



# TERVEYSTALO GROUP FINANCIAL STATEMENTS BULLETIN 2020

## STRONG IMPROVEMENT IN PROFITABILITY IN THE FOURTH QUARTER

### October–December 2020 in brief

- **Revenue increased by 3.5 percent year-on-year to EUR 279.7 million (270.3).**
- **Adjusted<sup>1)</sup> EBITA increased by 21.5 percent to EUR 39.3 million (32.3), representing 14.0 (12.0) percent of revenue.**
- Profit for the period was EUR 22.4 million (16.1).
- Earnings per share (EPS) were EUR 0.18 (0.13).
- Cash flow from operating activities was EUR 66.3 million (49.5).
- Digital visits more than quadrupled to 242,000 (59,000) visits

### January–December 2020 in brief

- **Revenue decreased by 4.3 percent year-on-year to EUR 986.4 million (1,030.7).**
- **Adjusted<sup>1)</sup> EBITA decreased by 11.5 percent to EUR 101.9 million (115.1), representing 10.3 (11.2) percent of revenue.**
- Profit for the period was EUR 45.8 million (54.1).
- Earnings per share (EPS) were EUR 0.36 (0.43).
- **Net debt/adjusted EBITDA<sup>1)</sup> was 3.0 (3.1).**
- Cash flow from operating activities was EUR 143.7 million (173.6).
- Digital visits more than quadrupled to 700,000 (171,000) visits
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.13 (0.13) per share be distributed for 2020 and that the Board of Directors be authorized to decide at its discretion on a further dividend payment, so that the maximum amount of dividend payable under the authorization is EUR 0.13 per share, the maximum dividend per share being EUR 0.26 in total.

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: Agile response to fluctuations in demand was rewarded by strong financial performance**

Businesswise, Terveystalo's final quarter in 2020 was very similar to the previous quarter: revenue increased by 3.5 percent year-on-year, thanks to strong sales to private and corporate customers. In particular, demand for corona testing services was strong. Among public sector customers, strong demand for service sales and occupational health services compensated for the decrease in revenue resulting from expired outsourcing contracts. Our profitability improved clearly: adjusted EBITA increased by 21.5 percent to EUR 39.3 million (32.3), representing 14.0 (12.0) percent of revenue.

All things considered, the fluctuations of sales mix were quite unusual in 2020. The underlying demand was under pressure throughout the year, even though temporary recovery was seen in the summer. The situation resulted from an overall reduction in acute infections and a reduced number of people making appointments. On the other hand, the increasing trend of demand for well-being services continued, coronavirus testing compensated for the general reduction in demand, and startup-like growth figures were seen in digital services, of which the fifty-fold increase in video appointments was a prime example. Remote appointments through digital channels or over the phone accounted for up to 26 percent of all appointments. With respect to the most common diagnoses, the 30-percent reduction in seasonal upper respiratory tract infections was offset by increased mental health problems and illnesses of internal organs. We anticipated the growth of selected specialties already in our strategy and aim to further strengthen our role as a provider of specialised care with dedicated units. For this purpose, we established Fokus special units in selected specialties, starting with mental wellbeing, musculoskeletal disorders and issues within the abdominal area.

After the year dominated by the coronavirus, our organization is even more agile than before in responding to changes in the operating environment, and our clock speed from planning to action has increased. In 2020, it took an unusual amount of persistence to achieve good results. Therefore, we rewarded members of our front-line staff with a bonus of EUR 500 for their great effort. With statutory payments included, this meant an investment of EUR 3 million. Each one of the 6.9 million customer visits to Terveystalo has contributed to people's health and helped to maintain society's ability to function during this exceptional year.

Healthcare digitalization took a great leap forward during the year. However, we can still see considerable potential in the improvement of customer value and productivity by means of digitalization: running basic occupational health processes digitally should be as uncomplicated as applying for a housing loan online, and parts of the routines of the treatment path can be automatized or provided remotely. Despite the coronavirus situation, we have kept our investments in the digital platform at a high level. Maintaining our pioneering status will also require increasing investments in the future. Thanks to our scale and financial strength, we have the opportunity to do so.

In the shadow of the at times sharp debate around the social and healthcare reform, the COVID-19 pandemic has improved the cooperation between the public and private sectors and the threshold for seeking new solutions together is now exceptionally low. Terveystalo's service sales to the public sector have increased. For instance, in December, we started coronavirus vaccinations in cooperation with our public sector customers, and the swiftly renewed legislation enables extensive participation of occupational healthcare providers in giving coronavirus vaccinations. Whatever the final result of the social and healthcare reform will be, demand from the publicly funded market will continue in the future; the service models will adapt to new legislation, and high-quality supply will continue to find demand.

An important achievement in the coronavirus year is the increased confidence in Terveystalo among our customers and healthcare professionals alike. Our brand preference, an extensive indicator of consumers' confidence in us, was on a record level. Our main indicator of customer satisfaction, appointment Net Promoter Score, reached a world class result, and the employee Net Promoter Score (eNPS) doubled from the reference period, despite the stressful year. In addition to NPS and eNPS, we also achieved our third, environment related sustainability goal that is tied to our financing agreement. Despite the COVID-19 crisis, we boosted our corporate responsibility efforts in several areas. We will report on these results in more detail in our Sustainability Report, which will be published in week 7.

Responding to the coronavirus situation will remain on the management agenda the first half of 2021. At the same time, the implementation of our strategy progresses as planned and our platform develops further. In December, we informed about the revision of our management structure, aiming for faster decision-making as well as better transparency, productivity, and responsibility for financial performance. The implementation of the new strategy was also boosted by changes in the management.

We start the second corona year from a position of strength.

*Toward a better tomorrow,*

**Ville Iho**

## Outlook

- In the short term, the market environment is still uncertain because of the changes in consumer behavior resulting from the COVID-19 pandemic, and predicting demand is challenging in the short term. Demand for coronavirus testing is expected to remain high throughout the first half of 2021, and demand for healthcare services in general is expected to grow clearly year-on-year compared with the weak second-quarter reference period, providing that there will be no need to implement strict pandemic restriction measures as was the case in the first half of 2020.
- Demand from corporate customers for preventive and statutory occupational health services is expected to remain stable. The recovery of demand for acute and non-urgent medical care is uncertain, owing to a reduction in general morbidity and the measures to restrict the pandemic. The proportion of remote services will increase considerably. Significant changes in the employment rate may be reflected in the underlying demand.
- Overall demand from private customers is expected to remain normal, providing that, in particular, major restrictions to free movement can be avoided. However, there may be considerable differences between specialties in the short term because of variation in general morbidity and pandemic-related area-specific restrictive measures. Demand for remote services will increase considerably. Significant changes in consumer confidence may be reflected in the underlying demand.
- Stable demand from the public sector is expected to continue in occupational health, service sales, and staffing services. Revenue from outsourcing business will decrease, following the planned expiry of outsourcing contracts.

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

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

To minimize the impacts of the pandemic, Terveystalo adjusted its operations to the exceptional circumstances to safeguard the cash flow and profitability of the business by means such as freezing service purchasing and re-evaluating investment needs, freezing replacement recruitment, and temporarily laying off employees. The need for adjustment as well as adjustment measures decreased clearly in the second half of the year as demand returned closer to normal. The focus of service production was particularly shifted toward coronavirus testing and digital services, and demand for these multiplied from the beginning of the year.

Because of the uncertainty caused by the pandemic, 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 company 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 changed market outlook and latest forecasts in connection with the financial reporting on the fourth quarter. The risk of credit losses related to trade receivables was not found to have increased significantly. The risk of asset impairment was not found to have increased. Goodwill impairment testing was carried out in accordance with the normal process in the final quarter of 2020.

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

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

## Key figures

Terveystalo Group, EUR million	10-12/ 2020	10-12/ 2019	Change, %	2020	2019	Change, %
Revenue	279.7	270.3	3.5	986.4	1,030.7	-4.3
Adjusted EBITDA, * <sup>1)</sup>	54.5	47.8	14.1	162.8	176.3	-7.7
Adjusted EBITDA margin, % * <sup>1)</sup>	19.5	17.7	–	16.5	17.1	–
EBITDA <sup>1)</sup>	53.7	46.8	14.8	158.3	171.2	-7.5
EBITDA margin, % <sup>1)</sup>	19.2	17.3	–	16.1	16.6	–
Adjusted EBITA, * <sup>1)</sup>	39.3	32.3	21.5	101.9	115.1	-11.5
Adjusted EBITA margin, % * <sup>1)</sup>	14.0	12.0	–	10.3	11.2	–
EBITA <sup>1)</sup>	38.5	31.4	22.7	97.4	110.0	-11.4
EBITA margin, % <sup>1)</sup>	13.8	11.6	–	9.9	10.7	–
Adjusted EBIT * <sup>1)</sup>	31.6	24.8	27.5	71.6	86.5	-17.2
Adjusted EBIT margin, % * <sup>1)</sup>	11.3	9.2	–	7.3	8.4	–
EBIT	30.8	23.8	29.4	67.2	81.4	-17.5
EBIT margin, %	11.0	8.8	–	6.8	7.9	–
Return on equity (ROE), % <sup>1)</sup>	–	–	–	8.2	10.3	–
Equity ratio, % <sup>1)</sup>	–	–	–	42.1	39.9	–
Earnings per share (EUR)	0.18	0.13	39.0	0.36	0.43	-15.5
Net debt	–	–	–	490.9	548.2	-10.5
Gearing, % <sup>1)</sup>	–	–	–	85.9	101.3	–
Net debt/adjusted EBITDA (last 12 months) <sup>1)</sup>	–	–	–	3.0	3.1	–
Total assets	–	–	–	1,361.0	1,359.3	0.1
Average personnel in person-years	–	–	–	4,900	4,943	-0.9
Personnel (end of period)	–	–	–	8,253	8,685	-5.0
Private practitioners (end of period)	–	–	–	5,057	5,068	-0.2
Adjusted EBITDA, excluding IFRS 16 * <sup>1)</sup>	–	–	–	118.0	131.4	-10.2
Net debt, excluding IFRS 16	–	–	–	325.9	366.4	-11.1
Adjusted net debt/ adjusted EBITDA, excluding IFRS 16 (last 12 months) * <sup>1)</sup>	–	–	–	2.8	2.8	–
Quality index <sup>2)</sup>	–	–	–	94.2	96.4	-2.3
Net Promoter Score (NPS), appointments	–	–	–	82.8	72.5	14.2
Employee Net Promoter Score (eNPS) <sup>2)</sup>	–	–	–	18.0	9.0	100.0
Mixed waste intensity <sup>2)</sup>	–	–	–	6.0	4.98	23.7

*\*) 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.*

*eNPS is measured every six months; the reported figure is the result of the latest measurement.*

*Mixed waste intensity = Amount of mixed waste (metric tons) relative to total revenue (EUR 100 million)*

## Operating environment

The coronavirus pandemic had a material impact on the Finnish healthcare market in the review period. Privately provided healthcare services focused more on remote appointments, and there was strong demand for coronavirus testing. The distribution of COVID-19 vaccines began in the final part of the year. Vaccination of the working-age population is estimated to begin in April 2021 at the earliest, depending on the availability of vaccines.

The duration and extent of the impacts of the coronavirus on the demand for private healthcare services depend largely on the development of the pandemic and its effects on consumer behavior and employment. The contraction of non-urgent care in the private and public healthcare sectors while the restrictions were in place has resulted in a significant treatment gap in other illnesses. The clearing of the queues for non-urgent care in the public sector will require more extensive use of private healthcare services in the aftercare of the pandemic. According to the Finnish Institute for Health and Welfare (THL), 17,728 (12.9 percent) of those queuing for non-urgent specialized care had been in the queue for more than six months. For the past ten years, the average figure on the survey date has been 2,000 people.

In October, the Finnish government informed about amendments to its proposal on Finnish health and social services reform in response to the comments received. According to the proposal, Finland will be divided into 21 well-being services counties that will be responsible for publicly funded social and healthcare services. With respect to outsourced services, the multiple provider model will remain, and service vouchers can be used as before. The Finnish Parliament will discuss the proposal for the social and healthcare services reform during the first half of 2021. Whether the reform will be implemented is still uncertain, but if it is realized, it will enter into force in 2023. According to the company's assessment, the proposal has no material effect on Terveystalo's business.

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

## Group revenue

**In the fourth quarter, revenue** increased by 3.5 percent year-on-year to EUR 279.7 million (270.3), thanks to strong sales to private and corporate customers. In the fourth quarter, we performed over 126,000 coronavirus tests. Acquisitions did not have a material effect on the development of revenue. Despite the pandemic, Terveystalo's competitiveness was reflected in the positive development of insurance company sales, strong demand for well-being services and vaccinations, and multiplied demand for coronavirus testing and remote appointments. The number of appointments associated with various infections reduced considerably year-on-year. Demand for specialist appointments also decreased year-on-year. Revenue from well-being services increased by 9.8 percent to EUR 24.5 million (22.3). Appointments were increasingly provided remotely through digital channels. The number of digital appointments more than quadrupled to approximately 242,000 appointments (approximately 59,000). There were 64 business days in October–December, which is two days more compared with the reference period (62).

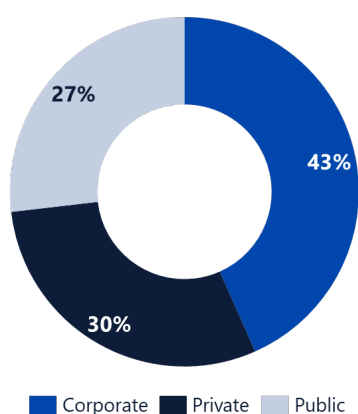
Revenue for **2020** decreased by 4.3 percent year-on-year, amounting to EUR 986.4 (1,030.7) million. In the first half of the year, revenue decreased considerably, resulting from the restrictions imposed in March to reduce the spread of the coronavirus pandemic as well as changes in customer behavior. In particular, physician's appointments associated with various infections and long-term illnesses, such as cardiovascular diseases, decreased significantly year-on-year. The

planned expiry of outsourcing agreements with public sector customers reduced our revenue. On the other hand, demand for digital services multiplied and remained strong throughout the year. Digital appointments amounted to nearly 700,000. Combined with telephone appointments, there were nearly 1.8 million remote appointments in 2020. Remote appointments through digital channels or over the phone accounted for approximately 26 percent of all appointments in 2020. Despite the pandemic, Terveystalo's competitiveness was reflected in the strong performance in insurance company sales and the high demand for well-being services. The strong demand for coronavirus-related services partly compensated for the decrease in underlying demand in the second half of the year. Terveystalo performed over 200,000 coronavirus tests during the year. There were 253 business days in 2020, which is two days more compared with the reference period (251).

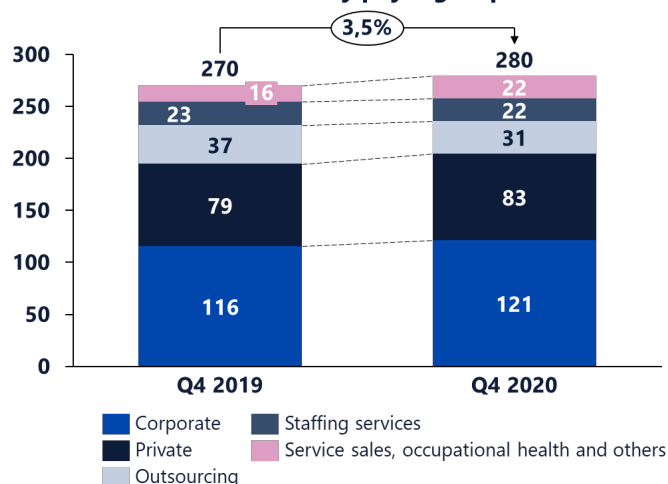
EUR million	10-12/ 2020	10-12/ 2019	Change, %	2020	2019	Change, %
Corporate customers	121.3	115.6	4.9	418.8	432.5	-3.2
Private customers	83.3	79.1	5.3	295.4	303.1	-2.5
Public sector customers	75.1	75.6	-0.7	272.2	295.1	-7.7
Outsourcing	31.3	37.2	-15.9	121.4	149.9	-19.1
Staffing services	21.6	22.6	-4.3	83.1	86.9	-4.4
Service sales, occupational health and others	22.1	15.8	40.3	67.7	58.2	16.5
Total	279.7	270.3	3.5	986.4	1030.7	-4.3

## Revenue by payer group

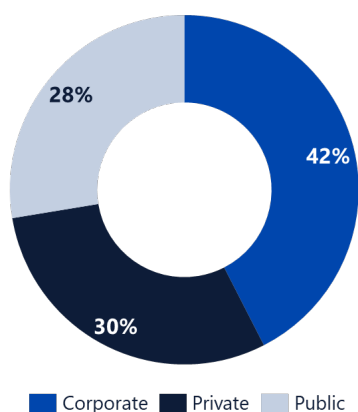
Q4 revenue by payer group, %



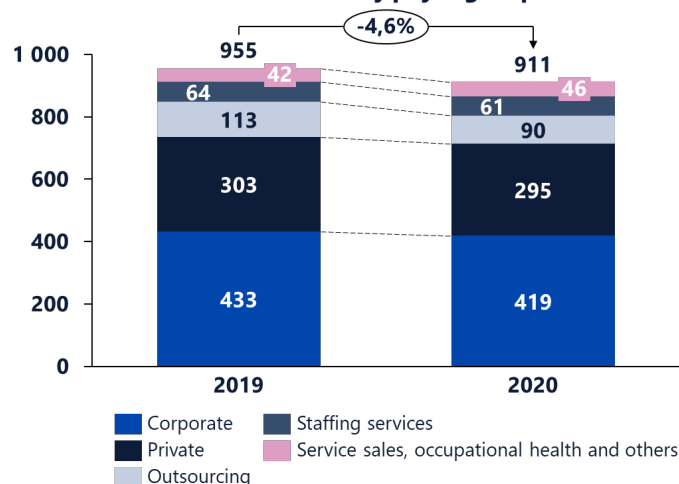
Q4 revenue by payer group, M€



2020 revenue by payer group, %



2020 revenue by payer group, M€





## Corporate customers

*Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health customers, excluding municipal occupational healthcare customers, which are included in the public sector customer group. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational health services in Finland in terms of revenue and the number of end users. Terveystalo provides occupational health services for over 24,000 companies. In 2020, the company provided occupational health services for a total of approximately 700,000 customers.*

**Revenue for the fourth quarter from corporate customers** increased by 4.9 percent, amounting to EUR 121.3 (115.6) million.

With respect to medical appointment services not related to the coronavirus, demand was clearly below the reference period level and the proportion of remote appointments increased. The pandemic continued to impact the development of the sales of preventive\* occupational health services, which remained flat year-on-year. Some of the preventive services previously provided face-to-face were replaced by remote appointments. Sales of well-being services\*\* increased by approximately 7 percent year-on-year. Over 94,000 coronavirus tests were performed on corporate customers during the quarter. The use of digital services more than tripled to approximately 188,000 appointments (approximately 50,800), representing over 15 percent of all Corporate Health clinic visits. The number of occupational health end customers was on a par with the reference period.

**Revenue for 2020 from corporate customers** decreased by 3.2 percent to EUR 418.8 (432.5) million. With respect to medical appointment services not related to the coronavirus, demand remained clearly below the reference period level throughout the year and the proportion of remote appointments increased. The measures aimed at restricting people's mobility had a significant impact on the development of the sales of preventive\* occupational health services, as many activities — such as workplace surveys, health examinations, counseling, and guidance — were either suspended or considerably delayed. In 2020, Terveystalo started providing some of its preventive services as remote appointments. Sales of well-being services\*\* increased by approximately 2 percent year-on-year. Over 150,000 coronavirus tests were performed on corporate customers in 2020. The use of digital services more than tripled to approximately 562,000 appointments (approximately 147,000), representing over 13 percent of all Corporate Health clinic visits. The number of occupational health end customers was on a par with the reference period.

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

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

## Private customers

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

**Revenue from private customers in the fourth quarter** increased by 5.3 percent, amounting to EUR 83.3 (79.1) million.

Demand for appointments with GPs and specialists decreased clearly year-on-year, owing to a strong reduction in general morbidity and the measures to restrict the pandemic. Demand for oral health services was at the level of the reference period. The proportion of remote appointments continued to increase. The number of digital appointments more than quintupled to approximately 22,200 appointments (approximately 4,100) year-on-year, representing about five percent of all appointments. Demand for surgical operations was also strong. Imaging service sales developed in line with the sales of other services during the quarter, and coronavirus testing boosted the sales of laboratory services. Demand for influenza

vaccines and well-being services increased year-on-year. Nearly 16,000 coronavirus tests were performed on private customers during the quarter. Sales of private healthcare services to occupational health customers increased year-on-year.

**Revenue for 2020 from private customers** decreased by 2.5 percent year-on-year, amounting to EUR 295.4 (303.1) million.

Demand for appointments with GPs and specialists fell clearly during the year, owing to a strong reduction in general morbidity and the measures to restrict the pandemic. The number of digital appointments nearly quintupled to approximately 63,300 visits (approximately 13,400), representing about 4 percent of all appointments. Coronavirus testing increased the sales of laboratory services considerably. Demand for surgical and well-being services also increased year-on-year. Nearly 36,000 coronavirus tests were performed on private customers in 2020, and sales of private healthcare services to occupational health customers increased year-on-year.

### Public sector customers

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

**Revenue from public sector customers in the fourth quarter** decreased by 0.7 percent year-on-year to EUR 75.1 (75.6) million.

Revenue from the outsourcing business decreased by 15.9 percent to EUR 31.3 (37.2) million as a result of the expiry of outsourcing contracts at the end of 2019. Service production began in April on the Hattula outsourcing agreement.

Revenue from staffing services decreased by 4.3 percent, amounting to EUR 21.6 (22.6) million. This resulted from the expiry of on-call agreements.

Revenue from service sales as well as services provided for municipal occupational health customers and other public sector customers increased by 40.3 percent year-on-year to EUR 22.1 million (15.8). This resulted mainly from the strong demand for coronavirus-related services as well as our occupational health business that increased through acquisitions and new agreements. Digital appointments increased by more than eightfold to 31,200. In addition, the sales of well-being services grew by 35 percent year-on-year.

**Revenue for 2020 from public sector customers** decreased by 7.7 percent year-on-year, amounting to EUR 272.2 (295.1) million.

Revenue from the outsourcing business fell by 19.1 percent to EUR 121.4 (149.9) million as a result of the expiry of outsourcing contracts at the end of 2019. Service production began in April on the Hattula outsourcing agreement.

Revenue from staffing services decreased by 4.4 percent, amounting to EUR 83.1 (86.9) million. This resulted from the expiry of on-call agreements as well as the challenges related to the availability of staff and the restrictions applied to public sector services.

Revenue from service sales as well as services provided for municipal occupational health customers and other public sector customers increased by 16.5 percent year-on-year to EUR 67.7 million (58.2). This resulted mainly from the strong demand for coronavirus-related services as well as our occupational health business that increased through acquisitions and new agreements. Digital appointments increased by more than sixfold to 74,300. The sales of well-being services also grew by 30 percent year-on-year.



## Financial performance

Adjusted EBITDA for **the fourth quarter of 2020** increased by 14.1 percent year-on-year to EUR 54.5 million (47.8). Profitability was improved by increased revenue, owing to strong sales to private and corporate customers as well as efficient management of the cost level in relation to revenue. In addition, profitability was improved by the temporary discount on employee pension contribution. Material costs relative to revenue increased year-on-year because of the protective equipment costs. Purchased services relative to revenue decreased because of the lower costs of specialized care provided on outsourcing contracts, even though increased laboratory service purchases relating to coronavirus testing had an increasing effect on the costs. For this reason, materials and services as a whole decreased year-on-year relative to revenue. Employee benefit-related costs increased slightly year-on-year, partly as a result of the coronavirus bonus paid to employees. Other operating expenses decreased by 2.1 percent to EUR 19.3 (19.7) million, owing to cost cuts and spending freezes.

Adjusted earnings before interest, taxes and amortization (EBITA) increased by 21.5 percent to EUR 39.3 million (32.3), representing 14.0 (12.0) percent of revenue.

Adjusted operating profit for the fourth quarter amounted to EUR 31.6 (24.8) million, and profit before tax was EUR 27.9 (19.9) million.

As a result of the refinancing arrangement carried out in the latter part of 2019, net financial expenses reduced by 26.0 percent to EUR 2.8 million (3.8). Income tax increased by 42.8 percent because of the higher taxable profit. Result for the fourth quarter was EUR 22.4 (16.1) million, and earnings per share were EUR 0.18 (0.13).

Fourth-quarter operating cash flow increased, amounting to EUR 66.3 (49.5) million. Lower trade receivables as well as higher personnel-related debt and other working capital-type debt reduced tied-up net working capital in the fourth quarter.

Fourth-quarter cash flow from investing activities amounted to EUR -13.4 (-13.1) million. Compared with the reference period, the main difference was that the focus was on intangible investments.

Cash flow from financing activities amounted to EUR -40.5 (-38.2) million in the fourth quarter. Cash flow from financing activities is affected by higher repayments of long-term loans compared with the reference period as well as the lower amount of interest paid resulting from the refinancing arrangement carried out in 2019.

Adjusted EBITDA **for 2020** decreased by 7.7 percent year-on-year to EUR 162.8 million (176.3). Profitability was reduced by lower sales volumes, particularly during the second quarter, and changes in the service sales mix. Employee benefit expenses decreased by 1.3 percent as a result of the temporary layoffs carried out during the quarter, temporary pension contribution (TyEL) discount and the postponed recruitments. Other operating expenses decreased by 1.8 percent to EUR 73.0 (74.4) million, mainly owing to cost adjustments. Investment in the development of digital services and infrastructure increased IT expenses by 19.7 percent year-on-year.

Adjusted earnings before interest, taxes, and amortization (EBITA) fell by 11.5 percent to EUR 101.9 million (115.1), representing 10.3 (11.2) percent of revenue.

Adjusted operating profit was EUR 71.6 (86.5) million, and profit before tax was EUR 56.6 (66.8) million.

As a result of the refinancing arrangement carried out in the latter part of 2019, full-year net financial expenses decreased by 30.2 percent to EUR 10.0 million (14.4). Income tax decreased by 15.4 percent as a result of lower taxable profit. Profit for the period was EUR 45.8 (54.1) million, and earnings per share were EUR 0.36 (0.43).

Operating cash flow decreased as a result of the contraction of business operations, amounting to EUR 143.7 (173.6) million in the review period. In addition, operating cash flow in the review period was affected by an increase in taxes paid year-on-year.

Cash flow from investing activities was EUR -36.0 (-46.7) million. The change from the comparison period was mainly attributable to a reduction in M&A-related investments.

Cash flow from financing activities amounted to EUR -71.2 (-123.1) million. The change in the cash flow from financing activities was mainly due to a short-term loan from a financial institution withdrawn during the reporting period. The change was also attributable to the higher equity repayment and higher interest rate level in the reference period.

## **The Group's financial position**

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 77.1 million (EUR 40.6 million in December 2019). The company agreed on additional financing of EUR 40 million in June. Total assets of the Group amounted to EUR 1,361.0 million (EUR 1,359.3 million in December 2019).

Equity attributable to owners of the parent company totaled EUR 571.4 (541.2) million. The growth was due to the increase in retained earnings. Dividend was paid in July 2020 in accordance with the AGM's decision.

Gearing at the end of the review period was 85.9 (101.3) percent, and net interest-bearing debt amounted to EUR 490.9 (548.2) million.

In the final quarter of 2019, Terveystalo signed a financing agreement of EUR 410 million. During the review period, the company fulfilled the covenant requirement included in the financing agreement that depicts relative indebtedness and achieved all related sustainability goals for 2020 that were tied to the financing agreement; Net Promoter Score (NPS) for appointments was 83 (2020 target 74), mixed waste intensity was 6.0 (2020 target 7.40), and eNPS that measures the satisfaction of professionals was 18 (2020 target 14). Of the credit included in the financing agreement, EUR 40 million remained unused at the end of the review period.

Return on equity for the review period was 8.2 (10.3) percent. Equity ratio was 42.1 (39.9) percent.

## **Seasonal variation and the impact of the number of business days**

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

## **Investments and acquisitions**

Net investments\* during the review period, including M&A, amounted to EUR 41.2 (58.2) million. The Group's net cash capital expenditure, excluding M&A, was EUR 32.7 (33.2) million and the corresponding non-cash capital expenditure EUR 5.3 (11.2) million. The investments consisted mainly of investments in IT system projects (including ERP and EMR), digital application and service development, medical equipment, and the network. The relative share of intangible investments in gross investments increased, whereas the share of tangible investments fell respectively.

In the first quarter of 2020, Terveystalo carried out one acquisition to supplement its business, acquiring the business of Varkauden Fysiokeskus Oy. No acquisitions were made in the second quarter. During the third quarter of 2020, Terveystalo acquired the occupational health activities of Keski-Satakunnan Työterveydenhuolto and the business of Keski-Lapin Hammashuolto Oy. In the fourth quarter, Terveystalo acquired all the shares of Medinari Oy, an occupational health service provider, and Helsinki Sleep Clinic Vitalmed Oy.

\* Net investments do not include the increases of right-of-use assets related to leases for business premises recognized on the balance sheet as a result of the adoption of IFRS 16.

## Personnel

The number of Terveystalo's employed staff on December 31, 2020 was 8,253 (8,685). The decrease was mainly due to the termination of nonactive employment contracts in staffing services. In person-years, the average number of staff was 4,900 (4,943). The number of private practitioners was similar to the reference period, 5,057 (5,068).

## Shares, shareholders, and Board authorizations

At the end of December 2020, Terveystalo's market value was EUR 1,285 million (1,431) and the closing price was EUR 10.04 (11.18). In 2020, the highest price of Terveystalo's share on Nasdaq Helsinki Ltd was EUR 12.66 (11.18), the lowest price EUR 7.40 (7.90) and the average price EUR 9.67 (9.94). A total of 26.6 (27.8) million shares were traded in 2020. 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, 2020

Name	Number of shares	% of shares	Votes	% of votes
Varma Mutual Pension Insurance Company	22,151,945	17.3	22,151,945	17.3
Rettig Group AB	21,153,191	16.5	21,153,191	16.5
Hartwall Capital	14,431,690	11.3	14,431,690	11.3
Pohjola Insurance Ltd	8,530,332	6.7	8,530,332	6.7
OP Life Assurance Company Ltd	7,036,706	5.5	7,036,706	5.5
Elo Mutual Pension Insurance Company	5,232,951	4.1	5,232,951	4.1
Ilmarinen Mutual Pension Insurance Company	3,963,500	3.1	3,963,500	3.1
Mandatum Life Insurance Company	3,566,934	2.8	3,566,934	2.8
Investment fund OP-Suomi	1,896,255	1.5	1,896,255	1.5
Åbo Akademi University Foundation	1,816,242	1.4	1,816,242	1.4
<b>Ten largest, in total</b>	<b>89,779,746</b>	<b>70.1</b>	<b>89,779,746</b>	<b>70.1</b>

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 a total of 4,594,963 shares, which corresponds to 3.6% of all shares.

### Distribution of ownership, December 31, 2020

Number of shares	Number of shareholders	% of shareholders	Number of securities	% of securities	Number of votes	% of votes
<b>1–100</b>	9,362	44.0	465,015	0.4	465,015	0.4
<b>101–500</b>	8,691	40.9	2,154,513	1.7	2,154,513	1.7
<b>501–1,000</b>	1,698	8.0	1,310,040	1.0	1,310,040	1.0
<b>1,001–5,000</b>	1,184	5.6	2,394,657	1.9	2,394,657	1.9
<b>5,001–10,000</b>	139	0.7	1,025,469	0.8	1,025,469	0.8
<b>10,001–50,000</b>	107	0.5	2,213,035	1.7	2,213,035	1.7
<b>50,001–100,000</b>	29	0.1	2,120,389	1.7	2,120,389	1.7
<b>100,001–500,000</b>	24	0.1	4,933,055	3.9	4,933,055	3.9
<b>500,001–</b>	25	0.1	111,420,358	87.0	111,420,358	87.0
<b>Total</b>	<b>21,259</b>	<b>100.0</b>	<b>128,036,531</b>	<b>100.0</b>	<b>128,036,531</b>	<b>100.0</b>
<b>of which nominee-registered</b>	11		10,862,671	8.5	10,862,671	8.5
<b>Non-transferred, total</b>	0		0	0	0	0
<b>In general account</b>			0	0	0	0
<b>In special accounts, total</b>			0	0	0	0
<b>Total issued</b>			<b>128,036,531</b>	<b>100</b>	<b>128,036,531</b>	<b>100</b>

## Shareholder groups, December 31, 2020

Shareholders by sector	Number of shares	% of shares
Households	8,106,373	6.9
Public entities	32,757,498	28.0
Financial and insurance institutions	30,487,993	26.0
Companies	21,628,172	18.5
Non-profit institutions	2,989,911	2.6
Foreign owners	21,203,913	18.1
Total	117,173,860	100.0
Of which nominee-registered	10,862,671	8.5

## Notifications of major shareholdings

In 2020, Terveystalo did not receive any notifications of major shareholdings.

## Share-based incentive schemes and the Board's authorizations

The company's currently valid long-term share-based incentive scheme consists of three performance periods, the calendar years 2018, 2019, and 2020. The Board of Directors decides on the performance criteria and the required performance levels for each criterion at the beginning of each performance period.

During the performance period 2020, the scheme offered the key employees the possibility to earn rewards based on the Company achieving the required operational targets and Total Shareholder Return (TSR) levels. These targets were not met and no rewards will be paid for this earning period.

Terveystalo Plc's Board of Directors has decided on a new long-term share-based incentive program for key personnel. The plan replaces the previous long-term incentive program. The long-term incentive 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 for specific situations such as key recruitments or for recognizing key talent. 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.

Evli Awards Management Oy (EAM) is responsible for the acquisition and management of the shares in accordance with the section of the Limited Liability Companies Act concerning incentives and the financing of the acquisition of company shares. Financed by Terveystalo, EAM TTALO Holding Oy will acquire shares in accordance with the agreement to be used as part of Terveystalo's share-based incentive system, in accordance with the terms of the scheme. During the review period, EAM TTALO Holding Oy held 730,000 Terveystalo shares.

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.

## **Dividend Policy and distribution of profits for 2020 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 2020, earnings per share were EUR 0.36 (0.43).

The parent company's distributable funds totaled EUR 543.1 million, of which EUR 26.0 million is profit for the financial year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.13 (0.13) per share be distributed for 2020, totaling EUR 16.5 (16.5) million. Furthermore, the Board of Directors proposes that the Board of Directors be authorized to decide at its discretion on a further dividend payment, so that the maximum amount of dividend payable under the authorization is EUR 0.13 per share. This means that the maximum dividend per share would be EUR 0.26 in total. The authorization will remain in force until the beginning of the next Annual General Meeting. Unless the Board of Directors decides otherwise for a justified reason, dividend under this authorization will be paid once during its period of validity. 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 2020 and the first Board meeting**

Terveystalo Plc's Annual General Meeting was held in Helsinki on May 28, 2020. The Annual General Meeting adopted the financial statements for the year 2019 and discharged the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting approved the proposals of the Shareholders' Nomination Board and the Board of Directors without any changes.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved to pay a dividend of EUR 0.13 per share on the basis of the balance sheet confirmed for the financial year 2019 (at the current number of shares, this totals approximately EUR 16.6 million) In addition, in accordance with the proposal of the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to decide on the date of record and date of payment at its discretion, so that dividend would be paid no later than July 15, 2020. On June 30, 2020, Terveystalo's Board of Directors decided that the EUR 0.13 dividend per share resolved by the Annual General Meeting be paid to shareholders who are included in the company shareholders' register, maintained by Euroclear Finland Ltd, on the record date of dividend payment, July 2, 2020. Dividend was paid on July 9, 2020.

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

Authorized Public Accountants KPMG Oy Ab was re-elected as the company's auditor, with APA Henrik Holmbom as the auditor in charge.

The Annual General Meeting authorized the Board of Directors to resolve on the repurchase or 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 own shares in total, which corresponds to approximately 10 percent of the company's currently registered shares.

The Annual General Meeting also authorized the Board of Directors 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 of a maximum of 12,803,653 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.

The Annual General Meeting authorized the Board of Directors to decide on donations of a total maximum of EUR 150,000 for charitable or corresponding purposes.

All of the authorizations will remain effective until the end of the Annual General Meeting 2021 and in any event no longer than June 30, 2021.

The new Board of Directors elected Kari Kauniskangas as its Chairman and Tomas von Rettig as its Vice-Chairman. The Board of Directors also elected members to the Board committees. Lasse Heinonen was elected as Chairman of the Audit Committee and Tomas von Rettig and Niko Morkila as members of the Audit Committee. Kari Kauniskangas was elected as Chairman of the Remuneration Committee and Dag Andersson, Åse Michelet, and Katri Viippola as members of the Remuneration Committee.

## **Corporate governance**

Terveystalo PLC's Corporate Governance Statement, Remuneration Policy, and Remuneration Report for 2020 will be published as part of the Annual Review in week 7.

## **Changes in Management**

Minttu Sinisalo b. 1980, M.Sc. (Econ.) started as Terveystalo's Senior Vice President for Human Resources on January 1, 2020.

Susanna Laine, Senior Vice President, Communications and Brand, vacated her position on January 8, 2020. Veera Siivonen, b.1980, M.Sc. Tech, was appointed Terveystalo's Senior Vice President, Marketing and Communications as of May 1, 2020.

Elina Saviharju, b. 1981, LL.B, LL.M. (Harvard) was appointed Terveystalo's Senior Vice President, Legal, as of May 11, 2020, after Julia Ormio resigned.

Mikko Tainio b. 1979, M.Sc. (Econ.), was appointed Senior Vice President, Public Services as of November 1, 2020, after his predecessor Laura Rätty resigned.

Tom Gustafsson served as interim Senior Vice President, Corporate Health, after Jens Jensen resigned in May 2020. Marja-Leena Tuomola, b. 1962, LL.M., eMBA, was appointed Terveystalo's Senior Vice President, Corporate Health as of January 1, 2021.

The above members of Terveystalo Management Group report to President and CEO Ville Iho.

## **Events after the reporting period**

Terveystalo is reshaping its operating model to better respond to its customers' needs and the ongoing transformation of the healthcare industry. As of January 1, 2021, Terveystalo's organization consists of five business areas: Corporate Health, led by Marja-Leena Tuomola; Consumer Business, led by Veera Siivonen; Public Partnerships, led by Mikko Tainio; Growth Businesses, led by Petri Keksi, and Medical Clinic Network, led by Siina Saksi.

The business areas are supported by six departments: Clinical Quality and Management (Petri Bono, CMO), Finance (Ilkka Laurila, CFO), Digitalization and IT (Juha Juosila, Chief Digital Officer), HR (Minttu Sinisalo, SVP HR), Law and Compliance (Elina Saviharju, SVP Legal), and Communications, Investor Relations, and Corporate Responsibility (Kati Kaksonen, VP Communications).

## **The most significant short-term risks and uncertainty factors**

Terveystalo's risk management is governed by the risk management policy approved by the Board. The policy defines goals,



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

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

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

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

## **Financial reporting and General Meeting of Shareholders 2021**

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

- Annual Review 2020 in week 7, 2021
- Interim report for January–March 2021 on Thursday, April 29, 2021
- Half-Year Report for January–June 2021 on Friday, July 16, 2021
- Interim report for January–September 2021 on Thursday, October 28, 2021

The Financial Statements Bulletin 2020 and financial reviews 2021 will be published at approximately 9:00 a.m. EET. Financial reports are published in Finnish and English.

Terveystalo Financial Statements and the Report of the Board of Directors are published as a part of the Annual Review 2020.

Annual General Meeting of Terveystalo Plc will be held on Thursday, March 25, 2021 in Helsinki.

## **Briefing**

Terveystalo will arrange a webcast in English on its result on February 11, 2021, starting at 11:00 EET.

You can watch the webcast online at: <https://terveystalo.videosync.fi/2021-02-11-q4>

To ask questions, please join the telephone conference 5–10 minutes prior to the start time using your local number (Finland: +358 981 710 310, Sweden: +46 856 642 651, UK: +44 33 3300 0804, US: +1 631 913 1422. If you are calling from another location, please use any of the numbers above. The Participant Passcode is 96403408#.

Helsinki, February 11, 2021

Terveystalo Plc

**Board of Directors**

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### **Distribution:**

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[www.terveystalo.com](http://www.terveystalo.com)

## **Terveystalo in brief**

Terveystalo is the largest healthcare service company in Finland with respect to revenue and network. The company offers versatile primary and specialist medical care services as well as well-being services for corporate customers, private customers, and the public sector. Our nationwide network covers over 300 clinics across Finland. The clinic network is supplemented by 24/7 digital services.

In 2020, Terveystalo had approximately 1.2 million individual customers. The number of customer visits totaled approximately 6.9 million. Terveystalo employs over 13,000 healthcare and well-being professionals. Terveystalo is a Key Flag company and member of Association for Finnish Work. [www.terveystalo.com](http://www.terveystalo.com)

## Consolidated statement of income

EUR mill.	Note	10-12/2020	10-12/2019	Change, %	2020	2019	Change, %
<b>Revenue</b>	4	<b>279.7</b>	<b>270.3</b>	<b>3.5</b>	<b>986.4</b>	<b>1,030.7</b>	<b>-4.3</b>
Other operating income		0.8	0.8	2.0	2.7	2.1	29.0
Materials and services	5	-122.9	-122.7	0.1	-447.6	-472.9	-5.4
Employee benefit expenses	6	-84.6	-81.8	3.3	-310.2	-314.3	-1.3
Depreciation, amortization and impairment losses		-23.0	-23.0	-0.3	-91.2	-89.8	1.5
Other operating expenses	7	-19.3	-19.7	-2.1	-73.0	-74.4	-1.8
<b>Operating profit</b>		<b>30.8</b>	<b>23.8</b>	<b>29.4</b>	<b>67.2</b>	<b>81.4</b>	<b>-17.5</b>
Financial income		0.1	0.0	18.6	0.2	0.3	-19.0
Financial expenses		-2.9	-3.9	-25.4	-10.3	-14.7	-30.0
<b>Net finance income and expenses</b>		<b>-2.8</b>	<b>-3.8</b>	<b>-26.0</b>	<b>-10.0</b>	<b>-14.4</b>	<b>-30.2</b>
Share of result in associated companies		-0.0	-0.1	-24.0	-0.6	-0.2	137.7
<b>Profit before taxes</b>		<b>27.9</b>	<b>19.9</b>	<b>40.2</b>	<b>56.6</b>	<b>66.8</b>	<b>-15.3</b>
Income tax expense	8	-5.5	-3.8	42.8	-10.8	-12.7	-15.4
<b>Profit for the period</b>		<b>22.4</b>	<b>16.1</b>	<b>39.6</b>	<b>45.8</b>	<b>54.1</b>	<b>-15.3</b>
<b>Profit attributable to:</b>							
Owners of the parent company		22.4	16.1	39.0	45.8	54.2	-15.5
Non-controlling interests		0.0	-0.1	-104.1	-0.0	-0.1	-98.9

## Consolidated statement of comprehensive income

EUR mill.	Note	10-12/2020	10-12/2019	Change, %	2020	2019	Change, %
<b>Profit/loss for the period</b>		<b>22.4</b>	<b>16.1</b>	<b>39.6</b>	<b>45.8</b>	<b>54.1</b>	<b>-15.3</b>
Other comprehensive adjustments, net of taxes		-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>22.4</b>	<b>16.1</b>	<b>39.6</b>	<b>45.8</b>	<b>54.1</b>	<b>-15.3</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the parent company		22.4	16.1	39.0	45.8	54.2	-15.5
Non-controlling interest		0.0	-0.1	-104.1	-0.0	-0.1	-98.9
<b>Earnings per share for profit attributable to the shareholders of the parent company, in euro</b>							
Basic earnings per share		0.18	0.13	39.0	0.36	0.43	-15.5
Diluted earnings per share		0.18	0.13	39.0	0.36	0.42	-15.5

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

## Consolidated statement of financial position

EUR mill.	Note	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	67.6	69.5
Right-of-use assets *	11	172.4	193.2
Goodwill	10	781.8	779.2
Other intangible assets	10	152.2	161.9
Investment properties		0.5	0.5
Investments in associates		2.2	2.3
Loan receivables		0.3	0.3
Deferred tax assets		4.4	3.7
<b>Total non-current assets</b>		<b>1,181.3</b>	<b>1,210.7</b>
<b>Current assets</b>			
Inventories		6.8	5.6
Trade and other receivables		95.1	101.6
Cash and cash equivalents		77.1	40.6
<b>Total current assets</b>		<b>179.0</b>	<b>147.8</b>
<b>Non-current assets held for sale</b>		<b>0.8</b>	<b>0.8</b>
<b>TOTAL ASSETS</b>		<b>1,361.0</b>	<b>1,359.3</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		0.1	0.1
Invested non-restricted equity reserve		492.8	492.8
Treasury shares		-6.7	-6.7
Retained earnings		85.3	55.1
<b>Non-controlling interest</b>		<b>-</b>	<b>0.0</b>
<b>TOTAL EQUITY</b>		<b>571.4</b>	<b>541.2</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities		302.3	344.1
Non-current lease liabilities *	11	141.1	159.9
Deferred tax liabilities		26.0	30.3
Provisions		7.7	7.5
Other liabilities		9.4	9.7
<b>Total non-current liabilities</b>		<b>486.6</b>	<b>551.5</b>
<b>Current liabilities</b>			
Provisions		2.4	1.6
Trade and other payables		162.7	165.4
Current tax liabilities		13.5	14.8
Current financial liabilities		87.2	46.7
Current lease liabilities *	11	37.3	38.1
<b>Total current liabilities</b>		<b>303.1</b>	<b>266.6</b>
<b>TOTAL LIABILITIES</b>		<b>789.6</b>	<b>818.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,361.0</b>	<b>1,359.3</b>

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

\*) The presentation of statement of financial position has been changed and the comparison period has been restated respectively.

## Consolidated statement of changes in equity

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

Equity attributable to owners of the parent company							
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
<b>Equity 1 Jan 2019</b>	0.1	518.2	-6.7	0.1	511.7	0.1	511.8
<b>Comprehensive income</b>							
Profit for the period	-	-	-	54.2	54.2	-0.1	54.1
<b>Transactions with owners</b>							
Share-based payments	-	-	-	0.7	0.7	-	0.7
Equity repayment	-	-25.5	-	-	-25.5	-	-25.5
<b>Other adjustments</b>	-	-	-	0.1	0.1	-	0.1
<b>Equity 31 Dec 2019</b>	<b>0.1</b>	<b>492.8</b>	<b>-6.7</b>	<b>55.1</b>	<b>541.2</b>	<b>0.0</b>	<b>541.2</b>

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

## Consolidated statement of cash flows

EUR mill.	10-12/2020	10-12/2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit before income taxes	27.9	19.9	56.6	66.8
<b>Adjustments for</b>				
Non-cash transactions				
Depreciation, amortization and impairment losses	23.0	23.0	91.2	89.8
Change in provisions	-0.2	0.0	1.0	-1.2
Other non-cash transactions	-0.1	-0.5	-0.8	-2.4
Gains and Losses on sale of property, plant, equipment and other changes	0.0	0.2	0.0	0.0
Net finance expenses	2.8	3.8	10.0	14.4
<b>Changes in working capital</b>				
Trade and other receivables	6.7	1.7	5.3	-7.9
Inventories	0.9	0.5	-1.2	0.3
Trade and other payables	5.6	1.7	-1.4	17.7
Interest received	0.1	0.0	0.2	0.3
Income taxes paid	-0.4	-1.0	-17.2	-4.1
<b>Net cash from operating activities</b>	<b>66.3</b>	<b>49.5</b>	<b>143.7</b>	<b>173.6</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, net of cash acquired	-1.8	-1.5	-2.0	-12.3
Acquisition of property, plant and equipment	-2.6	-5.8	-13.0	-15.9
Acquisition of intangible assets	-8.7	-5.8	-20.1	-17.7
Investments to associated companies	-0.5	0.2	-0.5	-0.3
Proceeds from sale of available-for-sale financial assets	-	0.0	0.0	0.3
Acquisition of business operation, net of cash acquired	-	-0.2	-0.6	-1.0
Long-term loans granted	-	-0.3	-0.2	-0.3
Proceeds from long-term loans granted	-	-	-	0.2
Proceeds from sale of property, plant and equipment	0.1	0.1	0.4	0.1
Dividends received	0.0	0.1	0.0	0.1
<b>Net cash from investing activities</b>	<b>-13.4</b>	<b>-13.1</b>	<b>-36.0</b>	<b>-46.7</b>
<b>Cash flows from financing activities</b>				
Proceeds from non-current borrowings	-	370.0	-	370.0
Repayment of non-current borrowings	-25.7	-390.7	-41.5	-401.4
Proceeds from current borrowings	-	-	40.0	-
Repayment of current borrowings	-	-	-	-10.0
Payment of lease liabilities	-9.5	-9.5	-37.7	-37.1
Payment of hire purchase liabilities	-1.4	-1.2	-5.5	-4.9
Interests and other financial expenses paid	-4.0	-6.7	-10.0	-14.2
Dividends paid and equity repayment	-	-	-16.5	-25.5
<b>Net cash from financing activities</b>	<b>-40.5</b>	<b>-38.2</b>	<b>-71.2</b>	<b>-123.1</b>
<b>Net change in cash and cash equivalents</b>	<b>12.3</b>	<b>-1.8</b>	<b>36.5</b>	<b>3.8</b>
Cash and cash equivalents at the beginning of the period	64.8	42.4	40.6	36.9
Cash and cash equivalents at the end of the period	77.1	40.6	77.1	40.6

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



## **Notes to the condensed consolidated interim financial statements**

### **1. Basis of accounting principles**

The figures in these interim financial statements are based on the audited financial statements for the year ended 31 December 2020, 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 2019. The accounting policies adopted are consistent with those of the annual financial statements for 2019. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

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

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mainly the same as those that applied to the consolidated financial statements as at the year ended 31 December 2019.

To minimize the impacts of the pandemic, Terveystalo adjusted its operations to the exceptional circumstances to safeguard the cash flow and profitability of the business by means such as freezing service purchasing and re-evaluating investment needs, freezing replacement recruitment, and temporarily laying off employees. The need for adjustment as well as adjustment measures decreased clearly in the second half of the year as demand returned closer to normal. The focus of service production was particularly shifted toward coronavirus testing and digital services, and demand for these multiplied from the beginning of the year.

Because of 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 company 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 changed market outlook and latest forecasts in connection with the financial reporting on the fourth quarter. The risk of credit losses related to trade receivables was not found to have increased significantly. The risk of asset impairment was not found to have increased. Goodwill impairment testing was carried out in accordance with the normal process in the final quarter of 2020.

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

### **3. Events after the reporting period**

Terveystalo is reshaping its operating model to better respond to its customers' needs and the ongoing transformation of the healthcare industry. As of January 1, 2021, Terveystalo's organization consists of five business areas: Corporate Health, led by Marja-Leena Tuomola; Consumer Business, led by Veera Siivonen; Public Partnerships, led by Mikko Tainio; Growth Businesses, led by Petri Keksi, and Medical Clinic Network, led by Siina Saksi.

## 4. Revenue

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

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

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

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

### Disaggregation of revenue

EUR mill.	10-12/2020	10-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Corporate	121.3	115.6	4.9	418.8	432.5	-3.2
Private	83.3	79.1	5.3	295.4	303.1	-2.5
Public	75.1	75.6	-0.7	272.2	295.1	-7.7
Outsourcing	31.3	37.2	-15.9	121.4	149.9	-19.1
Staffing services	21.6	22.6	-4.3	83.1	86.9	-4.4
Service sales, such as occupational health and others	22.1	15.8	40.3	67.7	58.2	16.5
<b>Total</b>	<b>279.7</b>	<b>270.3</b>	<b>3.5</b>	<b>986.4</b>	<b>1,030.7</b>	<b>-4.3</b>

## 5. Materials and services

EUR mill.	10-12/2020	10-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Purchase of materials	-9.6	-8.9	7.5	-35.5	-32.0	11.0
Change in inventories	-0.9	-0.5	78.3	1.3	-0.3	>200.0
External services	-112.4	-113.3	-0.8	-413.4	-440.6	-6.2
<b>Total</b>	<b>-122.9</b>	<b>-122.7</b>	<b>0.1</b>	<b>-447.6</b>	<b>-472.9</b>	<b>-5.4</b>

## 6. Employee benefit expenses

EUR mill.	10-12/2020	10-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Salaries and fees	-72.2	-68.1	5.9	-261.6	-261.2	0.2
Share-based payments	-0.1	-0.3	-68.4	-0.9	-0.7	33.8
Other personnel expenses	-12.3	-13.5	-8.5	-47.6	-52.5	-9.2
<b>Total</b>	<b>-84.6</b>	<b>-81.8</b>	<b>3.3</b>	<b>-310.2</b>	<b>-314.3</b>	<b>-1.3</b>

## 7. Other operating expenses

EUR mill.	10-12/2020	10-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Rents, leases and premises	-3.8	-4.0	-4.6	-16.3	-16.0	2.0
IT expenses	-6.8	-5.8	17.7	-25.2	-21.1	19.7
Other operating expenses	-8.6	-9.8	-12.7	-31.5	-37.3	-15.5
<b>Total</b>	<b>-19.3</b>	<b>-19.7</b>	<b>-2.1</b>	<b>-73.0</b>	<b>-74.4</b>	<b>-1.8</b>

## 8. Income taxes

### Income taxes in the statement of income

EUR mill.	10-12/2020	10-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Current tax for the reporting year	-6.3	-5.0	24.2	-15.8	-15.6	1.6
Income taxes for prior periods	-0,0	0.0	>-200	-0,0	0.0	>-200
Change in deferred taxes	0.8	1.2	-32.1	5.1	2.8	77.5
<b>Total income taxes</b>	<b>-5.5</b>	<b>-3.8</b>	<b>42.8</b>	<b>-10.8</b>	<b>-12.7</b>	<b>-15.4</b>

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

## 9. Property, plant and equipment

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

2019	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2019</b>	<b>2.1</b>	<b>98.1</b>	<b>38.0</b>	<b>0.7</b>	<b>138.9</b>
Business combination	-	0.3	-	-	0.3
Additions	-	18.5	6.1	1.2	25.9
Disposals	-	-1.3	-	-	-1.3
<b>Acquisition cost 31 Dec 2019</b>	<b>2.1</b>	<b>115.6</b>	<b>44.1</b>	<b>1.9</b>	<b>163.8</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2019</b>	<b>-0.8</b>	<b>-60.2</b>	<b>-13.9</b>	<b>-</b>	<b>-74.9</b>
Depreciation for the reporting period	-0.2	-14.1	-4.8	-	-19.1
Impairment losses	-	-	-0.3	-	-0.3
<b>Accumulated depreciation and impairment losses 31 Dec 2019</b>	<b>-1.1</b>	<b>-74.3</b>	<b>-19.0</b>	<b>-</b>	<b>-94.4</b>
<b>Carrying amount 1 Jan 2019</b>	<b>1.3</b>	<b>37.9</b>	<b>24.1</b>	<b>0.7</b>	<b>64.0</b>
<b>Carrying amount 31 Dec 2019</b>	<b>1.0</b>	<b>41.3</b>	<b>25.1</b>	<b>1.9</b>	<b>69.5</b>

## 10. Intangible assets

2020	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2020</b>	<b>847.2</b>	<b>153.7</b>	<b>82.9</b>	<b>61.0</b>	<b>1,144.9</b>
Business combination	2.5	0.5	-	-	3.0
Additions	-	-	-	19.9	19.9
Disposals	-	-	-	-0.0	-0.0
<b>Acquisition cost 31 Dec 2020</b>	<b>849.8</b>	<b>154.0</b>	<b>82.9</b>	<b>80.9</b>	<b>1,167.8</b>
<b>Accumulated amortizations and impairment losses 1 Jan 2020</b>	<b>-68.0</b>	<b>-79.5</b>	<b>-25.1</b>	<b>-31.1</b>	<b>-203.7</b>
Amortization for the reporting period	-	-17.8	-4.1	-8.2	-30.2
<b>Accumulated amortizations and impairment losses 31 Dec 2020</b>	<b>-68.0</b>	<b>-97.3</b>	<b>-29.2</b>	<b>-39.3</b>	<b>-233.9</b>
<b>Carrying amount 1 Jan 2020</b>	<b>779.2</b>	<b>74.2</b>	<b>57.8</b>	<b>29.9</b>	<b>941.2</b>
<b>Carrying amount 31 Dec 2020</b>	<b>781.8</b>	<b>56.9</b>	<b>53.6</b>	<b>41.6</b>	<b>933.9</b>

2019	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2019</b>	<b>836.7</b>	<b>149.5</b>	<b>82.9</b>	<b>42.7</b>	<b>1,111.7</b>
Business combination	10.6	4.2	-	0.6	15.4
Additions	-	-	-	17.7	17.7
<b>Acquisition cost 31 Dec 2019</b>	<b>847.2</b>	<b>153.7</b>	<b>82.9</b>	<b>61.0</b>	<b>1,144.8</b>
<b>Accumulated amortizations and impairment losses 1 Jan 2019</b>	<b>-68.0</b>	<b>-62.1</b>	<b>-21.0</b>	<b>-24.4</b>	<b>-175.4</b>
Amortization for the reporting period	-	-17.4	-4.1	-6.5	-28.0
Impairment losses	-	-	-	-0.3	-0.3
<b>Accumulated amortizations and impairment losses 31 Dec 2019</b>	<b>-68.0</b>	<b>-79.5</b>	<b>-25.1</b>	<b>-31.1</b>	<b>-203.7</b>
<b>Carrying amount 1 Jan 2019</b>	<b>768.7</b>	<b>87.4</b>	<b>61.9</b>	<b>18.4</b>	<b>936.4</b>
<b>Carrying amount 31 Dec 2019</b>	<b>779.2</b>	<b>74.2</b>	<b>57.8</b>	<b>29.9</b>	<b>941.2</b>

## 11. Right of-use-assets and lease liabilities

2020			
EUR mill.	Premises	Other right-of-use assets	Total
<b>Acquisition cost 1 Jan 2020</b>	<b>214.7</b>	<b>37.9</b>	<b>252.6</b>
Transactions	20.2	1.0	21.2
<b>Acquisition cost 31 Dec 2020</b>	<b>234.9</b>	<b>38.9</b>	<b>273.8</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2020</b>	<b>-38.3</b>	<b>-21.1</b>	<b>-59.4</b>
Depreciation for the reporting period	-38.5	-3.5	-42.0
<b>Accumulated depreciation and impairment losses 31 Dec 2020</b>	<b>-76.8</b>	<b>-24.6</b>	<b>-101.4</b>
<b>Carrying amount 1 Jan 2020</b>	<b>176.4</b>	<b>16.8</b>	<b>193.2</b>
<b>Carrying amount 31 Dec 2020</b>	<b>158.1</b>	<b>14.3</b>	<b>172.4</b>

2019			
EUR mill.	Premises	Other right-of-use assets	Total
<b>Acquisition cost 1 Jan 2019 (IAS 17)</b>	<b>-</b>	<b>36.9</b>	<b>36.9</b>
IFRS 16 implementation	199.8	-	199.8
Transactions	14.9	1.1	16.0
<b>Acquisition cost 31 Dec 2019</b>	<b>214.7</b>	<b>37.9</b>	<b>252.6</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2019</b>	<b>-</b>	<b>-17.2</b>	<b>-17.2</b>
Depreciation for the reporting period	-38.3	-4.0	-42.3
<b>Accumulated depreciation and impairment losses 31 Dec 2019</b>	<b>-38.3</b>	<b>-21.2</b>	<b>-59.4</b>
<b>Carrying amount 1 Jan 2019</b>	<b>-</b>	<b>19.7</b>	<b>19.7</b>
<b>Carrying amount 31 Dec 2019</b>	<b>176.4</b>	<b>16.8</b>	<b>193.2</b>

2020		Lease liabilities
EUR mill.		
<b>Carrying amount 1 Jan 2020</b>		<b>198.1</b>
Transactions		18.1
Payment of lease liabilities		-37.7
<b>Carrying amount 31 Dec 2020</b>		<b>178.5</b>

In 31 December 2020 lease liabilities EUR 161.7 million is due to the implementation of IFRS 16 and EUR 16.8 million is lease liability of previous standards.

2019		Lease liabilities
EUR mill.		
<b>Opening balance 1 Jan 2019</b>		<b>222.5</b>
Transactions		12.7
Payment of lease liabilities		-37.1
<b>Carrying amount 31 Dec 2019</b>		<b>198.1</b>

In 31 December 2019 lease liabilities EUR 178.7 million is due to the implementation of IFRS 16 and EUR 19.4 million is lease liability of previous standards.



## 12. Financing

### 12.1 Liquidity

EUR mill.	31 Dec 2020	31 Dec 2019
Cash and cash equivalents	77.1	40.6
Committed undrawn revolving facilities	48.0	48.0
Repayment of the interest-bearing liabilities in the following 12 months *	-90.9	-50.6
<b>Liquidity</b>	<b>34.2</b>	<b>38.0</b>

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

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

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

EUR mill. 31 Dec 2019	Financial assets and liabilities at fair value	Financial assets and liabilities at amortized cost	Carrying amount	Fair value	Fair value hierarchy
<b>Financial assets</b>					
<b>Non-current</b>					
Loan receivables	0.3	-	0.3	0.3	Level 2
<b>Current</b>					
Cash and cash equivalents	-	40.6	40.6	40.6	
<b>Total</b>	<b>0.3</b>	<b>40.6</b>	<b>40.9</b>	<b>40.9</b>	
<b>Financial liabilities</b>					
<b>Non-current</b>					
Loans from financial institutions	-	331.6	331.6	331.6	
Hire purchase liabilities	-	12.5	12.5	12.5	
Deferred contingent considerations	1.2	-	1.2	1.2	Level 3
<b>Current</b>					
Loans from financial institutions	-	41.5	41.5	41.5	
Hire purchase liabilities	-	5.2	5.2	5.2	
Deferred contingent considerations	1.2	-	1.2	1.2	Level 3
Interest rate derivatives	1.4	-	1.4	1.4	Level 2
<b>Total</b>	<b>3.8</b>	<b>390.8</b>	<b>394.5</b>	<b>394.5</b>	

Financial liabilities classified at fair value hierarchy level 3 consist of deferred contingent considerations from business combinations. The measurement of deferred contingent considerations is based on the amounts specified in purchase agreements and the management estimate on whether the deferred consideration will be realized. The effect on earnings arising from the changes of fair values of the deferred contingent considerations has been EUR 0.5 million (2019: EUR 0.1 million).

## 12.3 Maturity analysis of liquidity risk

### 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	-
<b>Total</b>	<b>609.3</b>	<b>636.1</b>	<b>173.6</b>	<b>87.5</b>	<b>340.6</b>	<b>34.2</b>

### 31 Dec 2019

EUR mill.	Carrying amount	Contractual cash flows	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	373.1	388.4	45.1	44.7	298.6	-
Lease liabilities	198.1	215.0	42.3	37.9	82.0	52.8
Hire purchase liabilities	17.7	18.0	5.5	4.8	7.8	-
Trade payables	38.5	38.5	38.5	-	-	-
Interest rate derivatives	1.4	1.7	0.5	0.5	0.6	-
<b>Total</b>	<b>628.8</b>	<b>661.7</b>	<b>131.9</b>	<b>88.0</b>	<b>389.0</b>	<b>52.8</b>

### 13. Business combinations

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

On the 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 Medvital Oy. The acquisition includes a contingent consideration that was treated as a part of the consideration transferred and recognized as a liability at the date of the acquisition with a fair value of EUR 0.4 million. The contingent consideration is tied to the future sales to be incurred.

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

#### Consideration transferred

EUR mill.	
Cash	2.4
Contingent consideration	0.5
<b>Total consideration transferred</b>	<b>2.9</b>

#### 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
<b>Total identifiable net assets acquired</b>	<b>0.5</b>

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

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

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

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

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

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

## **Year 2019**

During the year 2019, the Group has made six business acquisitions and acquired three businesses.

On 31 January 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Länsi-Vantaan Hammaslääkärit Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards. 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 0.5 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On 29 March 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Kajaanin OMT-Fysioterapia Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards. 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 0.1 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On 28 June 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Etelä-Karjalan Työkunto Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards.

On 30 August 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of TyöSyke Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards.

On 30 August 2019 Suomen Terveystalo Oy acquired the business from Hammaslääkäri Osmo Karinen Trade name.

On 30 September 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Hardent Oy. A goodwill of 1.7 EUR million was recognized. 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 0.4 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On 30 September 2019 Suomen Terveystalo Oy acquired the business from Forssan seudun hyvinvointikuntayhtymä.

On 28 October 2019 Terveystalo acquired 100 percent of the shares of Evalua International Ltd. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards. 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 0.4 million.

On 31 of December Terveystalo acquired the occupational health business from Municipality of Säkylä.

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 date of acquisition. The statement of financial position of acquired companies has been prepared in accordance with IFRS and Terveystalo Group's accounting principles in all material respect. In the following table the information has been consolidated, because the acquisitions are not material individually.

#### Consideration transferred

EUR mill.	
Cash	14.0
Contingent consideration	1.4
<b>Total consideration transferred</b>	<b>15.4</b>

#### Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	1.6
Intangible assets	4.8
Property, plant and equipment	0.3
Inventories	0.1
Trade and other receivables	1.2
Trade and other payables	-1.8
Deferred tax liabilities	-0.9
<b>Total identifiable net assets acquired</b>	<b>5.2</b>

<b>Goodwill</b>	<b>10.2</b>
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The tangible assets acquired in the business combination described above were measured at fair value. In these business combinations, the Group has acquired customer relationships and other intangible assets. 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.

As a result of these business combinations, a goodwill amounting to EUR 10.2 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is tax deductible as far as it is related to business acquisitions.

The fair value of the acquired trade and other receivables amounted to EUR 1.2 million, for which the risk of impairment has been deemed non-significant.

The Group has incurred acquisition related expenses of EUR 1.6 million related to transfer tax caused by the transaction, and related to consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed recognized revenue from these acquisitions in 2019 was EUR 6.7 million and the result was EUR 0.3 million.

If the acquisition had occurred on 1 January 2019, management estimates that the Group's consolidated revenue in 2019 would have been EUR 1,038.7 million and the consolidated result would have been EUR 53.8 million.



## 14. Group's key financial ratios

Terveystalo Group, EUR mill.	10-12/2020	10-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Revenue	279.7	270.3	3.5	986.4	1,030.7	-4.3
Adjusted EBITDA, * <sup>1)</sup>	54.5	47.8	14.1	162.8	176.3	-7.7
Adjusted EBITDA, % * <sup>1)</sup>	19.5	17.7	-	16.5	17.1	-
EBITDA <sup>1) 2)</sup>	53.7	46.8	14.8	158.3	171.2	-7.5
EBITDA, % <sup>1)</sup>	19.2	17.3	-	16.1	16.6	-
Adjusted EBITA * <sup>1)</sup>	39.3	32.3	21.5	101.9	115.1	-11.5
Adjusted EBITA, % * <sup>1)</sup>	14.0	12.0	-	10.3	11.2	-
EBITA <sup>1)</sup>	38.5	31.4	22.7	97.4	110.0	-11.4
EBITA, % <sup>1)</sup>	13.8	11.6	-	9.9	10.7	-
Adjusted operating profit (EBIT) * <sup>1)</sup>	31.6	24.8	27.5	71.6	86.5	-17.2
Adjusted operating profit (EBIT), % * <sup>1)</sup>	11.3	9.2	-	7.3	8.4	-
Operating profit (EBIT)	30.8	23.8	29.4	67.2	81.4	-17.5
Operating profit (EBIT), %	11.0	8.8	-	6.8	7.9	-
Return on equity (ROE), % <sup>1)</sup>	-	-	-	8.2	10.3	-
Equity ratio, % <sup>1)</sup>	-	-	-	42.1	39.9	-
Earnings per share (€)	0.18	0.13	39.0	0.36	0.43	-15.5
Net debt	-	-	-	490.9	548.2	-10.5
Gearing, % <sup>1)</sup>	-	-	-	85.9	101.3	-
Net debt/Adjusted EBITDA (LTM) <sup>1)</sup>	-	-	-	3.0	3.1	-
Total assets	-	-	-	1,361.0	1,359.3	0.1
Average personnel FTE	-	-	-	4,900	4,943	-0.9
Personnel (end of period)	-	-	-	8,253	8,685	-5.0
Private practitioners (end of period)	-	-	-	5,057	5,068	-0.2
Adjusted EBITDA (LTM), excluding IFRS 16 * <sup>1)</sup>	-	-	-	118.0	131.4	-10.2
Net debt, excluding IFRS 16	-	-	-	325.9	366.4	-11.1
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * <sup>1)</sup>	-	-	-	2.8	2.8	-

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

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

## 15. Calculation of financial ratios and alternative performance measures

### Financial ratios

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

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

### Alternative performance measures to the statement of financial position

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

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

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

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

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

### 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.

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

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

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

$$\text{Adjusted EBITA, \%*} = \frac{\text{Earnings Before Interest, Taxes, Amortization, impairment losses and adjustments}}{\text{Revenue}} \times 100\%$$

$$\text{Adjusted operating profit (EBIT)*} = \text{Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments}$$

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), %	=	$\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies}}{\text{Revenue}} \times 100\%$

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

## 16. Reconciliation of alternative performance measures

Return on equity, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit/loss for the period (LTM)	-	-	45.8	54.1
Equity (including non-controlling interest) (average)	-	-	556.3	526.5
<b>Return on equity, %</b>	-	-	<b>8.2</b>	<b>10.3</b>

Equity ratio, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Equity (including non-controlling interest)	-	-	571.4	541.2
Total assets	-	-	1,361.0	1,359.3
Advances received	-	-	2.2	1.5
<b>Equity ratio, %</b>	-	-	<b>42.1</b>	<b>39.9</b>

Gearing, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Interest-bearing liabilities	-	-	568.0	588.8
Interest-bearing receivables and cash and cash equivalents	-	-	77.1	40.6
Equity	-	-	571.4	541.2
<b>Gearing, %</b>	-	-	<b>85.9</b>	<b>101.3</b>

Net debt/Adjusted EBITDA (LTM)	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Interest-bearing liabilities	-	-	568.0	588.8
Interest-bearing receivables and cash and cash equivalents	-	-	77.1	40.6
Adjusted EBITDA (LTM)	-	-	162.8	176.3
<b>Net debt/Adjusted EBITDA (LTM)</b>	-	-	<b>3.0</b>	<b>3.1</b>

Adjusted EBITDA, EUR mill.	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit (loss) for the period	22.4	16.1	45.8	54.1
Income tax expense	5.5	3.8	10.8	12.7
Share of profits in associated companies	0.0	0.1	0.6	0.2
Net finance expenses	2.8	3.8	10.0	14.4
Depreciation, amortization and impairment losses	23.0	23.0	91.2	89.8
Adjustments*	0.8	1.0	4.5	5.1
<b>Adjusted EBITDA</b>	<b>54.5</b>	<b>47.8</b>	<b>162.8</b>	<b>176.3</b>

Adjusted EBITDA, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Adjusted EBITDA	54.5	47.8	162.8	176.3
Revenue	279.7	270.3	986.4	1030.7
<b>Adjusted EBITDA, %</b>	<b>19.5</b>	<b>17.7</b>	<b>16.5</b>	<b>17.1</b>

Adjusted EBITA, EUR mill.	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit (loss) for the period	22.4	16.1	45.8	54.1
Income tax expense	5.5	3.8	10.8	12.7
Share of profits in associated companies	0.0	0.1	0.6	0.2
Net finance expenses	2.8	3.8	10.0	14.4
Amortization and impairment losses	7.7	7.6	30.3	28.6
Adjustments*	0.8	1.0	4.5	5.1
<b>Adjusted EBITA</b>	<b>39.3</b>	<b>32.3</b>	<b>101.9</b>	<b>115.1</b>

Adjusted EBITA, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Adjusted EBITA	39.3	32.3	101.9	115.1
Revenue	279.7	270.3	986.4	1,030.7
<b>Adjusted EBITA, %</b>	<b>14.0</b>	<b>12.0</b>	<b>10.3</b>	<b>11.2</b>

Adjusted operating profit (EBIT), EUR mill.	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit (loss) for the period	22.4	16.1	45.8	54.1
Income tax expense	5.5	3.8	10.8	12.7
Share of profits in associated companies	0.0	0.1	0.6	0.2
Net finance expenses	2.8	3.8	10.0	14.4
Adjustments*	0.8	1.0	4.5	5.1
<b>Adjusted operating profit (EBIT)</b>	<b>31.6</b>	<b>24.8</b>	<b>71.6</b>	<b>86.5</b>

Adjusted operating profit, (EBIT), %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Adjusted operating profit (EBIT)	31.6	24.8	71.6	86.5
Revenue	279.7	270.3	986.4	1,030.7
<b>Adjusted operating profit (EBIT), %</b>	<b>11.3</b>	<b>9.2</b>	<b>7.3</b>	<b>8.4</b>

EBITDA, EUR mill.	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit (loss) for the period	22.4	16.1	45.8	54.1
Income tax expense	5.5	3.8	10.8	12.7
Share of profits in associated companies	0.0	0.1	0.6	0.2
Net finance expenses	2.8	3.8	10.0	14.4
Depreciation, amortization and impairment losses	23.0	23.0	91.2	89.8
<b>EBITDA</b>	<b>53.7</b>	<b>46.8</b>	<b>158.3</b>	<b>171.2</b>

EBITDA, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
EBITDA	53.7	46.8	158.3	171.2
Revenue	279.7	270.3	986.4	1,030.7
<b>EBITDA, %</b>	<b>19.2</b>	<b>17.3</b>	<b>16.1</b>	<b>16.6</b>

EBITA, EUR mill.	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit (loss) for the period	22.4	16.1	45.8	54.1
Income tax expense	5.5	3.8	10.8	12.7
Share of profits in associated companies	0.0	0.1	0.6	0.2
Net finance expenses	2.8	3.8	10.0	14.4
Amortization and impairment losses	7.7	7.6	30.3	28.6
<b>EBITA</b>	<b>38.5</b>	<b>31.4</b>	<b>97.4</b>	<b>110.0</b>

EBITA, %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
EBITA	38.5	31.4	97.4	110.0
Revenue	279.7	270.3	986.4	1,030.7
<b>EBITA, %</b>	<b>13.8</b>	<b>11.6</b>	<b>9.9</b>	<b>10.7</b>

Operating profit (EBIT), EUR mill.	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit (loss) for the period	22.4	16.1	45.8	54.1
Income tax expense	5.5	3.8	10.8	12.7
Share of profits in associated companies	0.0	0.1	0.6	0.2
Net finance expenses	2.8	3.8	10.0	14.4
<b>EBIT</b>	<b>30.8</b>	<b>23.8</b>	<b>67.2</b>	<b>81.4</b>

Operating profit, (EBIT), %	10-12/2020	10-12/2019	1-12/2020	1-12/2019
EBIT	30.8	23.8	67.2	81.4
Revenue	279.7	270.3	986.4	1,030.7
<b>EBIT, %</b>	<b>11.0</b>	<b>8.8</b>	<b>6.8</b>	<b>7.9</b>

Adjustments*, EUR mill.	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Acquisition related expenses <sup>(1)</sup>	0.2	0.6	0.5	3.3
Restructuring related expenses <sup>(2)</sup>	0.3	0.2	1.6	0.7
Gain / losses on sale of asset, net	-	-	-0.1	0.3
Strategic projects and other items affecting to comparability	0.3	0.2	2.5	0.8
<b>Adjustments</b>	<b>0.8</b>	<b>1.0</b>	<b>4.5</b>	<b>5.1</b>

Adjusted EBITDA (LTM), excluding IFRS 16	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit (loss) for the period	-	-	45.8	54.1
Income tax expense	-	-	10.8	12.7
Share of profits in associated companies	-	-	0.6	0.2
Net finance expenses	-	-	10.0	14.4
Depreciation, amortization and impairment losses	-	-	91.2	89.8
Adjustments*	-	-	4.5	5.1
IFRS 16 lease expense adjustment	-	-	-44.8	-45.0
<b>Adjusted EBITDA (LTM), excluding IFRS 16</b>	<b>-</b>	<b>-</b>	<b>118.0</b>	<b>131.4</b>

Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Interest-bearing liabilities	-	-	403.0	407.0
Interest-bearing receivables and cash and cash equivalents	-	-	77.1	40.6
Adjusted EBITDA (LTM)	-	-	118.0	131.4
<b>Net debt/Adjusted EBITDA (LTM), excluding IFRS 16</b>	<b>-</b>	<b>-</b>	<b>2.8</b>	<b>2.8</b>

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

<sup>1)</sup> Including transaction costs and expenses from integration of acquired businesses.

<sup>2)</sup> Including restructuring of network and business operations.

## 17. Collateral and other contingent liabilities

EUR mill.	31 Dec 2020	31 Dec 2019
Business mortgages	-	0.6
<b>Total</b>	<b>-</b>	<b>0.6</b>
<b>Securities for own debts</b>		
Deposits	0.2	0.2
Guarantees	0.7	0.9
<b>Total</b>	<b>0.9</b>	<b>1.0</b>