



TERVEYSTALO GROUP FINANCIAL STATEMENTS BULLETIN 2021

Record year - Growing as a stronger company

October–December 2021 in brief

- Revenue increased by 17.1% year-on-year to EUR 327.5 (279.7) million.
- Adjusted¹⁾ earnings before interest, taxes, and amortization (EBITA) increased by 6.6% to EUR 41.9 (39.3) million, representing 12.8% (14.0%) of revenue. The growth of costs impaired relative profitability year-on-year.
- Adjustments, items affecting comparability were EUR 1.0 (0.8) million.
- Profit for the period was EUR 25.8 (22.4) million.
- Earnings per share (EPS) were EUR 0.20 (0.18).
- Cash flow from operating activities was EUR 86.1 (66.3) million.
- Terveystalo now owns 100% of Feelgood Svenska AB. Feelgood belongs to the Sweden and others segment, the revenue of which was EUR 23.4 million and EBITA EUR 2.4 million.

January–December 2021 in brief

- Revenue increased by 17.1% year-on-year to EUR 1,154.6 (986.4) million.
- Adjusted¹⁾ earnings before interest, taxes, and amortization (EBITA) increased by 38.4% to EUR 141.0 (101.9) million, representing 12.2% (10.3%) of revenue.
- Adjustments, items affecting comparability were EUR 4.3 (4.5) million.
- Profit for the period was EUR 80.4 (45.8) million.
- Earnings per share (EPS) were EUR 0.63 (0.36).
- **Net debt/adjusted EBITDA was 2.5 (3.0).**
- Cash flow from operating activities was EUR 195.2 (143.7) million.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.28 (0.26) per share be distributed for 2021 and the dividend payment would happen in two installments.

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: Record year on many fronts

Terveystalo finished the year 2021 strongly. We saw the good underlying demand situation continue, despite a new Omicron surge in December. Terveystalo's fourth quarter revenue increased by 17.1% year-on-year to EUR 327.5 (279.7) million. Record high Covid-19 testing activity compensated for continued supply bottlenecks throughout the period as well as slightly lower demand at the end of the quarter. Shortages in the supply of physical appointments were, for the most part, compensated by our further successful ramping up of Terveystalo's digital offering. The number of digital visits continued to grow reaching once again all-time highs. To open the supply bottlenecks, we continue to leverage our number one employer position in recruiting as well as further boosting our digital channels.

Our profitability remained strong as adjusted EBITA increased by 6.6% to EUR 41.9 (39.3) million and accounted for 12.8% (14.0%) of revenue in the fourth quarter. The relative margin reflected changes in the sales mix and the lower margin Swedish business. For the full year, adjusted EBITA reached EUR 141.0 million, representing 12.2% (10.3%) of revenue. Earnings per share increased strongly by 76% to EUR 0.63, driven by strong topline growth and operating leverage, flat depreciations and amortizations and a decrease in financing expenses.

Amid Covid-19 turbulence, our core business has performed well and has grown stronger. In 2021, Terveystalo broke records on many fronts as we reached all our financial targets, won market share, further improved customer satisfaction, and kept our leading position as the most attractive employer in the industry. Revenue, EBITA, EBITA margin, number of digital visits, Net Promoter Score (NPS) and Employee Net Promoter Score (eNPS) all reached all-time highs. I want to extend my warmest thanks to all Terveystalo employees for their dedication and hard work to reach our common goals.

We are even more excited looking forward as we see more opportunities for growth. Demand drivers for our core business are strong, driven by several factors such as backlog of care and growing interest in health and well-being. Our successful entry to the Swedish health care market with the Feelgood acquisition was an important step in expanding our addressable market beyond the boundaries of our traditional market. We have already successfully accelerated our growth in Sweden, and we see a strong growth funnel going forward both organically and through acquisitions.

We can also see exciting opportunities in digital, an area where we have been investing in consistently. Digital health is already an important part of our business with 1 million appointments a year and 1.7 million registered users in our platform. There is also a clear synergy potential in using our digital capabilities across the markets, and, in addition, we see in-bound demand for our top-notch capabilities, which we can commercialize. Our target is to further accelerate the growth of our digital business.

We at Terveystalo feel confident that our strategy implementation is on the right track, and through our entry into new markets possibilities for value creating capital allocation have improved. The Board of Directors proposes for the Annual General Meeting that a dividend of EUR 0.28 per share is distributed, corresponding 44% of the net profit for 2021. Thanks to our strong balance sheet, we are well positioned to invest in growth.

We have a clear purpose and in our core markets we are a leading private healthcare service provider, playing a key role in the sector and in people's lives. We are committed to our vision to use data and our Nordic expertise to create 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 broad based and strong. However, growth is restricted by supply.
- The demand for services related to COVID-19 is expected to remain good. 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 favorably. Demand for medical care is 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 be reflected in the underlying 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 favorably due to pent-up demand in the wake of the pandemic. However, the spreading of the Omicron variant and new restrictions have resulted in uncertainty of demand in the short term.

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 2021, Terveystalo's service production was again characterized by various COVID-19-related services as well as well-being and digital services, which saw substantial year-on-year growth in demand.

The company's liquidity and financing situation remained strong. During the review period, the company fulfilled the covenant requirement included in the financing agreement that reflects relative indebtedness. Terveystalo continues the increased reporting of explanatory financial information on the company's assets and liabilities as well as the maturity of loans in Note 13.

Key figures

Terveystalo Group, MEUR	10-12/ 2021	10-12/ 2020	Change, %	2021	2020	Change, %
Revenue	327.5	279.7	17.1	1,154.6	986.4	17.1
Adjusted EBITDA, * 1)	59.1	54.5	8.4	206.1	162.8	26.6
Adjusted EBITDA, % * 1)	18.1	19.5	-	17.8	16.5	-
EBITDA 1)	58.2	53.7	8.3	201.8	158.3	27.4
EBITDA, % 1)	17.8	19.2	-	17.5	16.1	-
Adjusted EBITA * 1)	41.9	39.3	6.6	141.0	101.9	38.4
Adjusted EBITA, % * 1)	12.8	14.0	-	12.2	10.3	-
EBITA 1)	40.9	38.5	6.3	136.7	97.4	40.3
EBITA, % 1)	12.5	13.8	-	11.8	9.9	-
Adjusted EBIT * 1)	34.8	31.6	10.3	114.4	71.6	59.7
Adjusted EBIT, % * 1)	10.6	11.3	-	9.9	7.3	-
EBIT	33.9	30.8	10.1	110.1	67.2	64.0
EBIT, %	10.3	11.0	-	9.5	6.8	-

Return on equity (ROE), % ¹⁾	—	—	—	13.6	8.2	—
Equity ratio, % ¹⁾	—	—	—	42.2	42.1	—
Earnings per share (EUR)	0.20	0.18	15.5	0.63	0.36	75.9
Net debt	—	—	—	519.0	490.9	5.7
Gearing, % ¹⁾	—	—	—	85.2	85.9	—
Net debt/adjusted EBITDA (last 12 months) ¹⁾	—	—	—	2.5	3.0	—
Total assets	—	—	—	1,448.6	1,361.0	6.4
Adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾	—	—	—	156.9	118.0	33.0
Net debt, excluding IFRS 16	—	—	—	340.6	312.4	9.0
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾	—	—	—	2.2	2.6	—
Average personnel in person-years	—	—	—	5,643	4,900	15.2
Personnel (end of period)	—	—	—	9,805	8,253	18.8
Private practitioners (end of period)	—	—	—	5,754	5,057	13.8
Responsibility						
Quality index ²⁾				94.6	94.2	0.4
Net Promoter Score (NPS), appointments				83.0	82.8	0.2
Employee Net Promoter Score (eNPS)				32	18	77.8
Mixed waste intensity ³⁾				6.42	6.00	6.7

*) 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.

3) Amount of mixed waste (metric tons) relative to total revenue (100 million)

Operating environment

The impacts of the COVID-19 pandemic on healthcare and the market continued in 2021. In privately produced healthcare services, growth in digital services and remote appointments continued to be strong and new operating models have become part of normal operations. Demand for COVID-19 -related services also continued to grow, with test volumes remaining high and vaccinations initiated at the end of 2020 continued throughout the year 2021. As the year progressed, demand for most health services returned to normal. Demand for mental health services and for preventive and well-being services grew strongly. At the end of the year, visits related to various infections were also increasing.

In Sweden, demand for occupational health was negatively impacted by the COVID-19 pandemic, as customers postponed occupational health projects. The third quarter was also seasonally soft due to the impact of summer holidays. The demand picked up during the fourth quarter, and activity and volumes were at a good level. Major projects relating to occupational health services that were postponed due to the pandemic were agreed to be launched during 2022.

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. 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. According to the Finnish Institute for Health and Welfare (THL), in Finland 140,032 patients were awaiting treatment in August 2021. Of them, 9,539 (6.8%) had been waiting for non-urgent specialized care for more than six months. In August 2021, the number of people who had waited for treatment for more than six months had decreased by 8,189 compared to a year earlier. 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 to be established 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, commencing 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.

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 fourth quarter increased by 17.1% year-on-year to EUR 327.5 (279.7) million. Revenue increased year-on-year in all customer groups. Revenue from corporate customers increased by 9.4% due to the increased demand for preventive occupational health services and sales of COVID-19 testing services to corporate customers. Revenue from private customers increased by 7.3%, 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 9.3%. Revenue from service sales to public sector customers increased substantially and revenue from staffing services also grew despite the shortage of physicians restricting the growth. Revenue from the outsourcing business increased because 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 insurance companies developed favorably.

The demand for primary care appointments continued to recover and exceeded the number of appointments for the comparison period. Appointments relating to various infections and ear, nose and throat related diseases were on the rise and exceeded the level seen during the comparison period. The demand for specialist medical services in fields such as orthopedics, gynecology, ophthalmology, and dermatology continued to grow. Revenue from surgical procedures and imaging services also clearly increased year-on-year. The demand for well-being services remained good, with revenue increasing by 9% to EUR 29.2 (26.8) million. The number of digital appointments¹⁾ grew by 20% to approximately 293,700 (244,300) appointments. A total of approximately 130,000 (126,200) COVID-19 tests were performed during the fourth quarter²⁾. Acquisitions had an effect of EUR 30.4 million on revenue growth compared to the comparison period. There were 64 (64) working days in October–December.

The external revenue of the Sweden and others segment amounted to EUR 23.4 million.

Revenue for 2021 grew by 17.1% year-on-year and amounted to EUR 1,154.6 (986.4) million. Revenue increased year-on-year in all customer groups. Revenue from corporate customers increased by 15.0% due to the increased demand for preventive occupational health services and sales of COVID-19 testing services to corporate customers. Revenue from private customers increased by 12.8%, 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 11.2%. Revenue from service sales to public sector customers increased substantially and revenue from staffing services also grew despite the shortage of physicians restricting the growth during the second half of the year. Full-year revenue from the outsourcing business decreased slightly due to the expiration of contracts at the end of 2020. In the fourth quarter, revenue from the outsourcing business increased because 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 insurance companies developed favorably.

The demand for primary care appointments normalized during the second half of the year and exceeded the number of appointments for the comparison period. Appointments relating to general infections and ear, nose and throat related diseases were below normal until the fourth quarter of the year but increased at a strong rate towards the end of the year. The demand for specialist medical services in fields such as orthopedics, gynecology, ophthalmology, and dermatology continued to grow throughout the year. Revenue from surgical procedures and imaging services also increased year-on-year. The demand for well-being services remained good, with revenue increasing by 19% to EUR 107.8 (90.7) million. The demand for digital appointments¹⁾ continued strong growth, and their number increased by 48% to approximately a million (700,000) appointments. Including calls, the total number of remote appointments was approximately 2.0 (1.8) million during the year. Remote appointments through digital channels or over the phone accounted for approximately 25 (26) percent of all appointments in 2021. The total number of customer appointments increased by 16% to more than 8 (6.9) million customer appointments. Demand for COVID-19-related services continued to be strong throughout the year. Terveystalo performed approximately 500,000 (230,000) COVID-19 tests²⁾ during the year. There were 253 (253) business days in 2021.

The external revenue of the Sweden and others segment (Feelgood consolidated as of July 1, 2021) amounted to EUR 36.9 million.

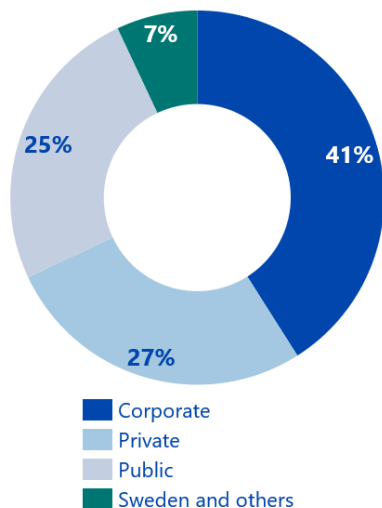
¹⁾ Does not include the digital appointments of the Sweden and others segment.

²⁾ Excludes sample collection services

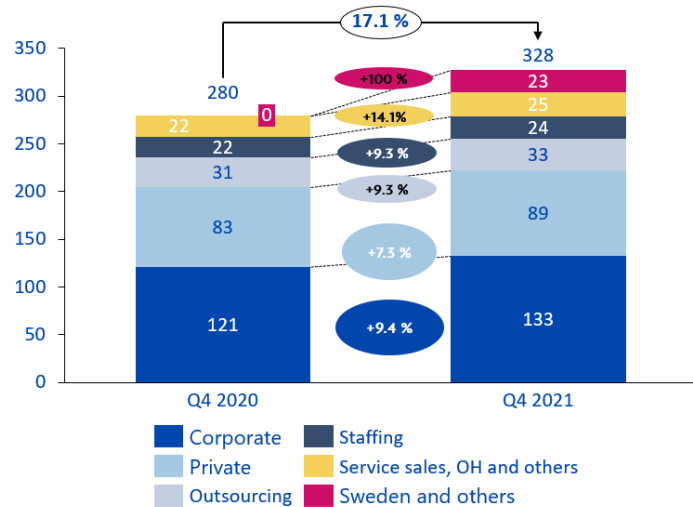
MEUR	10-12/ 2021	10-12/ 2020	Change, %	2021	2020	Change, %
Corporate customers	132.7	121.3	9.4	481.7	418.8	15.0
Private customers	89.4	83.3	7.3	333.2	295.4	12.8
Public sector customers	82.1	75.1	9.3	302.8	272.2	11.2
Outsourcing	33.2	31.3	6.0	121.1	121.4	-0.2
Staffing services	23.7	21.6	9.3	87.6	83.1	5.4
Service sales, occupational health and others	25.3	22.1	14.1	94.0	67.7	38.8
Finland in total	304.1	279.7	8.7	1,117.7	986.4	13.3
Sweden and others*	23.4	0.0	> 200.0	36.9	0.0	> 200.0
Total	327.5	279.7	17.1	1,154.6	986.4	17.1

*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.

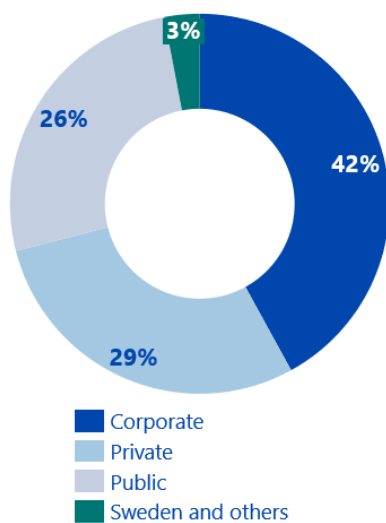
Q4/21 revenue breakdown, %



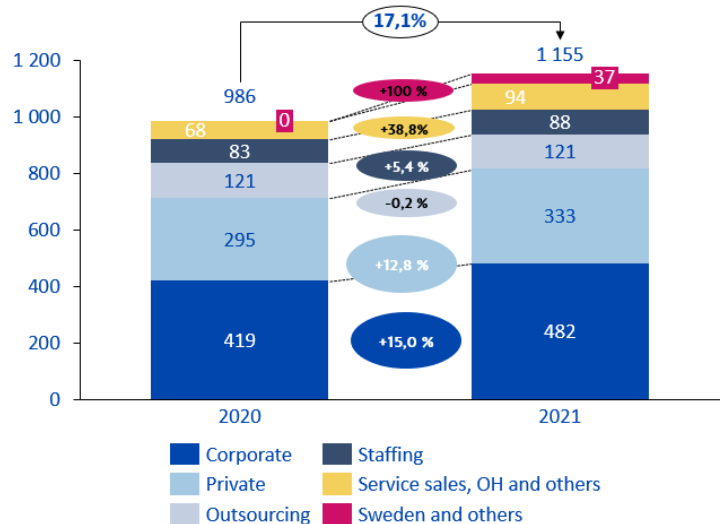
Q4/21 revenue breakdown, M€



2021 revenue breakdown, %



2021 revenue breakdown, M€



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

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 from corporate customers in the fourth quarter increased by 9.4% year-on-year and amounted to EUR 132.7 (121.3) million. Revenue from preventive occupational health services¹⁾ increased year-on-year, as activity for basic occupational health

services, such as guidance and counseling, health examinations, and disability risk assessments, was at normal levels for most of the quarter. Demand for primary care appointments not relating to COVID-19 grew slightly year-on-year. The demand for well-being services²⁾ continued to grow, with revenue increasing by approximately 9% year-on-year. The strongest growth was again seen in mental well-being services. Approximately 93,000 (95,000) 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 21% year-on-year and exceeded 230,000 (190,000) appointments.

Revenue from corporate customers for 2021 increased by 15.0% to EUR 481.7 (418.8) million. Revenue from preventive occupational health services¹⁾ increased year-on-year, as activity for basic occupational health services, such as guidance and counseling, health examinations, and disability risk assessments, normalized during the first half of the year and remained at a good level throughout the year. Revenue was also increased by COVID-19 testing services offered to companies, with nearly 350,000 (160,000) COVID-19 tests performed during the year. The average prices of testing decreased year-on-year due to increased supply and competition. Demand for primary care appointments not relating to COVID-19 remained clearly below the normal level due to the low number of infections during the first half of the year, but then began to recover during the third quarter, and the number of primary care appointments exceeded the level of the comparison period in the fourth quarter. Demand for well-being services²⁾ was strong throughout the year, with sales increasing by approximately 17% year-on-year. The strongest growth was again seen in mental well-being services. The use of digital services increased by 41% to approximately 793,000 (562,000) appointments. The number of end customers in occupational health care increased year-on-year.

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 fourth quarter from private customers increased by 7.3% year-on-year, amounting to EUR 89.4 (83.3) million. The demand for appointments with general practitioners continued to recover and exceeded the number of appointments for the comparison period. Appointments relating to diverse infections and ear, nose and throat related diseases were on the rise and exceeded the level seen during the comparison period. The demand for specialist medical services in fields such as orthopedics, gynecology, ophthalmology, and dermatology continued to grow. The demand for well-being services, such as mental well-being and physical therapy services, remained strong with revenue growing by 10% year-on-year. Revenue from surgical procedures and imaging services clearly increased year-on-year and exceeded the level of 2019. Demand for oral health services was negatively affected by the continuation of the COVID-19 pandemic towards the end of the year, and revenue decreased slightly year-on-year. Revenue from insurance companies clearly increased year-on-year. Approximately 20,000 (15,500) COVID-19 tests were performed on private customers during the quarter. The proportion of remote appointments continued to grow, with digital appointments increasing by 14% year-on-year and amounting to approximately 24,800 (21,900). The number of occupational healthcare customers using private services and revenue from that segment grew substantially year-on-year.

Revenue from private customers for 2021 grew by 12.8% year-on-year and amounted to EUR 333.2 (295.4) million. Demand for appointments with general practitioners was still clearly below the normal level in the first half of the year due to the low number of infections. However, the demand normalized during the second half of the year and the number of appointments exceeded that of the comparison period in the fourth quarter. The demand for specialist medical services in fields such as orthopedics, gynecology, ophthalmology, and dermatology continued to grow throughout the year. Revenue from surgical operations and imaging services also grew year-on-year. The demand for well-being services, such as mental well-being and physical therapy services, remained strong throughout the year with revenue growing by 22% year-on-year. Demand for oral health

services was negatively affected by the continuation of the COVID-19 pandemic, and revenue decreased slightly year-on-year. Revenue from insurance companies clearly increased year-on-year. The number of digital appointments increased by 71% to approximately 108,000 (63,300) appointments. COVID-19 testing increased the sales of laboratory services considerably. More than 86,000 (36,000) COVID-19 tests were performed on private customers in 2021. The number of occupational healthcare customers using private services and revenue from that segment grew substantially year-on-year.

Public sector customers

Terveystalo's public sector customer group consists of Finnish public sector organizations, such as municipalities, municipal federations and hospital districts as well as municipal occupational health customers. Terveystalo's broad nationwide platform, digital offering, good reputation and established brand, as well as its thorough expertise and experience in healthcare services throughout the chain of care, make Terveystalo an attractive partner for the public sector. 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 fourth quarter from public sector customers increased by 9.3% year-on-year, amounting to EUR 82.1 (75.1) million.

Revenue from the outsourcing business increased by 6.0% to EUR 33.2 (31.3) million. The revenue increased because 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 9.3% to EUR 23.7 (21.6) 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 was also 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 14.1% to EUR 25.3 (22.1) 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 21% and exceeded 38,800 (31,200) appointments. Revenue from well-being services grew by 6% year-on-year. Nearly 18,000 (17,000) 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.

Revenue from public sector customers for 2021 grew by 11.2% year-on-year and amounted to EUR 302.8 (272.2) million.

Revenue from the outsourcing business remained at the comparison period's level and amounted to EUR 121.1 (121.4) million. Revenue was decreased by the expiry of several minor partial outsourcing agreements at the end of 2020. Revenue was increased by the invoicing of additional services related to COVID-19. In the fourth quarter, revenue was also positively affected by the commencement of the agreement on outsourcing the Kannelmäki health center and the child welfare services business, which was not carried out in the comparison period.

Revenue from staffing services increased by 5.4% to EUR 87.6 (83.1) million. The demand for staffing services was high throughout the year, with the growth of revenue being restricted mainly by the limited supply of physicians. The demand for nurse staffing services was also 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 38.8 percent year-on-year to EUR 94.0 (67.7) million. This resulted mainly from the strong demand for services related to COVID-19, as well as occupational health business that increased through acquisitions and new agreements. Digital appointments increased to over 133,000 (74,500) consultations. In addition, the sales of well-being services grew by 22% year-on-year. Over 65,000 (29,500) COVID-19 tests¹⁾ were performed for public sector customers in 2021. 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

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 fourth quarter amounted to EUR 23.4 million. The fourth quarter is seasonally strong in occupational health, and activity and volumes were at a good level. Demand was particularly active in organization and leadership consultation, while the supply of professionals restricted the growth to some extent. Revenue also increased due to the acquisition of Dalarnas Företagshälsa in the third quarter. While large customers postponed occupational health projects due to COVID-19, alternative projects with small and medium-sized customers have been started successfully.

The external revenue of the Sweden and others segment for 2021 amounted to EUR 36.9 million. Demand for occupational health was seasonally soft during the third quarter due to the impact of summer holidays. The demand picked up during the fourth quarter, and activity and volumes were at a good level. Demand was particularly strong in organization and leadership consultation, while the supply of professionals restricted the growth to some extent. Revenue also increased due to the acquisition of Dalarnas Företagshälsa in the third quarter. While large customers postponed occupational health projects due to COVID-19, alternative projects with small and medium-sized customers have been started successfully. The Swedish operations were consolidated into Terveystalo's reporting as of July 1, 2021.

Financial performance

The Group's adjusted earnings for the fourth quarter of 2021 before interest, taxes and amortization (EBITA) increased by 6.6% to EUR 41.9 (39.3) million, representing 12.8% (14.0%) of revenue. Material expenses and service purchases increased by 10.7% year-on-year and amounted to EUR 136.0 (122.9) million. Employee benefit expenses increased by 29.9% year-on-year and amounted to EUR 109.8 (84.6) million. Expenses were increased by higher personnel costs due to services related to COVID-19 as well as personnel costs attributable to acquisitions. Additionally, personnel costs in the comparison period were reduced by the temporary reduction in pension contributions and the postponement of recruitment. Other operating expenses increased by 28.7% to EUR 24.8 (19.3) million mainly due to higher IT, marketing, and administrative costs. Cost cuts and freezes were made in the comparison period, which temporarily reduced costs. The growth of costs impaired relative profitability year-on-year.

Adjusted EBITDA increased by 8.4% year-on-year to EUR 59.1 (54.5) million. Adjusted EBIT amounted to EUR 34.8 (31.6) million. Operating profit (EBIT) came to EUR 33.9 (30.8) million, and profit before tax was EUR 31.8 (27.9) million.

Net financial expenses decreased to EUR 2.0 (2.8) million. Taxes on income increased to EUR 6.0 (5.5) million. Profit for the fourth quarter amounted to EUR 25.8 (22.4) million, and earnings per share were EUR 0.20 (0.18).

Cash flow from operating activities in the fourth quarter increased to EUR 86.1 (66.3) million, mainly due to a decrease in committed net working capital.

Cash flow from investing activities was EUR -27.4 (-13.4) million. The differences to the comparison period were mainly higher cash flows related to acquisitions as well as higher capital expenditure on fixed assets. In the comparison period, capital expenditure on fixed assets was lower due to reassessments related to COVID-19.

Cash flow from financing activities amounted to EUR -59.7 (-40.5) million. The difference to the comparison period was mainly attributable to the payment of dividends, acquisition of treasury shares, and the drawing down of short-term loans. Cash flow from financing activities for the financial period also includes acquisitions of non-controlling interests in Feelgood of EUR 1.6 million.

In the Sweden and others segment in the fourth quarter, adjusted earnings before interest, taxes and amortization (EBITA) amounted to EUR 2.4 million, representing 10.0% of revenue. Seasonally higher operating volume and higher margins increased profitability year-on-year.

The Group's 2021 adjusted earnings before interest, taxes, and amortization (EBITA) increased by 38.4% to EUR 141.0 (101.9) million, representing 12.2% (10.3%) of revenue. Material expenses and service purchasing increased by 9.2% year-on-year and amounted to EUR 488.9 (447.6) million. Employee benefit expenses increased by 21.9% year-on-year and amounted to EUR 378.2 (310.2) million. Expenses were increased by higher personnel costs due to services related to COVID-19 as well as personnel costs attributable to acquisitions. Personnel costs in the comparison period were reduced by temporary layoffs, temporary reductions in pension contributions and the postponement of recruitment. Other operating expenses increased by 22.1% to EUR 89.2 (73.0) million mainly due to higher IT, marketing, and administrative costs. Costs in the comparison period were reduced by cost adjustment measures.

Adjusted EBITDA increased by 26.6% year-on-year to EUR 206.1 (162.8) million. Adjusted operating profit amounted to EUR 114.4 (71.6) million. Operating profit (EBIT) amounted to EUR 110.1 (67.2) million, and profit before tax was EUR 100.7 (56.6) million.

Net financial expenses decreased to EUR 9.0 (10.0) million. Taxes on income increased to EUR 20.3 (10.8) million. Profit for the period was EUR 80.4 (45.8) million, and earnings per share were EUR 0.63 (0.36).

Cash flow from operating activities increased to EUR 195.2 (143.7) million. Cash flow from operating activities was favorably affected by higher revenue, the improved result, and the decrease in the committed net working capital.

Cash flow from investing activities was EUR -108.1 (-36.0) million. The change from the comparison period was mainly attributable to increased investments in acquisitions. Cash flow from financing activities amounted to EUR -126.1 (-71.2) million. The difference to the comparison period was mainly attributable to higher dividends paid, acquisition of treasury shares, acquisition of non-controlling interests and the drawing down of short-term loans.

The Sweden and others segment's 2021 adjusted earnings before interest, taxes, and amortization (EBITA) amounted to EUR 0.8 million, representing 2.1% of revenue. Seasonally low operating volume in the third quarter weighed down profitability, with the lower activity not being coupled with corresponding flexibility in expenses. In the fourth quarter, the seasonally high operating volume and better margins increased profitability compared to year earlier.

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the financial period amounted to EUR 38.1 (77.1) million. The total assets of the Group amounted to EUR 1,448.6 (1,361.0) million. Equity attributable to owners of the parent company totaled EUR 608.9 (571.4) million. The increase was due to the growth of retained earnings. The non-controlling interest amounted to EUR 0.0 (-) million. The dividends paid by Terveystalo for the 2020 financial period totaled EUR 0.26 per share (or approximately EUR 33 million), and they were paid in two equal tranches on April 7, 2021 and November 10, 2021. Gearing (including lease liabilities) was 85.2% (85.9%) and net debt amounted to EUR 519.0 (490.9) million.

During the review period, the company fulfilled the covenant requirement included in its financing agreement that reflects relative indebtedness. In the second quarter, the company entered into a new short-term financing agreement of EUR 70 million, with the loan drawn in full during the review period. 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. 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 55.5 million.

Return on equity for the financial period was 13.6% (8.2%). The equity ratio was 42.2% (42.1%).

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* for the financial period January 1–December 31, 2021, including M&A, amounted to EUR 125.4 (41.2) million. The Group's net cash capital expenditure, excluding acquisitions, amounted to EUR 42.6 (32.7) million and the corresponding non-cash capital expenditure came to EUR 4.7 (5.3) 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. With respect to gross investments, the relative proportions of investments in intangible and tangible assets remained at the same level as in the comparison period. Development investments amounted to EUR 9.7 (2.2) million.

During 2021, Terveystalo made eleven acquisitions to complement its business. The Group acquired Espoon Keskuksen Hammaslääkärit Oy (dental services), Attentio Oy (rehabilitation and therapy services), Keltaisen Kartanon Kuntoutus Oy (auxiliary business name Nuorten Sutela, demanding child welfare services), Helsinki Hospital Oy (demanding surgery), the business of Fysiopiste Mervi Nivukoski (physical therapy), Sivupersoon Oy (speech therapy and language interpretation), Dalarnas Företagshälsa AB (occupational health), Ankkuri's child welfare services, Medimar Scandinavia Ab (medical clinic on the Åland Islands) and Suomen Hierojakoulut Oy (massage therapist training).

On June 14, 2021, Terveystalo acquired 72.1% of the share capital of Feelgood Svenska AB (publ), the parent company of the Sweden-based Feelgood Group. At the same time, Terveystalo made a recommended mandatory cash offer to the remaining shareholders of Feelgood to tender all of their shares in Feelgood to Terveystalo for a consideration of SEK 5.70 (approximately EUR 0.57) in cash per share. On July 27, 2021, Terveystalo announced that, at the end of the extended acceptance period on July 26, 2021, Terveystalo owned in aggregate 97.4 percent of the shares and votes in Feelgood. Terveystalo further announced that the acceptance period of the offer will not be extended and, accordingly, the offer was closed. Feelgood's shares were delisted from Nasdaq Stockholm on August 6, 2021. Terveystalo initiated a mandatory redemption procedure concerning Feelgood's remaining shares, and ownership of the remaining shares was obtained in December 2021, resulting in 100% ownership of Feelgood.

Vantaa City Executive Board approved the sale of AITO Työterveys - Vantaan Työterveys Oy to Terveystalo on November 30, 2021. The agreement was signed at the end of December after the appeal period had ended, and ownership was transferred in February 2022. The agreement also includes providing occupational health services to the City of Vantaa for 4 years as of February 1, 2022.

** 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 December 31, 2021 was 9,805 (8,253). Of the increase, 668 employees were attributable to the Feelgood acquisition. The number of personnel was also increased by recruitment related to services associated with COVID-19 and digitalization. In full-time equivalent, the average number of staff was 5,643 (4,900). The number of private practitioners was 5,754 (5,057).

Shares, shareholders, and Board authorizations

At the end of December 2021, Terveystalo's market value was EUR 1,516 (1,285) million and the closing price was EUR 11.84 (10.04). In 2021, the highest price of Terveystalo's share on Nasdaq Helsinki Ltd was EUR 12.56 (12.66), the lowest price EUR 10.10 (7.40) and the average price EUR 11.34 (9.67). A total of 32.0 (26.6) million shares were traded in 2021. At the end of the reporting period, the number of Terveystalo shares registered in the Trade Register was 128,036,531. The following tables list the largest shareholders, distribution of ownership and owner groups.

The largest registered shareholders on December 31, 2021

Name	Number of shares	% of shares	Votes	% of votes
Varma Mutual Pension Insurance Company	22,151,945	17.30	22,151,945	17.30
Rettig Group AB	21,153,191	16.52	21,153,191	16.52
Pohjola Insurance Ltd	8,530,332	6.66	8,530,332	6.66
Hartwall Capital	8,431,690	6.59	8,431,690	6.59
OP Life Assurance Company Ltd	7,112,915	5.56	7,112,915	5.56
Elo Mutual Pension Insurance Company	4,392,951	3.43	4,392,951	3.43
Ilmarinen Mutual Pension Insurance Company	3,882,000	3.03	3,882,000	3.03
Mandatum Life Insurance Company	3,436,209	2.68	3,436,209	2.68
Local Tapiola Mutual Insurance Company	2,600,000	2.03	2,600,000	2.03
Åbo Akademi University Foundation	1,816,242	1.42	1,816,242	1.42
Ten largest, in total	83,507,475	65.22	83,507,475	65.22

The list is based on the register of shareholdings maintained by Euroclear, and it does not include nominee-registered shares. According to its own notification and its custodian's notification, **Lannebo Fonder** owns in total 3.34% of all shares.

Distribution of ownership, December 31, 2021

Number of shares	Number of shareholders	% of shareholders	Number of securities	% of securities	Number of votes	% of votes
1–100	12.093	47.07	576,425	0.45	576,425	0.45
101–500	9.924	38.63	2,499,640	1.95	2,499,640	1.95
501–1,000	2.011	7.83	1,563,527	1.22	1,563,527	1.22
1,001–5,000	1.338	5.21	2,719,972	2.12	2,719,972	2.12
5,001–10,000	137	0.53	993,220	0.78	993,220	0.78
10,001–50,000	113	0.44	2,318,299	1.81	2,318,299	1.81
50,001–100,000	22	0.09	1,628,154	1.27	1,628,154	1.27
100,001–500,000	30	0.12	6,359,924	4.97	6,359,924	4.97
500,001–	25	0.10	109,377,370	85.43	109,377,370	85.43
Total	25.693	100.0	128,036,531	100.00	128,036,531	100.00
of which nominee-registered	11		15,718,797	12.28	15,718,797	12.28
Non-transferred, total	0		0	0	0	0
In general account			0	0	0	0
In special accounts, total			0	0	0	0
Total issued			128,036,531	100	128,036,531	100

Shareholder groups, December 31, 2021

Shareholders by sector	Number of shares	% of shares
Households	8,941,603	7.96
Public entities	31,915,493	28.42
Financial and insurance institutions	32,179,768	28.65
Companies	15,036,371	13.39
Non-profit institutions	3,043,364	2.71
Foreign owners	21,201,135	18.88
Total	112,317,734	100.00

Of which nominee-registered	15,718,797	12.28
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Notifications of major shareholdings

On 10 September 2021, Terveystalo Plc received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act from Hartwall Capital Oy Ab (HC Holding Oy Ab). According to the notification, the total number of shares and votes held by Hartwall Capital fell below the 10% threshold on 9 September 2021. Hartwall Capital's previous holding totaled 11.27 percent (14,431,690 shares) of all Terveystalo's outstanding shares. The previous ownership has been announced in connection with the IPO and no flagging notification has thus been made.

Share-based incentive schemes and the Board's authorizations

On 9 February, Terveystalo Plc's Board of Directors approved a new performance period covering years 2022-2024 of the long-term share-based incentive plan for key personnel. During the performance period 2022-2024, the performance indicators based on which share rewards may be paid are absolute Total Shareholder Return (TSR) and relative TSR (compared to the OMX HKI benchmark CAP GI index).

Terveystalo's Board of Directors confirms the total amount of shares earned after the end of the performance period. The share rewards that may be paid based on the 2022–2024 earning period will be paid in Terveystalo Plc shares after the end of the performance period, provided that the performance targets set for the program by the Board are achieved. The maximum number of shares to be paid based on this plan is 696,000 shares. Taxes and tax-like payments to the recipient are deducted from the share reward, after which the remaining net amount is paid to the participants in shares. No more than approximately 70 people selected by the Board are eligible to participate in the program, including members of Terveystalo's Executive Team.

Terveystalo applies a share ownership requirement to the members of the Executive Team. Each member of the Executive Team is expected to retain at least 50 percent of the net shares received under the long-term incentive plan until his or her shareholding in Terveystalo is at least equal to his or her annual gross base salary.

The Performance Share Plan is based on a rolling 3-year performance period structure, with a new performance period starting at the beginning of each year if so decided by the Board. The Board decides on the participants, performance measures and targets as well as earning opportunities on an annual basis. The purpose of the program is to align the objectives of shareholders and key personnel to increase the company's value in the long term, and to commit key personnel to implementing Terveystalo's strategy by offering them a competitive, share-based incentive program. The establishment of the program and its main terms were announced in a stock exchange release published on 2 December 2020.

The Board's authorizations

The Board has been authorized to resolve on the repurchase of the company's own shares using the unrestricted equity of the company. The authorization covers a maximum of 12,803,653 own shares in total, which corresponds to approximately 10 percent of the company's currently registered shares.

The Board has also been authorized to resolve on the issuance of shares and special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act. The authorization covers a maximum of 12,803,653 own shares in total, which corresponds to approximately 10 percent of the company's currently registered shares. The authorization can be used for the financing or execution of acquisitions or other business arrangements, to strengthen the balance sheet and financial position of the company, for implementing share-based incentive plans or the payment of the annual compensation payable to the members of the Board of Directors, or for other purposes as determined by the Board of Directors.

Share buyback program

On 28 October, 2021 the Board of Directors of Terveystalo Plc decided to launch a buyback program for Terveystalo's own shares based on the authorization granted by Terveystalo's Annual General Meeting on 25 March 2021.

The repurchases of the shares began on 29 October, 2021 and ended on 28 December, 2021. During that period, Terveystalo repurchased 1,000,000 of its own shares for an average price per share EUR 11.25. The shares were acquired at the market price

quoted at the time of acquisition in trading organized by Nasdaq Helsinki Ltd on a regulated market.

The purpose of the share buyback program was to optimize the Company's capital structure through reduction of capital. The repurchase of own shares will reduce the Company's unrestricted equity. The repurchased 1,000,000 shares will be cancelled. Following the repurchases, Terveystalo holds a total of 1,730,000 own shares, which represents approximately 1.35 per cent of all shares in Terveystalo Plc.

Dividend Policy and distribution of profits for 2021 proposed by the Board

The objective of Terveystalo's Dividend Policy is to distribute a minimum of 40 percent of earnings per share in dividends. The current financial performance, development potential, financial position, and capital requirements are taken into account. In 2021, earnings per share were EUR 0.63 (0.36).

The parent company's distributable funds totaled EUR 542.6 (543.1) million, of which EUR 43.8 (26.0) million is profit for the financial year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.28 (0.26) per share totaling EUR 35.6 (33.1) million be paid based on the balance sheet adopted for the financial year ended 31 December 2021. The dividend would be paid in two instalments as follows:

The first dividend instalment of EUR 0.14 per share would be paid to the shareholders who are 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 Board of Directors proposes that the first dividend instalment would be paid on 20 April 2022.

The second dividend instalment of EUR 0.14 per share would 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 Board of Directors proposes that the second dividend instalment would be paid on 19 October 2022. The Board of Directors also proposes that the Annual General Meeting would authorize 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.

No substantial changes have occurred in the company's financial position since the end of the financial year. The company's liquidity is good and, in the Board's opinion, will not be jeopardized by the proposed distribution of profits.

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

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

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.13 per share (totaling approximately EUR 16.5 million with the current number of shares) be paid based on the balance sheet adopted for the financial year ended 31 December 2020. The dividend was paid to a shareholder registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the dividend record date of 29 March 2021. The dividend was paid on 7 April 2021. Further, the Board of Directors was authorized to resolve in its discretion on the payment of dividend as follows: The amount of dividend to be paid based on the authorization shall not exceed EUR 0.13 per share. The authorization is valid until the opening of the next Annual General Meeting. Unless the Board of Directors decides otherwise for a justified reason, the authorization will be used to pay dividend one time during the period of validity of the authorization. In this case the Board of Directors will make a separate resolution on the payment of dividend so that the dividend would preliminarily be paid by the end of November 2021. The Company shall make separate announcement of such resolution and confirm the final record and payment dates in such announcement. The dividend to be paid based on a resolution of the Board of Directors will be paid to a shareholder registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the dividend record date.

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

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

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

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

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

Corporate governance

Terveytalo Plc's Corporate Governance Statement, Remuneration Policy, and Remuneration Report for 2021 will be published as part of the Annual Review in week 7.

Activities following the end of the financial period

On 1 February 2022, Feelgood acquired Länshälsan Uppsala, an occupational health care provider. Revenue of the company was approximately SEK 40 million in 2020 and the company has approximately 30 employees.

The acquisition of Vantaan Työterveys Oy was completed on 1 February 2022.

On 9 February 2022, the Board of Directors of Terveystalo Plc decided on a new performance period of the share-based incentive scheme for 2022–2024.

The most significant short-term risks and uncertainty factors

Terveytalo'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.

- 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.
- 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 global pandemic and the related restrictive measures may have a significant impact on consumer behavior, demand for healthcare services, and the company's expected financial development. The Emergency Powers Act and other regulations pertaining to emergency circumstances give the public sector the power to intervene in service production and even take private sector resources into public use if necessary.
- The restrictions complicate supply chain operations globally, which reduces the availability of the personal protective equipment necessary in-service provision, among other things.
- Changes in the competitive landscape, new competitors entering the markets and increasing price competition may have a negative impact on the company's profitability and growth potential.
- Corporate responsibility aspects are increasingly important for customers, such as ensuring the responsibility of the product supply chain, fair and equal treatment of employees, avoidance of corruption and protection of the environment. Possible failures associated with corporate responsibility would mean negative publicity for Terveystalo and could cause operational and financial damage. Challenges related to Terveystalo's corporate responsibility work include communicating the corporate responsibility principles to the key stakeholders and ensuring the responsibility of the product and service supply chain.
- The company is a party to, and may become a party to, legal action or administrative procedures initiated by the authorities, patients or third parties. According to the company's opinion, its currently pending legal obligations and court cases are not significant in nature.

Risk management at Terveystalo and risks related to the company's business are described in more detail at the company's website and in the company's Annual Review.

Financial reporting and General Meeting of Shareholders 2022

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

- Annual Review 2021 (including sustainability) in week 7, 2022
Financial Statements and the Report of the Board of Directors are published as a part of the Annual Review 2021.
- Interim Report for January–March 2022 on Thursday, 28 April 2022
- 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.

The Annual General Meeting of Terveystalo Plc will be held on Thursday, 7 April 2022 in Helsinki.

Briefing

Terveystalo will arrange a webcast in English on its result on 10 February 2022, starting at 10:30 EEST. You can watch the webcast online at: <https://terveystalo.videosync.fi/2021-q4-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: 68763028#

Helsinki, 9 February 2022

Terveystalo Plc

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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	10-12/2021	10-12/2020	Change, %	2021	2020	Change, %
Revenue	4	327.5	279.7	17.1	1,154.6	986.4	17.1
Other operating income		1.2	0.8	61.6	3.4	2.7	25.3
Materials and services	5	-136.0	-122.9	10.7	-488.9	-447.6	9.2
Employee benefit expenses	6	-109.8	-84.6	29.9	-378.2	-310.2	21.9
Depreciation, amortization and impairment losses		-24.3	-23.0	5.9	-91.7	-91.2	0.5
Other operating expenses	7, 9	-24.8	-19.3	28.7	-89.2	-73.0	22.1
Operating profit		33.9	30.8	10.1	110.1	67.2	64.0
Financial income		0.4	0.3	27.1	0.8	0.5	56.6
Financial expenses		-2.4	-3.1	-23.7	-9.9	-10.6	-6.4
Net finance income and expenses		-2.0	-2.8	-29.1	-9.0	-10.0	-9.8
Share of result in associated companies		-0.1	0.0	-89.2	-0.3	-0.6	-39.5
Profit before taxes		31.8	27.9	14.0	100.7	56.6	78.1
Income tax expense	8	-6.0	-5.5	8.9	-20.3	-10.8	88.1
Profit for the period		25.8	22.4	15.2	80.4	45.8	75.7
Profit attributable to:							
Owners of the parent company		25.8	22.4	15.1	80.5	45.8	75.7
Non-controlling interests		0.0	0.0	>200.0	-0.0	-0.0	>200.0
Other comprehensive income							
<i>Items that may be reclassified to profit or loss</i>							
Translation differences from foreign operations		-0.4	-	-	-0.8	-	-
<i>Items that will not be reclassified to profit or loss</i>							
Remeasurements of defined benefit obligation		0.1	-	-	0.1	-	-
Other comprehensive income for the period, net of tax		-0.3	-	-	-0.6	-	-
Total comprehensive income		25.5	22.4	13.8	79.8	45.8	74.3
Total comprehensive income attributable to:							
Owners of the parent company		25.5	22.4	13.8	79.8	45.8	74.3
Non-controlling interest		0.0	0.0	>200.0	-0.0	-0.0	>200.0
Earnings per share for profit attributable to the shareholders of the parent company, in euro							
Basic earnings per share		0.20	0.18	15.5	0.63	0.36	75.9
Diluted earnings per share		0.20	0.18	15.6	0.63	0.36	76.2

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

Consolidated statement of financial position

EUR mill.	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Property, plant and equipment	10	72.0	67.6
Right-of-use assets	12	172.5	172.4
Goodwill	11	848.6	781.8
Other intangible assets	11	175.2	152.2
Investment properties		0.5	0.5
Investments in associates		0.6	2.2
Loan receivables		0.1	0.3
Deferred tax assets		5.4	4.4
Other non-current assets		0.8	-
Total non-current assets		1,275.8	1,181.3
Current assets			
Inventories		6.4	6.8
Trade and other receivables		128.3	95.1
Cash and cash equivalents	13	38.1	77.1
Total current assets		172.8	179.0
Non-current assets held for sale		-	0.8
TOTAL ASSETS		1,448.6	1,361.0
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		0.1	0.1
Invested non-restricted equity reserve		492.8	492.8
Treasury shares		-18.0	-6.7
Retained earnings		134.0	85.3
Equity attributable to equity holders of the Company total		608.9	571.4
Non-controlling interest		0.0	-
TOTAL EQUITY		608.9	571.4
Non-current liabilities			
Non-current financial liabilities	13	257.9	302.3
Non-current lease liabilities	12, 13	131.4	141.1
Deferred tax liabilities		28.5	26.0
Provisions		8.5	7.7
Other liabilities		15.6	9.4
Total non-current liabilities		441.9	486.6
Current liabilities			
Current financial liabilities	13	120.9	87.2
Current lease liabilities	12, 13	47.1	37.3
Current tax liabilities		13.3	13.5
Provisions		2.5	2.4
Trade and other payables		214.1	162.7
Total current liabilities		397.9	303.1
TOTAL LIABILITIES		839.7	789.6
TOTAL EQUITY AND LIABILITIES		1,448.6	1,361.0

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

Consolidated statement of changes in equity

Equity attributable to owners of the parent company							
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling 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	-12.7
Equity 31 Dec 2021	0.1	492.8	-18.0	134.0	608.9	0.0	608.9

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 2020	0.1	492.8	-6.7	55.1	541.2	0.0	541.2
Comprehensive income							
Profit for the period	-	-	-	45.8	45.8	0.0	45.8
Transactions with owners							
Share-based payments	-	-	-	0.9	0.9	-	0.9
Dividend	-	-	-	-16.5	-16.5	-	-16.5
Equity 31 Dec 2020	0.1	492.8	-6.7	85.3	571.4	-	571.4

Consolidated statement of cash flows

EUR mill.	10-12/2021	10-12/2020	2021	2020
Cash flows from operating activities				
Profit before taxes	31.8	27.9	100.7	56.6
Adjustments for				
Non-cash transactions				
Depreciation, amortization and impairment losses	24.3	23.0	91.7	91.2
Change in provisions	1.6	-0.2	0.9	1.0
Other non-cash transactions	0.1	-0.1	1.3	-0.8
Gains and losses on sale of property, plant, equipment and other changes	-0.1	0.0	-0.1	0.0
Net finance expenses	2.0	2.8	9.0	10.0
Changes in working capital				
Trade and other receivables	1.3	6.7	-17.0	5.3
Inventories	0.4	0.9	0.6	-1.2
Trade and other payables	26.9	5.6	28.5	-1.4
Interest received	0.1	0.1	0.3	0.2
Income taxes paid	-2.4	-0.4	-20.7	-17.2
Net cash from operating activities	86.1	66.3	195.2	143.7
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	-11.8	-1.8	-65.3	-2.0
Acquisition of property, plant and equipment	-6.2	-2.6	-21.0	-13.0
Acquisition of intangible assets	-9.7	-8.7	-22.1	-20.1
Investments to associates	-	-0.5	-	-0.5
Proceeds from sale of available-for-sale financial assets	-	-	-	0.0
Acquisition of business operation, net of cash acquired	-	-	-0.1	-0.6
Long-term loans granted	-	-	-	-0.2
Proceeds from sale of property, plant and equipment	0.3	0.1	0.5	0.4
Dividends received	0.0	0.0	0.0	0.0
Net cash from investing activities	-27.4	-13.4	-108.1	-36.0
Cash flows from financing activities				
Acquisition of treasury shares	-11.3	-	-11.3	-
Acquisition of non-controlling interest	-1.6	-	-12.7	-
Repayment of non-current borrowings	-26.1	-25.7	-41.9	-41.5
Proceeds from current borrowings	16.9	-	77.0	40.0
Repayment of current borrowings	-5.0	-	-46.5	-
Payment of lease liabilities	-11.8	-9.5	-42.4	-37.7
Payment of hire purchase liabilities	-1.4	-1.4	-5.9	-5.5
Interests and other financial expenses paid	-3.0	-4.0	-9.3	-10.0
Dividends paid	-16.5	-	-33.1	-16.5
Net cash from financing activities	-59.7	-40.5	-126.1	-71.2
Net change in cash and cash equivalents	-1.0	12.3	-39.0	36.5
Cash and cash equivalents at the beginning of the period	39.2	64.8	77.1	40.6
Cash and cash equivalents at the end of the period	38.1	77.1	38.1	77.1

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 based on the audited financial statements for the year ended 31 December 2021, and have been prepared in accordance with IAS 34 Interim Financial Reporting -standard, and should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended 31 December 2020. The accounting principles adopted are consistent with those of the annual financial statements for 2020 with the exception for segment reporting, translating foreign functional currency into presentation currency and defined benefit plans.

A fourth operating segment, Sweden and other, was formed in the Group due to the Feelgood acquisition. The operating segment consists of the Group's operations in Sweden, Estonia and Netherlands. The new operating segment also constitutes a new reportable segment. The operating segments in Finland are presented as one reportable segment as described in the financial statements as at and for the year ended 31 December 2020. The Group's reportable segments are:

- Finland
- Sweden and other

The functional currency of the acquired Feelgood group is Swedish krona which differs from Group's presentation currency, and thus its statement of income, statement of cash flows and statement of financial position have been translated into presentation currency as follows:

- Statement of income and statement of cashflows are translated at average exchange rates
- Statement of financial position is translated at the closing exchange rate at the reporting date
- All resulting exchange differences are recognized in other comprehensive income

As part of the Feelgood acquisition, the Group assumed defined benefit plans under which the Group itself has the obligation to pay the retirement benefits. The present value of the obligation is recognized in other non-current liabilities in the statement of financial position. Actuarial gains and losses related to remeasurement of a defined benefit plan are recognized in other comprehensive income. Interests and other expenses related to defined benefit plans are recognized in the statement of income.

IFRS interpretation committee (IFRIC) finalized in April 2021 its agenda decision Configuration or Customization Costs in a Cloud Computing Arrangement. In this agenda decision the interpretation committee considered, whether, applying IAS 38, the customer recognizes an intangible asset in relation to configuration or customization of the application software, and if an intangible asset is not recognized, how the customer accounts for the configuration or customization costs. The impacts of the agenda decision on Terveystalo's consolidated financial statements have not been significant.

All presented figures have been rounded. Financial ratios have been calculated using exact figures.

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

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

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

Because of the uncertainty in the economic operating environment, the credit loss risk of trade receivables and the impairment risk of assets were assessed in light of the latest forecasts in connection with the financial reporting on the

fourth quarter. The risk of credit losses for trade receivables was not found to have increased significantly and no indications were noted of heightened impairment risk of assets.

The Group's liquidity and financing situation have remained strong. During the year, the Group fulfilled the covenant requirement included in the financing agreement that depicts relative indebtedness. Terveystalo continues the increased reporting of explanatory financial information on the Group's assets, and liabilities as well as the maturity of loans in Note 13. Goodwill impairment testing was carried out in accordance with the normal process in the final quarter of 2021.

3. Events after the reporting period

Feelgood acquired on 1 February 2022 Länshälsan Uppsala, an occupational health care provider. Revenue of the company was approximately SEK 40 million in 2020 and the company has approximately 30 employees.

The acquisition of Vantaan Työterveys Oy was completed on 1 February 2022.

On 9 February 2022, the Board of Directors of Terveystalo Plc decided on a new performance period of the share-based incentive scheme for 2022–2024.

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.	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Corporate	132.7	121.3	9.4	481.7	418.8	15.0
Private	89.4	83.3	7.3	333.2	295.4	12.8
Public	82.1	75.1	9.3	302.8	272.2	11.2
<i>Outsourcing</i>	33.2	31.3	6.0	121.1	121.4	-0.2
<i>Staffing services</i>	23.7	21.6	9.3	87.6	83.1	5.4
<i>Service sales, such as occupational health and others</i>	25.3	22.1	14.1	94.0	67.7	38.8
Finland	304.1	279.7	8.7	1,117.7	986.4	13.3
Sweden and other*	23.4	0.0	>200.0	36.9	0.0	>200.0
Total	327.5	279.7	17.1	1,154.6	986.4	17.1

*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.	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
At a point in time	293.5	247.6	18.5	1,030.1	861.8	19.5
Over time	34.0	32.0	6.2	124.5	124.5	0.0
Total	327.5	279.7	17.1	1,154.6	986.4	17.1

Balances in the statement of financial position

EUR mill.	31 Dec 2021	31 Dec 2020	Change, %
Contract assets	15.0	5.6	167.1
Contract liabilities	6.1	2.2	179.7

Segment information

Revenue EUR mill.	10-12/2021	1-12/2021
Finland	304.2	1,117.7
Sweden and other	23.4	37.2
Internal eliminations	-0.1	-0.3
Total	327.5	1,154.6

Adjusted EBITA EUR mill.	10-12/2021	1-12/2021
Finland	39.5	140.2
Sweden and other	2.4	0.8
Total	41.9	141.0

Depreciations EUR mill.	10-12/2021	1-12/2021
Finland	15.9	62.3
Sweden and other	1.4	2.8
Total	17.3	65.1

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

Non-current assets by geographical areas

Non-current assets include property, plant and equipment, right-of-use assets, goodwill, other intangible assets, investment properties and investments in associates.

EUR mill.	31 Dec 2021
Finland	1,197.8
Sweden and other	71.6
Total	1,269.4

5. Materials and services

EUR mill.	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Purchase of materials	-10.4	-9.6	8.9	-34.8	-35.5	-1.9
Change in inventories	-0.4	-0.9	-54.2	-0.6	1.3	-147.4
External services	-125.1	-112.4	11.3	-453.4	-413.4	9.7
Total	-136.0	-122.9	10.7	-488.9	-447.6	9.2

6. Employee benefit expenses

EUR mill.	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Salaries and fees	-91.8	-72.2	27.2	-314.1	-261.6	20.1
Share-based payments	-0.5	-0.1	>200.0	-1.9	-0.9	98.5
Other personnel expenses	-17.5	-12.3	42.2	-62.3	-47.6	30.7
Total	-109.8	-84.6	29.9	-378.2	-310.2	21.9

7. Other operating expenses

EUR mill.	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Rents, leases and premises	-4.7	-3.8	23.3	-18.1	-16.3	11.3
IT expenses	-8.2	-6.8	20.0	-29.7	-25.2	17.9
Other operating expenses	-11.9	-8.6	38.0	-41.3	-31.5	31.0
Total	-24.8	-19.3	28.7	-89.2	-73.0	22.1

8. Income taxes

Income taxes in the statement of income

EUR mill.	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Current tax for the reporting year	-6.6	-6.3	5.3	-23.4	-15.8	48.0
Income taxes for prior periods	0.0	-0.0	-108.8	0.1	-0.0	>-200.0
Change in deferred taxes	0.6	0.8	-23.9	3.1	5.1	-39.3
Total income taxes	-6.0	-5.5	8.9	-20.3	-10.8	88.1

9. Share-based payments

During the year, Terveystalo granted a new long-term incentive plan to the members of executive team and other key persons. The plan consists of a Performance Share Plan for Terveystalo's management and other key personnel, a Bridge plan for the President and CEO, and of a Restricted Share Plan. Vesting period for the Performance Share Plan is three years and the rewards are conditional on the fulfillment of a three-year service condition and performance conditions tied to financial targets set separately. The reward is granted and settled in Terveystalo shares on top of which Terveystalo pays taxes and tax-related expenses. The program's impact to the result for the year 2021 has been EUR 1.0 million and the expected total cost of the program is EUR 4.9 million. 64 persons are included in the arrangement.

10. Property, plant and equipment

2021					
EUR mill.	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
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

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

11. Intangible assets

2021					
EUR mill.	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
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

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

12. Right-of-use-assets and lease liabilities

12.1 Right-of-use assets

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

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

12.2. Lease liabilities

2021			
EUR mill.	Premises	Other lease liabilities	Total
Carrying amount 1 Jan 2021	161.7	16.8	178.5
Transactions	40.2	2.1	42.4
Payment of lease liabilities	-38.6	-3.8	-42.4
Carrying amount 31 Dec 2021	163.3	15.1	178.5

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

13. Financing

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

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					
Cash and cash equivalents	-	38.1	38.1	38.1	
Interest rate derivatives	0.6	-	0.6	0.6	Level 2
Total	1.6	38.1	39.7	39.7	
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	
Contingent considerations	2.8	-	2.8	2.8	Level 3
Interest rate derivatives	1.2	-	1.2	1.2	Level 2
Total	9.4	378.8	388.2	388.2	

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

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

13.2 Maturity analysis of liquidity risk

31 Dec 2021

EUR mill.	Carrying amount	Contractual cash flows	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	365.4	373.5	118.6*	42.8	212.0	-
Lease liabilities	178.5	186.4	48.9	42.0	72.8	22.8
Hire purchase liabilities	13.3	13.7	5.5	4.3	3.8	-
Trade payables	57.1	57.1	57.1	-	-	-
Interest rate derivatives	1.2	1.4	1.1	0.2	0.0	-
Total	615.4	631.9	231.2	89.4	288.6	22.8

* Includes a EUR 70 million loan drawn for the Feelgood acquisition which will be refinanced during 2022. The financing agreement includes an option to defer the payment until 2023. The Group plans to replace the agreement with a long-term financing agreement during 2022.

31 Dec 2020

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

14. Business combinations

During the year 2021, the Group has 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. 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 preliminary 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.

Business combinations during 2020

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

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

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

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

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

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

The following table summarizes the acquisition date fair values of the consideration transferred as well as the recognized amounts of assets acquired and liabilities assumed at the acquisition date. The statement of financial position of acquired companies has been prepared in accordance with IFRS and Terveystalo'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	2.4
Contingent consideration	0.5
Total consideration transferred	2.9

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	0.1
Intangible assets	0.5
Trade and other receivables	0.1
Trade and other payables	-0.2
Deferred tax liabilities	-0.1
Total identifiable net assets acquired	0.5
Goodwill	2.5

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

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

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

The Group has incurred acquisition-related expenses of EUR 0.1 million thousand related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

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

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

15. Group's key financial ratios

EUR mill. unless stated otherwise	10-12/2021	10-12/2020	Change, %	1-12/2021	1-12/2020	Change, %
Revenue	327.5	279.7	17.1	1,154.6	986.4	17.1
Adjusted EBITDA, * ¹⁾	59.1	54.5	8.4	206.1	162.8	26.6
Adjusted EBITDA, % * ¹⁾	18.1	19.5	-	17.8	16.5	-
EBITDA ^{1) 2)}	58.2	53.7	8.3	201.8	158.3	27.4
EBITDA, % ¹⁾	17.8	19.2	-	17.5	16.1	-
Adjusted EBITA * ¹⁾	41.9	39.3	6.6	141.0	101.9	38.4
Adjusted EBITA, % * ¹⁾	12.8	14.0	-	12.2	10.3	-
EBITA ¹⁾	40.9	38.5	6.3	136.7	97.4	40.3
EBITA, % ¹⁾	12.5	13.8	-	11.8	9.9	-
Adjusted operating profit (EBIT) * ¹⁾	34.8	31.6	10.3	114.4	71.6	59.7
Adjusted operating profit (EBIT), % * ¹⁾	10.6	11.3	-	9.9	7.3	-
Operating profit (EBIT)	33.9	30.8	10.1	110.1	67.2	64.0
Operating profit (EBIT), %	10.3	11.0	-	9.5	6.8	-
Return on equity (ROE), % ¹⁾	-	-	-	13.6	8.2	-
Equity ratio, % ¹⁾	-	-	-	42.2	42.1	-
Earnings per share (€)	0.20	0.18	15.5	0.63	0.36	75.9
Net debt ¹⁾	-	-	-	519.0	490.9	5.7
Gearing, % ¹⁾	-	-	-	85.2	85.9	-
Net debt/Adjusted EBITDA (LTM) * ¹⁾	-	-	-	2.5	3.0	-
Total assets	-	-	-	1,448.6	1,361.0	6.4
Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	-	-	-	156.9	118.0	33.0
Net debt, excluding IFRS 16 ¹⁾	-	-	-	340.6	312.4	9.0
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	-	-	-	2.2	2.6	-
Average personnel FTE	-	-	-	5,643	4,900	15.2
Personnel (end of period)	-	-	-	9,805	8,253	18.8
Private practitioners (end of period)	-	-	-	5,754	5,057	13.8

* 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.	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Profit (loss) for the period	25.8	22.4	80.4	45.8
Income tax expense	6.0	5.5	20.3	10.8
Share of profits in associated companies	0.1	0.0	0.3	0.6
Net finance expenses	2.0	2.8	9.0	10.0
Depreciation, amortization and impairment losses	24.3	23.0	91.7	91.2
Adjustments*	1.0	0.8	4.3	4.5
Adjusted EBITDA	59.1	54.5	206.1	162.8

Adjusted EBITDA, %	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Adjusted EBITDA	59.1	54.5	206.1	162.8
Revenue	327.5	279.7	1,154.6	986.4
Adjusted EBITDA, %	18.1	19.5	17.8	16.5

EBITDA, EUR mill.	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Profit (loss) for the period	25.8	22.4	80.4	45.8
Income tax expense	6.0	5.5	20.3	10.8
Share of profits in associated companies	0.1	0.0	0.3	0.6
Net finance expenses	2.0	2.8	9.0	10.0
Depreciation, amortization and impairment losses	24.3	23.0	91.7	91.2
EBITDA	58.2	53.7	201.8	158.3

EBITDA, %	10-12/2021	10-12/2020	1-12/2021	1-12/2020
EBITDA	58.2	53.7	201.8	158.3
Revenue	327.5	279.7	1,154.6	986.4
EBITDA, %	17.8	19.2	17.5	16.1

Adjusted EBITA, EUR mill.	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Profit (loss) for the period	25.8	22.4	80.4	45.8
Income tax expense	6.0	5.5	20.3	10.8
Share of profits in associated companies	0.1	0.0	0.3	0.6
Net finance expenses	2.0	2.8	9.0	10.0
Amortization and impairment losses	7.0	7.7	26.6	30.3
Adjustments*	1.0	0.8	4.3	4.5
Adjusted EBITA	41.9	39.3	141.0	101.9

Adjusted EBITA, %	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Adjusted EBITA	41.9	39.3	141.0	101.9
Revenue	327.5	279.7	1,154.6	986.4
Adjusted EBITA, %	12.8	14.0	12.2	10.3

EBITA, EUR mill.	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Profit (loss) for the period	25.8	22.4	80.4	45.8
Income tax expense	6.0	5.5	20.3	10.8
Share of profits in associated companies	0.1	0.0	0.3	0.6
Net finance expenses	2.0	2.8	9.0	10.0
Amortization and impairment losses	7.0	7.7	26.6	30.3
EBITA	40.9	38.5	136.7	97.4

EBITA, %	10-12/2021	10-12/2020	1-12/2021	1-12/2020
EBITA	40.9	38.5	136.7	97.4
Revenue	327.5	279.7	1,154.6	986.4
EBITA, %	12.5	13.8	11.8	9.9

Adjusted operating profit (EBIT), EUR mill.	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Profit (loss) for the period	25.8	22.4	80.4	45.8
Income tax expense	6.0	5.5	20.3	10.8
Share of profits in associated companies	0.1	0.0	0.3	0.6
Net finance expenses	2.0	2.8	9.0	10.0
Adjustments*	1.0	0.8	4.3	4.5
Adjusted operating profit (EBIT)	34.8	31.6	114.4	71.6

Adjusted operating profit, (EBIT), %	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Adjusted operating profit (EBIT)	34.8	31.6	114.4	71.6
Revenue	327.5	279.7	1,154.6	986.4
Adjusted operating profit (EBIT), %	10.6	11.3	9.9	7.3

Operating profit (EBIT), EUR mill.	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Profit (loss) for the period	25.8	22.4	80.4	45.8
Income tax expense	6.0	5.5	20.3	10.8
Share of profits in associated companies	0.1	0.0	0.3	0.6
Net finance expenses	2.0	2.8	9.0	10.0
EBIT	33.9	30.8	110.1	67.2

Operating profit, (EBIT), %	10-12/2021	10-12/2020	1-12/2021	1-12/2020
EBIT	33.9	30.8	110.1	67.2
Revenue	327.5	279.7	1,154.6	986.4
EBIT, %	10.3	11.0	9.5	6.8

Return on equity, %	31 Dec 21	31 Dec 20
Profit/loss for the period (LTM)	80.4	45.8
Equity (including non-controlling interest) (average)	590.1	556.3
Return on equity, %	13.6	8.2

Equity ratio, %	31 Dec 21	31 Dec 20
Equity (including non-controlling interest)	608.9	571.4
Total assets	1,448.6	1,361.0
Advances received	6.1	2.2
Equity ratio, %	42.2	42.1

Gearing, %	31 Dec 21	31 Dec 20
Interest-bearing liabilities	557.2	568.0
Interest-bearing receivables and cash and cash equivalents	38.2	77.1
Equity	608.9	571.4
Gearing, %	85.2	85.9

Net debt/Adjusted EBITDA (LTM)	31 Dec 21	31 Dec 20
Interest-bearing liabilities	557.2	568.0
Interest-bearing receivables and cash and cash equivalents	38.2	77.1
Adjusted EBITDA (LTM)	206.1	162.8
Net debt/Adjusted EBITDA (LTM)	2.5	3.0

Adjusted EBITDA (LTM), excluding IFRS 16	31 Dec 21	31 Dec 20
Profit (loss) for the period	80.4	45.8
Income tax expense	20.3	10.8
Share of profits in associated companies	0.3	0.6
Net finance expenses	9.0	10.0
Depreciation, amortization and impairment losses	91.7	91.2
Adjustments*	4.3	4.5
IFRS 16 lease expense adjustment	-49.2	-44.8
Adjusted EBITDA (LTM), excluding IFRS 16	156.9	118.0

Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	31 Dec 21	31 Dec 20
Interest-bearing liabilities	378.8	389.5
Interest-bearing receivables and cash and cash equivalents	38.2	77.1
Adjusted EBITDA (LTM)	156.9	118.0
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	2.2	2.6

Adjustments*, EUR mill.	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Acquisition related expenses ⁽¹⁾	0.7	0.2	3.1	0.5
Restructuring related expenses ⁽²⁾	0.1	0.3	0.3	1.6
Gains and losses on sale of assets, net	-	-	-	-0.1
Strategic projects and other items affecting to comparability	0.2	0.3	0.8	2.5
Adjustments	1.0	0.8	4.3	4.5

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

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

²⁾ Including restructuring of network and business operations.

18. Collateral and other contingent liabilities

EUR mill.	31 Dec 2021	31 Dec 2020
Business mortgages	11.4	-
Total	11.4	-
Securities for own debts		
Deposits	0.2	0.2
Guarantees	0.9	0.7
Total	1.1	0.9