

TERVEYSTALO PLC FINANCIAL STATEMENTS RELEASE

JANUARY 1–DECEMBER 31, 2017



ADJUSTED EBITDA FOR THE FULL YEAR 2017 INCREASED BY 26.7 PER CENT YEAR-ON-YEAR TO EUR 92.4 MILLION (72.9)

Highlights of the review period October–December 2017

- Revenue increased by 29.7 per cent year-on-year to EUR 189.9 million (146.4)
- Adjusted* EBITDA increased by 39.2 per cent year-on-year to EUR 29.1 million (20.9)
- EBITDA increased by 10.9 per cent year-on-year to EUR 24.8 million (22.4)
- Adjusted* EBITA was 12.6 per cent (11.4 per cent) of revenue
- EBITA was 10.3 per cent (12.4 per cent) of revenue
- Profit for the financial period amounted to EUR 6.1 million (7.6)
- Operating cash flow amounted to EUR 37.5 million (40.8)
- Earnings per share** were EUR 0.05 (0.06).

Highlights of the review period January–December 2017

- Revenue increased by 26.1 per cent year-on-year to EUR 689.5 million (547.0)
- Adjusted* EBITDA increased by 26.7 per cent year-on-year to EUR 92.4 million (72.9)
- EBITDA decreased by 0.9 per cent year-on-year to EUR 68.2 million (68.9)
- Adjusted* EBITA was 10.6 per cent (10.4 per cent) of revenue
- EBITA was 7.1 per cent (9.6 per cent) of revenue
- Profit for the financial period amounted to EUR 7.2 million (12.7)
- Net debt decreased by 16.8 per cent to EUR 256,4 million (308.1)
- Net debt / Adjusted EBITDA decreased from 4.2 to 2.8
- Operating cash flow amounted to EUR 70.0 million (64.7)
- Earnings per share** were EUR 0.06 (0.11).

The Board of Directors proposes to the Annual General Meeting that an equity repayment of EUR 0.06 per share be distributed for 2017.

The Group made a number of business acquisitions in 2017. The financial statements of Porin Lääkäritalo Oy Group and Diacor terveystalvet Oy Group have been included in the consolidated financial statements of Terveystalo Group from the beginning of January 2017 and the end of March 2017, respectively.

EBITDA = Earnings Before Interest, Taxes, Depreciation, and Amortization
EBITA = Earnings Before Interest, Taxes, and Amortization

*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 including the IPO, new business operations, and other items affecting comparability. Adjustments totaled EUR 4.3 (-1.5) million in October–December and EUR 24.1 (4.0) million for the full year 2017.

** The effects of share conversion and share split have been taken into account in the weighted average number of shares. Comparative figures have been adjusted accordingly.

Yrjö Närhinen, CEO: “Growth company reborn”

“For Terveystalo, 2017 was a year of growth and reformation – the end of an era and beginning of another. We were listed on the main list of the stock exchange, made major acquisitions and implemented significant business integrations, of which we achieved the pursued cost synergies in record time. At the same time, we systematically developed our existing operations. The hard work we put in during the year provides a strong foundation for future growth. I would like to thank the entire Terveystalo staff for their great contribution.

We also had a record year in terms of our key financial indicators. Strong growth continued through the final quarter of the year, and our market share increased further. Our full-year revenue increased by 26.1 per cent year-on-year. Adjusted EBITDA increased by nearly 27 per cent to EUR 92.4 million, and adjusted EBITA increased to represent 10.6 per cent of full-year revenue. We raised nearly EUR 100 million in gross assets through the IPO, which strengthened our balance sheet. The net debt/adjusted EBITDA ratio decreased to 2.8.

The final part of 2017 was characterized by anticipation associated with the planned healthcare and social welfare reform, but the Government’s decision at the end of December established a framework for the reform, and freedom of choice experiments are progressing. With the economic outlook becoming brighter, we can see companies focusing on growth, and the individual’s confidence in economy has improved. At the same time, people are increasingly investing in their personal wellbeing. This market development supports growth in all customer groups in 2018.

We invest in the development of Finnish healthcare, and want to improve comparability, transparency, and quality, to promote a customer-driven approach in the healthcare sector. Reform of healthcare services requires an open-minded attitude to challenging both ourselves and the processes. Our mission is to produce health value for people. We are well-positioned to respond to changes in the market and to act as a forerunner of high quality, transparency, and comparability in the industry. In April, we will publish our quality and sustainability book for 2017. Using facts, figures, and comparability, we want to challenge the entire healthcare industry to engage in a dialog.”

Outlook for 2018

The continuing improvement of the domestic economy supports corporate and private customer business. Healthcare and social welfare reform will change the environment for all healthcare companies and create new opportunities, especially for those who invest in meeting the new needs created by the reform. Terveystalo expects its markets to continue to develop favorably.



KEY FIGURES

EUR million	10-12/2017	10-12/2016	Change, %	2017	2016	Change, %
Revenue	189.9	146.4	29.7	689.5	547.0	26.1
Adjusted EBITDA ^(*)	29.1	20.9	39.2	92.4	72.9	26.7
Adjusted EBITDA margin (%) ^(*)	15.3	14.3	-	13.4	13.3	-
Adjusted EBITA ^(*)	23.9	16.7	42.7	73.0	56.8	28.5
Adjusted EBITA margin (%) ^(*)	12.6	11.4	-	10.6	10.4	-
Adjusted net profit ^{(** (***)}	18.2	10.0	82.1	44.0	30.3	45.0
Net profit	6.1	7.6	-19.9	7.2	12.7	-43.2
Return on equity (ROE), % ^(*)	-	-	-	2.1	5.6	-
Net debt	-	-	-	256.4	308.1	-16.8
Net debt / adjusted EBITDA ^(*)	-	-	-	2.8	4.2	-34.3
Equity ratio, % ^(*)	-	-	-	50.7	31.7	-
Gearing, % ^(*)	-	-	-	56.1	132.6	-
Operating cash flow	37.5	40.8	-7.9	70.0	64.7	8.3
Earnings per share ^(***)	0.05	0.06	-	0.06	0.11	-
Personnel (end of period)	-	-	-	4 265	3 463	23.2
Private practitioners (end of period)	-	-	-	4 431	3 448	28.5

^(*)Alternative performance measure. Additional information in note 12 and 13.

^(**) The effects of share conversion and share split have been taken into account in the weighted average number of shares. Comparative figures have been adjusted accordingly.

^(***) Finance costs related to the previous bank loans had been amortized to the loan period using the effective interest rate method. As part of the IPO, these costs have been expensed.

MARKET REVIEW

The healthcare services market remained stable throughout the reporting period. The recovering Finnish economy, improved employment rate, and increased consumer confidence all contributed to strong demand in corporate and private customer groups in the review period.

In December 2017, the Government decided on amendments to the Draft bill for the Freedom of Choice Act. The amendments were particularly related to the use of customer service vouchers in specialized care and the range of services provided by the future centers for healthcare and social welfare services. The Parliament of Finland aims to consider the healthcare and social welfare reform laws during the spring. The first regional councils will be elected through elections in fall 2018. The responsibility for providing healthcare and social welfare services will be transferred to the counties in 2020. The freedom of choice will be implemented gradually.

Successful acquisitions and good operational performance enabled Terveystalo's growth in terms of both market share and revenue. With the most extensive network of clinics and hospitals and the largest occupational healthcare customer base, Terveystalo expects to be able to continue its strong performance in the current market structure and to be an attractive partner for many cities and municipalities.

REVENUE BY PAYER GROUP OCTOBER–DECEMBER 2017

Corporate

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational healthcare customers, excluding municipal occupational healthcare customers. The company provides statutory occupational health services and other occupational health and wellbeing 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 23,000 companies.

Corporate revenue for the fourth quarter increased by 33.3 per cent, amounting to EUR 105.8 (79.4) million. The acquisitions of Porin Lääkäritalo in January 2017 and Diacor in March 2017 contributed significantly to revenue growth. In addition, organic growth in the occupational healthcare customer contract base increased the number of end-user customers of Terveystalo's occupational healthcare services. Favorable development in preventative occupational healthcare services also fueled revenue growth.

Private

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, services designed for private individuals,



families, and senior citizens, and personalized digital services give Terveystalo a competitive edge over 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 their insurance companies.

Revenue for the review period from private customers increased by 29.4 per cent, amounting to EUR 67.0 (51.7) million. The acquisitions of Porin Lääkäritalo and Diacor, stable organic development, and, to a lesser effect, the expansion of the dental network in Lahti, Forssa, Espoo, and Iisalmi contributed to top line growth in the review period. Divestments of fertility clinics in Finland had a minor effect on revenue in the reporting period.

Public

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 healthcare 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 by municipalities and government budgets.

Revenue for the review period from public customers increased by 12.7 per cent, amounting to EUR 17.2 (15.3) million. Demand for Terveystalo's services in the public sector market is strong, and the new occupational healthcare outsourcing contracts contributed to revenue growth. During the review period, Terveystalo launched the production of a new outsourcing contract at Kinnula.

REVENUE BY PAYER GROUP JANUARY–DECEMBER 2017

Corporate

Corporate revenue for the financial period was EUR 372.1 (290.8) million, up by 28.0 per cent. The acquisitions of Porin Lääkäritalo in January 2017 and Diacor in March 2017 contributed significantly to revenue growth. In addition, organic growth in occupational healthcare customer contract base increased the number of end-user customers in Terveystalo's occupational healthcare services. Favorable development of sales mix and preventive occupational healthcare services also promoted revenue growth.

Private

Revenue for the review period from private customers was EUR 253.8 (195.7) million, an increase of 29.7 per cent. The acquisitions of Porin Lääkäritalo and Diacor, stable organic development, and, to a lesser effect, the expansion of the dental network in Lahti, Forssa, Espoo, and Iisalmi contributed to top line growth in the review period. Divestments of fertility clinics in Finland had a minor effect on revenue in the reporting period.

Public

Revenue from public customers increased by 5.2 per cent in the review period and was EUR 63.6 (60.5) million. Demand for Terveystalo's services in the public sector market is strong, and the new occupational healthcare outsourcing contracts contributed to revenue growth. The volumes of the Finnish Immigration Service, in turn, declined from the previous year, which reduced revenue slightly from the comparison period.

During the review period, Terveystalo won six occupational healthcare outsourcing contracts and three new outsourcing contracts for healthcare and social welfare services at Kinnula, Lumijoki and Iisalmi.

CONSOLIDATED REVENUE AND RESULT

October–December 2017

Terveystalo's revenue for the fourth quarter increased by 29.7 per cent, amounting to EUR 189.9 (146.4) million. The acquisitions of Porin Lääkäritalo and Diacor contributed significantly to revenue growth. Organic growth was stable, and demand for Terveystalo's services was high.

Material and service costs increased by 27.8 per cent in the fourth quarter, amounting to EUR 89.1 (69.7) million. The increase was mainly due to volume increase resulting from the acquisitions and, to a lesser effect, changes in the sales breakdown compared with the reference period.

The Group's employee benefit expenses totaled EUR 48.1 (40.3) million, up by 19.4 per cent as a result of volume growth.

Adjusted EBITDA for the review period amounted to EUR 29.1 (20.9) million, an increase of 39.2 per cent. The increase in adjusted EBITDA was mainly a result of increased revenue and the cost synergies from the integrations of Diacor and Porin Lääkäritalo materializing somewhat faster than anticipated. Adjusted EBITDA for the review period represented 15.3 (14.3) per cent of revenue.

Acquisition-, restructuring-, and IPO-related expenses still affected the comparability of EBITDA in the final quarter of 2017. EBITDA increased by 10.9 per cent year-on-year to EUR 24.8 (22.4) million. The same cost items affected the comparability of the EBITA margin, which decreased by 2.1 percentage points to 10.3 per cent.

Depreciation, amortization and impairment for the period totaled EUR 10.8 (10.3) million. Amortization and impairment of intangible assets during the period amounted to EUR 5.2 (6.0) million, of which the amortization of intangible assets allocated from the transaction price of business combinations on the date of acquisition totaled EUR 3.7 (4.5) million. Depreciation of property, plant and equipment totaled EUR 5.2 (4.1) million.

Terveystalo's operating profit for the period increased by 16.2 per cent and was EUR 14.0 (12.1) million.

The Group's net financial expenses for the period totaled EUR



9.6 (5.0) million. Finance costs of EUR 7.2 million relating to the previous bank loans that had been amortized to the loan period using the effective interest rate method were expensed as part of the IPO. The lower financing costs will result in decreased financial expenses, starting in 2018.

Terveystalo's profit before tax for the reporting period was EUR 4.4 (7.1) million. Taxes for the period amounted to EUR 1.7 (0.5) million. Profit for the reporting period was EUR 6.1 (7.6) million.

January–December 2017

Full-year revenue was EUR 689.5 (547.0) million, up by 26.1 per cent. The acquisitions of Porin Lääkäritalo and Diacor contributed significantly to revenue growth. Organic growth was stable, and demand for Terveystalo's services was high.

Costs for materials and services in 2017 increased in line with the revenue growth by 25.0 per cent, amounting to EUR 324.3 (259.3) million. The Group's employee benefit expenses totaled EUR 189.5 (155.5) million, an increase of 21.8 per cent as a result of volume growth.

Adjusted EBITDA for 2017 amounted to EUR 92.4 (72.9) million, up by 26.7 per cent. The increase in adjusted EBITDA was mainly a result of increased revenue and materialized cost synergies. Adjusted EBITDA margin for the period represented 13.4 (13.3) per cent of revenue.

EBITDA for the year 2017 was close to flat year-on-year, totaling EUR 68.2 (68.9) million. Acquisition-, restructuring-, and IPO-related costs affected comparability of the EBITDA margin, which decreased by 2.6 percentage points to 7.1 per cent.

Depreciation, amortization, and impairment totaled EUR 40.0 (39.3) million. Amortization and impairment of intangible assets amounted to EUR 20.2 (23.0) million, of which the amortization of intangible assets allocated from the transaction price of business combinations on the date of acquisition totaled EUR 14.6 (18.0) million. Depreciation of property, plant, and equipment totaled EUR 19.4 (16.1) million.

Terveystalo's operating profit decreased by 4.8 per cent and was EUR 28.2 (29.6) million. Significant acquisition-, restructuring-, and IPO-related expenses affected the comparability of the operating profit year-on-year.

Group's net financial expenses during 2017 were EUR 24.1 (20.1) million. Finance costs of EUR 7.2 million relating to the previous bank loans that had been amortized to the loan period using the effective interest rate method were expensed as part of the IPO.

Terveystalo's profit before tax for the financial year was EUR 3.9 (9.5) million. Taxes for the financial year amounted to EUR 3.3 (3.2) million. Profit for the financial year was EUR 7.2 million (12.7).

FINANCIAL POSITION AND CASH FLOW

Total assets of the Group amounted to EUR 902.3 million (EUR 734.1 million in December 2016). The increase of EUR

168.2 million, or 22.9 per cent, was mainly attributable to the acquisitions of Diacor Terveyspalvelut Group and Porin Lääkäritalo Group, for which a total goodwill of EUR 132.5 million was recognized.

Cash and cash equivalents at the end of the period amounted to EUR 33.0 million (EUR 39.1 million in December 2016).

Terveystalo's operating cash flow for 2017 increased to EUR 70.0 (64.7) million. The increase of EUR 5.3 million, or 8.3 per cent, was mainly attributable to the change in net working capital.

Net cash used in investing activities in 2017 increased to EUR -102.7 (-9.0) million, with the effect of acquisitions of subsidiaries being EUR -81.6 (-4.7) million.

Cash flow before financing activities in 2017 was EUR -32.7 (55.7) million.

Cash flow from financing activities in 2017 increased by EUR 59.8 million to EUR 26.5 (-33.2) million. The Initial Public Offering (IPO), carried out in October, raised EUR 100.0 million in gross assets. The existing loans were refinanced at the same time. In addition, on the basis of the company's pre-listing shareholders' commitments, the shareholders made a total of 25 million euro investment without consideration in the company's invested non-restricted equity reserve. In connection to IPO and refinancing, Terveystalo withdrew new long-term loans amounting to EUR 257.0 million and repaid old loans amounting to EUR 337.9 million. Paid interests decreased by EUR 5.8 million year-on-year, resulting from the refinancing of loans.

Equity attributable to owners of the parent company totaled EUR 457.3 (232.3) million. The increase of EUR 225.0 million resulted mainly from the new capital raised through the listing and the EUR 93.9 million investment in the unrestricted equity reserve of Terveystalo in relation to the acquisition of Diacor.

Gearing at the end of the reporting period was 56.1 (132.6) per cent. Net interest-bearing debt was EUR 256.4 (308.1) million. The decrease was mainly due to the equity raised through the share issue carried out in connection with the listing.

At the end of the reporting period, return on equity was 2.1 (5.6) per cent and equity ratio 50.7 (31.7) per cent.

INVESTMENTS AND ACQUISITIONS

Net investments for 2017, including M&A, amounted to EUR 204.3 (18.1) million. Group's net cash capital expenditure was EUR 16.3 (7.7) million and non-cash capital expenditure EUR 12.9 (9.4) million. These investments consist mainly of investments in network and medical equipment, and the increase can be partially explained by integration-related investments. M&A-related investments were EUR 175.1 (0.9) million including EUR 93.9 million non-cash investment related to the Diacor acquisition.

The most significant acquisitions in the review period were the acquisition of the entire share capital of Porin Lääkäritalo Oy in January 2017 and Diacor Terveyspalvelut Oy in March 2017. Terveystalo estimates that the cost synergies of EUR 14.6 million



sought through the two acquisitions will be realized according to plan. The impact on earnings will be reflected in the 2018 results almost in full.

Furthermore, in 2017 Terveystalo strengthened its dental business by acquiring Ky Läkkitörin Hammaslääkäriasema, a dental service provider in Espoo (March), as well as acquiring the oral health operations of Data Plaza Oy, located in Turku (April), and the oral health operations of Crossdental Oy, located in Iisalmi (May). Terveystalo simplified its portfolio by divesting the fertility clinics in Jyväskylä and Helsinki to Ovumia in August.

Sustainability and quality

Terveystalo will publish the Statement on Non-Financial Information for 2017 as part of the Report of the Board of Directors in the week beginning on March 12, 2018. The company will also publish its quality and sustainability book for 2017 in April. Terveystalo is committed to fostering sustainability and high quality and promoting them in all of its operations. Terveystalo systematically monitors and measures the efficiency and medical effectiveness of its operations, customer service, and customer satisfaction. As a pioneer in its field, Terveystalo also publishes key indicators related to the above.

Personnel

The number of employed staff on December 31, 2017 was 4,265 (3,463), an increase of 802 (23.2 per cent) year-on-year. At the end of the period, the number of private practitioners amounted to 4,431 (3,448), an increase of 983 persons, or 28.5 per cent. The number of full-time employed staff in the Group averaged 3,180 (2,605), an increase of 575, or 22.1 per cent. The increase in the number of employed staff was mainly due to the acquisitions of Porin Lääkäritalo and Diacor in January and March 2017, respectively.

Shares and shareholders

Terveystalo's market value on December 31, 2017 was EUR 1,138 million (N/A) and closing price EUR 8.90 (N/A). In 2017, the highest price of Terveystalo's share on NASDAQ Helsinki Ltd was EUR 10.43 (N/A), the lowest price EUR 8.76 (N/A), and the average price was EUR 9.76 (N/A). A total of 93.6 million shares were traded (N/A) in 2017. At the end of the reporting period, the number of Terveystalo shares registered in the Trade Register was 128,036,531.

Largest shareholders on December 31, 2017

The largest shareholders of Terveystalo at the end of 2017 were Varma Mutual Pension Insurance Company with a 15.1 per cent holding, Lotta Holding I S.A.R.L (EQT VI) (11.3 per cent holding), Helsinki Deaconess Institute Foundation (10.5 per cent holding), Rettig Group AB (10.3 per cent holding), Hartwall Capital (10.1 per cent holding), and Ilmarinen Mutual Pension Insurance Company (5.1 per cent holding).

On December 31, 2017, Terveystalo had a total of 14,210 shareholders. At year-end, Finnish public entities, non-profit institutions, companies, financial and insurance institutions, and

households held 74 per cent of all shares in the company. Foreign shareholders held 26 per cent of the shares.

Share-based incentive schemes

During the reporting period, the Company did not have any share-based incentive schemes. In November 2017, the Company announced a new long-term incentive scheme, which came into effect on January 1, 2018.

Dividend Policy and equity repayment proposed by Members of the Board

The aim of Terveystalo's Dividend Policy is to distribute at least one third of net profit as dividends during the business cycle. The current financial performance, development potential, financial position and capital requirements are taken into account. In 2017, earnings per share* were EUR 0.06 (0.11).

On December 31, 2017 the distributable funds of the parent company totaled EUR 516.7 million including the loss of the financial period 2017 of EUR -10.1 million. The Board of Directors proposes to the Annual General Meeting that an equity repayment of EUR 0.06 per share totaling EUR 7.7 million be distributed from the invested non-restricted equity reserve for 2017.

No material changes have taken place in the company's financial position since the end of the financial year. The liquidity of the company is good and the proposed allocation of funds, in the view of the Board of Directors, does not endanger the company's solvency.

* The effects of share conversion and share split have been taken into account in the weighted average number of shares. Comparative figures have been adjusted accordingly.

Corporate governance

Terveystalo Plc Corporate Governance Statement (CG Statement) will be published as a document separate from the Report of the Board of Directors in the week beginning on March 12, 2018, and it will also be available on the company website.

Risks and uncertainty factors

When implementing the strategy, Terveystalo and its operations face many types of risks and opportunities. Terveystalo applies a comprehensive risk management process to ensure that risks are identified and mitigated whenever possible, even though many of the risks are not within the full control of the Company. To harness its value creation potential, Terveystalo is prepared to take controlled risks within its risk-bearing capacity.

Unacceptable risks include illegal activities or practices, serious risk to customers' or personnel's health; financial losses that significantly affect the company's results; serious health, safety, information safety, incident, or accident risks relating to premises, equipment, or systems; and loss of reputation or image that causes significant loss of confidence in the company.

According to Terveystalo's risk classification, risks are divided into four main groups: strategic risks, financial and personnel risks,



operational risks, and patient safety risks. All of these categories may include both internal and external risks and opportunities.

The risks and uncertainties described below may be considered to have a significant impact on the company business, financial performance and prospects for the next 12 months. The list is not intended to be exhaustive.

Changes in the competitive environment and increasing price competition can have a detrimental effect on the company's profitability and growth potential.

Risks related to the development and implementation of new services, products and operating models may arise.

The company's business depends on its ability to find and attract qualified and skilled healthcare professionals, employees and managers and retain them in their service. There is a risk that the turnover of key personnel will be accompanied by the loss of knowledge and know-how.

The company may not be able to find suitable acquisition targets on favorable terms.

The company is a party and may become a party to the Authority, the patient or third-party proceedings brought by judicial or administrative proceeding. The company considers that its current pending legal claims or litigation are not of a significant nature.

During the review period, the Finnish Competition Authority made a decision not to investigate Suomen Terveystalo Oy in connection with a request made in 2016 to investigate the company concerning possible abuse of a dominant position and breach of competition law in the Finnish mammography screening market.

Risk management at Terveystalo and risks related to the company's business are described in more detail in the company listing prospectus and on the company website at <https://www.terveystalo.com/en/investorsCorporate-governance/Risk-management-and-risks/>.

Risk management and the most important risks related to the business are also described in the company's Annual Report for 2017, which will be published in the week beginning on March 12, 2018.

Seasonal variation and impact of the number of business days

Seasonality has some effect on the Company's revenue. Previously, the Company's revenue has been lower during holiday seasons, particularly in July and August. At the quarterly level, seasonal variation has historically reduced revenue particularly in the third quarter. Due to the seasonal nature of business, the required net working capital varies during the year. Variation is also due to the timing of pension and VAT payments, vacation pay obligations and service fees related to occupational healthcare. Normally, the net working capital of the Company decreases towards the end of the year, as a result of seasonal

factors. The number of business days typically has an effect on revenue and earnings development, particularly when comparing development at quarter level.

Events after the reporting period

At the end of January 2018, the Shareholders' Nomination Board of Terveystalo submitted to the Board of Directors its proposal to the Annual General Meeting 2018. The Board proposes that the number of members of the Board of Directors be eight (8) instead of the previous seven (7) and that Ulf Fredrik Cappelen, Olli Holmström, Vesa Koskinen, and Åse Aulie Michelet be re-elected as members of the Board and Eeva Ahdekivi, Lasse Heinonen, Katri Viippola, and Tomas von Rettig be elected as new members of the Board.

The annual remuneration of the Chairman is proposed to be EUR 80,000, annual remuneration of the Vice-Chairman EUR 49,000, annual remuneration of the members EUR 39,000, and annual remuneration of the Chairman of the Audit Committee EUR 49,000. The following attendance fees are proposed to be paid for each Board and Committee meeting: EUR 600 for members residing in Finland, EUR 1,200 for members residing elsewhere in Europe, and EUR 2,400 for members residing outside of Europe. For Board and Committee meetings that are held by telephone or other electronic means, the proposed attendance fee is EUR 600. It is proposed that travel expenses be reimbursed in accordance with the company's travel policy.

In addition, the Nomination Board proposes that the annual remuneration of the Board be paid as a combination of company shares and cash in such a manner that 40 per cent of the annual remuneration is paid in shares in the possession of the company or, if this is not possible, in company shares purchased from the market, and 60 per cent is paid in cash. The Company will reimburse the transaction costs and capital transfer tax related to trading. It is proposed that attendance fees are to be paid in cash.

The Shareholder's Nomination Board that prepared proposals for the Annual General Meeting 2018 consists of Chairman, Risto Murto, CEO, Varma Mutual Pension Insurance Company, and members Vesa Koskinen, M.Sc. Economics, Lotta Holding I S.à r.l. (EQT VI), Maija-Liisa Friman, M.Sc. (Tech.), Helsinki Deaconess Institute Foundation sr, Ole Johansson, Chairman of the Board, Hartwall Capital, Tomas von Rettig, CEO, Rettig Group Oy Ab, and Ulf Fredrik Cappelen, Chairman of the Board at Terveystalo Plc.

The proposals of the Nomination Board will be included in the invitation to the Annual General Meeting. The CVs of the proposed new members are available at Terveystalo's website.

After the end of the review period, Terveystalo increased its dental business by acquiring Hammas Jaarli Oy business in January 2018. The transaction did not have a material financial impact.



Publication of the Financial Statements and the Report of the Board of Directors for 2017 and Annual General Meeting 2018

The Financial Statements and the Report of the Board of Directors of Terveystalo Plc for 2017 and the other financial statement documents referred to in the Limited Liability Companies Act will be published on the company website in the week beginning on March 12, 2018, as part of the company's Annual Report.

Terveystalo Plc's Annual General Meeting will be held on April 12, 2018, starting at 3:00 pm EET, at Marina Congress Center,

Katajanokanlaituri 6, 00160 Helsinki, Finland.

Corporate Governance Statement

Terveystalo Plc Corporate Governance Statement will be published as a document separate from the Report of the Board of Directors in the week beginning on March 12, 2018, and it will also be available on the company website.

Financial reporting

- The publication dates of Terveystalo's financial reporting in 2018 are as follows:
- The Interim report for January–March 2018 will be published on Wednesday, May 16, 2018
- The Half-year report for 2018 will be published on Friday, August 17, 2018
- The Interim report for January–December 2018 will be published on Wednesday, November 14, 2018

Briefing

Terveystalo will hold a press conference on February 28, 2018, starting at 12 noon EET, at Terveystalo Piazza, Jaakonkatu 3 (3rd floor), 00100 Helsinki, Finland. A live webcast and telephone conference in English will begin at 1:30 pm EET. You can follow the webcast at: <https://terveystalo.videosync.fi/2018-02-28-result> To ask questions, please join the event conference 5-10 minutes prior to the start time using your local number (FI: +358 (0)9 7479 0360, UK: +44 (0)330 336 9104, US: +1 323-794-2558) and the Participant Passcode 092749. If you are calling from another location, please use any of the numbers above.

Terveystalo in brief

Terveystalo is a listed company on the Helsinki Stock Exchange. Terveystalo is the largest healthcare service company in Finland with net sales and network. The company offers versatile primary and secondary health care services for corporate and private customers and the public sector. The nationwide network covers 180 locations across Finland, complemented by 24/7 digital services.

In 2017, the Company had approximately 1.2 million individual customers and approximately 3.3 million doctor visits. Nearly 9,000 healthcare professionals work in Terveystalo, about half of whom are private practitioners. Terveystalo is a member of Finnish Workers' Union. www.terveystalo.com

Helsinki, February 28, 2018
Terveystalo Plc
Board of Directors

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CONDENSED CONSOLIDATED STATEMENT OF INCOME

In millions of euro	Note	10-12/2017	Restated 10-12/2016	Change, %	2017	Restated 2016	Change, %
Revenue	4	189.9	146.4	29.7	689.5	547.0	26.1
Other operating income		0.5	5.3	-90.8	2.1	7.1	-70.4
Materials and services	5	-89.1	-69.7	27.8	-324.3	-259.3	25.0
Employee benefit expenses	6	-48.1	-40.3	19.4	-189.5	-155.5	21.8
Depreciation, amortization and impairment losses		-10.8	-10.3	4.7	-40.0	-39.3	2.0
Other operating expenses	7	-28.4	-19.4	46.2	-109.6	-70.4	55.7
Operating profit / loss		14.0	12.1	16.2	28.2	29.6	-4.8
Financial income		0.0	0.5	-94.5	0.1	1.9	-92.8
Financial expenses		-9.6	-5.5	74.2	-24.2	-22.0	9.9
Net finance expenses		-9.6	-5.0	92.7	-24.1	-20.1	19.7
Share of results in associated companies		-0.0	-	-	-0.2	-	-
Profit / loss before taxes		4.4	7.1	-38.1	3.9	9.5	-58.5
Income taxes		1.7	0.5	> 200	3.3	3.2	1.5
Profit / loss for the period		6.1	7.6	-19.9	7.2	12.7	-43.2
Profit / loss attributable to:							
Owners of the parent company		6.1	7.6	-19.6	7.2	12.6	-42.8
Non-controlling interests		0.0	0.0	-120.4	0.0	0.1	-90.7

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of euro	Note	10-12/2017	10-12/2016	Change, %	2017	2016	Change, %
Profit / loss for the period		6.1	7.6	-19.9	7.2	12.7	-43.2
Total comprehensive income		6.1	7.6	-19.9	7.2	12.7	-43.2
Total comprehensive income attributable to:							
Owners of the parent company		6.1	7.6	-19.6	7.2	12.6	-42.8
Non-controlling interest		0.0	0.0	-120.4	0.0	0.1	-90.7
Earnings per share for profit / loss attributable to the shareholders of the parent company, in euro ^(*)							
Basic earnings per share		0.05	0.06		0.06		
Diluted earnings per share		0.05	0.06		0.06	0.11	

^(*) The effects of share conversion and share split have been taken into account in the weighted average number of shares. Comparative figures have been adjusted accordingly.

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



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of euro	Note	31/12/2017	31/12/2016
ASSETS			
Non-current assets			
Property, plant and equipment	9	92.1	65.5
Goodwill	8	583.3	449.1
Other intangible assets	8	109.2	113.9
Investment properties		0.6	0.6
Investments in associates		0.3	-
Available-for-sale financial assets		1.2	1.7
Other receivables		0.0	0.0
Deferred tax assets		7.4	6.0
Total non-current assets		794.1	636.8
Current assets			
Inventories		5.2	4.4
Trade and other receivables		70.0	53.7
Cash and cash equivalents		33.0	39.1
Total current assets		108.2	97.3
TOTAL ASSETS		902.3	734.1
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		0.1	0.0
Invested non-restricted equity reserve		525.9	308.0
Retained deficit		-68.8	-76.2
Non-controlling interest		0.1	0.4
TOTAL EQUITY		457.3	232.3
Non-current liabilities			
Non-current financial liabilities		270.2	315.7
Deferred tax liabilities		24.1	25.0
Provisions		6.6	4.5
Other liabilities		6.3	29.5
Total non-current liabilities		307.2	374.7
Current liabilities			
Provisions		1.4	0.7
Trade and other payables		117.1	94.9
Current tax liabilities		0.1	0.0
Current financial liabilities		19.2	31.5
Total current liabilities		137.8	127.1
TOTAL LIABILITIES		445.0	501.8
TOTAL EQUITY AND LIABILITIES		902.3	734.1

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



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to owners of the parent company

In millions of euro	Note	Share capital	Invested non-restricted equity reserve	Retained deficit	Total	Non-controlling interests	Total equity
Equity 1.1.2017		0.0	308.0	-76.2	231.8	0.4	232.3
Comprehensive income							
Profit for the period		-	-	7.2	7.2	0.0	7.2
Transactions with owners							
Share capital increase	11	0.1	-0.1	-	-	-	-
Directed share issue	11	-	93.9	-	93.9	-	93.9
Equity investment without consideration	11	-	25.0	-	25.0	-	25.0
Share issue	11	-	100.0	-	100.0	-	100.0
Transaction costs paid in connection with share issue, net of tax		-	-0.9	-	-0.9	-	-0.9
Share-based payments, personnel offering		-	-	0.2	0.2	-	0.2
Transactions with non-controlling interests							
Change in non-controlling interests		-	-	-	-	-0.4	-0.4
Equity 31.12.2017		0.1	525.9	-68.8	457.2	0.1	457.3

Equity attributable to owners of the parent company

In millions of euro	Note	Share capital	Invested non-restricted equity reserve	Retained deficit	Total	Non-controlling interests	Total equity
Equity at 1.1.2016		0.0	308.0	-88.7	219.3	1.1	220.4
Comprehensive income							
Profit for the period		-	-	12.6	12.6	0.1	12.7
Transactions with non-controlling interests							
Change in non-controlling interests		-	-	-	-	-0.8	-0.8
Other adjustments		-	-	-0.1	-0.1	-	-0.1
Equity 31.12.2016		0.0	308.0	-76.2	231.8	0.4	232.3

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



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euro	10-12/2017	10-12/2016	2017	2016
Cash flows from operating activities				
Profit before income taxes	4.4	7.1	3.9	9.5
Adjustments for				
Non-cash transactions				
Depreciation, amortization and impairment losses	10.8	10.3	40.0	39.3
Change in provisions	-0.3	0.5	-0.8	2.8
Other non-cash transactions	0.4	-0.1	1.1	-0.3
Gains and Losses on sale of property, plant, equipment and other changes	0.1	-4.1	-0.2	-4.7
Net finance expenses	9.6	5.0	24.1	20.1
Changes in				
Trade and other receivables	0.2	1.7	1.0	-5.4
Inventories	0.4	0.3	0.0	0.3
Trade and other payables	11.7	20.5	1.3	3.6
Interest received	0.0	0.0	0.1	0.1
Income taxes paid	0.3	-0.4	-0.6	-0.6
Net cash from operating activities	37.5	40.8	70.0	64.7
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	-25.0	-1.0	-81.6	-4.7
Acquisition of property, plant and equipment	-2.6	-3.1	-11.4	-7.9
Acquisition of intangible assets	-2.0	-1.0	-5.1	-3.8
Proceeds from the disposal of subsidiaries, net of cash disposed of	-	4.8	-	4.8
Proceeds from sale of available-for-sale financial assets	-	-	0.1	1.8
Acquisition of business operations, net of cash acquired	-0.1	-	-0.7	-1.0
Proceeds from sale of business operations, net of cash disposed of	-	-	1.1	-
Repayment of borrowings	-	-	-5.1	-0.3
Proceeds from sale of property, plant and equipment	-	1.4	-	2.2
Dividends received	0.0	0.0	0.0	0.0
Net cash from investing activities	-29.7	1.1	-102.7	-9.0
Cash flows from financing activities				
Share issue	100.0	-	100.0	-
Equity investment without consideration in the invested non-restricted equity reserve	25.0	-	25.0	-
Proceeds from non-current borrowings	257.0	-	297.8	-
Repayment of non-current borrowings	-337.9	-7.0	-344.9	-14.1
Proceeds from current borrowings	-	10.0	20.0	25.4
Repayment of current borrowings	-4.7	-2.6	-31.6	-14.9
Payment of finance lease liabilities	-10.1	-1.3	-14.6	-6.0
Payment of hire purchase liabilities	-6.7	-0.5	-9.4	-2.1
Interests and other financial expenses paid	-3.1	-5.2	-15.5	-21.3
Acquisition of non-controlling interests	-	-0.2	-0.3	-0.2
Net cash from financing activities	19.5	-7.0	26.5	-33.2
Net change in cash and cash equivalents	27.3	34.9	-6.1	22.5
Cash and cash equivalents at beginning of period	5.7	4.2	39.1	16.6
Cash and cash equivalents at end of period	33.0	39.1	33.0	39.1

Litteet ovat kiinteä osa konsernin osavuositiedustusta.



1. BASIS OF ACCOUNTING PRINCIPLES

This annual accounts bulletin has been prepared in accordance with IAS 34 *Interim Financial Reporting* –standard. Terveystalo Group early adopted the new IFRS 15 *Revenue from Contracts with Customers* standard in financial year 2017 before the mandatory application date. More detailed information regarding the Group's revenue and the effects of the adoption of IFRS 15 standard as well as comparative revenue information are presented in the Group's annual and restated consolidated financial statements as at and for the year ended 31 December 2016 which is available from the Group's headquarters at Jaakonkatu 3, 00100 Helsinki. In all other aspects, the accounting policies adopted are consistent with those of the annual financial statements for 2016. None of the amended standards and interpretations that became effective 1 of January 2017, have had a significant impact on Terveystalo's financial reporting. Terveystalo Group has not yet adopted the following new standards already issued by the IASB. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

- IFRS 9 *Financial Instruments* (effective for financial years beginning on or after 1 January 2018): IFRS 9 replaces the existing guidance in IAS 39. The new standard includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impacts of IFRS 9 on Terveystalo's consolidated financial statements have been assessed and the expected impacts are not significant.

- IFRS 16 *Leases* (effective for financial years beginning on or after 1 January 2019): The new standard replaces the current IAS 17 standard and related interpretations. IFRS 16 requires the lessees to recognise the lease agreements on the statement of financial position as a right of use assets and lease liabilities. The accounting model is similar to current finance lease accounting according to IAS 17. There are two exceptions available, these relate to either short term contracts in which the lease term is 12 months or less, or to low value items i.e. assets of value USD 5,000 or less. The lessor accounting remains mostly similar to current IAS 17 accounting.

Terveystalo has started a preliminary assessment of the impacts on its consolidated financial statements. The most significant impact identified is that Terveystalo will recognize new assets and liabilities, mainly for its operating leases of facilities. In addition, the nature of expenses related to those leases will change as IFRS 16 replaces the operating lease expense with a depreciation charge for right of use assets and interest expense on lease liabilities reported under financing expenses. Terveystalo has not yet quantified the impacts of the adoption of IFRS 16 on its consolidated financial statements. More detailed assessments of the impacts will be done over the next twelve months. The transition alternatives have not yet been decided.

2. USE OF JUDGEMENTS AND ESTIMATES

When preparing financial statements, management is required to make judgements, 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 judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the restated consolidated financial statements as at and for the year ended 31 December 2016.

3. EVENTS AFTER THE REPORTING PERIOD

After the end of the review period, Terveystalo increased its dental business by acquiring Hammas Jaarli Oy business in January 2018. The transaction did not have a material financial impact.

4. REVENUE

With regard to the application of the new IFRS 15 *Revenue from Contracts with Customers* standard, Terveystalo has reviewed the revenue recognition principles and presentation in accordance with the new standard, taking into account changes in service model and way of operating. In accordance with IFRS 15 standard, revenue also includes the fees for services provided by private practitioners to private customers. The Group's distribution of revenue is based on the customer types. The Group does not have customers whose revenue exceeds 10% of the Group's total revenue. Terveystalo offers its primary and outpatient secondary healthcare services to three distinct customer groups: corporate customers, private customers and public customers.

The Company's corporate customer group comprises Terveystalo's corporate insurance customers and occupational healthcare customers, excluding municipal occupational healthcare customers. The customers in the corporate customer group include private sector corporations, associations, foundations and state administration and represent all main industries, such as construction, retail, manufacturing and professional industries. The Company offers services to corporate customers of all sizes, from entrepreneurs and small companies to medium and large-sized companies, including some of the largest employers in Finland.

The Company's private customers group comprises private individuals, families and retirees and private insurance customers. Some of the Company's occupational healthcare end-users also use the Company's services as private customers, such as occupational healthcare end-users with children.

The Company's public customers group comprises public sector organizations in Finland, such as municipalities, municipal federations and hospital districts and includes municipal occupational healthcare customers.



DISAGGREGATION OF REVENUE

In millions of euro	10-12/2017	10-12/2016	Change, %	1-12/2017	1-12/2016	Change, %
Corporate ^{*)}	105.8	79.4	33.3	372.1	290.8	28.0
Private	67.0	51.7	29.4	253.8	195.7	29.7
Public ^{*)}	17.2	15.3	12.7	63.6	60.5	5.2
Total	189.9	146.4	29.7	689.5	547.0	26.1

^{*)} Disaggregation of revenue for the year 2016 has been adjusted to correspond the current definition. The changes has a minor effect on the figures for corporate customers and public.

CONTRACT BALANCES

In millions of euro	31/12/2017	31/12/2016
Receivables, which are included in trade and other receivables	65.0	50.6
Contract liabilities	1.2	1.0

5. MATERIALS AND SERVICES

In millions of euro	10-12/2017	10-12/2016	Change, %	1-12/2017	1-12/2016	Change, %
Purchase of materials	-7.4	-6.1	22.0	-27.8	-21.9	26.8
Change in inventories	-0.4	-0.3	29.0	-0.0	-0.3	-86.2
External services	-81.2	-63.2	28.6	-296.5	-237.1	25.1
Total	-89.1	-69.7	27.8	-324.3	-259.3	25.0

6. EMPLOYEE BENEFIT EXPENSES

In millions of euro	10-12/2017	10-12/2016	Change, %	1-12/2017	1-12/2016	Change, %
Salaries and fees	-39.8	-33.2	19.7	-155.2	-125.8	23.4
Share-based payments, personnel issue	-0.2	-	-	-0.2	-	-
Other personnel expenses	-8.1	-7.0	15.4	-34.0	-29.7	14.5
Total	-48.1	-40.3	19.4	-189.5	-155.5	21.8

7. OTHER OPERATING EXPENSES

In millions of euro	10-12/2017	10-12/2016	Change, %	1-12/2017	1-12/2016	Change, %
Rents, leases and premises	-11.9	-8.4	41.1	-44.1	-31.8	38.6
Other operating expenses	-16.5	-11.0	50.2	-65.5	-38.6	69.8
Total	-28.4	-19.4	46.2	-109.6	-70.4	55.7



8. INTANGIBLE ASSETS

2017 In millions of euro	Goodwill	Customer relation ships	Trade marks	Other intangible assets and advances paid	Total
Acquisition cost 1.1.2017	517.1	74.5	83.0	23.7	698.4
Acquisition of subsidiaries	134.1	9.3	-	1.5	145.0
Additions	-	-	-	5.1	5.1
Disposals	-	-	-0.1	-0.3	-0.5
Acquisition cost 31.12.2017	651.3	83.8	82.9	30.0	848.0
Accumulated amortizations and impairment losses 1.1.2017	-68.0	-40.9	-12.7	-13.8	-135.3
Amortization for the reporting period	-	-10.4	-4.2	-5.1	-19.8
Impairment losses	-	-	-	-0.4	-0.4
Accumulated amortizations and impairment losses 31.12.2017	-68.0	-51.3	-16.9	-19.3	-155.5
Carrying amount 1.1.2017	449.1	33.6	70.3	10.0	563.0
Carrying amount 31.12.2017	583.3	32.5	66.0	10.7	692.5

2016 In millions of euro	Goodwill	Customer relation ships	Trade marks	Other intangible assets and advances paid	Total
Acquisition cost 1.1.2016	512.3	74.5	83.0	19.1	688.9
Acquisition of subsidiaries	4.8	-	-	0.1	4.9
Additions	-	-	-	4.5	4.5
Acquisition cost 31.12.2016	517.1	74.5	83.0	23.7	698.4
Accumulated amortizations and impairment losses 1.1.2016	-68.0	-27.0	-8.5	-8.9	-112.4
Amortization for the reporting period	-	-13.9	-4.2	-4.9	-23.0
Accumulated amortizations and impairment losses 31.12.2016	-68.0	-40.9	-12.7	-13.8	-135.3
Carrying amount 1.1.2016	444.3	47.4	74.6	10.2	576.6
Carrying amount 31.12.2016	449.1	33.6	70.3	10.0	563.0



9. PROPERTY, PLANT AND EQUIPMENT

2017 In millions of euro	Land and water	Buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
Acquisition cost 1.1.2017	0.1	35.2	62.8	15.7	3.0	116.8
Acquisition of subsidiaries	1.9	9.8	5.7	6.4	-	23.7
Additions	-	0.8	16.3	5.7	1.4	24.2
Disposals	-0.0	-0.0	-1.3	-0.6	-0.0	-2.0
Reclassifications	-	-6.0	-	6.3	-	0.3
Acquisition cost 31.12.2017	1.9	39.8	83.5	33.4	4.4	163.0
Accumulated depreciation and impairment losses 1.1.2017	-	-8.9	-35.9	-5.8	-0.7	-51.3
Depreciation for the reporting period	-	-3.6	-12.0	-3.4	-0.4	-19.4
Impairment losses	-	-0.2	-0.0	-	-0.0	-0.2
Accumulated depreciation and impairment losses 31.12.2017	-	-12.6	-48.0	-9.2	-1.1	-70.9
Carrying amount 1.1.2017	0.1	26.4	26.9	9.8	2.3	65.5
Carrying amount 31.12.2017	1.9	27.1	35.5	24.2	3.3	92.1

2016 In millions of euro	Land and water	Buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
Acquisition cost 1.1.2016	1.1	37.3	52.2	13.6	1.4	105.6
Acquisition of subsidiaries	-	-	0.2	0.4	0.0	0.6
Additions	-	2.8	10.6	1.9	1.6	16.8
Disposal of subsidiaries	-0.9	-1.9	-0.1	-	-	-2.8
Disposals	-0.2	-0.8	-0.2	-0.1	-	-1.3
Reclassifications	-	-2.1	-	-	-	-2.1
Acquisition cost 31.12.2016	0.1	35.2	62.8	15.7	3.0	116.8
Accumulated depreciation and impairment losses 1.1.2016	-	-5.9	-25.1	-3.7	-0.3	-35.0
Depreciation for the period	-	-3.0	-10.7	-2.1	-0.3	-16.1
Impairment losses	-	-	-0.1	-	-0.1	-0.2
Accumulated depreciation and impairment losses 31.12.2016	-	-8.9	-35.9	-5.8	-0.7	-51.3
Carrying amount 1.1.2016	1.1	31.4	27.1	9.8	1.1	70.6
Carrying amount 31.12.2016	0.1	26.4	26.9	9.8	2.3	65.5



10. BUSINESS COMBINATION

During 2017, the Group has made several business acquisitions. The two biggest acquisitions are presented separately, whereas the other smaller acquisitions are disclosed in aggregate.

Acquisition of Diacor terveyspalvelut Oy Group

On 24 March 2017, Terveystalo Healthcare Oy acquired 100% of the shares of Diacor terveyspalvelut Oy ("Diacor"). As a part of the acquisition the Group gained also control of Eloni Oy, a subsidiary of Diacor terveyspalvelut Oy. The acquisition strengthens Terveystalo's position as one of the leading healthcare service provider especially in Helsinki metropolitan area and Turku. The financial statements of acquired companies have been included in the consolidated financial statements of Terveystalo from the end of March, 2017.

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 has been prepared in accordance with IFRS and Terveystalo Group's accounting principles in all material respect.

CONSIDERATION TRANSFERRED

In millions of euro

Cash	19.8
Shares	93.9
Total consideration transferred	113.7

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

In millions of euro

Cash and cash equivalents	5.7
Intangible assets	7.6
Property, plant and equipment	12.7
Deferred tax assets	0.4
Inventories	0.7
Trade and other receivables	15.9
Trade and other payables	-16.0
Provisions	-0.0
Deferred tax liabilities	-1.7
Interest bearing liabilities	-13.5
Total identifiable net assets acquired	12.0
Goodwill	101.7

The tangible assets acquired in the business combination described above were measured at fair value based on the market prices of corresponding assets. In the business combination, 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 values of customer relationships are preliminary. The acquisition resulted a goodwill amounting to EUR 101.7 million.

The goodwill is attributable to skills of the workforce and synergies expected to be achieved from integrating acquired businesses into Terveystalo's existing operations. The recognized goodwill is not deductible for tax purposes. The fair value of the acquired trade and other receivables amounts to EUR 15.9 million for which the risk of impairment has been deemed non-significant. The Group incurred acquisition-related expenses of EUR 2.5 million related to consulting, valuation or equivalent services. The expenses have been included in other operating expenses. From the acquisition, revenue of EUR 83.4 million and loss of EUR -0.0 million is recognized in year 2017 to the Group's consolidated results. If the acquisition had occurred on 1 January 2017, management estimates that the Group's consolidated revenue in 2017 would have been EUR 724.1 million and the consolidated profit would have been EUR 8.3 million. As part of the acquisition, Terveystalo made certain commitments that are comparable to contingent consideration. Management estimates that the realization of these commitments is unlikely.

Acquisition of Porin Lääkäritalo Oy Group

On 2 January 2017, Terveystalo Healthcare Oy acquired 100% of the shares of Porin Lääkäritalo Oy. As a part of the acquisition, the Group also gained control of the subsidiaries Koy Porin Linnankulma, Curia Oy and Porin Lääkärikeskus Oy. Porin Lääkärikeskus owns 7.79% of the shares of Porin Lääkäritalo. The acquisition strengthens Terveystalo's position as one of the leading healthcare service provider in the Pori region. The financial statements of the acquired companies have been included in the consolidated financial statements of Terveystalo from the date of acquisition.

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 has been prepared in accordance with IFRS and Terveystalo Group's accounting principles in all material respect.

CONSIDERATION TRANSFERRED

In millions of euro

Cash	43.4
Total consideration transferred	43.4

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

In millions of euro

Cash and cash equivalents	2.3
Intangible assets	2.0
Property, plant and equipment	11.4
Inventories	0.1
Trade and other receivables	1.6
Trade and other payables	-2.4
Provisions	-0.0
Deferred tax liabilities	-0.4
Interest bearing liabilities	-2.1
Total identifiable net assets acquired	12.5
Goodwill	30.9



The tangible assets acquired in the business combination described above were measured at fair value based on the market prices of corresponding assets. In the business combination, 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 acquisition resulted a goodwill amounting to EUR 30.9 million. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is not deductible for tax purposes. The fair value of the acquired trade and other receivables amounts to EUR 1.6 million for which the risk of impairment has been deemed non-significant. The Group incurred acquisition-related expenses of EUR 0.8 million related to consulting, valuation or equivalent services. The expenses have been included in other operating expenses. From the acquisition, revenue of EUR 22.6 million and profit of EUR 1.1 million is recognized in year 2017 to the Group's consolidated results.

Other business combinations

On 31 March 2017, Terveystalo Healthcare Oy acquired 100% of the shares of Ky Läkkitorin Hammaslääkäriasema. The acquired subsidiary has been consolidated to the Group's financial statements from the acquisition month onwards.

On 19 April 2017, Suomen Terveystalo Oy acquired the dental business from Data Plaza Oy as an asset deal.

On 2 May 2017, Suomen Terveystalo Oy acquired the dental business from Crossdental Oy as an asset deal. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of the acquisition with a fair value of EUR 0.3 million. The contingent consideration is tied to the 2018–2020 sales.

On 30 November 2017, Suomen Terveystalo Oy acquired the musculoskeletal disease business from City Akuutti Oy as an asset deal. 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 of EUR 0.1 million. The contingent consideration is tied to the 2018–2019 sales.

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 net assets have been adjusted to correspond Terveystalo Group's accounting principles in all material respects.

CONSIDERATION TRANSFERRED

In millions of euro

Cash	1.6
Contingent consideration	0.4
Total consideration transferred	1.9

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

In millions of euro

Cash and cash equivalents	0.2
Property, plant and equipment	0.7
Inventories	0.1
Trade and other receivables	0.0
Trade and other payables	-0.4
Interest bearing liabilities	-0.5
Total identifiable net assets acquired	0.1
Goodwill	1.9

The tangible assets acquired in the business combination described above were measured at fair value based on the market prices of corresponding assets. The acquisition resulted a goodwill amounting to EUR 1.9 million. 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 related to asset deals. The fair value of the acquired trade and other receivables amounts to EUR 0.04 million, for which the risk of impairment has been deemed non-significant. The Group has incurred acquisition-related expenses of EUR 0.02 million related to consulting, valuation or equivalent services. The expenses have been included in other operating expenses. From these other business combinations, revenue of EUR 2.6 million and profit of EUR 0.2 million is recognized in year 2017 to the Group's consolidated results. If these other acquisitions had occurred on 1 January 2017, management estimates that the Group's consolidated revenue in 2017 would have been EUR 690.6 million and consolidated profit would have been EUR 7.3 million.



11. SHARE CAPITAL AND INVESTED NON-RESTRICTED EQUITY RESERVE

Number of shares, 1,000	Share classes						Total
	A	B	C	D	E	F	
On 1 January, 2016	27 420	3 092	288	270 983	3 340	2 876	308 000
On 31 December, 2016	27 420	3 092	288	270 983	3 340	2 876	308 000
Directed share issue to Helsinki Deaconess Institute Foundation	4 382	-	-	43 764	-	-	48 146
Conversion between share classes	-5 433	4 935	498	-10 924	5 957	4 968	-
Share class conversion, conversion rate	1	1	1	0.07	0.07	0.07	-
Share conversion	-	-	-	-281 393	-8 611	-7 265	-297 268
Number of shares after the share conversion							58 878
Issuance of new shares without payment (share split)							58 878
Personnel Offering							356
Public Offering							9 926
On 31 December, 2017							128 037

In millions of euro	Number of shares, 1,000	Share capital	Invested non-restricted equity reserve	Total
On 1 January, 2016	308 000	0.0	308.0	308.0
On 31 December, 2016	308 000	0.0	308.0	308.0
Increase in share capital	-	0.1	-0.1	-
Directed share issue to Helsinki Deaconess Institute Foundation	48 146	-	93.9	93.9
Share class conversion	-297 268	-	-	-
Equity investment without consideration	-	-	25.0	25.0
Issuance of new shares without payment (share split)	58 878	-	-	-
Personnel Offering	356	-	3.1	3.1
Public Offering	9 926	-	96.9	96.9
Transaction costs paid in connection with share issue, net of tax	-	-	-0.9	-0.9
On 31 December, 2017	128 037	0.1	525.9	526.0

Shares and share capital

The Extraordinary General Meeting (EGM) of Terveystalo held on 26 September, 2017 in Helsinki, resolved to convert the company to public limited company and increase the share capital from 2,500 euros to 80,000 euros. In addition, the EGM resolved to convert the previous B, C, D, E and F-share classes to A shares after which the A shares were converted into the company's single class shares. As a result, the company has one single share class. The share conversions did not have any effect on the company's registered share capital.

On 31 December, 2017 the amount of shares outstanding is 128,036,531. The new single share class (TTALO) became subject to public trading on 11 October, 2017. All shares issued have been paid in full. The shares have no nominal value. Each share has one vote at the Annual General Meeting and equal rights to dividend and other distribution of assets. The company does not hold its own shares.

Share issues

As part of the acquisition of Diacor Group, the Board of Directors resolved on the directed share issue to the Helsinki Deaconess Institute Foundation by virtue of an authorization. Total of 4,382,146 class A shares for the price of EUR 8.36 per share and 43,764,100 class D shares for the price of EUR 1.31 per share were issued in order to pay EUR 93,9 million of the purchase price.

Based on the authorization of the EGM, the Board of Directors resolved on 10 October, 2017 on the issuance of new shares without payment in proportion to shareholdings for the purposes of increasing the total number of shares in the company (share split). In the share issue two new shares were issued for each one single class share.

In Terveystalo's Initial Public Offering, 10,281,249 new shares were issued, of which 355,665 new shares were issued to the personnel. The subscription price was EUR 9.76 per share in the Public and Institutional Offering and EUR 8.79 in the Personnel Offering.

Invested non-restricted equity reserve

Invested non restricted equity reserve consists of other investments similar to equity and the subscription price of shares to the extent that it has not been recorded in share capital according to specific resolution. According to the current Finnish Companies Act subscription price of new shares is recognised in the share capital, unless it has not been according to Issuance Resolution fully or partly recognised in invested non-restricted equity reserve. Shares issued in 2017 have been fully booked to the invested non-restricted equity reserve. In addition, on the basis of the company's pre-listing shareholders' commitments, the shareholders made a total of 25 million euro investment without consideration in the company's invested non-restricted equity reserve.



12. GROUP'S KEY FINANCIAL RATIOS

Terveystalo Group, EUR million	10-12/2017	10-12/2016	Change, %	1-12/2017	1-12/2016	Change, %
Revenue	189.9	146.4	29.7	689.5	547.0	26.1
Adjusted EBITDA ^{*)}	29.1	20.9	39.2	92.4	72.9	26.7
Adjusted EBITDA, % ^{*)}	15.3	14.3	-	13.4	13.3	-
Adjusted EBITA ^{*)}	23.9	16.7	42.7	73.0	56.8	28.5
Adjusted EBITA, % ^{*)}	12.6	11.4	-	10.6	10.4	-
EBITDA ^{*)}	24.8	22.4	10.9	68.2	68.9	-0.9
EBITDA, % ^{*)}	13.1	15.3	-	9.9	12.6	-
EBITA ^{*)}	19.6	18.2	7.6	48.8	52.7	-7.4
EBITA, % ^{*)}	10.3	12.4	-	7.1	9.6	-
Operating profit (EBIT) ^{*)}	14.0	12.1	16.2	28.2	29.6	-4.8
Operating profit (EBIT), % ^{*)}	7.4	8.2	-	4.1	5.4	-
Adjusted net income ^{*) (***)}	18.2	10.0	82.1	44.0	30.3	45.0
Return on equity (ROE), % ^{*)}	-	-	-	2.1	5.6	-
Equity ratio, % ^{*)}	-	-	-	50.7	31.7	-
Earnings per share (€) ^(**)	0.05	0.06	-	0.06	0.11	-
Gearing, % ^{*)}	-	-	-	56.1	132.6	-
Net debt / Adjusted EBITDA (LTM) ^{*)}	-	-	-	2.8	4.2	-34.3
Total assets	-	-	-	902.3	734.1	22.9
Average personnel FTE	-	-	-	3 180	2 605	22.1
Personnel (end of period)	-	-	-	4 265	3 463	23.2
Private practitioners (end of period)	-	-	-	4 431	3 448	28.5

^{*)} 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.

Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain on sale of assets, strategic projects including the IPO, new operations and other items affecting comparability.

^{**)} The effects of share conversion and share split have been taken into account in the weighted average number of shares. Comparative figures have been adjusted accordingly.

^(***) Finance costs related to the previous bank loans had been amortized to the loan period using the effective interest rate method. As part of the IPO, these costs have been expensed.



13. CALCULATION OF FINANCIAL RATIOS AND ALTERNATIVE PERFORMANCE MEASURES

Financial ratios

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

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 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.

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.

$$\begin{aligned} \text{Return on equity, \%} &= \frac{\text{Profit/loss for the period (annualized)}}{\text{Equity (including non-controlling interest) (average)}} \times 100 \\ \text{Equity ratio, \%} &= \frac{\text{Equity (including non-controlling interest)}}{\text{Total assets - advances received}} \times 100 \\ \text{Gearing, \%} &= \frac{\text{Interest-bearing liabilities - interest bearing receivables and cash and cash equivalents}}{\text{Equity}} \times 100 \\ \text{Net debt / Adjusted EBITDA (LTM)}^{*)} &= \frac{\text{Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Adjusted EBITDA (LTM)}} \end{aligned}$$

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.

$$\begin{aligned} \text{Adjusted EBITDA}^{*)} &= \text{Earnings Before Interest, Taxes, Depreciation, Amortization, impairment losses and adjustments} \\ \text{Adjusted EBITDA, \%}^{*)} &= \frac{\text{Earnings Before Interest, Taxes, Depreciation, Amortization, impairment losses and adjustments}}{\text{Revenue}} \times 100 \\ \text{Adjusted EBITA}^{*)} &= \text{Earnings Before Interest, Taxes, Amortization, impairment losses and adjustments} \\ \text{Adjusted EBITA, \%}^{*)} &= \frac{\text{Earnings Before Interest, Taxes, Amortization, impairment losses and adjustments}}{\text{Revenue}} \times 100 \\ \text{EBITDA} &= \text{Earnings Before Interest, Taxes, Depreciation and Amortization and impairment losses} \\ \text{EBITDA, \%} &= \frac{\text{Earnings Before Interest, Taxes, Depreciation and Amortization and impairment losses}}{\text{Revenue}} \times 100 \\ \text{EBITA} &= \text{Earnings Before Interest, Taxes, Amortization and impairment losses} \\ \text{EBITA, \%} &= \frac{\text{Earnings Before Interest, Taxes, Amortization and impairment losses}}{\text{Revenue}} \times 100 \\ \text{Operating profit (EBIT)} &= \text{Earnings Before Interest, Taxes and Share of profit in associated companies} \\ \text{Operating profit (EBIT), \%} &= \frac{\text{Earnings Before Interest, Taxes and Share of profit in associated companies}}{\text{Revenue}} \times 100 \\ \text{Adjusted net income}^{*)} &= \text{Profit (loss) for the period + amortization of intangible assets identified in business combinations (PPA amortization, net of tax) + adjustments (net of tax) + finance cost related adjustments (net of tax)}^{(**)} \end{aligned}$$

^{*)} Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain on sale of assets, strategic projects including the IPO, new operations and other items affecting comparability.

^{**)} Finance costs related to the previous bank loans had been amortized to the loan period using the effective interest rate method. As part of the IPO, these costs have been expensed.



14. RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
Return on equity, %				
Profit/loss for the period (annualized)	-	-	7.2	12.7
Equity (including non-controlling interest) (average)	-	-	344.8	226.3
Return on equity, %	-	-	2.1	5.6
Equity ratio, %				
Equity (including non-controlling interest)	-	-	457.3	232.3
Total assets	-	-	902.3	734.1
Advances received	-	-	1.2	1.0
Equity ratio, %	-	-	50.7	31.7
Gearing, %				
Interest-bearing liabilities	-	-	289.4	347.2
Interest-bearing receivables and cash and cash equivalents	-	-	33.0	39.1
Equity	-	-	457.3	232.3
Gearing, %	-	-	56.1	132.6
Net debt / Adjusted EBITDA (LTM), In millions of euro				
Interest-bearing liabilities	-	-	289.4	347.2
Interest-bearing receivables and cash and cash equivalents	-	-	33.0	39.1
Adjusted EBITDA (LTM)	-	-	92.4	72.9
Net debt / Adjusted EBITDA (LTM), in millions of euro	-	-	2.8	4.2
Adjusted EBITDA, In millions of euro				
Profit (loss) for the period	6.1	7.6	7.2	12.7
Income tax expense	-1.7	-0.5	-3.3	-3.2
Share of profits in associates	0.0	-	0.2	-
Net finance expenses	9.6	5.0	24.1	20.1
Depreciation, amortization and impairment losses	10.8	10.3	40.0	39.3
Adjustments ^(e)	4.3	-1.5	24.1	4.0
Adjusted EBITDA, In millions of euro	29.1	20.9	92.4	72.9
Adjusted EBITDA, %				
Adjusted EBITDA	29.1	20.9	92.4	72.9
Revenue	189.9	146.4	689.5	547.0
Adjusted EBITDA, %	15.3	14.3	13.4	13.3
Adjusted EBITA, In millions of euro				
Profit (loss) for the period	6.1	7.6	7.2	12.7
Income tax expense	-1.7	-0.5	-3.3	-3.2
Share of profits in associates	0.0	-	0.2	-
Net finance expenses	9.6	5.0	24.1	20.1
Amortization and impairment losses	5.6	6.2	20.6	23.1
Adjustments ^(e)	4.3	-1.5	24.1	4.0
Adjusted EBITA, In millions of euro	23.9	16.7	73.0	56.8



	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
Adjusted EBITA, %				
Adjusted EBITA	23.9	16.7	73.0	56.8
Revenue	189.9	146.4	689.5	547.0
Adjusted EBITA, %	12.6	11.4	10.6	10.4

	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
EBITDA, In millions of euro				
Profit (loss) for the period	6.1	7.6	7.2	12.7
Income tax expense	-1.7	-0.5	-3.3	-3.2
Share of profits in associates	0.0	-	0.2	-
Net finance expenses	9.6	5.0	24.1	20.1
Depreciation, amortization and impairment losses	10.8	10.3	40.0	39.3
EBITDA, In millions of euro	24.8	22.4	68.2	68.9

	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
EBITDA, %				
EBITDA	24.8	22.4	68.2	68.9
Revenue	189.9	146.4	689.5	547.0
EBITDA, %	13.1	15.3	9.9	12.6

	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
EBITA, In millions of euro				
Profit (loss) for the period	6.1	7.6	7.2	12.7
Income tax expense	-1.7	-0.5	-3.3	-3.2
Share of profits in associates	0.0	-	0.2	-
Net finance expenses	9.6	5.0	24.1	20.1
Amortization and impairment losses	5.6	6.2	20.6	23.1
EBITA, In millions of euro	19.6	18.2	48.8	52.7

	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
EBITA, %				
EBITA	19.6	18.2	48.8	52.7
Revenue	189.9	146.4	689.5	547.0
EBITA, %	10.3	12.4	7.1	9.6

	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
Operating profit (EBIT), In millions of euro				
Profit (loss) for the period	6.1	7.6	7.2	12.7
Income tax expense	-1.7	-0.5	-3.3	-3.2
Share of profits in associated companies	0.0	-	0.2	-
Net finance expenses	9.6	5.0	24.1	20.1
EBIT, In millions of euro	14.0	12.1	28.2	29.6

	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
Operating profit (EBIT), %				
EBIT	14.0	12.1	28.2	29.6
Revenue	189.9	146.4	689.5	547.0
EBIT, %	7.4	8.2	4.1	5.4



Adjusted net income, In millions of euro	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
Profit (loss) for the period	6.1	7.6	7.2	12.7
PPA amortization	3.7	4.5	14.6	18.0
Tax related to PPA amortization	-0.7	-0.9	-2.9	-3.6
Adjustments ^(*)	4.3	-1.5	24.1	4.0
Tax related to adjustments	-0.9	0.3	-4.8	-0.8
Adjustments related to finance costs ^(**)	7.2	-	7.2	-
Tax related to finance cost adjustments	-1.4	-	-1.4	-
Adjusted net income, In millions of euro	18.2	10.0	44.0	30.3

^(*) Adjustments, In millions of euro	10-12/ 2017	10-12/ 2016	1-12/ 2017	1-12/ 2016
Acquisition related expenses ⁽¹⁾	2.9	-0.3	17.7	0.2
Restructuring related expenses ⁽²⁾	1.2	1.4	5.8	6.2
Gain on sale of asset	0.1	-4.1	-0.2	-4.6
Strategic projects, new operations and other items affecting comparability	0.0	1.5	0.8	2.2
Adjustments, In millions of euro	4.3	-1.5	24.1	4.0

^(*) Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain on sale of assets, strategic projects including the IPO, new operations and other items affecting comparability.

^(**) Finance costs related to the previous bank loans had been amortized to the loan period using the effective interest rate method. As part of the IPO, these costs have been expensed.

⁽¹⁾ including transaction costs and expenses from integration of acquired businesses as well as IPO related expenses

⁽²⁾ including restructuring of network and business operations, start up losses, provisions for onerous contracts (lease agreements and other contracts)

15. Collateral and other contingent liabilities

In millions of euro	31/12/2017	31/12/2016
Liabilities secured by mortgages and pledged shares		
Loans from financial institutions ⁽¹⁾	0.7	314.2
Unused overdraft facilities	-	98.2
Total	0.7	412.4
Business mortgages	0.7	992.0
Real estate mortgages	11.9	-
Carrying amount of the pledged shares	-	308.0
Total	12.6	1 300.0
Securities for own debts		
Deposits	0.0	37.0
Rental deposit	-	0.1
Guarantees	0.6	0.9
Total	0.6	38.0
In addition, parent company has provided a suretyship as collateral for the EUR 257.0 million loan.		
Other operating lease liabilities ⁽²⁾		
Less than one year	31.0	22.5
Between one year and five year	95.2	70.3
Later	66.9	64.0
Total	193.1	156.8

The Group is obligated to audit value added tax depreciations it has made on a property investment if the taxable use of the property decreases during the auditing period. The maximum amount of the responsibility is EUR 0.1 million on 31.12.2017 (-).

⁽¹⁾ The nominal value of loans, which differs from the carrying value.

⁽²⁾ The minimum lease payments relate to rented medical and office facilities. The minimum lease payments for fixed term contracts are determined by multiplying the remaining term of lease and the lease amount. Until further notice contracts are determined using the minimum rents for notice.





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