------------------------------------|--------------|--------------|-------------|--------------|
| Corporate | 123.4 | 111.3 | 10.9 | 418.8 |
| Private | 81.9 | 80.0 | 2.3 | 295.4 |
| Public | 73.3 | 66.1 | 11.0 | 272.2 |
| <i>Outsourcing</i> | 29.2 | 28.9 | 1.2 | 121.4 |
| <i>Staffing services</i> | 21.1 | 21.4 | -1.7 | 83.1 |
| <i>Service sales, such as occupational health and others</i> | 23.0 | 15.8 | 46.1 | 67.7 |
| Total | 278.7 | 257.4 | 8.3 | 986.4 |

Timing of satisfying performance obligations

| EUR mill. | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|--------------------|--------------|--------------|------------|--------------|
| At a point in time | 248.6 | 227.7 | 9.2 | 861.8 |
| Over time | 30.1 | 29.7 | 1.3 | 124.5 |
| Total | 278.7 | 257.4 | 8.3 | 986.4 |

Balances in the statement of financial position

| EUR mill. | 31 Mar 2021 | 31 Mar 2020 | Change, % | 31 Dec 2020 |
|----------------------|-------------|-------------|-----------|-------------|
| Contract assets | 45.1 | 26.8 | 68.4 | 5.6 |
| Contract liabilities | 2.0 | 1.5 | 30.2 | 2.2 |

5. Materials and services

| EUR mill. | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|-----------------------|---------------|---------------|------------|---------------|
| Purchase of materials | -8.8 | -9.2 | -4.7 | -35.5 |
| Change in inventories | 0.0 | 0.4 | -95.0 | 1.3 |
| External services | -111.4 | -111.1 | 0.2 | -413.4 |
| Total | -120.1 | -119.9 | 0.2 | -447.6 |

6. Employee benefit expenses

| EUR mill. | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|--------------------------|--------------|--------------|------------|---------------|
| Salaries and fees | -71.8 | -68.4 | 5.0 | -261.6 |
| Share-based payments | -0.3 | -0.3 | 31.7 | -0.9 |
| Other personnel expenses | -14.6 | -14.0 | 3.7 | -47.6 |
| Total | -86.7 | -82.7 | 4.8 | -310.2 |

7. Other operating expenses

| EUR mill. | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|----------------------------|--------------|--------------|-------------|--------------|
| Rents, leases and premises | -3.7 | -4.0 | -7.3 | -16.3 |
| IT expenses | -6.9 | -6.3 | 9.9 | -25.2 |
| Other operating expenses | -8.5 | -9.5 | -10.1 | -31.5 |
| Total | -19.1 | -19.8 | -3.1 | -73.0 |

8. Income taxes

Income taxes in the statement of income

| EUR mill. | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|------------------------------------|-------------|-------------|--------------|--------------|
| Current tax for the reporting year | -6.7 | -3.6 | 85.3 | -15.8 |
| Income taxes for prior periods | 0.0 | -0.0 | -133.6 | -0.0 |
| Change in deferred taxes | 0.7 | 1.8 | -59.8 | 5.1 |
| Total income taxes | -6.0 | -1.8 | 232.9 | -10.8 |

Deferred taxes have been calculated using the enacted tax rate of 20 %.

9. Property, plant and equipment

| 1-3/2021 | Land and water, buildings and constructions | Machinery and equipment | Improvement to premises | Other tangible assets and advances paid | Total |
|-------------------------------------------------------------------|---------------------------------------------|-------------------------|-------------------------|-----------------------------------------|---------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2021 | 2.1 | 127.4 | 49.5 | 1.8 | 180.8 |
| Business combination | - | 0.2 | - | - | 0.2 |
| Additions | - | 2.7 | 0.4 | 0.9 | 4.0 |
| Disposals | - | -0.1 | - | - | -0.1 |
| Transfers between items | - | 0.7 | 0.1 | -0.7 | - |
| Acquisition cost 31 Mar 2021 | 2.1 | 130.8 | 50.0 | 2.0 | 184.9 |
| Accumulated depreciation and impairment losses 1 Jan 2021 | -1.1 | -88.1 | -24.1 | - | -113.3 |
| Depreciation for the reporting period | -0.0 | -3.4 | -1.3 | - | -4.7 |
| Accumulated depreciation and impairment losses 31 Mar 2021 | -1.1 | -91.5 | -25.4 | - | -117.9 |
| Carrying amount 1 Jan 2021 | 1.0 | 39.3 | 25.5 | 1.8 | 67.6 |
| Carrying amount 31 Mar 2021 | 1.0 | 39.4 | 24.6 | 2.0 | 67.0 |

| 1-3/2020 | Land and water, buildings and constructions | Machinery and equipment | Improvement to premises | Other tangible assets and advances paid | Total |
|-------------------------------------------------------------------|---------------------------------------------|-------------------------|-------------------------|-----------------------------------------|--------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2020 | 2.1 | 115.6 | 44.1 | 1.9 | 163.8 |
| Additions | - | 3.4 | 1.5 | 0.9 | 5.8 |
| Disposals | - | -0.1 | - | - | -0.1 |
| Acquisition cost 31 Mar 2020 | 2.1 | 118.9 | 45.6 | 2.8 | 169.5 |
| Accumulated depreciation and impairment losses 1 Jan 2020 | -1.1 | -74.3 | -19.0 | - | -94.4 |
| Depreciation for the reporting period | -0.0 | -3.5 | -1.2 | - | -4.8 |
| Accumulated depreciation and impairment losses 31 Mar 2020 | -1.1 | -77.8 | -20.3 | - | -99.1 |
| Carrying amount 1 Jan 2020 | 1.1 | 41.3 | 25.1 | 1.9 | 69.5 |
| Carrying amount 31 Mar 2020 | 1.1 | 41.1 | 25.4 | 2.8 | 70.4 |

| 2020 | Land and water, buildings and constructions | Machinery and equipment | Improvement to premises | Other tangible assets and advances paid | Total |
|-------------------------------------------------------------------|---------------------------------------------|-------------------------|-------------------------|-----------------------------------------|---------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2020 | 2.1 | 115.6 | 44.1 | 1.9 | 163.8 |
| Business combination | - | 0.0 | - | - | 0.0 |
| Additions | - | 12.4 | 5.1 | 0.0 | 17.5 |
| Disposals | - | -0.5 | -0.0 | - | -0.5 |
| Transfers between items | - | -0.1 | 0.3 | -0.1 | - |
| Acquisition cost 31 Dec 2020 | 2.1 | 127.4 | 49.5 | 1.8 | 180.8 |
| Accumulated depreciation and impairment losses 1 Jan 2020 | -1.1 | -74.3 | -19.0 | - | -94.4 |
| Depreciation for the reporting period | -0.0 | -13.8 | -5.1 | - | -18.9 |
| Accumulated depreciation and impairment losses 31 Dec 2020 | -1.1 | -88.1 | -24.1 | - | -113.3 |
| Carrying amount 1 Jan 2020 | 1.0 | 41.3 | 25.1 | 1.9 | 69.5 |
| Carrying amount 31 Dec 2020 | 1.0 | 39.3 | 25.5 | 1.8 | 67.6 |

10. Intangible assets

| 1-3/2021 | Goodwill | Customer relationships | Trademarks | Other intangible assets and advances paid | Total |
|--------------------------------------------------------------------|--------------|------------------------|--------------|-------------------------------------------|----------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2021 | 849.8 | 154.2 | 82.9 | 80.9 | 1,167.8 |
| Business combination | 4.4 | 0.3 | - | 0.0 | 4.7 |
| Additions | - | - | - | 3.0 | 3.0 |
| Acquisition cost 31 Mar 2021 | 854.1 | 154.6 | 82.9 | 83.9 | 1,175.5 |
| Accumulated amortizations and impairment losses 1 Jan 2021 | -68.0 | -97.3 | -29.2 | -39.3 | -233.9 |
| Amortization for the reporting period | - | -2.4 | -1.0 | -2.3 | -5.8 |
| Accumulated amortizations and impairment losses 31 Mar 2021 | -68.0 | -99.7 | -30.3 | -41.6 | -239.6 |
| Carrying amount 1 Jan 2021 | 781.8 | 56.9 | 53.6 | 41.6 | 933.9 |
| Carrying amount 31 Mar 2021 | 786.1 | 54.9 | 52.6 | 42.3 | 935.9 |

| 1-3/2020 | Goodwill | Customer relationships | Trademarks | Other intangible assets and advances paid | Total |
|--------------------------------------------------------------------|--------------|------------------------|--------------|-------------------------------------------|----------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2020 | 847.2 | 153.7 | 82.9 | 61.0 | 1,144.9 |
| Business combination | 0.4 | - | - | - | 0.4 |
| Additions | - | - | - | 4.1 | 4.1 |
| Reclassifications | - | - | - | -0.0 | -0.0 |
| Acquisition cost 31 Mar 2020 | 847.7 | 153.7 | 82.9 | 65.1 | 1,149.4 |
| Accumulated amortizations and impairment losses 1 Jan 2020 | -68.0 | -79.5 | -25.1 | -31.1 | -203.7 |
| Amortization for the reporting period | - | -4.5 | -1.0 | -2.0 | -7.5 |
| Accumulated amortizations and impairment losses 31 Mar 2020 | -68.0 | -83.9 | -26.1 | -33.1 | -211.2 |
| Carrying amount 1 Jan 2020 | 779.2 | 74.2 | 57.8 | 29.9 | 941.2 |
| Carrying amount 31 Mar 2020 | 779.7 | 69.8 | 56.7 | 32.0 | 938.2 |

| 2020 | Goodwill | Customer relationships | Trademarks | Other intangible assets and advances paid | Total |
|--------------------------------------------------------------------|--------------|------------------------|--------------|-------------------------------------------|----------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2020 | 847.2 | 153.7 | 82.9 | 61.0 | 1,144.9 |
| Business combination | 2.5 | 0.5 | - | - | 3.0 |
| Additions | - | - | - | 19.9 | 19.9 |
| Disposals | - | - | - | -0.0 | -0.0 |
| Acquisition cost 31 Dec 2020 | 849.8 | 154.2 | 82.9 | 80.9 | 1,167.8 |
| Accumulated amortizations and impairment losses 1 Jan 2020 | -68.0 | -79.5 | -25.1 | -31.1 | -203.7 |
| Amortization for the reporting period | - | -17.8 | -4.1 | -8.2 | -30.2 |
| Accumulated amortizations and impairment losses 31 Dec 2020 | -68.0 | -97.3 | -29.2 | -39.3 | -233.9 |
| Carrying amount 1 Jan 2020 | 779.2 | 74.2 | 57.8 | 29.9 | 941.2 |
| Carrying amount 31 Dec 2020 | 781.8 | 56.9 | 53.6 | 41.6 | 933.9 |

11. Right of-use-assets and lease liabilities

11.1 Right-of-use assets

| 1-3/2021 | | | |
|-------------------------------------------------------------------|--------------|---------------------------|---------------|
| EUR mill. | Premises | Other right-of-use assets | Total |
| Acquisition cost 1 Jan 2021 | 234.9 | 38.9 | 273.8 |
| Additions | 7.1 | 0.1 | 7.2 |
| Disposals | -0.9 | - | -0.9 |
| Acquisition cost 31 Mar 2021 | 241.1 | 39.0 | 280.2 |
| Accumulated depreciation and impairment losses 1 Jan 2021 | -76.8 | -24.6 | -101.4 |
| Depreciation for the reporting period | -9.7 | -0.8 | -10.5 |
| Accumulated depreciation and impairment losses 31 Mar 2021 | -86.4 | -25.5 | -111.9 |
| Carrying amount 1 Jan 2021 | 158.1 | 14.3 | 172.4 |
| Carrying amount 31 Mar 2021 | 154.7 | 13.6 | 168.2 |

| 1-3/2020 | | | |
|-------------------------------------------------------------------|--------------|---------------------------|--------------|
| EUR mill. | Premises | Other right-of-use assets | Total |
| Acquisition cost 1 Jan 2020 | 214.7 | 37.9 | 252.6 |
| Additions | 5.7 | 0.5 | 6.2 |
| Disposals | -1.9 | - | -1.9 |
| Acquisition cost 31 Mar 2020 | 218.5 | 38.5 | 257.0 |
| Accumulated depreciation and impairment losses 1 Jan 2020 | -38.3 | -21.1 | -59.4 |
| Depreciation for the reporting period | -9.6 | -0.9 | -10.5 |
| Accumulated depreciation and impairment losses 31 Mar 2020 | -47.9 | -22.0 | -70.0 |
| Carrying amount 1 Jan 2020 | 176.4 | 16.8 | 193.2 |
| Carrying amount 31 Mar 2020 | 170.6 | 16.5 | 187.0 |

| 2020 | | | |
|-------------------------------------------------------------------|--------------|---------------------------|---------------|
| EUR mill. | Premises | Other right-of-use assets | Total |
| Acquisition cost 1 Jan 2020 | 214.7 | 37.9 | 252.6 |
| Additions | 26.2 | 1.3 | 27.5 |
| Disposals | -6.0 | -0.3 | -6.3 |
| Acquisition cost 31 Dec 2020 | 234.9 | 38.9 | 273.8 |
| Accumulated depreciation and impairment losses 1 Jan 2020 | -38.3 | -21.1 | -59.4 |
| Depreciation for the reporting period | -38.5 | -3.5 | -42.0 |
| Accumulated depreciation and impairment losses 31 Dec 2020 | -76.8 | -24.6 | -101.4 |
| Carrying amount 1 Jan 2020 | 176.4 | 16.8 | 193.2 |
| Carrying amount 31 Dec 2020 | 158.1 | 14.3 | 172.4 |

11.2. Lease liabilities

| 1-3/2021 | | | |
|------------------------------------|--------------|-------------------------|--------------|
| EUR mill. | Premises | Other lease liabilities | Total |
| Carrying amount 1 Jan 2021 | 161.7 | 16.8 | 178.5 |
| Transactions | 6.2 | 0.1 | 6.3 |
| Payment of lease liabilities | -9.5 | -0.8 | -10.3 |
| Carrying amount 31 Mar 2021 | 158.5 | 16.0 | 174.5 |

| 1-3/2020 | | | |
|------------------------------------|--------------|-------------------------|--------------|
| EUR mill. | Premises | Other lease liabilities | Total |
| Opening balance 1 Jan 2020 | 178.7 | 19.4 | 198.1 |
| Transactions | 3.8 | 0.5 | 4.3 |
| Payment of lease liabilities | -9.2 | -0.9 | -10.1 |
| Carrying amount 31 Mar 2020 | 173.3 | 19.0 | 192.3 |

| 2020 | | | |
|------------------------------------|--------------|-------------------------|--------------|
| EUR mill. | Premises | Other lease liabilities | Total |
| Opening balance 1 Jan 2020 | 178.7 | 19.4 | 198.1 |
| Transactions | 17.1 | 1.0 | 18.1 |
| Payment of lease liabilities | -34.1 | -3.6 | -37.7 |
| Carrying amount 31 Dec 2020 | 161.7 | 16.8 | 178.5 |

12. Financing

12.1 Liquidity

| EUR mill. | 31 Mar 2021 | 31 Dec 2020 |
|----------------------------------------------------------------------------|-------------|-------------|
| Cash and cash equivalents | 86.7 | 77.1 |
| Committed undrawn revolving facilities | 48.0 | 48.0 |
| Repayment of the interest-bearing liabilities in the following 12 months * | -90.9 | -90.9 |
| Liquidity | 43.8 | 34.2 |

* Includes only the future repayments and interests of the loans from financial institutions and hire purchase liabilities.

12.2 Financial assets and liabilities – carrying amount, fair values and fair value hierarchy

| EUR mill. 31 Mar 2021 | Financial assets and liabilities at fair value | Financial assets and liabilities at amortized cost | Carrying amount | Fair value | Fair value hierarchy |
|-----------------------------------|------------------------------------------------|----------------------------------------------------|-----------------|--------------|----------------------|
| Financial assets | | | | | |
| Non-current | | | | | |
| Loan receivables | 0.3 | - | 0.3 | 0.3 | Level 2 |
| Unquoted equity investments | 0.8 | - | 0.8 | 0.8 | Level 3 |
| Current | | | | | |
| Cash and cash equivalents | - | 86.7 | 86.7 | 86.7 | |
| Interest rate derivatives | 1.2 | - | 1.2 | 1.2 | Level 2 |
| Total | 2.2 | 86.7 | 88.9 | 88.9 | |
| Financial liabilities | | | | | |
| Non-current | | | | | |
| Loans from financial institutions | - | 290.6 | 290.6 | 290.6 | |
| Hire purchase liabilities | - | 11.6 | 11.6 | 11.6 | |
| Contingent considerations | 1.9 | - | 1.9 | 1.9 | Level 3 |
| Current | | | | | |
| Loans from financial institutions | - | 81.4 | 81.4 | 81.4 | |
| Hire purchase liabilities | - | 5.9 | 5.9 | 5.9 | |
| Contingent considerations | 0.9 | - | 0.9 | 0.9 | Level 3 |
| Interest rate derivatives | 2.3 | - | 2.3 | 2.3 | Level 2 |
| Total | 5.1 | 389.5 | 394.7 | 394.7 | |

| EUR mill. 31 Dec 2020 | Financial assets and liabilities at fair value | Financial assets and liabilities at amortized cost | Carrying amount | Fair value | Fair value hierarchy |
|-----------------------------------|------------------------------------------------|----------------------------------------------------|-----------------|--------------|----------------------|
| Financial assets | | | | | |
| Non-current | | | | | |
| Loan receivables | 0.3 | - | 0.3 | 0.3 | Level 2 |
| Current | | | | | |
| Cash and cash equivalents | - | 77.1 | 77.1 | 77.1 | |
| Total | 0.3 | 77.1 | 77.4 | 77.4 | |
| Financial liabilities | | | | | |
| Non-current | | | | | |
| Loans from financial institutions | - | 290.5 | 290.5 | 290.5 | |
| Hire purchase liabilities | - | 11.8 | 11.8 | 11.8 | |
| Contingent considerations | 1.0 | - | 1.0 | 1.0 | Level 3 |
| Current | | | | | |
| Loans from financial institutions | - | 81.4 | 81.4 | 81.4 | |
| Hire purchase liabilities | - | 5.8 | 5.8 | 5.8 | |
| Contingent considerations | 0.9 | - | 0.9 | 0.9 | Level 3 |
| Interest rate derivatives | 1.1 | - | 1.1 | 1.1 | Level 2 |
| Total | 3.1 | 389.5 | 392.6 | 392.6 | |

Financial assets and liabilities classified at fair value hierarchy level 3 consist of unquoted equity investments and contingent considerations from business combinations. The measurement of unquoted equity investments is based on the managements estimate of future cash flows arising from the investments and the measurement of contingent considerations is based on the amounts specified in purchase agreements and the management estimate on whether the consideration will be realized. The effect on earnings arising from the changes of fair values of financial assets and liabilities classified at fair value hierarchy level 3 has been EUR 0.2 million (2020: EUR 0.5 million).

12.3 Maturity analysis of liquidity risk

31 Mar 2021

| EUR mill. | Carrying amount | Contractual cash flows | 1 year | 1–2 years | 2–5 years | Over 5 years |
|-----------------------------------|-----------------|------------------------|--------------|-------------|--------------|--------------|
| Loans from financial institutions | 372.0 | 382.6 | 84.7 | 44.2 | 253.7 | - |
| Lease liabilities | 174.5 | 180.6 | 41.3 | 37.2 | 71.5 | 30.7 |
| Hire purchase liabilities | 17.5 | 18.0 | 6.2 | 5.2 | 6.6 | - |
| Trade payables | 41.9 | 41.9 | 41.9 | - | - | - |
| Interest rate derivatives | 2.3 | 2.4 | 1.1 | 1.0 | 0.2 | - |
| Total | 608.3 | 625.5 | 175.2 | 87.6 | 332.0 | 30.7 |

31 Dec 2020

| EUR mill. | Carrying amount | Contractual cash flows | 1 year | 1–2 years | 2–5 years | Over 5 years |
|-----------------------------------|-----------------|------------------------|--------------|-------------|--------------|--------------|
| Loans from financial institutions | 371.9 | 383.5 | 84.9 | 44.3 | 254.3 | - |
| Lease liabilities | 178.5 | 193.1 | 42.1 | 37.5 | 79.3 | 34.2 |
| Hire purchase liabilities | 17.6 | 18.2 | 6.0 | 5.2 | 6.9 | - |
| Trade payables | 40.1 | 40.1 | 40.1 | - | - | - |
| Interest rate derivatives | 1.1 | 1.2 | 0.5 | 0.5 | 0.1 | - |
| Total | 609.3 | 636.1 | 173.6 | 87.5 | 340.6 | 34.2 |

13. Business combinations

During the three months ended 31 March 2021, the Group has made three business acquisitions.

On 1 March 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the therapy service provider Attentio Oy.

On 1 March 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the dental clinic Espoon Keskuksen Hammaslääkärit Oy.

On 31 March 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the advanced child welfare service provider Keltaisen Kartanon Kuntoutus Oy.

The following table summarizes the acquisition date fair values of the consideration transferred as well as the recognized amounts of assets acquired and liabilities assumed at the acquisition date. The statement of financial position of acquired companies has been prepared in accordance with IFRS and Terveystalo Group's accounting principles in all material respect. The following table is partially preliminary, and the information has been consolidated, because the acquisitions are not material individually.

Consideration transferred

| EUR mill. | |
|----------------------------------------|------------|
| Cash | 4.4 |
| Contingent consideration | 1.0 |
| Total consideration transferred | 5.4 |

Identifiable assets acquired and liabilities assumed

| EUR mill. | |
|-----------------------------------------------|------------|
| Cash and cash equivalents | 0.7 |
| Intangible assets | 0.4 |
| Property, plant and equipment | 0.2 |
| Inventories | 0.1 |
| Trade and other receivables | 0.5 |
| Trade and other payables | -0.7 |
| Deferred tax liabilities | -0.1 |
| Total identifiable net assets acquired | 1.0 |

| | |
|-----------------|------------|
| Goodwill | 4.4 |
|-----------------|------------|

As a result of these business combinations, a preliminary goodwill amounting to EUR 4.4 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is non-deductible in taxation.

In these business combinations, the Group has acquired customer relationships. The fair value of customer contracts and related customer relationships included in other intangible assets has been determined on the basis of the estimated duration of customer relationships and the discounted net cash flows from existing customer contracts.

The fair value of the acquired trade and other receivables amounted to EUR 0.5 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 34.5 thousand related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed revenue recognized from the acquisitions during the review period was EUR 0.4 million. The impact of the business combinations during the review period to the result for the period has not been material.

If the acquisition had occurred on 1 January 2021, management estimates that the Group's consolidated revenue during the review period would have been EUR 279.2 million and the consolidated result for the period would have been EUR 23.8 million.

Business combinations during 2020

During the year 2020, the Group acquired three businesses and has made two corporate acquisitions.

On 31 March 2020 Suomen Terveystalo Oy acquired the business from Varkauden fysiokeskus. Acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.1 million. The contingent consideration is tied to the future sales to be incurred.

On 1 August 2020 Suomen Terveystalo Oy acquired the occupational health business activities of Keski-Satakunnan Työterveydenhuolto.

On 30 August 2020 Suomen Terveystalo Oy acquired the business of Keski-Lapin Hammashuolto. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 30 thousand. The contingent consideration is tied to the future sales to be incurred.

On 31 October 2020 Terveystalo Healthcare Oy acquired 100 percent of the shares of the medical center MedInari Oy.

On 31 December 2020 Terveystalo Healthcare Oy acquired 100 percent of the shares of the sleep clinic Vitalmed Oy. The acquisition includes a contingent consideration that was treated as a part of the consideration transferred and recognized as a liability at the date of the acquisition with a fair value of EUR 0.4 million. The contingent consideration is tied to the future sales to be incurred.

The following table summarizes the acquisition date fair values of the consideration transferred as well as the recognized amounts of assets acquired and liabilities assumed at the acquisition date. The statement of financial position of acquired companies has been prepared in accordance with IFRS and Terveystalo Group's accounting principles in all material respect. The following table is partially preliminary, and the information has been consolidated, because the acquisitions are not material individually.

Consideration transferred

| EUR mill. | |
|----------------------------------------|------------|
| Cash | 2.4 |
| Contingent consideration | 0.5 |
| Total consideration transferred | 2.9 |

Identifiable assets acquired and liabilities assumed

| EUR mill. | |
|-----------------------------------------------|------------|
| Cash and cash equivalents | 0.1 |
| Intangible assets | 0.5 |
| Trade and other receivables | 0.1 |
| Trade and other payables | -0.2 |
| Deferred tax liabilities | -0.1 |
| Total identifiable net assets acquired | 0.5 |

| | |
|-----------------|------------|
| Goodwill | 2.5 |
|-----------------|------------|

As a result of these business combinations, a goodwill amounting to EUR 2.5 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 0.5 of the goodwill recognized is tax deductible as it was recognized from business acquisitions.

In these business combinations, the Group has acquired customer relationships. The fair value of customer contracts and related customer relationships included in other intangible assets has been determined on the basis of the estimated duration of customer relationships and the discounted net cash flows from existing customer contracts.

The fair value of the acquired trade and other receivables amounted to EUR 0.1 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 78.8 thousand related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed recognized revenue from this acquisition during 2020 was EUR 0.5 million. The impact of the business combinations during the year to the result for the period has not been material.

If the acquisition had occurred on 1 January 2020, management estimates that the Group's consolidated revenue in 2020 would have been EUR 989.0 million and the consolidated result for the period would have been EUR 45.8 million.

14. Group's key financial ratios

| Terveystalo Group, EUR mill. | 1-3/2021 | 1-3/2020 | Change, % | 2020 |
|-------------------------------------------------------------------|----------|----------|-----------|---------|
| Revenue | 278.7 | 257.4 | 8.3 | 986.4 |
| Adjusted EBITDA, * ¹⁾ | 53.3 | 38.2 | 39.6 | 162.8 |
| Adjusted EBITDA, % * ¹⁾ | 19.1 | 14.8 | - | 16.5 |
| EBITDA ¹⁾²⁾ | 53.2 | 35.9 | 48.3 | 158.3 |
| EBITDA, % ¹⁾ | 19.1 | 13.9 | - | 16.1 |
| Adjusted EBITA * ¹⁾ | 38.2 | 22.9 | 66.6 | 101.9 |
| Adjusted EBITA, % * ¹⁾ | 13.7 | 8.9 | - | 10.3 |
| EBITA ¹⁾ | 38.0 | 20.6 | 84.7 | 97.4 |
| EBITA, % ¹⁾ | 13.6 | 8.0 | - | 9.9 |
| Adjusted operating profit (EBIT) * ¹⁾ | 32.4 | 15.4 | 110.8 | 71.6 |
| Adjusted operating profit (EBIT), % * ¹⁾ | 11.6 | 6.0 | - | 7.3 |
| Operating profit (EBIT) | 32.2 | 13.0 | 147.3 | 67.2 |
| Operating profit (EBIT), % | 11.6 | 5.1 | - | 6.8 |
| Return on equity (ROE), % ¹⁾ | 10.6 | 8.4 | - | 8.2 |
| Equity ratio, % ¹⁾ | 42.0 | 40.5 | - | 42.1 |
| Earnings per share (€) | 0.19 | 0.07 | 171.4 | 0.36 |
| Net debt | 477.1 | 530.6 | -10.1 | 490.9 |
| Gearing, % ¹⁾ | 82.4 | 96.4 | - | 85.9 |
| Net debt/Adjusted EBITDA (LTM) ¹⁾ | 2.7 | 3.2 | - | 3.0 |
| Total assets | 1,381.7 | 1,361.3 | 1.5 | 1,361.0 |
| Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾ | 133.1 | 121.7 | 9.4 | 118.0 |
| Net debt, excluding IFRS 16 | 302.6 | 338.3 | -10.6 | 312.4 |
| Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾ | 2.3 | 2.8 | - | 2.6 |
| Average personnel FTE | 5,170 | 5,051 | 2.3 | 4,900 |
| Personnel (end of period) | 8,427 | 8,711 | -3.3 | 8,253 |
| Private practitioners (end of period) | 5,051 | 5,132 | -1.6 | 5,057 |

* Adjustments are material items outside the ordinary course of business, and these relate to acquisition related expenses, restructuring related expenses, gains and losses on sale of assets (net), strategic projects and other items affecting comparability.

¹⁾ Alternative performance measure. Terveystalo presents alternative performance measures as additional information to financial measures defined in IFRS. Those are performance measures that the company monitors internally, and they provide management, investors, securities analysts and other parties with significant additional information related to the company's results of operations, financial position and cash flows. These should not be considered in isolation or as substitute to the measures under IFRS.

15. Calculation of financial ratios and alternative performance measures

Financial ratios

$$\text{Earnings per share, (EUR)} = \frac{\text{Profit for the period attributable to owners of the parent company}}{\text{Average number of shares during the period}}$$

Terveystalo presents alternative performance measures as additional information to financial measures defined in IFRS. Those are performance measures that the company monitors internally and they provide significant additional information related to the company's results of operations, financial position and cash flows to the management, investors, securities analysts and other parties. These should not be considered in isolation or as substitute to the measures under IFRS.

Alternative performance measures to the statement of financial position

The company presents the following alternative performance measures to the statement of financial position as they are, in the company's view, useful indicators of the company's ability to obtain financing and service its debt.

$$\text{Return on equity, \%} = \frac{\text{Profit/loss for the period (LTM)}}{\text{Equity (including non-controlling interest) (average)}} \times 100\%$$

$$\text{Equity ratio, \%} = \frac{\text{Equity (including non-controlling interest)}}{\text{Total assets - advances received}} \times 100\%$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Equity}} \times 100\%$$

$$\text{Net debt/Adjusted EBITDA (LTM) *} = \frac{\text{Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Adjusted EBITDA (LTM)}}$$

$$\text{Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 *} = \frac{\text{Interest-bearing liabilities excluding lease liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Adjusted EBITDA (LTM), excluding IFRS 16}}$$

Alternative performance measures to the statement of income

The company presents the following alternative performance measures to the statement of income as in the company's view, they increase understanding of the company's results of operations. In addition, the adjusted alternative performance measures are widely used by analysts, investors and other parties and facilitates comparability between periods.

$$\text{Adjusted EBITDA}^* = \text{Earnings Before Interest, Taxes, Depreciation, Amortization, Impairment losses and adjustments}$$

$$\text{Adjusted EBITDA, \%}^* = \frac{\text{Earnings Before Interest, Taxes, Depreciation, Amortization, Impairment losses and adjustments}}{\text{Revenue}} \times 100\%$$

$$\text{Adjusted EBITA}^* = \text{Earnings Before Interest, Taxes, Amortization, Impairment losses and adjustments}$$

| | | | |
|--------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------|--------|
| Adjusted EBITA, %* | = | $\frac{\text{Earnings Before Interest, Taxes, Amortization, Impairment losses and adjustments}}{\text{Revenue}}$ | x 100% |
| Adjusted operating profit (EBIT)* | = | Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments | |
| Adjusted operating profit (EBIT), %* | = | $\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments}}{\text{Revenue}}$ | x 100% |
| EBITDA | = | Earnings Before Interest, Taxes, Depreciation and Amortization and Impairment losses | |
| EBITDA, % | = | $\frac{\text{Earnings Before Interest, Taxes, Depreciation and Amortization and Impairment losses}}{\text{Revenue}}$ | x 100% |
| EBITA | = | Earnings Before Interest, Taxes, Amortization and Impairment losses | |
| EBITA, % | = | $\frac{\text{Earnings Before Interest, Taxes, Amortization and Impairment losses}}{\text{Revenue}}$ | x 100% |
| Operating profit (EBIT) | = | Earnings Before Interest, Taxes and Share of profits in associated companies | |
| Operating profit (EBIT), % | = | $\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies}}{\text{Revenue}}$ | x 100% |
| Adjusted EBITDA, excluding IFRS 16 * | = | Earnings Before Interest, Taxes, Depreciation, Amortization, Impairment losses and adjustments, excluding IFRS 16 lease adjustments | |

* Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gains and losses on sale of assets (net), strategic projects and other items affecting comparability.

16. Reconciliation of alternative performance measures

| Adjusted EBITDA, EUR mill. | 1-3/2021 | 1-3/2020 | 2020 |
|--------------------------------------------------|-------------|-------------|--------------|
| Profit (loss) for the period | 23.9 | 8.8 | 45.8 |
| Income tax expense | 6.0 | 1.8 | 10.8 |
| Share of profits in associated companies | 0.1 | 0.0 | 0.6 |
| Net finance expenses | 2.3 | 2.4 | 10.0 |
| Depreciation, amortization and impairment losses | 20.9 | 22.8 | 91.2 |
| Adjustments* | 0.1 | 2.3 | 4.5 |
| Adjusted EBITDA | 53.3 | 38.2 | 162.8 |

| Adjusted EBITDA, % | 1-3/2021 | 1-3/2020 | 2020 |
|---------------------------|-------------|-------------|-------------|
| Adjusted EBITDA | 53.3 | 38.2 | 162.8 |
| Revenue | 278.7 | 257.4 | 986.4 |
| Adjusted EBITDA, % | 19.1 | 14.8 | 16.5 |

| EBITDA, EUR mill. | 1-3/2021 | 1-3/2020 | 2020 |
|--------------------------------------------------|-------------|-------------|--------------|
| Profit (loss) for the period | 23.9 | 8.8 | 45.8 |
| Income tax expense | 6.0 | 1.8 | 10.8 |
| Share of profits in associated companies | 0.1 | 0.0 | 0.6 |
| Net finance expenses | 2.3 | 2.4 | 10.0 |
| Depreciation, amortization and impairment losses | 20.9 | 22.8 | 91.2 |
| EBITDA | 53.2 | 35.9 | 158.3 |

| EBITDA, % | 1-3/2021 | 1-3/2020 | 2020 |
|------------------|-------------|-------------|-------------|
| EBITDA | 53.2 | 35.9 | 158.3 |
| Revenue | 278.7 | 257.4 | 986.4 |
| EBITDA, % | 19.1 | 13.9 | 16.1 |

| Adjusted EBITA, EUR mill. | 1-3/2021 | 1-3/2020 | 2020 |
|------------------------------------------|-------------|-------------|--------------|
| Profit (loss) for the period | 23.9 | 8.8 | 45.8 |
| Income tax expense | 6.0 | 1.8 | 10.8 |
| Share of profits in associated companies | 0.1 | 0.0 | 0.6 |
| Net finance expenses | 2.3 | 2.4 | 10.0 |
| Amortization and impairment losses | 5.8 | 7.5 | 30.3 |
| Adjustments* | 0.1 | 2.3 | 4.5 |
| Adjusted EBITA | 38.2 | 22.9 | 101.9 |

| Adjusted EBITA, % | 1-3/2021 | 1-3/2020 | 2020 |
|--------------------------|-------------|------------|-------------|
| Adjusted EBITA | 38.2 | 22.9 | 101.9 |
| Revenue | 278.7 | 257.4 | 986.4 |
| Adjusted EBITA, % | 13.7 | 8.9 | 10.3 |

| EBITA, EUR mill. | 1-3/2021 | 1-3/2020 | 2020 |
|------------------------------------------|-----------------|-----------------|-------------|
| Profit (loss) for the period | 23.9 | 8.8 | 45.8 |
| Income tax expense | 6.0 | 1.8 | 10.8 |
| Share of profits in associated companies | 0.1 | 0.0 | 0.6 |
| Net finance expenses | 2.3 | 2.4 | 10.0 |
| Amortization and impairment losses | 5.8 | 7.5 | 30.3 |
| EBITA | 38.0 | 20.6 | 97.4 |

| EBITA, % | 1-3/2021 | 1-3/2020 | 2020 |
|-----------------|-----------------|-----------------|-------------|
| EBITA | 38.0 | 20.6 | 97.4 |
| Revenue | 278.7 | 257.4 | 986.4 |
| EBITA, % | 13.6 | 8.0 | 9.9 |

| Adjusted operating profit (EBIT), EUR mill. | 1-3/2021 | 1-3/2020 | 2020 |
|----------------------------------------------------|-----------------|-----------------|-------------|
| Profit (loss) for the period | 23.9 | 8.8 | 45.8 |
| Income tax expense | 6.0 | 1.8 | 10.8 |
| Share of profits in associated companies | 0.1 | 0.0 | 0.6 |
| Net finance expenses | 2.3 | 2.4 | 10.0 |
| Adjustments* | 0.1 | 2.3 | 4.5 |
| Adjusted operating profit (EBIT) | 32.4 | 15.4 | 71.6 |

| Adjusted operating profit, (EBIT), % | 1-3/2021 | 1-3/2020 | 2020 |
|---------------------------------------------|-----------------|-----------------|-------------|
| Adjusted operating profit (EBIT) | 32.4 | 15.4 | 71.6 |
| Revenue | 278.7 | 257.4 | 986.4 |
| Adjusted operating profit (EBIT), % | 11.6 | 6.0 | 7.3 |

| Operating profit (EBIT), EUR mill. | 1-3/2021 | 1-3/2020 | 2020 |
|-------------------------------------------|-----------------|-----------------|-------------|
| Profit (loss) for the period | 23.9 | 8.8 | 45.8 |
| Income tax expense | 6.0 | 1.8 | 10.8 |
| Share of profits in associated companies | 0.1 | 0.0 | 0.6 |
| Net finance expenses | 2.3 | 2.4 | 10.0 |
| EBIT | 32.2 | 13.0 | 67.2 |

| Operating profit, (EBIT), % | 1-3/2021 | 1-3/2020 | 2020 |
|------------------------------------|-----------------|-----------------|-------------|
| EBIT | 32.2 | 13.0 | 67.2 |
| Revenue | 278.7 | 257.4 | 986.4 |
| EBIT, % | 11.6 | 5.1 | 6.8 |

| Return on equity, % | 31 Mar 21 | 31 Mar 20 | 31 Dec 20 |
|-------------------------------------------------------|------------------|------------------|------------------|
| Profit/loss for the period (LTM) | 60.9 | 45.7 | 45.8 |
| Equity (including non-controlling interest) (average) | 575.3 | 545.7 | 556.3 |
| Return on equity, % | 10.6 | 8.4 | 8.2 |

| Equity ratio, % | 31 Mar 21 | 31 Mar 20 | 31 Dec 20 |
|---------------------------------------------|------------------|------------------|------------------|
| Equity (including non-controlling interest) | 579.1 | 550.3 | 571.4 |
| Total assets | 1,381.7 | 1,361.3 | 1,361.0 |
| Advances received | 2.0 | 1.5 | 2.2 |
| Equity ratio, % | 42.0 | 40.5 | 42.1 |

| Gearing, % | 31 Mar 21 | 31 Mar 20 | 31 Dec 20 |
|------------------------------------------------------------|------------------|------------------|------------------|
| Interest-bearing liabilities | 564.1 | 582.1 | 568.0 |
| Interest-bearing receivables and cash and cash equivalents | 87.0 | 51.5 | 77.1 |
| Equity | 579.1 | 550.3 | 571.4 |
| Gearing, % | 82.4 | 96.4 | 85.9 |

| Net debt/Adjusted EBITDA (LTM) | 31 Mar 21 | 31 Mar 20 | 31 Dec 20 |
|------------------------------------------------------------|------------------|------------------|------------------|
| Interest-bearing liabilities | 564.1 | 582.1 | 568.0 |
| Interest-bearing receivables and cash and cash equivalents | 87.0 | 51.5 | 77.1 |
| Adjusted EBITDA (LTM) | 177.9 | 166.7 | 162.8 |
| Net debt/Adjusted EBITDA (LTM) | 2.7 | 3.2 | 3.0 |

| Adjusted EBITDA (LTM), excluding IFRS 16 | 31 Mar 21 | 31 Mar 20 | 31 Dec 20 |
|--------------------------------------------------|------------------|------------------|------------------|
| Profit (loss) for the period | 60.9 | 45.7 | 45.8 |
| Income tax expense | 15.0 | 10.4 | 10.8 |
| Share of profits in associated companies | 0.7 | 0.2 | 0.6 |
| Net finance expenses | 9.9 | 13.3 | 10.0 |
| Depreciation, amortization and impairment losses | 89.3 | 90.5 | 91.2 |
| Adjustments* | 2.3 | 6.7 | 4.5 |
| IFRS 16 lease expense adjustment | -44.8 | -45.1 | -44.8 |
| Adjusted EBITDA (LTM), excluding IFRS 16 | 133.1 | 121.7 | 118.0 |

| Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 | 31 Mar 21 | 31 Mar 20 | 31 Dec 20 |
|------------------------------------------------------------|------------------|------------------|------------------|
| Interest-bearing liabilities | 389.5 | 389.8 | 389.5 |
| Interest-bearing receivables and cash and cash equivalents | 87.0 | 51.5 | 77.1 |
| Adjusted EBITDA (LTM) | 133.1 | 121.7 | 118.0 |
| Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 | 2.3 | 2.8 | 2.6 |

| Adjustments*, EUR mill. | 1-3/2021 | 1-3/2020 | 2020 |
|---------------------------------------------------------------|-----------------|-----------------|-------------|
| Acquisition related expenses ⁽¹⁾ | -0.1 | 0.1 | 0.5 |
| Restructuring related expenses ⁽²⁾ | 0.1 | 0.4 | 1.6 |
| Gains and losses on sale of assets, net | - | - | -0.1 |
| Strategic projects and other items affecting to comparability | 0.2 | 1.9 | 2.5 |
| Adjustments | 0.1 | 2.3 | 4.5 |

* Adjustments are material items outside the ordinary course of business, and these relate to acquisition related expenses, restructuring related expenses, gains and losses on sale of assets (net), strategic projects and other items affecting comparability.

¹⁾ Including transaction costs and expenses from integration of acquired businesses.

²⁾ Including restructuring of network and business operations.

17. Collateral and other contingent liabilities

| EUR mill. | 31 Mar 2021 | 31 Mar 2020 | 31 Dec 2020 |
|---------------------------------|-------------|-------------|-------------|
| Securities for own debts | | | |
| Deposits | 0.2 | 0.2 | 0.2 |
| Guarantees | 0.9 | 0.7 | 0.7 |
| Total | 1.1 | 0.9 | 0.9 |