



TERVEYSTALO GROUP INTERIM REPORT 1 JANUARY– 31 MARCH 2022

Strong growth continued in a shifting demand environment

January–March 2022 in brief

- Revenue increased by 18.3% year-on-year to EUR 329.7 (278.7) million. The external revenue of the Sweden and others segment came to EUR 22.2 million representing 8.0 %-points of the revenue growth.
- Adjusted¹⁾ earnings before interest, taxes, and amortization (EBITA) increased by 2.0% to EUR 38.9 (38.2) million, representing 11.8% (13.7%) of revenue. Relative profitability was reduced year-on-year due to changes in the sales mix and increased costs.
- Adjusted items affecting comparability were EUR 0.7 (0.1) million.
- Profit for the period was EUR 25.3 (23.9) million.
- Earnings per share (EPS) was EUR 0.20 (0.19).
- Cash flow from operating activities was EUR 24.8 (31.1) million.

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.

Ville Iho, CEO: Transition to normal operations is underway

The first quarter of 2022 was strong despite the shifting demand environment. Terveystalo's revenue increased by 18.3% year-on-year to EUR 329.7 (278.7) million. Growth was strong in all customer groups. The Sweden and others segment's external revenue was EUR 22.2 million, representing 8.0 percentage- points of revenue growth. The balance between supply and demand was not optimal during the quarter. Balancing between changing Covid-19 testing volumes and the aim to increase the supply of other services caused temporary over-resourcing in Covid-19 related services, while the appointments still saw supply challenges. For the first time during the pandemic, supply was also significantly reduced by staff's sick leaves due to Covid-19. On the expenditure side, the imbalance between supply and demand led to a relative increase in costs, which weakened profitability. Profitability was also weakened by costs related to acquisitions and launching of new services. Adjusted EBITA increased by 2.0% year-on-year to EUR 38.9 million and was 11.8% of revenue.

The transition to normal operations will continue, and balancing supply and demand will be in the management's focus throughout the year. We are confident that our position as the most sought-after employer and our pioneering role in digital solutions will give us a good position to strengthen our supply and improve access to care as the situation normalizes. The number of supply-enhancing digital appointments also continued to grow in the first quarter.

The Swedish business developed according to our plans. During the first quarter, we completed a supplementary acquisition in occupational health and announced that we would expand our operations beyond occupational health by acquiring Nämndemansgården, which specializes in addiction treatment. We see strong growth potential in Sweden going forward both organically and through acquisitions.

Our digital business took its first steps with the launch of a white label digital platform for public sector customers. Our goal is to continue to accelerate the growth of our digital business. More efficient use of health data, better care management and the use of digital appointments can improve productivity, access to care as well as job satisfaction. As a pioneer in digital health services, we continue to be an excellent partner for the public sector.

The Finnish health care system has been operating under exceptional circumstances for two years. In public provision of health care, the exceptional circumstances continue due to the nurses' strike. The congestion of the system, which began before the pandemic, has worsened, and there is no immediate solution in sight, with the new well-being services counties focusing on organization rather than service solutions. At some point the lengthy care queues and growing care debt need to be addressed. Part of the solution is to make greater use of private resources and expertise.

Russia's invasion of Ukraine and the ensuing economic turmoil, as well as the humanitarian crisis, are directly or indirectly affecting the operating environment in all sectors. The effects of the war on our business are small, but like all Finns, our desire to help is great. We are in a privileged position to act as a partner in providing health care services for those fleeing from war to Finland.

Our mission to fight for a healthier life is more urgent than ever, and as the leading private healthcare provider in our core markets, we play a key role in the lives of people and work communities. We are committed to our vision of creating a world with fewer sick days and more healthy, happy years.

Towards a better tomorrow

Ville Iho

Outlook

- The market environment has normalized and the demand for health services is very strong and broad based. However, growth is restricted by supply.
- The demand for services related to COVID-19 is expected to decrease. However, predicting the volume is difficult. The overall demand for health services is expected to remain at a high level. The demand for digital services is expected to continue to grow.
- Demand from corporate customers for preventive and statutory occupational health services is expected to develop favourably. Demand for medical care is expected to continue strong. Significant changes in the employment rate may be reflected in the underlying demand.
- Overall demand is expected to remain strong in the private customer segment. Significant changes in consumer confidence may, however, be reflected in the demand.
- Demand from the public sector is expected to remain strong in occupational health, service sales, and staffing services. Revenue from the outsourcing business is expected to remain stable.
- Demand in the Swedish occupational health market is expected to develop favourably due to pent-up demand in the wake of the pandemic.

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

During the first quarter of 2022, Terveystalo's service production was still characterized by various COVID-19-related services as well as well-being and digital services, which saw year-on-year growth in demand.

The impacts of the war in Ukraine

The indirect impacts of the war in Ukraine on Terveystalo are assessed to be minimal, as Terveystalo does not have business operations in, or with, countries that are subject to sanctions. Indirect impacts of the war may arise from supply chain disruptions, rising inflation, or potential disruptions in the financial markets. The war may also have a delayed economic impact through declining consumer purchasing power and employment. If the situation were to be prolonged, this could have a negative impact on the demand for Terveystalo's services. In procurement, higher prices have been reflected in the prices of certain supplies (material purchasing accounts for approximately 3% of operating expenditure), but the most significant purchasing agreements for 2022 have already been concluded. The rising price of electricity affects operating expenditure, but its impact at the Group level is relatively minor. Delivery times have become longer in certain categories of products and materials, such as healthcare equipment, due to component shortages.

Rising inflation creates growing pressure to increase wages. Wage increases are determined by collective bargaining in the Finnish healthcare industry with regard to nurses, for example (approximately 43% of employees). Most of the physicians who work for Terveystalo are private practitioners (approximately 96%). The financial risk associated with inflation is mitigated by Terveystalo's strong pricing power.

Key figures

Terveystalo Group, MEUR	1-3/ 2022	1-3/ 2021	Change, %	2021
Revenue	329.7	278.7	18.3	1,154.6
Adjusted EBITDA. * ¹⁾	56.6	53.3	6.2	206.1
Adjusted EBITDA, % * ¹⁾	17.2	19.1	-	17.8
EBITDA ¹⁾	56.0	53.2	5.2	201.8
EBITDA, % ¹⁾	17.0	19.1	-	17.5
Adjusted EBITA * ¹⁾	38.9	38.2	2.0	141.0
Adjusted EBITA, % * ¹⁾	11.8	13.7	-	12.2
EBITA ¹⁾	38.3	38.0	0.6	136.7
EBITA, % ¹⁾	11.6	13.6	-	11.8
Adjusted EBIT * ¹⁾	31.9	32.4	-1.5	114.4
Adjusted EBIT, % * ¹⁾	9.7	11.6	-	9.9
EBIT	31.2	32.2	-3.2	110.1
EBIT, %	9.5	11.6	-	9.5
Return on equity (ROE), % ¹⁾	13.2	10.6	-	13.6
Equity ratio, % ¹⁾	42.7	42.0	-	42.2
Earnings per share (EUR)	0.20	0.19	6.6	0.63
Weighted number of shares outstanding, in thousands	126,439	127,307	-	127,180
Net debt	536.8	477.1	12.5	519.0
Gearing, % ¹⁾	85.0	82.4	-	85.2
Net debt/adjusted EBITDA (last 12 months) ¹⁾	2.6	2.7	-	2.5

Total assets	1,484.6	1,381.7	7.4	1,448.6
Adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾	160.5	133.1	20.6	156.9
Net debt, excluding IFRS 16	365.1	302.6	20.7	340.6
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾	2.3	2.3	-	2.2
Average personnel (FTEs)	6,202	5,170	20.0	5,643
Personnel (end of period)	10,638	8,427	26.2	9,805
Private practitioners (end of period)	5,713	5,051	13.1	5,754
Responsibility				
Quality index ²⁾	96.8	97.9	-1.1.	94.6
Net Promoter Score (NPS), appointments	82.8	84.0	-1.4	83.0

**) 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 continued COVID-19 pandemic and rising infection numbers decreased the demand for certain healthcare services in the early part of the first quarter, but demand growth subsequently resumed and became stronger toward the end of the quarter. Demand is broad-based and the growth of demand is accelerated by the treatment backlog caused by the pandemic. Nevertheless, sales growth is tempered by the lack of supply, which was attributable to a certain degree to COVID-19-related sickness absences during the period under review. The growth of digital services and remote appointments continued, and new operating models have now been incorporated into normal operations. The demand for services related to COVID-19 remained fairly high, although testing volumes declined, as expected, from the previous quarter. The demand for mental health services and preventive well-being services continued to grow. The number of appointments associated with various infections also increased.

In Sweden, the worsened COVID-19 situation had a negative impact on demand in the early part of the quarter, but demand began to recover substantially in the latter half of the quarter after COVID-19 restrictions were lifted. Towards the end of the quarter, large customers that had previously postponed their occupational healthcare projects due to COVID-19 increased their activity and the number of new projects began to grow.

The contraction of non-urgent care in the private and public healthcare sectors during the period when COVID-19 restrictions have been in place has resulted in a significant treatment gap in other illnesses. According to the Finnish Institute for Health and Welfare (THL), 158,485 patients were waiting for access to non-urgent specialized care at the end of December 2021. Of those waiting for treatment, 10,819 (6.8%) had been waiting for more than six months. Compared to the end of August 2021, the number of patients waiting for treatment for more than six months increased by 1,280. Compared to the end of December 2020, the increase was 3,202 patients.

The situation is similar in Sweden, where 169,000 fewer surgeries have been performed during the pandemic and the queuing situation has deteriorated significantly. In December 2021, 162,234 people in Sweden were waiting for a surgery or procedure (www.skr.se). In 2021, the Norrbotten region in northern Sweden sought partnerships from Nordic private providers to facilitate the dismantling of the queues for surgeries. Terveystalo was chosen as one of the suppliers in a frame agreement.

The Government's proposal on the reform of social and healthcare services was approved by the Parliament in June 2021. Under the proposal, the responsibility for the organization of social and healthcare services will be transferred to the 21 well-being services counties and the City of Helsinki. The first county elections in Finland were held in January 2022, and the elected well-being services county councils will commence the new era of social and healthcare services. The county councils will decide on the well-being services county and service strategies, principles of the service network, service level of emergency services, budget and

financial planning of the well-being services county and appointment of members to governing bodies. The term of office of the county council is four years, commenced on March 1, 2022.

As a result of the social welfare and healthcare reform, some of Terveystalo's outsourcing agreements for public services will need to be renegotiated so that the new contractual terms will enter into force at the beginning of 2026 at the latest. Furthermore, there will be restrictions on the subcontracting practices for public services produced as outsourced services, but these will not have a significant impact on Terveystalo. The dismantling 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.

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 crisis has passed.

Revenue

Revenue for the first quarter increased by 18.3% year-on-year to EUR 329.7 (278.7) million. The external revenue of the Sweden and others segment came to EUR 22.2 million representing 8.0 %-points of the revenue growth.

Revenue increased year-on-year in all customer groups. Revenue from corporate customers increased by 12.6% due to the increased demand for preventive occupational health services and illness-related appointments, as well as sales of COVID-19 testing services to corporate customers. Revenue from private customers increased by 4.7%. This was mainly driven by COVID-19-related services, the growth of well-being services and services relating to certain specialties. Revenue from public sector customers increased by 12.9%. Revenue from service sales and occupational healthcare to public sector customers increased 19.4% and revenue from staffing services grew 11.5% despite the shortage of physicians restricting the growth. Revenue from the outsourcing business increased 8.9% as a result of the commencement of the agreement on outsourcing the Kannelmäki health center, child welfare services business and invoicing for COVID-19-related additional services. There was strong growth in revenue from insurance companies.

The demand for general practitioners' appointments was at a good level, with the growth of revenue being restricted mainly by the limited supply of physicians. Appointments relating to various acute infections and ear, nose and throat diseases continued to increase and exceeded the level of the reference period. The demand for specialist medical services in fields such as orthopedics, gynecology, and dermatology decreased slightly compared to the reference period. Revenue from surgical operations and imaging services grew year-on-year. The demand for well-being services remained good, with revenue increasing by 6% to EUR 29.3 (27.7) million. The number of digital appointments¹⁾ grew by 53% to approximately 373,000 (243,000) appointments. A total of approximately 178,000 (121,000) COVID-19 tests were performed during the first quarter²⁾. Excluding Feelgood, acquisitions did not have a material effect on revenue growth, compared to the reference period. There were 63 (62) working days in January–March.

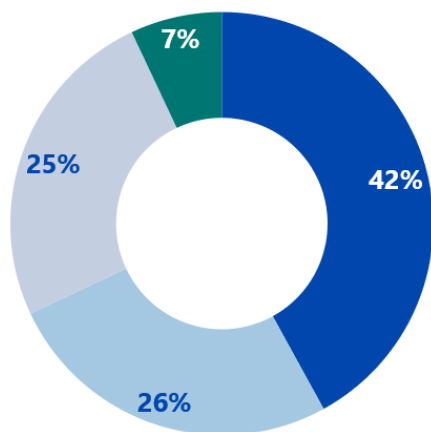
¹⁾ Does not include the digital appointments of the Sweden and others segment.

²⁾ Excludes sample collection services

MEUR	1-3/ 2022	1-3/ 2021	Change, %	2021
Corporate customers	138.9	123.4	12.6	481.7
Private customers	85.8	81.9	4.7	333.2
Public sector customers	82.8	73.3	12.9	302.8
Outsourcing	31.9	29.2	8.9	121.1
Staffing services	23.5	21.1	11.5	87.6
Service sales, occupational health and others	27.5	23.0	19.4	94.0
Finland in total	307.5	278.6	10.4	1,117.7
Sweden and others*	22.2	0.0	>200.0	36.9
Total	329.7	278.7	18.3	1,154.6

* Consists of the Group's business operations in Sweden, Estonia and the Netherlands. Feelgood (Sweden) was consolidated 1 July 2021. Estonia and the Netherlands did not have a significant effect on revenue during the reporting period.

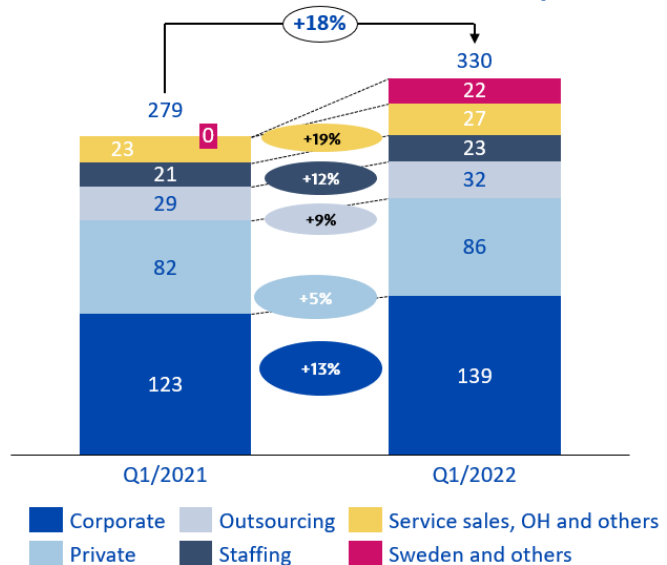
Q1/2022 REVENUE BREAKDOWN, %



Corporate Private Public Sweden and others

Feelgood (Sweden) was consolidated as of 1 July, 2021.

Q1/2022 REVENUE BREAKDOWN, M€



Corporate Private Outsourcing Staffing Service sales, OH and others Sweden and others

Revenue breakdown

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 healthcare services for over 25,000 companies in Finland, which have approximately 650,000 occupational health customers.

Revenue for the first quarter from corporate customers increased by 12.6% year-on-year and amounted to EUR 138.9 (123.4) million.

Revenue from preventive occupational health services¹⁾ increased year-on-year, as basic occupational health services, such as guidance and counseling, health examinations, and disability risk assessments, with activity being at normal levels for most of the

quarter. Demand for illness-related appointments not relating to COVID-19 recovered and grew substantially year-on-year. The demand for well-being services²⁾ continued to grow, with revenue increasing by approximately 6% year-on-year. The strongest growth was again seen in mental well-being services. Approximately 140,000 (89,500) COVID-19 tests were performed for corporate customers altogether during the quarter. The average prices of testing decreased year-on-year due to increased supply and competition. Remote occupational health appointments grew by 61% year-on-year and exceeded 296,000 (184,000) appointments. The number of end customers in occupational healthcare increased, compared to the reference period.

¹⁾ 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.

²⁾ Well-being services include, for example, physiotherapy, mental well-being services (psychologists and psychotherapists), nutritional therapy, work ability coaching, and massage services.

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 4.7% year-on-year, amounting to EUR 85.8 (81.9) million. The demand for general practitioners' appointments was at a good level, with the growth of revenue being restricted mainly by the limited supply of physicians. Appointments relating to various acute infections and ear, nose and throat diseases continued to increase and exceeded the level seen during the reference period. The demand for specialist medical services in fields such as orthopedics, gynecology, and dermatology decreased slightly compared to the reference period. The demand for well-being services, such as mental well-being and physical therapy services, remained good, with revenue growing by 6% year-on-year. Revenue from surgical operations and imaging services grew year-on-year. Demand for oral health services was negatively affected by the continuation of the COVID-19 pandemic, and revenue decreased year-on-year. Revenue from services produced for insurance companies grew substantially year-on-year. Approximately 24,300 (18,000) COVID-19 tests were performed for private customers during the quarter. The number of digital appointments decreased by 6% year-on-year and was approximately 24,000 (25,400). The number of occupational healthcare customers using private services and revenue from that segment grew 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, makes Terveystalo an attractive partner for the public sector. 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 12.9% year-on-year, amounting to EUR 82.8 (73.3) million.

Revenue from the outsourcing business increased by 8.9% to EUR 31.9 (29.2) million. The revenue increased as a result of the commencement of the agreement on outsourcing the Kannelmäki health center, child welfare services business and invoicing for COVID-19-related additional services.

Revenue from staffing services increased by 11.5% to EUR 23.5 (21.1) million. The demand for staffing services remained high, with the growth of revenue being restricted mainly by the limited supply of physicians. The demand for nurse staffing services also remained strong, mainly in services related to COVID-19.

Revenue from service sales, as well as services provided for municipal occupational health customers and other public sector customers, increased by 19.4% to EUR 27.5 (23.0) million. This resulted mainly from the strong sales of COVID-19-related services, as well as our occupational health business that increased through acquisitions and new agreements. Digital appointments grew by 56% and exceeded 52,400 (33,600) appointments. Revenue from well-being services grew by 4% year-on-year. Nearly 14,100 (14,600) COVID-19 tests¹⁾ were performed for public sector customers during the quarter. In addition to testing, Terveystalo served as a partner to public healthcare services in sample collection, and activity in this area remained high.

1) Excludes sample collection services

Sweden and others

In 2021, Terveystalo expanded its operations to the Swedish market by acquiring Feelgood and becoming one of the leading occupational health operators in Sweden. Terveystalo has approximately 700 employees in Sweden, serving customers digitally and in person at approximately 120 locations. The company provides occupational health, management development and substance abuse prevention services as well as digital private healthcare and well-being services. Terveystalo serves approximately 8,300 corporate customers in Sweden, which have approximately 825,000 employees covered by occupational health. In addition to Sweden, Terveystalo operates at a small scale in Estonia and the Netherlands.

The external revenue of the Sweden and others segment in the first quarter came to EUR 22.2 million. The worsened COVID-19 situation had a negative impact on demand in the early part of the quarter, but demand began to recover substantially in the latter half of the quarter after COVID-19 restrictions were lifted. Demand was particularly brisk in the area of consultation for organizational management, although the supply of professionals – especially psychologists – has restricted growth to some extent. Towards the end of the quarter, large customers that had previously postponed their occupational healthcare projects due to COVID-19 increased their activity and the number of new projects began to grow.

The Swedish operations were consolidated into Terveystalo's reporting as of July 1, 2021.

Financial performance

The Group's adjusted earnings for the first quarter of 2022 before interest, taxes, and amortization (EBITA) increased by 2.0% to EUR 38.9 (38.2) million, representing 11.8% (13.7%) of revenue. Relative profitability was reduced year-on-year by a change in the sales mix and increased costs. Material expenses and service purchasing increased by 10.5% year-on-year and amounted to EUR 132.8 (120.1) million. Employee benefit expenses increased by 33.4% year-on-year and amounted to EUR 115.7 (86.7) million. Expenses were increased by higher personnel costs due to services related to COVID-19, as well as personnel costs attributable to acquisitions (including Feelgood) and new businesses. Other operating expenses increased by 34.5% to EUR 25.8 (19.1) million due to higher IT, marketing, M&A and administrative costs.

Adjusted EBITDA increased by 6.2% year-on-year to EUR 56.6 (53.3) million.

Adjusted EBIT amounted to EUR 31.9 (32.4) million. Operating profit (EBIT) came to EUR 31.2 (32.2) million, and profit before tax was EUR 31.3 (29.9) million.

Net financing costs decreased to EUR 0.1 (2.3) million due to an increase in the fair value of interest rate hedges. Income taxes were on par with the reference period at EUR 6.0 (6.0) million. Profit for the first quarter amounted to EUR 25.3 (23.9) million, and earnings per share were EUR 0.20 (0.19).

Cash flow from operating activities in the first quarter decreased to EUR 24.8 (31.3) million, mainly due to an increase in income taxes paid.

Cash flow from investing activities was EUR -36.1 (-9.5) million. The differences to the comparison period were mainly higher cash flows related to acquisitions, as well as higher capital expenditure on fixed assets.

Cash flow from financing activities amounted to EUR 11.8 (-12.1) million. The difference to the comparison period was mainly due to commercial papers issued during the period under review.

In the Sweden and others segment in the first quarter, adjusted earnings before interest, taxes and amortization (EBITA) amounted to EUR 0.8 million, representing 3.7% of revenue. Revenue growth and costs remaining stable had a positive effect on profitability. The first quarter is seasonally weaker than the final quarter due to public holidays.

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the review period amounted to EUR 38.6 (86.7) million. The total assets of the Group amounted to EUR 1,484.6 (1,381.7) million.

Equity attributable to owners of the parent company totaled EUR 631.7 (579.1) million. The increase was due to the growth of retained earnings.

Gearing (including lease liabilities) was 85.0% (82.4%) % and net debt amounted to EUR 536.8 (477.1) million.

During the review period, the company fulfilled the covenant requirement included in its financing agreement that reflects relative indebtedness. In the financial period 2021, the company entered into a new short-term financing agreement of EUR 70 million, with the loan drawn in full during 2021. The financing agreement includes an option to postpone the repayment to 2023. The company is planning to replace the financing agreement with long-term financing during 2022. During the period under review, the company signed an agreement for a EUR 100 million domestic commercial paper program and issued its first commercial papers under the program. During the review period, the company also signed a financing agreement that includes a credit facility of EUR 40 million and an uncommitted credit facility of EUR 80 million.

At the end of the financial period, the unused part of credit based on financing agreements and bank accounts with a credit facility amounted to EUR 93.8 million.

Return on equity for the review period was 13.2% (10.6%). The equity ratio was 42.7% (42.0%).

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 influences the revenue and earnings development, particularly when comparing quarterly performance. 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 36.5 (10.7) million. The Group's net cash capital expenditure, excluding acquisitions, amounted to EUR 13.0 (5.8) million and the corresponding non-cash capital expenditure came to EUR 0.4 (1.3) 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, compared to the reference period.

Terveystalo made five acquisitions to complement its business portfolio in the first quarter by acquiring Vantaan Työterveys Oy, Suomen Fysiogeriatria Oy and its subsidiaries (physiotherapy and occupational therapy), Lapin Liikuntaklinikka Oy (physiotherapy) and MT-Klinikka Kokkola Oy (physiotherapy) in Finland. In Sweden, Feelgood acquired Länshälsan Uppsala AB (occupational health). Terveystalo also signed an agreement on the acquisition of FysioProfessionals Oy (physiotherapy).

* Net investments do not include increases in right-of-use assets related to leases for business premises. Net investments include the acquisition of non-controlling interests.

Personnel

The number of Terveystalo's employed staff on March 31, 2022 was 10,638 (8,427). Of the increase, 715 employees were attributable to the Feelgood acquisition. In addition to acquisitions, the number of personnel was increased by recruitment related to services associated with COVID-19 and digitalization. In FTEs, the average number of personnel was 6,202 (5,170). The number of private practitioners was 5,713 (5,051).

Personnel	1-3/2022	1-3/2021	Change, %	2021
Average personnel (FTEs)				
Finland	5,560	5,164	7.7	5,338
Sweden and others	642	6	>200.0	305
Total	6,202	5,170	20.0	5,643
Personnel (end of period)				
Finland	9,923	8,421	17.8	9,131
Sweden and others	715	6	>200.0	674
Total	10,638	8,427	26.2	9,805
Private practitioners (end of period)				
Finland	5,603	5,051	10.9	5,644
Sweden and others	110	-	-	110
Total	5,713	5,051	13.1	5,754

Decisions of the Annual General Meeting 2022 and the first Board meeting

The Annual General Meeting of Terveystalo Plc was held on 7 April 2022 in Helsinki, Finland. The Annual General Meeting adopted the financial statements for the financial year 2021 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 0.28 per share (totaling approximately EUR 35.6 million with the current number of shares) be paid based on the balance sheet adopted for the financial year ended 31 December 2021. The dividend will be paid in two instalments as follows. The first dividend instalment of EUR 0.14 per share was paid to the shareholders who were registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the first dividend instalment on 11 April 2022. The first dividend instalment was paid on 20 April 2022. The second dividend instalment of EUR 0.14 per share will be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the second dividend instalment on 10 October 2022. The second dividend instalment will be paid on 19 October 2022. The Annual General Meeting also authorized the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second dividend instalment should the rules of Euroclear Finland Ltd or statutes applicable to the Finnish book-entry system change or otherwise so require.

The number of members of the Board of Directors was confirmed to be six (6). Dag Andersson, Kari Kauniskangas, Kristian Pullola and Katri Viippola were re-elected as members of the Board and Carola Lemne and Matts Rosenberg were elected as new members of the Board for a term that ends at the end of the Annual General Meeting 2023.

KPMG Oy Ab was re-elected as the Company's auditor for a term that ends at the end of the Annual General Meeting 2023. KPMG Oy Ab has notified that Henrik Holmbom, APA, will 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.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the existing shareholders (directed repurchase).

The authorization is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2023.

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. The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2023.

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 2023, however no longer than for a period of 18 months from the date of the resolution of the Annual General Meeting.

Terveystalo's Board of Directors elected Kari Kauniskangas as Chairman of the Board and Matts Rosenberg as Vice Chairman of the Board. In addition, the Board elected the members of the Remuneration Committee and the Audit Committee from among its members. Kristian Pullola was elected Chairman of the Audit Committee and Matts Rosenberg and Katri Viippola were elected members. Kari Kauniskangas was elected Chairman of the Remuneration Committee and Dag Andersson and Carola Lemne were elected members.

Activities following the end of the reporting period

Terveystalo's subsidiary Feelgood Svenska AB signed on 20 April 2022 an agreement to acquire Nämndemansgården, a leader in addiction treatment in the Nordic region. In 2021, Nämndemansgården revenue was SEK 116 million.

Ilkka Laurila, Chief Financial Officer of Terveystalo, has decided to leave the company. Laurila, who has served as CFO since 2015, will continue in his position until the end of July 2022. The company will immediately launch a recruitment process for a new CFO. Mikko Tainio, Senior Vice President, Public Partnerships, and a member of the Executive Team, has been appointed Terveystalo's Interim CFO and Ville Salmi has been appointed interim SVP of Public Partnerships and a member of the Executive Team as of 1 August 2022.

Petri Keksi, Terveystalo's Senior Vice President, Growth Businesses, and a member of the Executive Team, has announced his resignation from Terveystalo by the end of June 2022. As part of Terveystalo's new operating model, the Growth Businesses will move forward to be integrated into the core business.

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 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.

- Weak general economic performance in Finland and its effects on the financial circumstances of private individuals, employers and public entities may adversely affect Terveystalo's business and results of operations by decreasing the demand for Terveystalo's services, as well as may adversely affect the availability of financing.
- 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 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.
- Terveystalo's expansion to new geographical locations involves several risks, and failure to identify expansion opportunities, recruit new employees and achieve estimated benefits may adversely affect Terveystalo's business and results of operations.
- 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.
- The COVID-19 pandemic and other potential pandemics or epidemics and related restrictive measures may adversely affect the business operations of Terveystalo through, among other things, demand for certain healthcare services and challenges in supply chain.
- 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.
- Terveystalo is exposed to changes in demand for occupational healthcare services due to demographic trends; ageing and shrinking working-age population.
- The Social Welfare and Healthcare Reform in Finland and its legal interpretations may have impacts on Terveystalo's business and results of operations.
- Changes in compensation systems for healthcare services may adversely affect Terveystalo's business, financial position and results of operations.
- Failures or deficiencies in the operational risk management, medical quality, and internal control processes may result in failure of quality control, including medical quality or otherwise adversely affect Terveystalo's profitability and reputation.
- Terveystalo's operations could be subject to labor disruptions or disputes.
- 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 the company's website and in the company's Annual Review.

Financial reporting 2022

In 2022, Terveystalo Plc will publish financial reports as follows:

- Half-Year Report for January–June 2022 on Tuesday, 19 July 2022
- Interim Report for January–September 2022 on Thursday, 27 October 2022

The Financial reviews 2022 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 28 April 2022 starting at 10:30 EEST. You can watch the webcast online at: <https://terveystalo.videosync.fi/2022-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: 23096769#

Helsinki, 27 April, 2022

Terveystalo Plc

Board of Directors

For further information, please contact:

Ilkka Laurila, CFO

Tel. +358 30 633 1757

Kati Kaksonen, Vice President, Communications, IR & CR

Tel. +358 10 345 2034

kati.kaksonen@terveystalo.com

Distribution:

Nasdaq Helsinki Oy

Main media

www.terveystalo.com

Terveystalo in brief

Terveystalo is the largest private health care service provider in Finland in terms of revenue and network. Terveystalo is also a leading occupational health provider in the Nordic region. We offer a wide variety of primary health care, specialized care, and well-being services for corporate and private customers and the public sector. Terveystalo's digital services are available 24/7, regardless of time and place. Health and well-being services are also provided by over 360 clinics across Finland. In Sweden, we offer occupational health services at 120 clinics. Terveystalo is listed on the Helsinki Stock Exchange.

In 2021, Terveystalo had approximately 1.3 million individual customers in Finland and the number of customer appointments was approximately 8 million, with more than a quarter of these being conducted via remote channels. Terveystalo employs over 15,500 healthcare and well-being professionals. www.terveystalo.com

Consolidated statement of comprehensive income

EUR mill.	Note	1-3/2022	1-3/2021	Change, %	2021
Revenue	4	329.7	278.7	18.3	1,154.6
Other operating income		0.5	0.5	-9.4	3.4
Materials and services	5	-132.8	-120.1	10.5	-488.9
Employee benefit expenses	6	-115.7	-86.7	33.4	-378.2
Depreciation, amortization and impairment losses		-24.7	-20.9	18.1	-91.7
Other operating expenses	7	-25.8	-19.1	34.5	-89.2
Operating profit		31.2	32.2	-3.2	110.1
Financial income		2.1	0.1	>200.0	0.8
Financial expenses		-2.0	-2.3	-15.5	-9.9
Net finance income and expenses		0.1	-2.3	-104.2	-9.0
Share of result in associated companies		-0.1	-0.1	-61.3	-0.3
Profit before taxes		31.3	29.9	4.7	100.7
Income tax expense	8	-6.0	-6.0	0.1	-20.3
Profit for the period		25.3	23.9	5.9	80.4
Profit attributable to:					
Owners of the parent company		25.3	23.9	5.9	80.5
Non-controlling interests		0.0	-	-	-0.0
Other comprehensive income					
Items that may be reclassified to profit or loss		-0.5	-	-	-0.8
Items that will not be reclassified to profit or loss		0.1	-	-	0.1
Other comprehensive income for the period, net of tax		-0.4	-	-	-0.6
Total comprehensive income		24.9	23.9	4.0	79.8
Total comprehensive income attributable to:					
Owners of the parent company		24.9	23.9	4.0	79.8
Non-controlling interest		0.0	-	-	-0.0
Earnings per share for profit attributable to the shareholders of the parent company, in euro					
Basic earnings per share		0.20	0.19	6.6	0.63
Diluted earnings per share		0.20	0.19	6.1	0.63

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

Consolidated statement of financial position

EUR mill.	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS				
Non-current assets				
Property, plant and equipment	9	73.9	67.0	72.0
Right-of-use assets	11	165.9	168.2	172.5
Goodwill	10	872.2	786.1	848.6
Other intangible assets	10	175.3	149.8	175.2
Investment properties		0.5	0.5	0.5
Investments in associates		0.5	2.0	0.6
Loan receivables		0.1	0.3	0.1
Deferred tax assets		4.9	4.5	5.4
Other non-current assets		0.9	0.8	0.8
Total non-current assets		1,294.2	1,179.2	1,275.8
Current assets				
Inventories		6.5	6.9	6.4
Trade and other receivables		145.3	109.0	128.3
Cash and cash equivalents		38.6	86.7	38.1
Total current assets		190.4	202.5	172.8
TOTAL ASSETS		1,484.6	1,381.7	1,448.6
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		-15.8	-6.7	-18.0
Retained earnings		154.6	92.9	134.0
Equity attributable to equity holders of the Company total		631.7	579.1	608.9
Non-controlling interest		0.0	-	0.0
TOTAL EQUITY		631.7	579.1	608.9
Non-current liabilities				
Non-current financial liabilities	12	256.6	302.2	257.9
Non-current lease liabilities		124.1	134.8	131.4
Deferred tax liabilities		28.4	25.4	28.5
Provisions		7.5	7.4	8.5
Other liabilities		13.9	10.3	15.6
Total non-current liabilities		430.5	480.2	441.9
Current liabilities				
Current financial liabilities	12	147.2	87.3	120.9
Current lease liabilities		47.6	39.7	47.1
Current tax liabilities		1.3	3.6	13.3
Provisions		2.0	2.2	2.5
Trade and other payables		224.3	173.1	214.1
Dividend liabilities		-	16.5	-
Total current liabilities		422.4	322.4	397.9
TOTAL LIABILITIES		853.0	802.6	839.7
TOTAL EQUITY AND LIABILITIES		1,484.6	1,381.7	1,448.6

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 interest	Total equity
Equity 1 Jan 2022	0.1	492.8	-18.0	134.0	608.8	0.0	608.9
Comprehensive income							
Profit for the period	-	-	-	25.3	25.3	0.0	25.3
Other comprehensive income	-	-	-	-0.4	-0.4	-	-0.4
Transactions with owners							
Share-based payments	-	-	2.2	-4.3	-2.1	-	-2.1
Transactions with non-controlling interest							
Transactions with non-controlling interest	-	-	-	-	-	-0.0	-0.0
Equity 31 Mar 2022	0.1	492.8	-15.8	154.6	631.7	0.0	631.7

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
Equity repayment	-	-	-	-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 interest	Total equity
Equity 1 Jan 2021	0.1	492.8	-6.7	85.3	571.4	-	571.4
Comprehensive income							
Profit for the period	-	-	-	80.5	80.5	-0.0	80.4
Other comprehensive income	-	-	-	-0.6	0,6	0.0	-0.6
Transactions with owners							
Acquisition of treasury shares	-	-	-11.3	-	-11.3	-	-11.3
Share-based payments	-	-	-	1.9	1.9	-	1.9
Dividend	-	-	-	-33.1	-33.1	-	-33.1
Transactions with non-controlling interest							
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	12.8	12.8
Transactions with non-controlling interest	-	-	-	0.1	0.1	-12.8	-12.8
Equity 31 Dec 2021	0.1	492.8	-18.0	134.0	608.9	0.0	608.9

Consolidated statement of cash flows

EUR mill.	1-3/2022	1-3/2021	2021
Cash flows from operating activities			
Profit before taxes	31.3	29.9	100.7
Adjustments for			
Non-cash transactions			
Depreciation, amortization and impairment losses	24.7	20.9	91.7
Change in provisions	-1.5	-0.4	0.9
Other non-cash transactions	-2.8	-0.1	1.3
Gains and losses on sale of property, plant, equipment and other changes	-0.1	0.0	-0.1
Net finance expenses	-0.1	2.3	9.0
Changes in working capital			
Trade and other receivables	-12.2	-15.8	-17.0
Inventories	-0.1	0.0	0.6
Trade and other payables	3.5	7.6	28.5
Interest received	0.1	0.1	0.3
Income taxes paid	-18.1	-13.3	-20.7
Net cash from operating activities	24.8	31.1	195.2
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	-23.1	-3.7	-65.3
Acquisition of property, plant and equipment	-6.8	-2.9	-21.0
Acquisition of intangible assets	-6.4	-3.0	-22.1
Acquisition of business operation, net of cash acquired	-	-	-0.1
Proceeds from sale of property, plant and equipment	0.1	0.0	0.5
Dividends received	0.0	-	0.0
Net cash from investing activities	-36.1	-9.5	-108.1
Cash flows from financing activities			
Acquisition of treasury shares	-	-	-11.3
Acquisition of non-controlling interest	-0.0	-	-12.7
Repayment of non-current borrowings	-	-	-41.9
Proceeds from current borrowings	26.5	-	77.0
Repayment of current borrowings	-0.2	-	-46.5
Payment of lease liabilities	-11.9	-9.6	-42.4
Payment of hire purchase liabilities	-1.5	-1.4	-5.9
Interests and other financial expenses paid	-1.2	-1.1	-9.3
Dividends paid	-	-	-33.1
Net cash from financing activities	11.8	-12.1	-126.1
Net change in cash and cash equivalents	0.5	9.6	-39.0
Cash and cash equivalents at the beginning of the period	38.1	77.1	77.1
Cash and cash equivalents at the end of the period	38.6	86.7	38.1

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

Notes to the interim financial statements

1. Basis of accounting principles

The figures in 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 2021. The accounting principles adopted are consistent with those of the annual financial statements for 2021. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

2. Use of judgments and estimates

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 for 2021.

3. Events after the reporting period

Terveystalo's subsidiary Feelgood Svenska AB signed on 20 April 2022 an agreement to acquire Nämndemansgården, a leader in addiction treatment in the Nordic region. In 2021, Nämndemansgården revenue was SEK 116 million.

4. Revenue and segment information

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 25,000 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.	1-3/2022	1-3/2021	Change, %	2021
Corporate	138.9	123.4	12.6	481.7
Private	85.8	81.9	4.7	333.2
Public	82.8	73.3	12.9	302.8
<i>Outsourcing</i>	<i>31.9</i>	<i>29.2</i>	<i>8.9</i>	<i>121.1</i>
<i>Staffing services</i>	<i>23.5</i>	<i>21.1</i>	<i>11.5</i>	<i>87.6</i>
<i>Service sales, such as occupational health and others</i>	<i>27.5</i>	<i>23.0</i>	<i>19.4</i>	<i>94.0</i>
Finland	307.5	278.6	10.4	1,117.7
Sweden and other*	22.2	0.0	>200.0	36.9
Total	329.7	278.7	18.3	1,154.6

*Consists of Group operations in Sweden, Estonia and Netherlands. The impact of Estonia and Netherlands to the revenue of the reporting period has not been material.

Timing of satisfying performance obligations

EUR mill.	1-3/2022	1-3/2021	Change, %	2021
At a point in time	297.0	248.6	19.5	1,030.1
Over time	32.7	30.1	8.8	124.5
Total	329.7	278.7	18.3	1,154.6

Segment information

Revenue EUR mill.	1-3/2022	1-3/2021	Change, %	2021
Finland	307.5	278.6	10.4	1,117.7
Sweden and other	22.2	0.1	> 200.0	37.2
Internal eliminations	-0.0	-0.0	0.0	-0.3
Total	329.7	278.7	18.3	1,154.6

Adjusted EBITA EUR mill.	1-3/2022	1-3/2021	Change, %	2021
Finland	38.1	38.2	-0.1	140.2
Sweden and other	0.8	0.0	> 200.0	0.8
Total	38.9	38.2	2.0	141.0

Depreciations EUR mill.	1-3/2022	1-3/2021	Change, %	2021
Finland	16.3	15.2	7.4	62.3
Sweden and other	1.4	-	-	2.8
Total	17.7	15.2	16.8	65.1

The reconciliation of adjusted EBITA to result for the period is presented in the Note 17.

Personnel	1-3/2022	1-3/2021	Change, %	2021
Average personnel (FTEs)				
Finland	5,560	5,164	7.7	5,338
Sweden and others	642	6	>200.0	305
Total	6202	5,170	20.0	5,643
Personnel (end of period)				
Finland	9,923	8,421	17.8	9,131
Sweden and others	715	6	>200.0	674
Total	10,638	8,427	26.2	9,805
Private practitioners (end of period)				
Finland	5,603	5,051	10.9	5,644
Sweden and others	110	-	-	110
Total	5,713	5,051	13.1	5,754

5. Materials and services

EUR mill.	1-3/2022	1-3/2021	Change, %	2021
Purchase of materials	-11.4	-8.8	29.3	-34.8
Change in inventories	0.2	0.0	> 200.0	-0.6
External services	-121.6	-111.4	9.2	-453.4
Total	-132.8	-120.1	10.5	-488.9

6. Employee benefit expenses

EUR mill.	1-3/2022	1-3/2021	Change, %	2021
Salaries and fees	-96.6	-71.8	34.4	-314.1
Share-based payments	-0.6	-0.3	92.7	-1.9
Other personnel expenses	-18.5	-14.6	27.1	-62.3
Total	-115.7	-86.7	33.4	-378.2

7. Other operating expenses

EUR mill.	1-3/2022	1-3/2021	Change, %	2021
Rents, leases and premises	-4.8	-3.7	29.9	-18.1
ICT expenses	-9.6	-7.4	29.5	-31.7
Marketing and communication expenses	-2.2	-1.6	33.8	-7.3
Other operating expenses	-9.2	-6.4	43.2	-32.0
Total	-25.8	-19.1	34.5	-89.2

8. Income taxes

Income taxes in the statement of income

EUR mill.	1-3/2021	1-3/2021	Change, %	2021
Current tax for the reporting year	-5.7	-6.7	-15.1	-23.4
Income taxes for prior periods	0.0	0.0	>200.0	0.1
Change in deferred taxes	-0.3	0.7	-139.5	3.1
Total income taxes	-6.0	-6.0	0.1	-20.3

9. Property, plant and equipment

1-3/2022	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 2022	2.1	144.4	55.0	3.0	204.4
Business combination	-	0.1	0.2	0.0	0.3
Additions	-	5.1	0.2	1.6	6.7
Disposals	-	-0.0	-0.0	-	-0.0
Translation differences	-	-0.0	-0.0	-	-0.0
Transfers between items	-	0.1	0.6	-0.7	0.1
Acquisition cost 31 Mar 2022	2.1	149.5	55.9	3.9	211.4
Accumulated depreciation and impairment losses 1 Jan 2022	-1.1	-101.7	-29.6	-	-132.4
Depreciation and impairment losses for the reporting period	-0.0	-3.7	-1.4	-	-5.1
Accumulated depreciation and impairment losses 31 Mar 2022	-1.1	-105.4	-31.1	-	-137.6
Carrying amount 1 Jan 2022	1.0	42.6	25.4	2.9	72.0
Carrying amount 31 Dec 2022	1.0	44.1	24.9	3.9	73.9

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 30 Mar 2021	1.0	39.4	24.6	2.0	67.0

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	-	2.6	0.4	0.0	3.0
Additions	-	13.5	1.7	5.8	21.1
Disposals	-	-0.4	-0.0	-	-0.5
Translation differences	-	-0.0	-0.0	-	-0.0
Transfers between items	-	1.3	3.4	-4.7	-
Acquisition cost 31 Dec 2021	2.1	144.4	55.0	3.0	204.4
Accumulated depreciation and impairment losses 1 Jan 2021	-1.1	-88.1	-24.1	-	-113.3
Depreciation and impairment losses for the reporting period	-0.0	-13.6	-5.5	-	-19.2
Accumulated depreciation and impairment losses 31 Dec 2021	-1.1	-101.7	-29.6	-	-132.4
Carrying amount 1 Jan 2021	1.0	39.3	25.5	1.8	67.6
Carrying amount 31 Dec 2021	1.0	42.6	25.4	2.9	72.0

10. Intangible assets

1-3/2022	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2022	916.6	166.5	88.8	111.0	1,282.9
Business combination	23.9	0.7	-	0.2	24.7
Additions	-	-	-	6.6	6.6
Translation differences	-0.3	-0.1	-0.1	-0.1	-0.5
Reclassifications	-	-	-	-0.1	-0.1
Acquisition cost 31 Mar 2022	940.2	167.1	88.7	117.7	1,313.7
Accumulated amortizations and impairment losses 1 Jan 2022	-68.0	-107.4	-33.7	-50.0	-259.1
Amortization and impairment losses for the reporting period	-	-2.5	-1.2	-3.3	-7.0
Accumulated amortizations and impairment losses 31 Mar 2022	-68.0	-109.8	-34.9	-53.4	-266.1
Carrying amount 1 Jan 2022	848.6	59.1	55.1	61.0	1,023.8
Carrying amount 31 Mar 2022	872.2	57.3	53.8	64.2	1,047.4

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 and impairment losses 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

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	67.3	12.3	6.0	5.1	90.6
Additions	-	-	-	25.1	25.1
Disposals	-	-	-	-0.0	-0.0
Translation differences	-0.4	-0.1	-0.1	-0.0	-0.5
Acquisition cost 31 Dec 2021	916.6	166.5	88.8	111.0	1,282.9
Accumulated amortizations and impairment losses 1 Jan 2021	-68.0	-97.3	-29.2	-39.3	-233.9
Amortization and impairment losses for the reporting period	-	-10.0	-4.5	-10.8	-25.3
Accumulated amortizations and impairment losses 31 Dec 2021	-68.0	-107.4	-33.7	-50.0	-259.1
Carrying amount 1 Jan 2021	781.8	56.9	53.6	41.6	933.9
Carrying amount 31 Dec 2021	848.6	59.1	55.1	61.0	1,023.8

11.1 Right of-use-assets

1-3/2022			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2022	278.7	41.1	319.8
Business combination	2.2	-	2.2
Additions	4.6	0.2	4.7
Disposals	-0.7	-	-0.7
Translation differences	-0.1	0.0	-0.1
Acquisition cost 31 Mar 2022	284.8	41.2	326.0
Accumulated depreciation and impairment losses 1 Jan 2022	-119.0	-28.3	-147.3
Depreciation for the reporting period	-11.8	-0.9	-12.7
Accumulated depreciation and impairment losses 31 Mar 2022	-130.7	-29.3	-160.0
Carrying amount 1 Jan 2022	159.7	12.7	172.5
Carrying amount 31 Mar 2022	154.2	12.0	166.2

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

2021			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2021	234.9	38.9	273.8
Business combination	17.3	0.6	17.9
Additions	29.7	1.8	31.5
Disposals	-3.0	-0.2	-3.2
Translation differences	-0.1	-0.0	-0.1
Acquisition cost 31 Dec 2021	278.7	41.1	319.8
Accumulated depreciation and impairment losses 1 Jan 2021	-76.8	-24.6	-101.4
Depreciation for the reporting period	-42.2	-3.7	-45.9
Accumulated depreciation and impairment losses 31 Dec 2021	-119.0	-28.3	-147.3
Carrying amount 1 Jan 2021	158.1	14.3	172.4
Carrying amount 31 Dec 2021	159.7	12.7	172.5

11.2. Lease liabilities

31 Mar 2022			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	113.5	10.6	124.1
Current lease liabilities	44.3	3.3	47.6
Total lease liabilities	157.7	13.9	171.7

31 Mar 2021			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	122.3	12.5	134.8
Current lease liabilities	36.2	3.5	39.7
Total lease liabilities	158.5	16.0	174.5

31 Dec 2021			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	120.0	11.4	131.4
Current lease liabilities	43.4	3.7	47.1
Total lease liabilities	163.3	15.1	178.5

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

EUR mill. 31 Mar 2022	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	0.1	-	0.1	0.1	Level 2
Unquoted equity investments	0.9	-	0.9	0.9	Level 3
Current					
Trade receivables	-	89.4	89.4	89.4	
Contract assets	-	45.0	45.0	45.0	
Cash and cash equivalents	-	38.6	38.6	38.6	
Interest rate derivatives	3.4	-	3.4	3.4	Level 2
Total	4.5	173.1	177.5	177.5	
Financial liabilities					
Non-current					
Loans from financial institutions	-	249.8	249.8	249.8	
Hire purchase liabilities	-	6.8	6.8	6.8	
Contingent considerations	3.6	-	3.6	3.6	Level 3
Current					
Loans from financial institutions	-	117.2	117.2	117.2	
Commercial papers	-	25.0	25.0	25.0	
Hire purchase liabilities	-	5.0	5.0	5.0	
Trade payables	-	49.8	49.8	49.8	
Contingent considerations	6.5	-	6.5	6.5	Level 3
Interest rate derivatives	2.0	-	2.0	2.0	Level 2
Total	12.1	453.6	465.6	465.6	

EUR mill. 31 Dec 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	0.1	-	0.1	0.1	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
Current					
Trade receivables	-	103.4	103.4	103.4	
Contract assets	-	15.0	15.0	15.0	
Cash and cash equivalents	-	38.1	38.1	38.1	
Interest rate derivatives	0.6	-	0.6	0.6	Level 2
Total	1.6	156.5	158.1	158.1	
Financial liabilities					
Non-current					
Loans from financial institutions	-	249.8	249.8	249.8	
Hire purchase liabilities	-	8.1	8.1	8.1	
Contingent considerations	5.4	-	5.4	5.4	Level 3
Current					
Loans from financial institutions	-	115.6	115.6	115.6	
Hire purchase liabilities	-	5.3	5.3	5.3	
Trade payables	-	57.1	57.1	57.1	
Contingent considerations	2.8	-	2.8	2.8	Level 3
Interest rate derivatives	1.2	-	1.2	1.2	Level 2
Total	9.4	435.8	445.2	445.2	

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 0.1 million (2021: EUR 0.5 million).

13. Business Combinations

During the three months ended 31 March 2022, the Group has made five business acquisitions.

On 1 February 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the occupational health provider Vantaan Työterveys Oy.

On 1 February 2022 Feelgood Företagshälsövärd AB acquired 100 percent of the Swedish occupational health provider Länshälsan Uppsala Ab.

On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Lapin Liikuntaklinikka Oy.

On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider OMT Klinikka Kokkola Oy.

On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy and occupational therapy service provider Suomen Fysiogeriatría Oy and an indirect 100 percent ownership in its subsidiaries Aktiivi-Fysioterapia Tampere Oy, Mimmin Terapia Oy and toi.minna 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'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.	
Purchase price, payable in cash	23.9
Contingent consideration	2.6
Total consideration transferred	26.5

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	1.3
Intangible assets	0.8
Property, plant and equipment	0.2
Right-of-use assets	2.2
Trade and other receivables	1.7
Lease liabilities	-2.2
Trade and other payables	-1.4
Deferred tax liabilities	-0.1
Total identifiable net assets acquired	2.4

Goodwill	24.1
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As a result of these business combinations, a preliminary goodwill amounting to EUR 24.1 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is not tax-deductible. Cashflow impact of the acquisitions was EUR 22.6 million.

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 1.7 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 0.1 million 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 three months ended 31 March 2022 was EUR 1.9 million. The impact of the business combinations to the profit for the period has not been material.

If the acquisition had occurred on 1 January 2022, management estimates that the Group's consolidated revenue during the three months ended 31 March 2022 would have been EUR 332.2 million and the consolidated result for the period would have been EUR 25.4 million.

Business combinations 2021

During the year 2021, the Group made ten corporate acquisitions and one business acquisitions. The acquisition of Feelgood Svenska AB group is presented separately, whereas other smaller acquisitions are disclosed in aggregate.

Acquisition of Feelgood Svenska AB group

On 14 June 2021 Terveystalo Healthcare Oy acquired 72.14 percent of the shares of Feelgood Svenska AB (publ) which is the parent company of the Swedish Feelgood group. At the same time, Terveystalo Healthcare announced a recommended mandatory cash offer for all the remaining shares of Feelgood for a consideration of SEK 5.70 (approximately EUR 0.57) in cash per share. The cash offer ended on 26 July 2021 and through the cash offer Terveystalo ownership in Feelgoods shares and votes reached 97.42 percent. In August 2021, Terveystalo has initiated a mandatory redemption procedure for the remaining shares in Feelgood and Feelgood's shares were delisted from Nasdaq Stockholm on August 6.

Feelgood is one of Sweden's leading healthcare companies. Feelgood employs approximately 700 employees who serve customers both digitally and physically on 120 locations in Sweden. Feelgood offers services within occupational healthcare, organization and leadership, substance abuse in the workplace, as well as digital private healthcare and well-being services. Feelgood was listed on Nasdaq Stockholm. The acquisition is Terveystalo's first step in expanding its presence and services to the Swedish market. The deal brings together two industry leading platforms that complement each other in terms of people, service offering and geographical network and provides significant potential for value creation.

Immediately before obtaining control, Terveystalo Healthcare's ownership in Feelgood was 2.8 percent. The carrying amount of previous ownership corresponded its fair value at the acquisition date and the business combination achieved in stages did not have an impact on the profit and loss. Feelgood has been consolidated to Group's financial statements from the end of June 2021 onwards.

The following tables summarize the consideration transferred, acquisition date preliminary fair values of the assets acquired and liabilities assumed, non-controlling interest and the cash flow impact of the acquisition.

Consideration transferred

EUR million	
Purchase price, payable in cash	47.2
Total consideration transferred	47.2

Identifiable assets acquired and liabilities assumed, non-controlling interest and goodwill

EUR million	
Property, plant and equipment	2.0
Right-of-use assets	10.7
Other intangible assets	18.1
Deferred tax assets	0.1
Other non-current assets	0.1
Trade and other receivables	16.6
Cash and cash equivalents	2.7
Financial liabilities	-3.9
Lease liabilities	-9.9
Deferred tax liabilities	-3.7
Other non-current liabilities (pension obligations)	-1.9
Trade and other liabilities	-12.2
Total identifiable net assets acquired	18.6
Non-controlling interest	12.8
Goodwill	41.4

Cash flow impact of the acquisition

EUR million	
Cash paid	47.2
Less: cash and cash equivalents acquired	-2.7
Cash flow impact at the acquisition date	44.5
Acquisition of non-controlling interests	12.7
Total cash flow impact of the acquisition	57.2

The non-controlling interest from the acquisition has been recognized at fair value. The fair value of the non-controlling interest was determined based on the consideration of SEK 5.70 offered by Terveystalo Healthcare in the cash offer and the number of shares held by the minority at the acquisition date. After the acquisition date, Terveystalo has acquired the remaining non-controlling interests and reached a 100 percent ownership in Feelgood in December 2021.

The accounting for the business combination is provisional at the reporting date. The fair value measurement of the assets acquired and the liabilities assumed is partly ongoing at the reporting date and are subject to adjustments until the valuation is finalized. Furthermore, a detailed review of Feelgood's accounting principles is ongoing at the reporting date. Customer relationships, trademarks and technology related intangible assets were recognized in the preliminary determination of fair values and the combined preliminary fair value of these assets was measured at EUR 18.0 million. A deferred tax liability of EUR 3.7 million was recognized for the beforementioned assets. The fair values of customer relationships and trademarks have been determined through the use of income approach which requires an estimate or forecast of expected future cash flows. The fair value of technology has been determined using the estimated replacement cost. The acquisition resulted preliminary in a goodwill amounting to EUR 41.4 million. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is not deductible for tax purposes.

The fair value of the acquired trade and other receivables amounts to EUR 16.6 million which materially corresponds their carrying amount and for which the risk of impairment has been deemed non-significant.

The Group incurred acquisition-related expenses of EUR 1.5 million related to consulting and valuation services. The expenses have been included in other operating expenses in the consolidated statement of income.

The revenue recognized from the acquisition during the year 2021 was EUR 36.9 million and the impact to the result of the period was EUR -0.7 million.

If the acquisition had occurred on 1 January 2021, management estimates that the Group's consolidated revenue during the year 2021 would have been EUR 1,194.1 million and the consolidated result for the period would have been EUR 80.7 million.

Other acquisitions

On 28 February 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the therapy service provider Attentio Oy.

On 28 February 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.

On 30 April 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the medical clinic Helsinki Hospital Oy.

On 31 August 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the therapy service provider Sivupersoon Oy.

On 31 August 2021 Suomen Terveystalo Oy acquired the business of Fysiopiste Mervi Nivukoski.

On 1 September 2021 Feelgood Företagshälsovård AB acquired 100 percent of the Swedish occupational health provider Dalarnas Företagshälsa AB.

On 1 October 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the advanced child welfare service provider Hoitokoti Ankkuri Oy and an indirect 100 percent ownership in Ankkurin Huoltamo Oy, Jyväskylän Lastensuojelupalvelut Oy, Terapiatelakka Oy ja Lastensuojelupalvelut Väylä Oy.

On 29 October Suomen Terveystalo Oy acquired 94 percent of the shares of the medical clinic Medimar Skandinavia Ab. A non-controlling interest of EUR 15 thousand was recognized in the acquisition. The non-controlling interest is measured based on the proportionate share of the acquired identifiable net assets.

On 30 November Terveystalo Healthcare Oy acquired 100 percent of the shares of the Suomen Hierojakoulut 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'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.	
Purchase price, payable in cash	24.0
Contingent consideration	7.3
Total consideration transferred	31.4

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	3.6
Intangible assets	5.5
Property, plant and equipment	0.9
Right-of-use assets	7.2
Inventories	0.2
Trade and other receivables	3.5
Financial liabilities	-0.8
Lease liabilities	-7.2
Trade and other payables	-6.6
Deferred tax liabilities	-1.0
Total identifiable net assets acquired	5.4

Goodwill	26.0
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As a result of these business combinations, a goodwill amounting to EUR 26.0 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 0.4 million of the recognized goodwill is deductible in taxation. The cash flow impact of the acquisitions was EUR 20.3 million.

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 3.5 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 0.9 million 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 2021 was EUR 15.7 million and the impact to the profit for the period was EUR 0.7 million.

If the acquisition had occurred on 1 January 2021, management estimates that the Group's consolidated revenue in 2021 would have been EUR 1,176.6 million and the consolidated result for the period would have been EUR 79.2 million.

14. Collateral and other contingent liabilities

EUR mill.	31 Mar 2022	31 Mar 2021	31 Dec 2021
Business mortgages	9.3	-	11.4
Total	9.3	-	11.4
Securities for own debts			
Deposits	0.2	0.2	0.2
Guarantees	0.9	0.9	0.9
Total	1.1	1.1	1.1

15. Group's key financial ratios

EUR mill. unless stated otherwise	1-3/2022	1-3/2021	Change, %	2021
Revenue	329.7	278.7	18.3	1,154.6
Adjusted EBITDA, * ¹⁾	56.6	53.3	6.2	206.1
Adjusted EBITDA, % * ¹⁾	17.2	19.1	-	17.8
EBITDA ^{1) 2)}	56.0	53.2	5.2	201.8
EBITDA, % ¹⁾	17.0	19.1	-	17.5
Adjusted EBITA * ¹⁾	38.9	38.2	2.0	141.0
Adjusted EBITA, % * ¹⁾	11.8	13.7	-	12.2
EBITA ¹⁾	38.3	38.0	0.6	136.7
EBITA, % ¹⁾	11.6	13.6	-	11.8
Adjusted operating profit (EBIT) * ¹⁾	31.9	32.4	-1.5	114.4
Adjusted operating profit (EBIT), % * ¹⁾	9.7	11.6	-	9.9
Operating profit (EBIT)	31.2	32.2	-3.2	110.1
Operating profit (EBIT), %	9.5	11.6	-	9.5
Return on equity (ROE), % ¹⁾	13.2	10.6	-	13.6
Equity ratio, % ¹⁾	42.7	42.0	-	42.2
Earnings per share (€)	0.20	0.19	6.6	0.63
Weighted average number of shares outstanding, in thousands	126,439	127,307	-	127,180
Net debt ¹⁾	536.8	477.1	12.5	519.0
Gearing, % ¹⁾	85.0	82.4	-	85.2
Net debt/Adjusted EBITDA (LTM) * ¹⁾	2.6	2.7	-	2.5
Total assets	1,484.6	1,381.7	7.4	1,448.6
Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	160.5	133.1	20.6	156.9
Net debt, excluding IFRS 16 ¹⁾	365.1	302.6	20.7	340.6
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	2.3	2.3	-	2.2
Average personnel (FTEs)	6,202	5,170	20.0	5,643
Personnel (end of period)	10,638	8,427	26.2	9,805
Private practitioners (end of period)	5,713	5,051	13.1	5,754

* 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.

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

17. Reconciliation of alternative performance measures

Adjusted EBITDA, EUR mill.	1-3/2022	1-3/2021	1-12/2021
Profit (loss) for the period	25.3	23.9	80.4
Income tax expense	6.0	6.0	20.3
Share of profits in associated companies	0.1	0.1	0.3
Net finance expenses	-0.1	2.3	9.0
Depreciation, amortization and impairment losses	24.7	20.9	91.7
Adjustments*	0.7	0.1	4.3
Adjusted EBITDA	56.6	53.3	206.1

Adjusted EBITDA, %	1-3/2022	1-3/2021	1-12/2021
Adjusted EBITDA	56.6	53.3	206.1
Revenue	329.7	278.7	1,154.6
Adjusted EBITDA, %	17.2	19.1	17.8

EBITDA, EUR mill.	1-3/2022	1-3/2021	1-12/2021
Profit (loss) for the period	25.3	23.9	80.4
Income tax expense	6.0	6.0	20.3
Share of profits in associated companies	0.1	0.1	0.3
Net finance expenses	-0.1	2.3	9.0
Depreciation, amortization and impairment losses	24.7	20.9	91.7
EBITDA	56.0	53.2	201.8

EBITDA, %	1-3/2022	1-3/2021	1-12/2021
EBITDA	56.0	53.2	201.8
Revenue	329.7	278.7	1,154.6
EBITDA, %	17.0	19.1	17.5

Adjusted EBITA, EUR mill.	1-3/2022	1-3/2021	1-12/2021
Profit (loss) for the period	25.3	23.9	80.4
Income tax expense	6.0	6.0	20.3
Share of profits in associated companies	0.1	0.1	0.3
Net finance expenses	-0.1	2.3	9.0
Amortization and impairment losses	7.0	5.8	26.6
Adjustments*	0.7	0.1	4.3
Adjusted EBITA	38.9	38.2	141.0

Adjusted EBITA, %	1-3/2022	1-3/2021	1-12/2021
Adjusted EBITA	38.9	38.2	141.0
Revenue	329.7	278.7	1,154.6
Adjusted EBITA, %	11.8	13.7	12.2

EBITA, EUR mill.	1-3/2022	1-3/2021	1-12/2021
Profit (loss) for the period	25.3	23.9	80.4
Income tax expense	6.0	6.0	20.3
Share of profits in associated companies	0.1	0.1	0.3
Net finance expenses	-0.1	2.3	9.0
Amortization and impairment losses	7.0	5.8	26.6
EBITA	38.3	38.0	136.7

EBITA, %	1-3/2022	1-3/2021	1-12/2021
EBITA	38.3	38.0	136.7
Revenue	329.7	278.7	1,154.6
EBITA, %	11.6	13.6	11.8

Adjusted operating profit (EBIT), EUR mill.	1-3/2022	1-3/2021	1-12/2021
Profit (loss) for the period	25.3	23.9	80.4
Income tax expense	6.0	6.0	20.3
Share of profits in associated companies	0.1	0.1	0.3
Net finance expenses	-0.1	2.3	9.0
Adjustments*	0.7	0.1	4.3
Adjusted operating profit (EBIT)	31.9	32.4	114.4

Adjusted operating profit, (EBIT), %	1-3/2022	1-3/2021	1-12/2021
Adjusted operating profit (EBIT)	31.9	32.4	114.4
Revenue	329.7	278.7	1,154.6
Adjusted operating profit (EBIT), %	9.7	11.6	9.9

Operating profit (EBIT), EUR mill.	1-3/2022	1-3/2021	1-12/2021
Profit (loss) for the period	25.3	23.9	80.4
Income tax expense	6.0	6.0	20.3
Share of profits in associated companies	0.1	0.1	0.3
Net finance expenses	-0.1	2.3	9.0
EBIT	31.2	32.2	110.1

Operating profit, (EBIT), %	1-3/2022	1-3/2021	1-12/2021
EBIT	31.2	32.2	110.1
Revenue	329.7	278.7	1,154.6
EBIT, %	9.5	11.6	9.5

Return on equity, %	31 Mar 22	31 Mar 21	31 Dec 21
Profit/loss for the period (LTM)	81.9	60.9	80.4
Equity (including non-controlling interest) (average)	620.3	575.3	590.1
Return on equity, %	13.2	10.6	13.6

Equity ratio, %	31 Mar 22	31 Mar 21	31 Dec 20
Equity (including non-controlling interest)	631.7	579.1	608.9
Total assets	1,484.6	1,381.7	1,448.6
Advances received	5.5	2.0	6.1
Equity ratio, %	42.7	42.0	42.2

Gearing, %	31 Mar 22	31 Mar 21	31 Dec 21
Interest-bearing liabilities	575.5	564.1	557.2
Interest-bearing receivables and cash and cash equivalents	38.8	87.0	38.2
Equity	631.7	579.1	608.9
Gearing, %	85.0	82.4	85.2

Net debt/Adjusted EBITDA (LTM)	31 Mar 22	31 Mar 21	31 Dec 21
Interest-bearing liabilities	575.5	564.1	557.2
Interest-bearing receivables and cash and cash equivalents	38.8	87.0	38.2
Adjusted EBITDA (LTM)	209.4	177.9	206.1
Net debt/Adjusted EBITDA (LTM)	2.6	2.7	2.5

Adjusted EBITDA (LTM), excluding IFRS 16	31 Mar 22	31 Mar 21	31 Dec 21
Profit (loss) for the period	81.8	60.9	80.4
Income tax expense	20.3	15.0	20.3
Share of profits in associated companies	0.3	0.7	0.3
Net finance expenses	6.7	9.9	9.0
Depreciation, amortization and impairment losses	95.5	89.3	91.7
Adjustments*	4.8	2.3	4.3
IFRS 16 lease expense adjustment	-48.8	-44.8	-49.2
Adjusted EBITDA (LTM), excluding IFRS 16	160.5	133.1	156.9

Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	31 Mar 22	31 Mar 21	31 Dec 21
Interest-bearing liabilities	403.8	389.5	378.8
Interest-bearing receivables and cash and cash equivalents	38.8	87.0	38.2
Adjusted EBITDA (LTM)	160.5	133.1	156.9
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	2.3	2.3	2.2

Adjustments*, EUR mill.	1-3/2022	1-3/2021	1-12/2021
Acquisition related expenses ⁽¹⁾	0.4	-0.1	3.1
Restructuring related expenses ⁽²⁾	0.2	0.1	0.3
Strategic projects and other items affecting to comparability	0.1	0.2	0.8
Adjustments	0.7	0.1	4.3

* 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.