



TERVEYSTALO GROUP HALF-YEAR REPORT 1 JANUARY– 30 JUNE 2022

Strong growth continued, margin pressure due to changes in operating environment

April-June 2022 in brief

- Revenue increased by 15.6% year-on-year to EUR 318.2 (275.3) million. The external revenue of the Sweden and others segment¹⁾ came to EUR 25.2 million representing 9.2%-points of the revenue growth.
- Adjusted²⁾ earnings before interest, taxes, and amortization (EBITA) decreased by 18.2% to EUR 24.1 (29.5) million, representing 7.6% (10.7%) of revenue. Profitability was reduced year-on-year due to supply challenges, changes in the sales mix and increased costs.
- Adjusted items affecting comparability were EUR 1.7 (0.8) million.
- Profit for the period was EUR 11.1 (16.2) million.
- Earnings per share (EPS) was EUR 0.09 (0.13).
- Cash flow from operating activities was EUR 34.8 (47.3) million.

January-June 2022 in brief

- Revenue increased by 17.0% year-on-year to EUR 647.9 (554.0) million. The external revenue of the Sweden and others segment¹⁾ came to EUR 47.4 million representing 8.5%-points of the revenue growth.
- Adjusted²⁾ earnings before interest, taxes, and amortization (EBITA) decreased to EUR 63.1 (67.7) million, representing 9.7 (12.2) percent of revenue.
- Adjusted items affecting comparability were EUR 2.3 (1.0) million.
- Profit for the period was EUR 36.4 (40.1) million.
- Earnings per share (EPS) were EUR 0.29 (0.32).
- **Net debt/adjusted EBITDA was 2.7 (2.7).**
- Cash flow from operating activities was EUR 59.6 (78.4) million.

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

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

2) 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: Demand is strong, but supply challenges limit growth and weigh on profitability

Strong continuous demand supported Terveystalo's growth in the second quarter of the year. Revenue increased by almost 16 % year-on-year, of which Sweden's share was approximately 9%-points. Acquisitions contributed about a half of the revenue growth in Finland. Booking rates for health services remained very high and supply limited organic sales growth in most services. The supply that fell short of the targets, the weakened sales mix and the personnel costs raised by acquisitions, among other things, weighed on profitability despite strong demand and growth. Adjusted EBITA decreased by 18.2 percent to 24.1 million euros and was 7.6 percent of the revenue.

The supply grew modestly compared to a year ago, still focusing on digital services. However, we succeeded in recruiting new professionals during the period and the number of private practitioners increased by more than 10 percent. This positive development will be reflected in the actual supply figures with a delay. To strengthen the supply, we are moving even more of our development efforts into solutions that help our professionals work more efficiently. Job satisfaction at Terveystalo continues at high level with Employee Net Promoter Score, eNPS reaching 30 in the latest survey.

The number of Covid-19 tests decreased according to our assumptions, while other diagnostics are yet to return to the pre-pandemic levels. The sales mix was also negatively affected by the supply falling short of the targets, as the appointments of contracted customers took capacity from higher-margin private customer care chains. Personnel costs increased because of acquisitions, growth investments in new businesses, and proactive recruitment.

The Swedish business continued to develop according to our plans. In the second quarter, we continued with complementary acquisitions and expanded the range of services for new payer groups.

The number of digital appointments continued to grow strongly, 28 percent year-on-year. Outside of our own services, Terveystalo's digital solutions are being piloted for the first time by public sector customers. Our goal is to continue to lead the renewal of our industry in Finland, Sweden and in the future in new markets. With more efficient use of health data, better care management and the use of digital appointments it is possible to improve access to care, job satisfaction, as well as productivity. During the fall, in addition to developing digital partnerships in the public healthcare, we will take the occupational health digital suite to Sweden.

Terveystalo's market position and competitiveness are strong. We have grown rapidly, especially in digital services, new businesses, and the Swedish market, and have exceeded our growth targets many times over. In a strong demand environment, our focus has been on growth and customer experience, which is also reflected in relatively faster growing personnel costs. In an environment where inflationary pressures are combined with a tight labor market and general economic uncertainty, we will emphasize profitability in relation to growth. We continue to invest in the long-term competitiveness of our business, but the changing environment will be reflected in investment priorities, criteria for acquisitions in new business areas and timing of recruitments. We also need to review the pricing of our services so that it is in line with the general cost level increase.

The megatrends driving demand for health services have intensified during the pandemic, and despite economic uncertainty, demand is very high. Our mission to fight for a healthier life is more relevant than ever, and as the leading private healthcare service provider in our core market, we play a key role in the lives of people and work communities. We are committed to our vision of creating a world with fewer sick days and more healthy, happy years.

*Towards a better tomorrow,
Ville Iho*

Outlook

- Demand for health services is very strong and broad based. However, growth is restricted by supply. Tight labour market and rising inflation create growing pressure on operating costs, including wages.
- The demand for services related to COVID-19 is expected to decrease. However, predicting the volume is difficult. The overall demand for health services is expected to remain at a high level. The demand for digital services is expected to continue to grow.
- Demand from corporate customers for preventive and statutory occupational health services is expected to develop favourably. Demand for medical care is expected to continue strong. Significant changes in the employment rate may be reflected in the underlying demand.
- Overall demand is expected to remain strong in the private customer segment. Significant decline in general consumer confidence may, however, be reflected in the demand.
- Demand from the public sector is expected to remain strong in occupational health, service sales, and staffing services. Revenue from the outsourcing business is expected to remain stable. Tight labour market creates pressure especially on the salary costs of new and replacement recruitments in staffing and outsourcing services.
- Demand in the Swedish occupational health market is expected to develop favourably due to pent-up demand in the wake of the pandemic.

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

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

During the second quarter of 2022, in Terveystalo's service production the share of various COVID-19-related services decreased year-on-year. Well-being and digital services continued to grow.

The impacts of the war in Ukraine

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

Rising inflation creates growing pressure to increase wages. Wage increases are determined by collective bargaining in the Finnish healthcare industry regarding nurses, for example (approximately 43% of employees). Wage inflation is also visible in other professionals' recruitments. Most of the physicians who work for Terveystalo are private practitioners (approximately 96%). The financial risk associated with inflation is mitigated by Terveystalo's ability to price its services.

Key figures

| Terveystalo Group, MEUR | 4-6/ 2022 | 4-6/ 2021 | Change, % | 1-6/ 2022 | 1-6/ 2021 | Change, % | 2021 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------|
| Revenue | 318.2 | 275.3 | 15.6 | 647.9 | 554.0 | 17.0 | 1,154.6 |
| Adjusted EBITDA. * ¹⁾ | 42.4 | 45.0 | -5.9 | 99.0 | 98.3 | 0.7 | 206.1 |
| Adjusted EBITDA, % * ¹⁾ | 13.3 | 16.4 | - | 15.3 | 17.8 | - | 17.8 |
| EBITDA ¹⁾ | 40.7 | 44.2 | -7.8 | 96.7 | 97.4 | -0.7 | 201.8 |
| EBITDA, % ¹⁾ | 12.8 | 16.0 | - | 14.9 | 17.6 | - | 17.5 |
| Adjusted EBITA * ¹⁾ | 24.1 | 29.5 | -18.2 | 63.1 | 67.7 | -6.8 | 141.0 |
| Adjusted EBITA, % * ¹⁾ | 7.6 | 10.7 | - | 9.7 | 12.2 | - | 12.2 |
| EBITA ¹⁾ | 22.5 | 28.7 | -21.6 | 60.7 | 66.7 | -8.9 | 136.7 |
| EBITA, % ¹⁾ | 7.1 | 10.4 | - | 9.4 | 12.0 | - | 11.8 |
| Adjusted EBIT * ¹⁾ | 16.2 | 23.6 | -31.4 | 48.1 | 56.0 | -14.1 | 114.4 |
| Adjusted EBIT, % * ¹⁾ | 5.1 | 8.6 | - | 7.4 | 10.1 | - | 9.9 |
| EBIT | 14.6 | 22.8 | -36.1 | 45.8 | 55.0 | -16.8 | 110.1 |
| EBIT, % | 4.6 | 8.3 | - | 7.1 | 9.9 | - | 9.5 |
| Return on equity (ROE), % ¹⁾ | - | - | - | 12.6 | 13.3 | - | 13.6 |
| Equity ratio, % ¹⁾ | - | - | - | 40.6 | 42.9 | - | 42.2 |
| Earnings per share (EUR) | 0.09 | 0.13 | -31.2 | 0.29 | 0.32 | -8.7 | 0.63 |
| Weighted number of shares outstanding, in thousands | 126,548 | 127,307 | - | 126,472 | 127,307 | - | 127,180 |
| Net debt | - | - | - | 557.3 | 529.4 | 5.3 | 519.0 |
| Gearing, % ¹⁾ | - | - | - | 92.1 | 87.0 | - | 85.2 |
| Net debt/adjusted EBITDA (last 12 months) ¹⁾ | - | - | - | 2.7 | 2.7 | - | 2.5 |
| Total assets | - | - | - | 1,493.9 | 1,419.0 | 5.3 | 1,448.6 |
| Adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾ | - | - | - | 155.5 | 153.8 | 1.1 | 156.9 |
| Net debt, excluding IFRS 16 | - | - | - | 383.0 | 347.2 | 10.3 | 340.6 |
| Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾ | - | - | - | 2.5 | 2.3 | - | 2.2 |
| Average personnel (FTEs) | - | - | - | 6,470 | 5,365 | 20.6 | 5,643 |
| Personnel (end of period) | - | - | - | 10,850 | 9,306 | 16.6 | 9,805 |
| Private practitioners (end of period) | - | - | - | 5,813 | 5,159 | 12.7 | 5,754 |
| Sustainability | | | | | | | |
| Quality index ²⁾ | | | | 95.1 | 94.8 | 0.3 | 94.6 |
| Net Promoter Score (NPS), appointments | | | | 82.6 | 83.4 | -1.0 | 83.0 |
| Employee Net Promoter Score (eNPS) | | | | 30 | 18 | 66.7 | 32 |
| Mixed waste intensity ³⁾ | | | | 5.7 | 6.2 | -7.7 | 6.4 |

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

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

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

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

Operating environment

Demand for healthcare services is broad-based and the growth of demand is accelerated by the treatment backlog caused by the pandemic. Nevertheless, sales growth is tempered by the lack of supply, which was attributable to a certain degree to COVID-19-related sickness absences during the period under review. The growth of digital services and remote appointments continued, and new operating models have now been incorporated into normal operations. The demand for services related to COVID-19 and testing volumes declined, as expected. The demand for mental health services and preventive well-being services continued to grow. The number of appointments associated with various infections also increased substantially year-on-year.

In Sweden, demand started to pick up during the first quarter after the COVID-19 restrictions were lifted. Higher demand continued during the second quarter reaching almost the pre-pandemic levels. Large customers that had previously postponed their occupational healthcare projects due to COVID-19 increased their activity and the number of new projects is growing.

The contraction of non-urgent care in the private and public healthcare sectors during COVID-19 restrictions has resulted in a significant treatment gap in other illnesses. According to the Finnish Institute for Health and Welfare (THL), approximately 150,000 patients were waiting for access to non-urgent specialized care at the end of April 2022. Of those waiting for treatment, approximately 13,000 had been waiting for more than six months. Compared to the end of December 2021, the number of patients waiting for treatment for more than six months increased by 20%.

The situation is similar in Sweden, where the queuing situation has deteriorated. In May 2022, close to 142,000 people in Sweden were waiting for a surgery or procedure (www.skr.se). In 2021, the Norbotten region in northern Sweden sought partnerships from Nordic private providers to facilitate the dismantling of the queues for surgeries. Terveystalo was chosen as one of the suppliers in a frame agreement.

The Government's proposal on the reform of social and healthcare services was approved by the Parliament in June 2021. Under the proposal, the responsibility for the organization of social and healthcare services will be transferred to the 21 well-being services counties and the City of Helsinki. The first county elections in Finland were held in January 2022, and the elected well-being services county councils will commence the new era of social and healthcare services. The county councils will decide on the well-being services county and service strategies, principles of the service network, service level of emergency services, budget and financial planning of the well-being services county and appointment of members to governing bodies. The term of office of the county council is four years, commenced on March 1, 2022.

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

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

Revenue

Revenue for the second quarter increased by 15.6% year-on-year to EUR 318.2 (275.3) million. The external revenue of the Sweden and others segment came to EUR 25.2 million representing 9.2 %-points of the revenue growth.

Revenue increased year-on-year in all customer groups. Revenue from corporate customers increased by 7.6% mainly due to the increased demand for illness-related appointments. Revenue from private customers increased by 5.2%. This was mainly driven by

the growth of general practitioners' appointments, well-being services and services relating to certain specialties. There was strong growth in revenue from insurance companies. Revenue from public sector customers increased by 5.8%. Revenue from service sales and occupational healthcare to public sector customers increased 10.2% and revenue from staffing services grew 3.0%, while the shortage of physicians restricted the growth. Revenue from the outsourcing business increased 4.5% mainly driven by the child welfare services business.

The demand for general practitioners' appointments continued at a good level, with the growth of revenue being restricted by the limited supply of physicians. Appointments relating to various acute infections and ear, nose and throat diseases continued to increase and clearly exceeded the level of the reference period. The demand for specialist medical services in fields such as orthopedics, gynecology, and dermatology increased slightly compared to the reference period. Demand and revenue from surgical operations grew substantially year-on-year. Revenue from imaging services also grew year-on-year. Visits to laboratory services, on the other hand, decreased substantially from the reference period as COVID-testing decreased. During the quarter, acute medical care and general practitioner services continued to be emphasized in the sales mix. These basic medical care services involve less laboratory and diagnostic services than specialist medical services with longer care chains. The demand for well-being services remained good, with revenue increasing by 7% to EUR 30.5 (28.3) million. The number of digital appointments¹⁾ grew by 28% to approximately 317,000 (247,000) appointments. A total of approximately 74,000 (111,000) COVID-19 tests were performed during the second quarter²⁾. In addition to the operations in Sweden, the impact of acquisitions in Finland on revenue growth was approximately half of the growth year-on-year. There were 61 (61) working days in April-June.

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

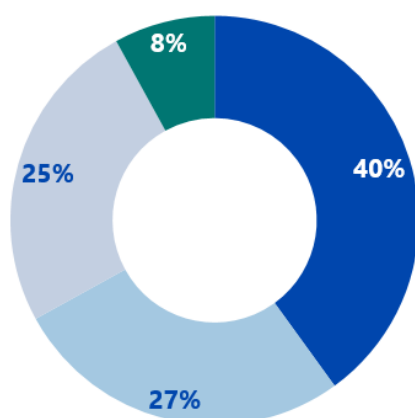
²⁾ Excludes sample collection services

Revenue in January–June increased by 17.0% year-on-year and amounted to EUR 647.9 (554.0) million. The external revenue of the Sweden and others segment came to EUR 47.4 million representing 8.5 %-points of the revenue growth. In addition to the operations in Sweden, the impact of acquisitions in Finland on revenue growth was approximately a third of the growth year-on-year.

| MEUR | 4-6/ 2022 | 4-6/ 2021 | Change, % | 1-6/ 2022 | 1-6/ 2021 | Change, % | 2021 |
|--|--------------|--------------|------------------|--------------|--------------|------------------|----------------|
| Corporate customers | 126.5 | 117.5 | 7.6 | 265.4 | 240.9 | 10.2 | 481.7 |
| Private customers | 87.5 | 83.1 | 5.2 | 173.3 | 165.0 | 5.0 | 333.2 |
| Public sector customers | 79.0 | 74.7 | 5.8 | 161.8 | 148.0 | 9.3 | 302.8 |
| Outsourcing | 30.8 | 29.5 | 4.5 | 62.6 | 58.7 | 6.7 | 121.1 |
| Staffing services | 22.7 | 22.1 | 3.0 | 46.2 | 43.1 | 7.2 | 87.6 |
| Service sales, occupational health and others | 25.5 | 23.1 | 10.2 | 53.0 | 46.2 | 14.8 | 94.0 |
| Finland in total | 293.0 | 275.3 | 6.4 | 600.5 | 553.9 | 8.4 | 1,117.7 |
| Sweden and others* | 25.2 | 0.0 | >200.0 | 47.4 | 0.0 | >200.0 | 36.9 |
| Total | 318.2 | 275.3 | 15.6 | 647.9 | 554.0 | 17.0 | 1,154.6 |

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

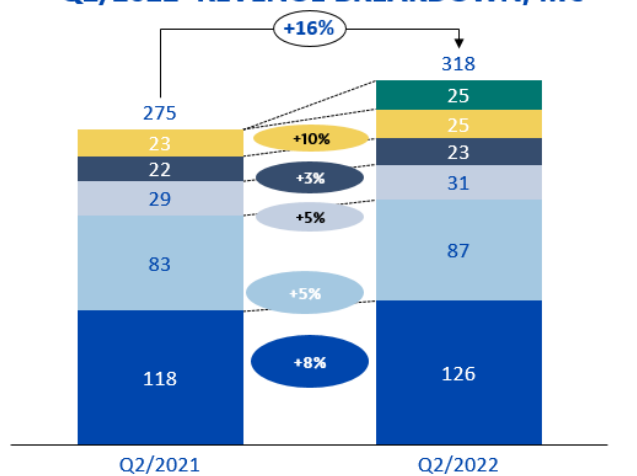
Q2/2022 REVENUE BREAKDOWN, %



Corporate Public
Private Sweden and others

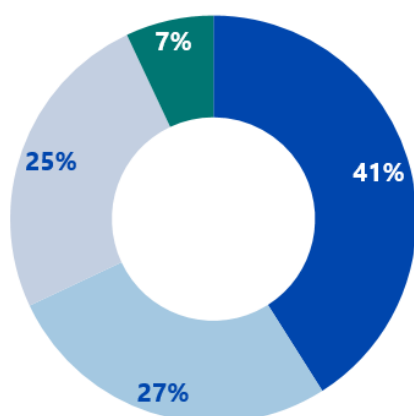
Feelgood (Sweden) was consolidated as of 1 July, 2021.

Q2/2022 REVENUE BREAKDOWN, M€



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

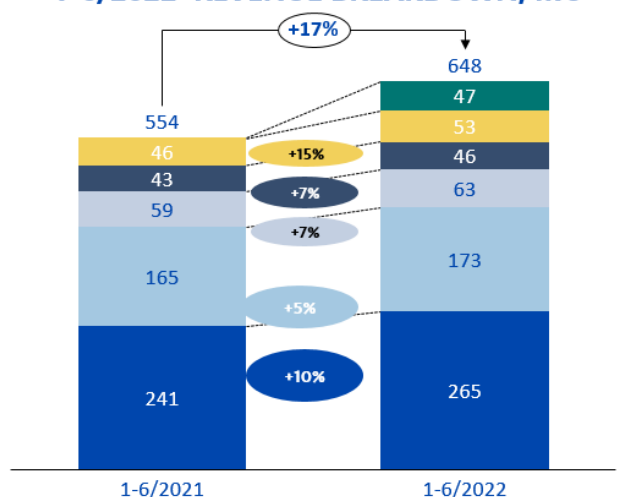
1-6/2022 REVENUE BREAKDOWN, %



Corporate Public
Private Sweden and others

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

1-6/2022 REVENUE BREAKDOWN, M€



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

Revenue breakdown

Corporate customers

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health customers, excluding municipal occupational healthcare customers, which are included in the public sector

customer group. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational health services in Finland in terms of revenue and the number of end users. Terveystalo provides occupational healthcare services for over 25,000 companies in Finland, which have approximately 650,000 occupational health customers.

Revenue for the second quarter from corporate customers increased by 7.6% year-on-year and amounted to EUR 126.5 (117.5) million.

Revenue from preventive occupational health services¹⁾ increased somewhat year-on-year, as for basic occupational health services, such as guidance and counseling, health examinations, and disability risk assessments, activity was at normal levels. Demand for illness-related appointments not relating to COVID-19 grew substantially year-on-year. The demand for well-being services²⁾ continued to grow, with revenue increasing by approximately 6% year-on-year. The strongest growth was again seen in mental well-being services. Approximately 61,000 (80,000) COVID-19 tests were performed for corporate customers altogether during the quarter. The average prices of testing decreased year-on-year. Remote occupational health appointments grew by 38% year-on-year and exceeded 255,000 (185,000) appointments. The number of end customers in occupational healthcare increased, compared to the reference period.

Revenue from corporate customers in January–June increased by 10.2% and amounted to EUR 265.4 (240.9) million.

¹⁾ The statutory task of occupational healthcare is to prevent work-related adverse health effects. Preventive services include, for example, workplace surveys to examine the conditions and exposures at the workplace; health examinations; suggested measures to improve work conditions and to promote the employees' ability to work; guidance and counseling; participation in the planning and implementation of measures that maintain work ability; promotion of coping at work and, when necessary, referrals to rehabilitation in case of reduced work ability; guidance in first aid preparedness at the workplace; and assessment and monitoring of the quality and impact of occupational healthcare activities.

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

Private customers

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

Revenue for the second quarter from private customers increased by 5.2% year-on-year, amounting to EUR 87.5 (83.1) million.

The demand for general practitioners' appointments continued at a good level, with the growth of revenue being restricted by the limited supply of physicians. Appointments relating to various acute infections and ear, nose and throat diseases continued to increase and exceeded clearly the level seen during the reference period. The revenue from specialist medical services in fields such as orthopedics, gynecology, and dermatology increased compared to the reference period. The demand for well-being services, such as mental well-being and physical therapy services, remained good, with revenue growing by 13% year-on-year. Demand and revenue from surgical operations grew substantially year-on-year. Revenue from imaging services also grew year-on-year. Visits to laboratory services, on the other hand, decreased from the reference period as COVID-testing decreased. During the quarter, acute medical care and general practitioner services were emphasized in the sales mix. These involve less laboratory and diagnostic services than specialist medical services with longer care chains. Demand for oral health services continued to be negatively affected by the continuation of the COVID-19 pandemic, and revenue decreased slightly year-on-year. Revenue from services produced for insurance companies grew substantially year-on-year. Approximately 5,500 (22,000) COVID-19 tests were performed for private customers during the quarter. The number of digital appointments decreased by 37% year-on-year and was approximately 20,000 (31,000). The number of occupational healthcare customers using private services and revenue from that segment grew year-on-year.

Revenue from private sector customers in January–June increased by 5.0% year-on-year and amounted to EUR 173.3 (165.0) million.

Public sector customers

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

Revenue for the second quarter from public sector customers increased by 5.8% year-on-year, amounting to EUR 79.0 (74.7) million.

Revenue from the outsourcing business increased by 4.5% to EUR 30.8 (29.5) million. The revenue growth came mainly from the child welfare services business.

Revenue from staffing services increased by 3.0% to EUR 22.7 (22.1) million. The demand for staffing services remained strong, with the growth of revenue being restricted by the limited supply of physicians. The demand for nurse staffing services also remained strong, even though the demand for services related to COVID-19 decreased.

Revenue from service sales, as well as services provided for municipal occupational health customers and other public sector customers, increased by 10.2% to EUR 25.5 (23.1) million. This resulted mainly from the occupational health business that increased through acquisitions and new agreements. Digital appointments grew by 35% and exceeded 41,000 (31,000) appointments. Revenue from well-being services grew by 5% year-on-year. Approximately 8,000 (10,000) COVID-19 tests¹⁾ were performed for public sector customers during the quarter. In addition to testing, Terveystalo served as a partner to public healthcare services in sample collection.

1) Excludes sample collection services

Revenue from public sector customers in January–June increased by 9.3% year-on-year and amounted to EUR 161.8 (148.0) million.

Sweden and others

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

The external revenue of the Sweden and others segment in the second quarter came to EUR 25.2 million. Demand started to pick up during the first quarter after the COVID-19 restrictions were lifted. Higher demand continued during the second quarter almost reaching the pre-pandemic levels. Demand was particularly brisk in the area of consultation for organizational management, although the supply of professionals – especially psychologists – has restricted growth to some extent. Revenue increased also as a result of acquisitions. Large customers that had previously postponed their occupational healthcare projects due to COVID-19 have increased their activity and the number of new projects is growing.

The external revenue of the Sweden and others segment January-June came to EUR 47.4 million.

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

Financial performance

The Group's adjusted earnings for the second quarter of 2022 before interest, taxes, and amortization (EBITA) decreased by 18.2% to EUR 24.1 (29.5) million, representing 7.6% (10.7%) of revenue. Profitability was reduced year-on-year by a change in the sales mix towards larger share of appointments, and increased costs. Price increases made at the latter part of the reporting period, did not yet affect the earnings for the quarter. Material expenses and service purchasing increased by 9.2% year-on-year and amounted to EUR 131.7 (120.6) million. Employee benefit expenses increased by 32.3% year-on-year and amounted to EUR 118.5 (89.5) million. Expenses were increased by higher personnel costs due to personnel costs attributable to acquisitions (including Feelgood) and new businesses. Personnel costs also increased due to substantially higher sickness absences compared to the reference period, front-loaded recruitment and salary increases. Other operating expenses increased by 29.6% to EUR 27.9 (21.5) million due to acquisitions (including Feelgood), higher IT, marketing, M&A, and administrative costs.

Adjusted EBITDA decreased by 5.9% year-on-year to EUR 42.4 (45.0) million.

Adjusted EBIT amounted to EUR 16.2 (23.6) million. Operating profit (EBIT) came to EUR 14.6 (22.8) million, and profit before tax was EUR 14.1 (20.4) million.

Net financing costs decreased to EUR 0.4 (2.3) million mainly due to increase in the fair value of interest rate hedges. Income taxes decreased to EUR 3.0 (4.2) million. Profit for the second quarter amounted to EUR 11.1 (16.2) million, and earnings per share were EUR 0.09 (0.13).

Cash flow from operating activities in the second quarter decreased to EUR 34.8 (47.3) million, mainly due to lower profit, lower accounts payables and other working capital related payables, and an increase in taxes paid, while decrease in trade receivables and thus the lower amount of committed net working capital had a positive effect.

Cash flow from investing activities was EUR -19.5 (-57.1) million. The difference to the comparison period is mainly due to smaller amount of acquisitions.

Cash flow from financing activities amounted to EUR -11.5 (-42.7) million. The difference to the comparison period was mainly due to withdrawal of long-term loans.

In the Sweden and others segment in the second quarter, adjusted earnings before interest, taxes and amortization (EBITA) amounted to EUR 0.9 million, representing 3.6% of revenue. Higher costs of professional resources had a negative effect on profitability.

In January–June 2022, adjusted operating profit before interest, taxes, and amortization (EBITA) decreased by 6.8% to EUR 63.1 (67.7) million, representing 9.7% (12.2) of revenue. Profitability was reduced year-on-year by a change in the sales mix with larger share of appointments and increased costs. Material expenses and service purchasing increased by 9.9% year-on-year and amounted to EUR 264.5 (240.7) million. Employee benefit expenses increased by 32.9% year-on-year and amounted to EUR 234.2 (176.2) million. Expenses were increased by personnel costs attributable to acquisitions (including Feelgood) and new businesses. Personnel expenses also increased due to substantially higher sickness absences compared to the reference period, front-loaded recruitment and salary increases. Other operating expenses increased by 31.9% to EUR 53.7 (40.7) million mainly due to acquisitions (including Feelgood), higher IT, marketing, M&A and administrative costs.

Adjusted EBITDA increased by 0.7% year-on-year to EUR 99.0 (98.3) million. The adjusted operating profit (EBIT) amounted to EUR 48.1 (56.0) million. Operating profit (EBIT) came to EUR 45.8 (55.0) million, and profit before tax was EUR 45.4 (50.2) million.

Net financial expenses decreased to EUR 0.3 (4.6) million. Taxes on income decreased to EUR 9.0 (10.1) million. Profit for the period was EUR 36.4 (40.1) million, and earnings per share were EUR 0.29 (0.32).

Cash flow from operating activities decreased to EUR 59.6 (78.4) million. Lower profit, decrease in accounts payables and other working capital related payables and higher taxes paid had a negative effect on the cash flow from operating activities.

Cash flow from investing activities was EUR -55.6 (-66.5) million. The difference to the comparison period is mainly due to smaller amount of acquisitions.

Cash flow from financing activities amounted to EUR 0.3 (-54.8) million. The difference to the comparison period was mainly larger withdrawals of long-term loans.

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the review period amounted to EUR 42.3 (34.2) million. The total assets of the Group amounted to EUR 1,493.9 (1,419.0) million.

Equity attributable to owners of the parent company totaled EUR 605.1 (595.8) million. The increase was mainly due to the growth of retained earnings.

Gearing (including lease liabilities) was 92.1% (87.0%) % and net debt amounted to EUR 557.3 (529.4) million.

During the review period, the company fulfilled the covenant requirement included in its financing agreements that reflects relative indebtedness. In the financial period 2021, the company entered into a short-term financing agreement of EUR 70 million, with the loan drawn in full during 2021. The financing agreement includes an option to postpone the repayment to 2023. The option has been utilized during the second quarter, and the company is planning to replace the financing agreement with long-term financing during the second half of 2022.

During the first quarter, the company signed an agreement for a EUR 100 million domestic commercial paper program and issued its first commercial papers under the program. During the second quarter the company expanded the program to a EUR 200 million multi-bank program. Under the program, the company may issue commercial papers with a maturity of less than one year. During the first quarter, the company also signed a financing agreement that includes a credit facility of EUR 40 million and an uncommitted credit facility of EUR 80 million. During the second quarter The Nordic Investment Bank (NIB) and Terveystalo agreed on a EUR 50 million loan for financing Terveystalo's investments in its digital healthcare services and applications during 2022-2025.

At the end of the review period, the unused part of credit based on financing agreements and bank accounts with a credit facility amounted to EUR 120.5 (81.5) million.

Return on equity for the review period was 12.6% (13.3%). The equity ratio was 40.6% (42.9%).

Seasonal variation and the impact of the number of business days

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

Investments and acquisitions

Net investments* in January-June, including M&A, amounted to EUR 56.9 (68.1) million. The Group's net cash capital expenditure, excluding acquisitions, amounted to EUR 27.8 (15.7) million and the corresponding non-cash capital expenditure came to EUR 1.2 (1.6) million. The investments consisted mainly of investments in IT system projects (including ERP and EMR), digital application and service development, medical equipment, and the network. The relative share of intangible investments in gross investments increased, compared to the reference period.

Terveystalo made several acquisitions to complement its business portfolio in the first half of the year by acquiring Vantaan Työterveys Oy, Suomen Fysiogeriatría Oy and its subsidiaries (physiotherapy and occupational therapy), Lapin Liikuntaklinikka Oy (physiotherapy), OMT-Klinikka Kokkola Oy (physiotherapy), Into Terveys Oy and Kunnon Syke Oy (physiotherapy) in Finland. In Sweden, Feelgood acquired Länshälsan Uppsala AB (occupational health), Nämndemansgården AB (addiction treatment) and

Jobbhälsan i Norr AB:n (occupational health). Terveystalo also signed an agreement on the acquisition of FysioProfessionals Oy's operations (physiotherapy).

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

Personnel

The number of Terveystalo's employed staff on 30 June 2022 was 10,850 (9,306). In addition to acquisitions, the number of personnel was increased by recruitment of various healthcare professionals. In FTEs, the average number of personnel was 6,470 (5,365). The number of private practitioners was 5,813 (5,159).

| Personnel | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|--|---------------|--------------|-------------|--------------|
| Average personnel, (FTEs*) | | | | |
| Finland | 5,800 | 5,359 | 8.2 | 5,338 |
| Sweden and others | 670 | 6 | >200.0 | 305 |
| Total | 6,470 | 5,365 | 20.6 | 5,643 |
| Personnel (end of period) | | | | |
| Finland | 10,015 | 8,744 | 14.5 | 9,131 |
| Sweden and others | 835 | 562 | 48.6 | 674 |
| Total | 10,850 | 9,306 | 16.6 | 9,805 |
| Private practitioners (end of period) | | | | |
| Finland | 5,703 | 5,128 | 11.2 | 5,644 |
| Sweden and others | 110 | 31 | >200.0 | 110 |
| Total | 5,813 | 5,159 | 12.7 | 5,754 |

Activities following the end of the reporting period

Terveystalo Plc cancelled 1,000,000 treasury shares, which were acquired through share buy-backs, in line with the decision made by the Board of Directors. The cancellation of the treasury shares was registered with the Finnish Trade Register on 11 July 2022. After the cancellation, the total number of shares and the total number of votes attached to the shares in Terveystalo is 127,036,531. Terveystalo and its subsidiaries hold 488,536 shares for remuneration purposes.

Juuso Pajunen, b. 1981, M.Sc. (Econ.) has been appointed as Chief Financial Officer and member of the Executive team. Juuso Pajunen will start in the position in January 2023 the latest.

The most significant short-term risks and uncertainty factors

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

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

- The company's business operations rely on its capacity to identify, recruit, and retain competent and professional healthcare professionals, employees, and executives. The increased supply of services and increased competition may affect the availability of healthcare professionals, particularly in major cities. Turnover in key employees involves the risk of losing knowledge and expertise.

- Weak general economic performance in Finland and its effects on the financial circumstances of private individuals, employers and public entities may adversely affect Terveystalo's business and results of operations by decreasing the demand for Terveystalo's services, as well as may adversely affect the availability of financing.
- The development and implementation of information system projects and services, service products, and operating models involves risks. The company is gradually replacing its operating systems and support systems as well as creating new digital customer solutions, which increases the overall risk related to information systems. A failure in the development of digital systems may expose Terveystalo to potential technical faults and disturbance. Such failure could also lead to write-downs and unexpected costs, which could adversely affect Terveystalo's financial position and results of operations. Risk management is an essential aspect of the systems integration and deployment processes.
- The company may not be able to find suitable acquisition targets or expansion opportunities under favorable terms, and the integration of acquisition targets is not necessarily realized as planned.
- Terveystalo's expansion to new geographical locations involves several risks, and failure to identify expansion opportunities, recruit new employees and achieve estimated benefits may adversely affect Terveystalo's business and results of operations.
- The company's business is very dependent on functioning information systems, data communication and external service providers. Interruptions can result from hardware failure, software failure or cyber threats. Long-lasting malfunction of information systems or payment transfers can lead to significant loss of sales and decline in customer satisfaction.
- Endangered information security or privacy can lead to losses and claims for damages and endanger reputation.
- The COVID-19 pandemic and other potential pandemics or epidemics and related restrictive measures may adversely affect the business operations of Terveystalo through, among other things, demand for certain healthcare services and challenges in supply chain.
- Changes in the competitive landscape, new competitors entering the markets and increasing price competition may have a negative impact on the company's profitability and growth potential.
- Terveystalo is exposed to changes in demand for occupational healthcare services due to demographic trends; ageing and shrinking working-age population.
- The Social Welfare and Healthcare Reform in Finland and its legal interpretations may have impacts on Terveystalo's business and results of operations.
- Changes in compensation systems for healthcare services may adversely affect Terveystalo's business, financial position, and results of operations.
- Failures or deficiencies in the operational risk management, medical quality, and internal control processes may result in failure of quality control, including medical quality or otherwise adversely affect Terveystalo's profitability and reputation.
- Terveystalo's operations could be subject to labor disruptions or disputes.
- The company is a party to, and may become a party to, legal action or administrative procedures initiated by the authorities, patients or third parties. According to the company's opinion, its currently pending legal obligations and court cases are not significant in nature.

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

Financial reporting 2022

Terveystalo Plc will publish its Interim Report for January–September 2022 on Thursday, 27 October 2022 at 9:00 a.m. EEST. Financial reports are published in Finnish and English.

Briefing

Terveystalo will arrange a webcast and a conference call in English on its result on 19 July 2022 starting at 10:30 EEST. You can watch the webcast online at: <https://terveystalo.videosync.fi/2022-q2-results>

To ask questions, please join the telephone conference 5–10 minutes prior to the start time using your local number:

Finland: +358 981 710 310,

Sweden: +46 856 642 651,

UK: +44 33 3300 0804,

US: +1 631 913 1422.

If you are calling from another location, please use any of the numbers above. The Participant Passcode: 98466773#

Helsinki, 18 July, 2022

Terveystalo Plc

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Terveystalo in brief

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

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

Consolidated statement of comprehensive income

| EUR mill. | Note | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|--|------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Revenue | 4 | 318.2 | 275.3 | 15.6 | 647.9 | 554.0 | 17.0 | 1,154.6 |
| Other operating income | | 0.7 | 0.6 | 14.6 | 1.1 | 1.1 | 3.1 | 3.4 |
| Materials and services | 5 | -131.7 | -120.6 | 9.2 | -264.5 | -240.7 | 9.9 | -488.9 |
| Employee benefit expenses | 6 | -118.5 | -89.5 | 32.3 | -234.2 | -176.2 | 32.9 | -378.2 |
| Depreciation, amortization and impairment | | -26.2 | -21.4 | 22.3 | -50.9 | -42.3 | 20.2 | -91.7 |
| Other operating expenses | 7 | -27.9 | -21.5 | 29.6 | -53.7 | -40.7 | 31.9 | -89.2 |
| Operating profit | | 14.6 | 22.8 | -36.1 | 45.8 | 55.0 | -16.8 | 110.1 |
| Financial income | | 1.9 | 0.3 | >200.0 | 4.0 | 0.4 | >200.0 | 0.8 |
| Financial expenses | | -2.4 | -2.6 | -10.4 | -4.3 | -5.0 | -12.8 | -9.9 |
| Net finance income and expenses | | -0.4 | -2.3 | -81.5 | -0.3 | -4.6 | -92.8 | -9.0 |
| Share of result in associated companies | | 0.0 | -0.1 | -68.4 | -0.1 | -0.2 | -64.6 | -0.3 |
| Profit before taxes | | 14.1 | 20.4 | -30.8 | 45.4 | 50.2 | -9.7 | 100.7 |
| Income tax expense | 8 | -3.0 | -4.2 | -27.6 | -9.0 | -10.1 | -11.3 | -20.3 |
| Profit for the period | | 11.1 | 16.2 | -31.6 | 36.4 | 40.1 | -9.3 | 80.4 |
| Profit attributable to: | | | | | | | | |
| Owners of the parent company | | 11.1 | 16.2 | -31.7 | 36.4 | 40.1 | -9.3 | 80.5 |
| Non-controlling interests | | 0.0 | - | - | 0.0 | - | - | -0,0 |
| Other comprehensive income | | | | | | | | |
| Items that may be reclassified to profit or loss | | -2.5 | - | - | -3.0 | - | - | -0.8 |
| Items that will not be reclassified to profit or | | 0.1 | - | - | 0.2 | - | - | 0.1 |
| Other comprehensive income for the period, net of tax | | -2.4 | - | - | -2.8 | - | - | -0.6 |
| Total comprehensive income | | 8.7 | 16.2 | -46.2 | 33.6 | 40.1 | -16.3 | 79.8 |
| Total comprehensive income attributable to: | | | | | | | | |
| Owners of the parent company | | 8.7 | 16.2 | -46.3 | 33.6 | 40.1 | -16.3 | 79.8 |
| Non-controlling interest | | 0.0 | - | - | 0.0 | - | - | -0,0 |
| Earnings per share for profit attributable to the shareholders of the parent company, in euro | | | | | | | | |
| Basic earnings per share | | 0.09 | 0.13 | -31.2 | 0.29 | 0.32 | -8.7 | 0.63 |
| Diluted earnings per share | | 0.09 | 0.13 | -31.5 | 0.29 | 0.31 | -9.1 | 0.63 |

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

Consolidated statement of financial position

| EUR mill. | Note | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|---|------|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 10 | 75.9 | 69.5 | 72.0 |
| Right-of-use assets | 12 | 168.6 | 176.5 | 172.5 |
| Goodwill | 11 | 874.8 | 833.1 | 848.6 |
| Other intangible assets | 11 | 177.4 | 168.4 | 175.2 |
| Investment properties | | 0.5 | 0.5 | 0.5 |
| Investments in associates | | 0.0 | 1.9 | 0.6 |
| Loan receivables | | 0.1 | 0.3 | 0.1 |
| Deferred tax assets | | 5.2 | 4.8 | 5.4 |
| Other non-current assets | | 0.8 | 0.8 | 0.8 |
| Total non-current assets | | 1,303.2 | 1,255.9 | 1,275.8 |
| Current assets | | | | |
| Inventories | | 7.3 | 6.7 | 6.4 |
| Trade and other receivables | | 141.1 | 122.3 | 128.3 |
| Cash and cash equivalents | | 42.3 | 34.2 | 38.1 |
| Total current assets | | 190.7 | 163.2 | 172.8 |
| TOTAL ASSETS | | 1,493.9 | 1,419.0 | 1,448.6 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | | 0.1 | 0.1 | 0.1 |
| Invested non-restricted equity reserve | | 492.8 | 492.8 | 492.8 |
| Treasury shares | | -15.8 | -6.7 | -18.0 |
| Retained earnings | | 128.0 | 109.7 | 134.0 |
| Equity attributable to equity holders of the Company total | | 605.1 | 595.8 | 608.9 |
| Non-controlling interest | | 0.0 | 12.8 | 0.0 |
| TOTAL EQUITY | | 605.1 | 608.6 | 608.9 |
| Non-current liabilities | | | | |
| Non-current financial liabilities | 13 | 264.4 | 286.4 | 257.9 |
| Non-current lease liabilities | | 126.3 | 136.6 | 131.4 |
| Deferred tax liabilities | | 28.0 | 28.8 | 28.5 |
| Provisions | | 7.4 | 7.1 | 8.5 |
| Other liabilities | | 13.6 | 14.5 | 15.6 |
| Total non-current liabilities | | 439.7 | 473.4 | 441.9 |
| Current liabilities | | | | |
| Current financial liabilities | 13 | 161.0 | 95.3 | 120.9 |
| Current lease liabilities | | 48.0 | 45.6 | 47.1 |
| Current tax liabilities | | 0.5 | 6.0 | 13.3 |
| Provisions | | 2.1 | 2.3 | 2.5 |
| Trade and other payables | | 219.8 | 187.8 | 214.1 |
| Dividend liabilities | | 17.7 | - | - |
| Total current liabilities | | 449.1 | 337.0 | 397.9 |
| TOTAL LIABILITIES | | 888.8 | 810.4 | 839.7 |
| TOTAL EQUITY AND LIABILITIES | | 1,493.9 | 1,419.0 | 1,448.6 |

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

Consolidated statement of changes in equity

| Equity attributable to owners of the parent company | | | | | | | |
|---|---------------|--|-----------------|-------------------|--------------|--------------------------|--------------|
| EUR mill. | Share capital | Invested non-restricted equity reserve | Treasury shares | Retained earnings | Total | Non-controlling interest | Total equity |
| Equity 1 Jan 2022 | 0.1 | 492.8 | -18.0 | 134.0 | 608.8 | 0.0 | 608.9 |
| Comprehensive income | | | | | | | |
| Profit for the period | - | - | - | 36.4 | 36.4 | 0.0 | 36.4 |
| Other comprehensive income | - | - | - | -2.8 | -2.8 | - | -2.8 |
| Transactions with owners | | | | | | | |
| Dividend | | | | -35.4 | -35.4 | | -35.4 |
| Share-based payments | - | - | 2.2 | -4.1 | -1.9 | - | -1.9 |
| Transactions with non-controlling interest | | | | | | | |
| Transactions with non-controlling interest | - | - | - | - | - | 0.0 | 0.0 |
| Equity 30 Jun 2022 | 0.1 | 492.8 | -15.8 | 128.0 | 605.1 | 0.0 | 605.1 |

| Equity attributable to owners of the parent company | | | | | | | |
|---|---------------|--|-----------------|-------------------|--------------|---------------------------|--------------|
| EUR mill. | Share capital | Invested non-restricted equity reserve | Treasury shares | Retained earnings | Total | Non-controlling interests | Total equity |
| Equity 1 Jan 2021 | 0.1 | 492.8 | -6.7 | 85.3 | 571.4 | - | 571.4 |
| Comprehensive income | | | | | | | |
| Profit for the period | - | - | - | 40.1 | 40.1 | - | 40.1 |
| Transactions with owners | | | | | | | |
| Share-based payments | - | - | - | 0.9 | 0.9 | - | 0.9 |
| Equity repayment | - | - | - | -16.5 | -16.5 | - | -16.5 |
| Non-controlling interest on acquisition of subsidiary | - | - | - | - | - | 12.8 | 12.8 |
| Equity 30 Jun 2021 | 0.1 | 492.8 | -6.7 | 109.7 | 595.8 | 12.8 | 608.6 |

| Equity attributable to owners of the parent company | | | | | | | |
|---|---------------|--|-----------------|-------------------|--------------|--------------------------|--------------|
| EUR mill. | Share capital | Invested non-restricted equity reserve | Treasury shares | Retained earnings | Total | Non-controlling interest | Total equity |
| Equity 1 Jan 2021 | 0.1 | 492.8 | -6.7 | 85.3 | 571.4 | - | 571.4 |
| Comprehensive income | | | | | | | |
| Profit for the period | - | - | - | 80.5 | 80.5 | -0.0 | 80.4 |
| Other comprehensive income | - | - | - | -0.6 | -0.6 | 0.0 | -0.6 |
| Transactions with owners | | | | | | | |
| Acquisition of treasury shares | - | - | -11.3 | - | -11.3 | - | -11.3 |
| Share-based payments | - | - | - | 1.9 | 1.9 | - | 1.9 |
| Dividend | - | - | - | -33.1 | -33.1 | - | -33.1 |
| Transactions with non-controlling interest | | | | | | | |
| Non-controlling interest on acquisition of subsidiary | - | - | - | - | - | 12.8 | 12.8 |
| Transactions with non-controlling interest | - | - | - | 0.1 | 0.1 | -12.8 | -12.8 |
| Equity 31 Dec 2021 | 0.1 | 492.8 | -18.0 | 134.0 | 608.9 | 0.0 | 608.9 |

Consolidated statement of cash flows

| EUR mill. | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 2021 |
|--|--------------|--------------|--------------|--------------|---------------|
| Cash flows from operating activities | | | | | |
| Profit before taxes | 14.1 | 20.4 | 45.4 | 50.2 | 100.7 |
| Adjustments for | | | | | |
| Depreciation, amortization and impairment losses | 26.2 | 21.4 | 50.9 | 42.3 | 91.7 |
| Change in provisions | -0.1 | -0.3 | -1.6 | -0.7 | 0.9 |
| Other transactions | -0.5 | 0.0 | -3.2 | -0.1 | 1.3 |
| Gains and losses on sale of property, plant, equipment and other changes | -0.1 | 0.0 | -0.1 | 0.0 | -0.1 |
| Net finance expenses | 0.4 | 2.3 | 0.4 | 4.6 | 9.0 |
| Changes in working capital | | | | | |
| Trade and other receivables | 7.7 | 3.3 | -4.4 | -12.5 | -17.0 |
| Inventories | -0.7 | 0.3 | -0.8 | 0.3 | 0.6 |
| Trade and other payables | -7.5 | 2.4 | -4.0 | 10.0 | 28.5 |
| Interest received | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 |
| Income taxes paid | -4.8 | -2.5 | -22.9 | -15.8 | -20.7 |
| Net cash from operating activities | 34.8 | 47.3 | 59.6 | 78.4 | 195.2 |
| Cash flows from investing activities | | | | | |
| Acquisition of subsidiaries, net of cash acquired | -4.7 | -47.2 | -27.8 | -50.8 | -65.3 |
| Acquisition of property, plant and equipment | -6.5 | -4.7 | -13.3 | -7.6 | -21.0 |
| Acquisition of intangible assets | -8.5 | -5.2 | -14.9 | -8.2 | -22.1 |
| Acquisition of business operation, net of cash acquired | - | - | - | - | -0.1 |
| Proceeds from sale of property, plant and equipment | 0.2 | 0.0 | 0.3 | 0.1 | 0.5 |
| Dividends received | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash from investing activities | -19.5 | -57.1 | -55.6 | -66.5 | -108.1 |
| Cash flows from financing activities | | | | | |
| Acquisition of treasury shares | - | - | - | - | -11.3 |
| Acquisition of non-controlling interest | -0.0 | - | -0.0 | - | -12.7 |
| Proceeds from non-current borrowings | 24.9 | - | 24.9 | - | - |
| Repayment of non-current borrowings | -15.0 | -15.7 | -15.0 | -15.7 | -41.9 |
| Proceeds from current borrowings | 13.0 | 45.0 | 39.5 | 45.0 | 77.0 |
| Repayment of current borrowings | 0.0 | -40.4 | -0.2 | -40.4 | -46.5 |
| Payment of lease liabilities | -12.5 | -9.9 | -24.4 | -19.4 | -42.4 |
| Payment of hire purchase liabilities | -1.3 | -1.5 | -2.8 | -3.0 | -5.9 |
| Interests and other financial expenses paid | -2.8 | -3.7 | -4.0 | -4.7 | -9.3 |
| Dividends paid | -17.7 | -16.5 | -17.7 | -16.5 | -33.1 |
| Net cash from financing activities | -11.5 | -42.7 | 0.3 | -54.8 | -126.1 |
| Net change in cash and cash equivalents | 3.8 | -52.5 | 4.3 | -42.9 | -39.0 |
| Cash and cash equivalents at the beginning of the period | 38.6 | 86.7 | 38.1 | 77.1 | 77.1 |
| Cash and cash equivalents at the end of the period | 42.3 | 34.2 | 42.3 | 34.2 | 38.1 |

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

Notes to the interim financial statements

1. Basis of accounting principles

The figures in these interim financial statements are unaudited, and have been prepared in accordance with IAS 34 Interim Financial Reporting -standard, and should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended 31 December 2021. The accounting principles adopted are consistent with those of the annual financial statements for 2021. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

2. Use of judgments and estimates

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mainly the same as those that applied to the consolidated financial statements for 2021.

3. Events after the reporting period

Terveystalo Plc cancelled 1,000,000 treasury shares, which were acquired through share buy-backs, in line with the decision made by the Board of Directors. The cancellation of the treasury shares was registered with the Finnish Trade Register on 11 July 2022. After the cancellation, the total number of shares and the total number of votes attached to the shares in Terveystalo is 127,036,531. Terveystalo and its subsidiaries hold 488,536 shares for remuneration purposes.

4. Revenue and segment information

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

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health care customers, excluding municipal occupational health care customers. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational healthcare services in Finland in terms of revenue and the number of end-users. Terveystalo provides occupational healthcare services for over 25,000 companies.

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

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

Disaggregation of revenue

| EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|--|--------------|--------------|------------------|--------------|--------------|------------------|----------------|
| Corporate | 126.5 | 117.5 | 7.6 | 265.4 | 240.9 | 10.2 | 481.7 |
| Private | 87.5 | 83.1 | 5.2 | 173.3 | 165.0 | 5.0 | 333.2 |
| Public | 79.0 | 74.7 | 5.8 | 161.8 | 148.0 | 9.3 | 302.8 |
| <i>Outsourcing</i> | <i>30.8</i> | <i>29.5</i> | <i>4.5</i> | <i>62.6</i> | <i>58.7</i> | <i>6.7</i> | <i>121.1</i> |
| <i>Staffing services</i> | <i>22.7</i> | <i>22.1</i> | <i>3.0</i> | <i>46.2</i> | <i>43.1</i> | <i>7.2</i> | <i>87.6</i> |
| <i>Service sales, such as occupational health and others</i> | <i>25.5</i> | <i>23.1</i> | <i>10.2</i> | <i>53.0</i> | <i>46.2</i> | <i>14.8</i> | <i>94.0</i> |
| Finland | 293.0 | 275.3 | 6.4 | 600.5 | 553.9 | 8.4 | 1,117.7 |
| Sweden and other* | 25.2 | 0.0 | >200.0 | 47.4 | 0.0 | >200.0 | 36.9 |
| Total | 318.2 | 275.3 | 15.6 | 647.9 | 554.0 | 17.0 | 1,154.6 |

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

Timing of satisfying performance obligations

| EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|--------------------|--------------|--------------|-------------|--------------|--------------|-------------|----------------|
| At a point in time | 286.6 | 245.0 | 17.0 | 584.4 | 493.6 | 18.4 | 1,030.1 |
| Over time | 31.6 | 30.3 | 4.3 | 63.5 | 60.4 | 5.1 | 124.5 |
| Total | 318.2 | 275.3 | 15.6 | 647.9 | 554.0 | 17.0 | 1,154.6 |

Segment information

| Revenue EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|-----------------------|--------------|--------------|-------------|--------------|--------------|-------------|----------------|
| Finland | 292.9 | 275.3 | 6.4 | 600.5 | 553.9 | 8.4 | 1,117.7 |
| Sweden and other | 25.3 | 0.0 | >200.0 | 47.5 | 0.1 | > 200.0 | 37.2 |
| Internal eliminations | -0.0 | -0.0 | 0.0 | -0.1 | -0.1 | 0.0 | -0.3 |
| Total | 318.2 | 275.3 | 15.6 | 647.9 | 554.0 | 17.0 | 1,154.6 |

| Adjusted EBITA EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|-----------------------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Finland | 23.2 | 29.5 | -21.2 | 61.4 | 67.7 | -9.3 | 140.2 |
| Sweden and other | 0.9 | 0.0 | >200.0 | 1.7 | 0.0 | > 200.0 | 0.8 |
| Total | 24.1 | 29.5 | -18.2 | 63.1 | 67.7 | -6.8 | 141.0 |

| Depreciations EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Finland | 16.5 | 15.5 | 6.5 | 32.8 | 30.6 | 6.9 | 62.3 |
| Sweden and other | 1.8 | 0.0 | >200.0 | 3.2 | 0.0 | >200.0 | 2.8 |
| Total | 18.3 | 15.5 | 17.6 | 36.0 | 30.7 | 17.2 | 65.1 |

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

| Personnel | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|---------------------------------------|---------------|--------------|-------------|--------------|
| Average personnel (FTEs) | | | | |
| Finland | 5,800 | 5,359 | 8.2 | 5,338 |
| Sweden and others | 670 | 6 | >200.0 | 305 |
| Total | 6,470 | 5,365 | 20.6 | 5,643 |
| Personnel (end of period) | | | | |
| Finland | 10,015 | 8,744 | 14.5 | 9,131 |
| Sweden and others | 835 | 562 | 48.6 | 674 |
| Total | 10,850 | 9,306 | 16.6 | 9,805 |
| Private practitioners (end of period) | | | | |
| Finland | 5,703 | 5,128 | 11.2 | 5,644 |
| Sweden and others | 110 | 31 | >200.0 | 110 |
| Total | 5,813 | 5,159 | 12.7 | 5,754 |

5. Materials and services

| EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|-----------------------|---------------|---------------|------------|---------------|---------------|------------|---------------|
| Purchase of materials | -10.9 | -8.4 | 30.6 | -22.3 | -17.1 | 29.9 | -34.8 |
| Change in inventories | 0.7 | -0.3 | >-200.0 | 0.9 | -0.3 | >-200.0 | -0.6 |
| External services | -121.5 | -112.0 | 8.5 | -243.1 | -223.3 | 8.9 | -453.4 |
| Total | -131.7 | -120.6 | 9.2 | -264.5 | -240.7 | 9.9 | -488.9 |

6. Employee benefit expenses

| EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|--------------------------|---------------|--------------|-------------|---------------|---------------|-------------|---------------|
| Salaries and fees | -98.9 | -74.0 | 33.7 | -195.5 | -145.8 | 34.0 | -314.1 |
| Share-based payments | -0.3 | -0.5 | -42.3 | -1.0 | -0.9 | 9.8 | -1.9 |
| Other personnel expenses | -19.3 | -15.0 | 28.2 | -37.7 | -29.6 | 27.7 | -62.3 |
| Total | -118.5 | -89.5 | 32.3 | -234.2 | -176.2 | 32.9 | -378.2 |

7. Other operating expenses

| EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|--------------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|--------------|
| Rents, leases and premises | -4.8 | -4.3 | 13.9 | -9.7 | -8.0 | 21.4 | -18.1 |
| ICT expenses | -9.9 | -7.8 | 28.1 | -19.5 | -15.1 | 28.8 | -31.7 |
| Marketing and communication expenses | -2.4 | -1.8 | 31.5 | -4.6 | -3.4 | 32.6 | -7.3 |
| Other operating expenses | -10.8 | -7.7 | 39.1 | -19.9 | -14.1 | 41.0 | -32.0 |
| Total | -27.9 | -21.5 | 29.6 | -53.7 | -40.7 | 31.9 | -89.2 |

8. Income taxes

Income taxes in the statement of income

| EUR mill. | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|------------------------------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|
| Current tax for the reporting year | -3.5 | -4.9 | -28.7 | -9.2 | -11.6 | -20.9 | -23.4 |
| Income taxes for prior periods | -0.0 | -0.0 | >-200.0 | -0.0 | 0.0 | >-200.0 | 0.1 |
| Change in deferred taxes | 0.5 | 0.7 | -32.6 | 0.2 | 1.5 | -85.7 | 3.1 |
| Total income taxes | -3.0 | -4.2 | -27.6 | -9.0 | -10.1 | -11.3 | -20.3 |

9. Share-based payments

During the review period, Terveystalo granted a new long-term incentive plan to the members of executive team and other key persons. Vesting period for the Performance Share Plan is three years and the rewards are conditional on the fulfillment of a three-year service condition and performance conditions tied to total shareholder return. The reward is granted and settled in Terveystalo shares on top of which Terveystalo pays taxes and tax-related expenses. The program's impact to the result for the first six months of the year 2022 has been EUR 0.2 million and the expected total cost of the program is EUR 2.3 million. 69 persons are included in the arrangement.

In addition to above mentioned new incentive plan Terveystalo has performance share plan 2021-2023 and bridge plan ongoing during the review period. Descriptions of these plans are included in financial statements 2021.

10. Property, plant and equipment

| 1-6/2022 | Land and water, buildings and constructions | Machinery and equipment | Improvement to premises | Other tangible assets and advances paid | Total |
|---|---|-------------------------|-------------------------|---|---------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2022 | 2.1 | 144.4 | 55.0 | 3.0 | 204.4 |
| Business combination | 0.2 | 0.2 | 0.2 | 0.0 | 0.6 |
| Additions | - | 8.1 | 1.2 | 4.5 | 13.9 |
| Disposals | - | -0.2 | - | - | -0.2 |
| Translation differences | -0.0 | -0.2 | -0.0 | - | -0.2 |
| Transfers between items | - | 0.8 | 2.4 | -3.2 | 0.1 |
| Acquisition cost 30 Jun 2022 | 2.3 | 153.0 | 58.8 | 4.3 | 218.5 |
| Accumulated depreciation and impairment losses 1 Jan 2022 | -1.1 | -101.7 | -29.6 | - | -132.4 |
| Depreciation and impairment losses for the reporting period | -0.0 | -7.1 | -3.0 | - | -10.2 |
| Accumulated depreciation and impairment losses 30 Jun 2022 | -1.1 | -108.9 | -32.6 | - | -142.7 |
| Carrying amount 1 Jan 2022 | 1.0 | 42.6 | 25.4 | 2.9 | 72.0 |
| Carrying amount 30 Jun 2022 | 1.2 | 44.2 | 26.3 | 4.3 | 75.9 |

| 1-6/2021 | Land and water, buildings and constructions | Machinery and equipment | Improvement to premises | Other tangible assets and advances paid | Total |
|---|---|-------------------------|-------------------------|---|---------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2021 | 2.1 | 127.4 | 49.5 | 1.8 | 180.8 |
| Business combination | - | 2.3 | 0.3 | 0.0 | 2.6 |
| Additions | - | 5.3 | 0.5 | 3.0 | 8.8 |
| Disposals | - | -0.2 | - | - | -0.2 |
| Transfers between items | - | 0.8 | 2.1 | -2.9 | - |
| Acquisition cost 30 Jun 2021 | 2.1 | 135.7 | 52.4 | 1.9 | 192.1 |
| Accumulated depreciation and impairment losses 1 Jan 2021 | -1.1 | -88.1 | -24.1 | - | -113.3 |
| Depreciation for the reporting period | -0.0 | -6.7 | -2.7 | - | -9.4 |
| Accumulated depreciation and impairment losses 30 Jun 2021 | -1.1 | -94.8 | -26.8 | - | -122.6 |
| Carrying amount 1 Jan 2021 | 1.0 | 39.3 | 25.5 | 1.8 | 67.6 |
| Carrying amount 30 Jun 2021 | 1.0 | 40.9 | 25.7 | 1.9 | 69.5 |

| 2021 | Land and water, buildings and constructions | Machinery and equipment | Improvement to premises | Other tangible assets and advances paid | Total |
|---|---|-------------------------|-------------------------|---|---------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2021 | 2.1 | 127.4 | 49.5 | 1.8 | 180.8 |
| Business combination | - | 2.6 | 0.4 | 0.0 | 3.0 |
| Additions | - | 13.5 | 1.7 | 5.8 | 21.1 |
| Disposals | - | -0.4 | -0.0 | - | -0.5 |
| Translation differences | - | -0.0 | -0.0 | - | -0.0 |
| Transfers between items | - | 1.3 | 3.4 | -4.7 | - |
| Acquisition cost 31 Dec 2021 | 2.1 | 144.4 | 55.0 | 3.0 | 204.4 |
| Accumulated depreciation and impairment losses 1 Jan 2021 | -1.1 | -88.1 | -24.1 | - | -113.3 |
| Depreciation and impairment losses for the reporting period | -0.0 | -13.6 | -5.5 | - | -19.2 |
| Accumulated depreciation and impairment losses 31 Dec 2021 | -1.1 | -101.7 | -29.6 | - | -132.4 |
| Carrying amount 1 Jan 2021 | 1.0 | 39.3 | 25.5 | 1.8 | 67.6 |
| Carrying amount 31 Dec 2021 | 1.0 | 42.6 | 25.4 | 2.9 | 72.0 |

11. Intangible assets

| 1-6/2022 | Goodwill | Customer relationships | Trademarks | Other intangible assets and advances paid | Total |
|--|--------------|------------------------|--------------|---|----------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2022 | 916.6 | 166.5 | 88.8 | 111.0 | 1,282.9 |
| Business combination | 28.2 | 2.0 | - | 0.2 | 30.3 |
| Additions | - | - | - | 15.2 | 15.2 |
| Translation differences | -2.0 | -0.4 | -0.1 | -0.7 | -3.2 |
| Reclassifications | - | - | - | -0.1 | -0.1 |
| Acquisition cost 30 Jun 2022 | 942.8 | 168.1 | 88.7 | 125.7 | 1,325.3 |
| Accumulated amortizations and impairment losses 1 Jan 2022 | -68.0 | -107.4 | -33.7 | -50.0 | -259.1 |
| Amortization and impairment losses for the reporting period | - | -5.0 | -2.4 | -6.7 | -14.1 |
| Accumulated amortizations and impairment losses 30 Jun 2022 | -68.0 | -112.3 | -36.1 | -56.7 | -273.2 |
| Carrying amount 1 Jan 2022 | 848.6 | 59.1 | 55.1 | 61.0 | 1,023.8 |
| Carrying amount 30 Jun 2022 | 874.8 | 55.7 | 52.6 | 69.0 | 1,052.2 |

| 1-6/2021 | Goodwill | Customer relationships | Trademarks | Other intangible assets and advances paid | Total |
|--|--------------|------------------------|--------------|---|----------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2021 | 849.8 | 154.2 | 82.9 | 80.9 | 1,167.8 |
| Business combination | 51.3 | 8.6 | 6.0 | 5.1 | 71.0 |
| Additions | - | - | - | 8.2 | 8.2 |
| Acquisition cost 30 Jun 2021 | 901.1 | 162.8 | 88.9 | 94.2 | 1,247.0 |
| Accumulated amortizations and impairment losses 1 Jan 2021 | -68.0 | -97.3 | -29.2 | -39.3 | -233.9 |
| Amortization and impairment losses for the reporting period | - | -4.9 | -2.1 | -4.7 | -11.6 |
| Accumulated amortizations and impairment losses 30 Jun 2021 | -68.0 | -102.2 | -31.3 | -44.0 | -245.5 |
| Carrying amount 1 Jan 2021 | 781.8 | 56.9 | 53.6 | 41.6 | 933.9 |
| Carrying amount 30 Jun 2021 | 833.1 | 60.7 | 57.6 | 50.2 | 1,001.5 |

| 2021 | Goodwill | Customer relationships | Trademarks | Other intangible assets and advances paid | Total |
|--|--------------|------------------------|--------------|---|----------------|
| EUR mill. | | | | | |
| Acquisition cost 1 Jan 2021 | 849.8 | 154.2 | 82.9 | 80.9 | 1,167.8 |
| Business combination | 67.3 | 12.3 | 6.0 | 5.1 | 90.6 |
| Additions | - | - | - | 25.1 | 25.1 |
| Disposals | - | - | - | -0.0 | -0.0 |
| Translation differences | -0.4 | -0.1 | -0.1 | -0.0 | -0.5 |
| Acquisition cost 31 Dec 2021 | 916.6 | 166.5 | 88.8 | 111.0 | 1,282.9 |
| Accumulated amortizations and impairment losses 1 Jan 2021 | -68.0 | -97.3 | -29.2 | -39.3 | -233.9 |
| Amortization and impairment losses for the reporting period | - | -10.0 | -4.5 | -10.8 | -25.3 |
| Accumulated amortizations and impairment losses 31 Dec 2021 | -68.0 | -107.4 | -33.7 | -50.0 | -259.1 |
| Carrying amount 1 Jan 2021 | 781.8 | 56.9 | 53.6 | 41.6 | 933.9 |
| Carrying amount 31 Dec 2021 | 848.6 | 59.1 | 55.1 | 61.0 | 1,023.8 |

12.1 Right-of-use assets

| 1-6/2022 | | | |
|---|---------------|---------------------------|---------------|
| EUR mill. | Premises | Other right-of-use assets | Total |
| Acquisition cost 1 Jan 2022 | 278.7 | 41.1 | 319.8 |
| Business combination | 3.5 | - | 3.5 |
| Additions | 21.6 | 0.4 | 22.0 |
| Disposals | -2.9 | -0.3 | -3.2 |
| Translation differences | -0.6 | 0.0 | -0.6 |
| Acquisition cost 30 Jun 2022 | 300.5 | 41.1 | 341.6 |
| Accumulated depreciation and impairment losses 1 Jan 2022 | -119.0 | -28.3 | -147.3 |
| Depreciation for the reporting period | -24.0 | -1.8 | -25.8 |
| Accumulated depreciation and impairment losses 30 Jun 2022 | -142.9 | -30.1 | -173.1 |
| Carrying amount 1 Jan 2022 | 159.7 | 12.7 | 172.5 |
| Carrying amount 30 Jun 2022 | 157.6 | 11.0 | 168.6 |

| 1-6/2021 | | | |
|---|--------------|---------------------------|---------------|
| EUR mill. | Premises | Other right-of-use assets | Total |
| Acquisition cost 1 Jan 2021 | 234.9 | 38.9 | 273.8 |
| Business combination | 12.3 | 0.5 | 12.8 |
| Additions | 13.3 | 1.1 | 14.4 |
| Disposals | -1.8 | - | -1.8 |
| Acquisition cost 30 Jun 2021 | 258.7 | 40.6 | 299.3 |
| Accumulated depreciation and impairment losses 1 Jan 2021 | -76.8 | -24.6 | -101.4 |
| Depreciation for the reporting period | -19.6 | -1.7 | -21.3 |
| Accumulated depreciation and impairment losses 30 Jun 2021 | -96.4 | -26.3 | -122.7 |
| Carrying amount 1 Jan 2021 | 158.1 | 14.3 | 172.4 |
| Carrying amount 30 Jun 2021 | 162.3 | 14.2 | 176.5 |

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

12.2. Lease liabilities

| 30 Jun 2022 | | | |
|--------------------------------|--------------|-------------|--------------|
| EUR mill. | Premises | Other | Total |
| Non-current lease liabilities | 116.2 | 10.1 | 126.3 |
| Current lease liabilities | 44.9 | 3.1 | 48.0 |
| Total lease liabilities | 161.1 | 13.2 | 174.3 |

| 30 Jun 2021 | | | |
|--------------------------------|--------------|-------------|--------------|
| EUR mill. | Premises | Other | Total |
| Non-current lease liabilities | 123.7 | 12.8 | 136.6 |
| Current lease liabilities | 42.2 | 3.5 | 45.6 |
| Total lease liabilities | 165.9 | 16.3 | 182.2 |

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

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

| EUR mill. 30 Jun 2022 | Financial assets and liabilities at fair value | Financial assets and liabilities at amortized cost | Carrying amount | Fair value | Fair value hierarchy |
|-----------------------------------|--|--|-----------------|--------------|----------------------|
| Financial assets | | | | | |
| Non-current | | | | | |
| Loan receivables | 0.1 | - | 0.1 | 0.1 | Level 2 |
| Unquoted equity investments | 0.8 | - | 0.8 | 0.8 | Level 3 |
| Current | | | | | |
| Trade receivables | - | 86.1 | 86.1 | 86.1 | |
| Contract assets | - | 45.0 | 45.0 | 45.0 | |
| Other receivables | 0.1 | | 0.1 | 0.1 | Level 2 |
| Cash and cash equivalents | - | 42.3 | 42.3 | 42.3 | |
| Interest rate derivatives | 4.8 | - | 4.8 | 4.8 | Level 2 |
| Total | 5.8 | 173.5 | 179.3 | 179.3 | |
| Financial liabilities | | | | | |
| Non-current | | | | | |
| Loans from financial institutions | - | 258.8 | 258.8 | 258.8 | |
| Hire purchase liabilities | - | 5.7 | 5.7 | 5.7 | |
| Contingent considerations | 3.5 | - | 3.5 | 3.5 | Level 3 |
| Current | | | | | |
| Loans from financial institutions | - | 131.1 | 131.1 | 131.1 | |
| Commercial papers | - | 25.0 | 25.0 | 25.0 | |
| Hire purchase liabilities | - | 4.9 | 4.9 | 4.9 | |
| Trade payables | - | 49.5 | 49.5 | 49.5 | |
| Contingent considerations | 6.5 | - | 6.5 | 6.5 | Level 3 |
| Interest rate derivatives | 1.5 | - | 1.5 | 1.5 | Level 2 |
| Total | 11.6 | 475.0 | 486.5 | 486.5 | |

Financial assets and liabilities classified at fair value hierarchy level 3 consist of unquoted equity investments and contingent considerations from business combinations. The measurement of unquoted equity investments is based on the managements estimate of future cash flows arising from the investments and the measurement of contingent considerations is based on the amounts specified in purchase agreements and the management estimate on whether the consideration will be realized. The effect on earnings arising from the changes of fair values of financial assets and liabilities classified at fair value hierarchy level 3 has been EUR 0.1 million (2021: EUR 0.3 million). Combination of OLO Apteekki Oy as an associated company using equity method was discontinued on 30.6.2022 and the remaining interest was classified as other receivables and measured at fair value. As a result of this, EUR -0.4 million was recognized in the income statement.

| EUR mill. 31 Dec 2021 | Financial assets and liabilities at fair value | Financial assets and liabilities at amortized cost | Carrying amount | Fair value | Fair value hierarchy |
|-----------------------------------|--|--|-----------------|--------------|----------------------|
| Financial assets | | | | | |
| Non-current | | | | | |
| Loan receivables | 0.1 | - | 0.1 | 0.1 | Level 2 |
| Unquoted equity investments | 0.8 | - | 0.8 | 0.8 | Level 3 |
| Current | | | | | |
| Trade receivables | - | 103.4 | 103.4 | 103.4 | |
| Contract assets | - | 15.0 | 15.0 | 15.0 | |
| Cash and cash equivalents | - | 38.1 | 38.1 | 38.1 | |
| Interest rate derivatives | 0.6 | - | 0.6 | 0.6 | Level 2 |
| Total | 1.6 | 156.5 | 158.1 | 158.1 | Level 3 |
| Financial liabilities | | | | | 0 |
| Non-current | | | | | Level 2 |
| Loans from financial institutions | - | 249.8 | 249.8 | 249.8 | 0 |
| Hire purchase liabilities | - | 8.1 | 8.1 | 8.1 | Level 2 |
| Contingent considerations | 5.4 | - | 5.4 | 5.4 | Level 3 |
| Current | | | | | |
| Loans from financial institutions | - | 115.6 | 115.6 | 115.6 | |
| Hire purchase liabilities | - | 5.3 | 5.3 | 5.3 | |
| Trade payables | - | 57.1 | 57.1 | 57.1 | |
| Contingent considerations | 2.8 | - | 2.8 | 2.8 | Level 3 |
| Interest rate derivatives | 1.2 | - | 1.2 | 1.2 | Level 2 |
| Total | 9.4 | 435.8 | 445.2 | 445.2 | |

14. Business Combinations

During the three months ended 30 June 2022, the Group has made nine business acquisitions.

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

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

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

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

On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy and occupational therapy service provider Suomen Fysiogeriatría Oy and an indirect 100 percent ownership in its subsidiaries Aktiivi-Fysioterapia Tampere Oy, Mimmin Terapia Oy and toi.minna Oy.

On 1 May 2022 Feelgood Företagshälsovård AB acquired 100 percent of the shares of the Swedish occupational health provider Jobbhälsan i Norr AB.

On 1 May 2022 Feelgood Svenska AB acquired 100 percent of the shares of the Swedish addiction treatment provider Nämndemansgården AB.

On 31 May 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Into Terveys Oy.

On 30 June 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Kunnon Syke Oy.

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

Consideration transferred

| EUR mill. | |
|--|-------------|
| Purchase price, payable in cash | 29.9 |
| Contingent consideration | 3.2 |
| Total consideration transferred | 33.1 |

Identifiable assets acquired and liabilities assumed

| EUR mill. | |
|---|-------------|
| Cash and cash equivalents | 3.4 |
| Intangible assets | 2.1 |
| Property, plant and equipment | 0.9 |
| Right-of-use assets | 3.5 |
| Deferred tax assets | 0.2 |
| Inventories | 0.1 |
| Trade and other receivables | 4.5 |
| Financial liabilities | -0.3 |
| Lease liabilities | -3.5 |
| Trade and other payables | -5.6 |
| Deferred tax liabilities | -0.4 |
| Total identifiable net assets acquired | 4.9 |
| Goodwill | 28.2 |

As a result of these business combinations, a preliminary goodwill amounting to EUR 28.2 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is not tax-deductible. Cashflow impact of the acquisitions made during 2022 was EUR 26.5 million.

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

The fair value of the acquired trade and other receivables amounted to EUR 4.5 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 0.8 million related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed revenue recognized from the acquisitions during the three months ended 30 June 2022 was EUR 7.6 million and loss was EUR 0.1 million.

If the acquisition had occurred on 1 January 2022, management estimates that the Group's consolidated revenue during the six months ended 30 June 2022 would have been EUR 655.3 million and the consolidated result for the period would have been EUR 36.5 million.

Business combinations 2021

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

Acquisition of Feelgood Svenska AB group

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

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

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

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

Consideration transferred

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

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

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

Cash flow impact of the acquisition

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

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

The accounting for the business combination is provisional at the reporting date. The fair value measurement of the assets acquired and the liabilities assumed is partly ongoing at the reporting date and are subject to adjustments until the valuation is finalized. Furthermore, a detailed review of Feelgood's accounting principles is ongoing at the reporting date. Customer relationships, trademarks and technology related intangible assets were recognized in the preliminary determination of fair values and the combined preliminary fair value of these assets was measured at EUR 18.0 million. A deferred tax liability of EUR 3.7 million was recognized for the beforementioned assets. The fair values of customer relationships and trademarks have been determined through the use of income approach which requires an estimate or forecast of expected future cash flows. The fair value of technology has been determined using the estimated replacement cost. The acquisition resulted preliminary in a goodwill amounting to EUR 41.4 million. The goodwill is

attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is not deductible for tax purposes.

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

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

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

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

Other acquisitions

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

On 28 February 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the dental clinic Espoon Keskuksen Hammaslääkärit Oy.

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

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

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

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

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

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

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

On 30 November Terveystalo Healthcare Oy acquired 100 percent of the shares of the Suomen Hierojakoulut Oy.

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

Consideration transferred

| EUR mill. | |
|--|-------------|
| Purchase price, payable in cash | 24.0 |
| Contingent consideration | 7.3 |
| Total consideration transferred | 31.4 |

Identifiable assets acquired and liabilities assumed

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

| | |
|-----------------|-------------|
| Goodwill | 26.0 |
|-----------------|-------------|

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

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

The fair value of the acquired trade and other receivables amounted to EUR 3.5 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 0.9 million related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed revenue recognized from the acquisitions during 2021 was EUR 15.7 million and the impact to the profit for the period was EUR 0.7 million.

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

15. Collateral and other contingent liabilities

| EUR mill. | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|---------------------------------|-------------|-------------|-------------|
| Business mortgages | 11.6 | 12.1 | 11.4 |
| Total | 11.6 | 12.1 | 11.4 |
| Securities for own debts | | | |
| Deposits | 0.2 | 0.2 | 0.2 |
| Guarantees | 0.5 | 0.9 | 0.9 |
| Total | 0.7 | 1.1 | 1.1 |

16. Group's key financial ratios

| EUR mill. unless stated otherwise | 4-6/2022 | 4-6/2021 | Change, % | 1-6/2022 | 1-6/2021 | Change, % | 2021 |
|---|----------|----------|-----------|----------|----------|-----------|---------|
| Revenue | 318.2 | 275.3 | 15.6 | 647.9 | 554.0 | 17.0 | 1,154.6 |
| Adjusted EBITDA, * ¹⁾ | 42.4 | 45.0 | -5.9 | 99.0 | 98.3 | 0.7 | 206.1 |
| Adjusted EBITDA, % * ¹⁾ | 13.3 | 16.4 | - | 15.3 | 17.8 | - | 17.8 |
| EBITDA ^{1) 2)} | 40.7 | 44.2 | -7.8 | 96.7 | 97.4 | -0.7 | 201.8 |
| EBITDA, % ¹⁾ | 12.8 | 16.0 | - | 14.9 | 17.6 | - | 17.5 |
| Adjusted EBITA * ¹⁾ | 24.1 | 29.5 | -18.2 | 63.1 | 67.7 | -6.8 | 141.0 |
| Adjusted EBITA, % * ¹⁾ | 7.6 | 10.7 | - | 9.7 | 12.2 | - | 12.2 |
| EBITA ¹⁾ | 22.5 | 28.7 | -21.6 | 60.7 | 66.7 | -8.9 | 136.7 |
| EBITA, % ¹⁾ | 7.1 | 10.4 | - | 9.4 | 12.0 | - | 11.8 |
| Adjusted operating profit (EBIT) * ¹⁾ | 16.2 | 23.6 | -31.4 | 48.1 | 56.0 | -14.1 | 114.4 |
| Adjusted operating profit (EBIT), % * ¹⁾ | 5.1 | 8.6 | - | 7.4 | 10.1 | - | 9.9 |
| Operating profit (EBIT) | 14.6 | 22.8 | -36.1 | 45.8 | 55.0 | -16.8 | 110.1 |
| Operating profit (EBIT), % | 4.6 | 8.3 | - | 7.1 | 9.9 | - | 9.5 |
| Return on equity (ROE), % ¹⁾ | - | - | - | 12.6 | 13.3 | - | 13.6 |
| Equity ratio, % ¹⁾ | - | - | - | 40.6 | 42.9 | - | 42.2 |
| Earnings per share (€) | 0.09 | 0.13 | -31.2 | 0.29 | 0.32 | -8.7 | 0.63 |
| Weighted average number of shares outstanding, in thousands | 126,548 | 127,307 | - | 126,472 | 127,307 | - | 127,180 |
| Net debt ¹⁾ | - | - | - | 557.3 | 529.4 | 5.3 | 519.0 |
| Gearing, % ¹⁾ | - | - | - | 92.1 | 87.0 | - | 85.2 |
| Net debt/Adjusted EBITDA (LTM) * ¹⁾ | - | - | - | 2.7 | 2.7 | - | 2.5 |
| Total assets | - | - | - | 1,493.9 | 1,419.0 | 5.3 | 1,448.6 |
| Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾ | - | - | - | 155.5 | 153.8 | 1.1 | 156.9 |
| Net debt, excluding IFRS 16 ¹⁾ | - | - | - | 383.0 | 347.2 | 10.3 | 340.6 |
| Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾ | - | - | - | 2.5 | 2.3 | - | 2.2 |
| Average personnel (FTEs) | - | - | - | 6,470 | 5,365 | 20.6 | 5,643 |
| Personnel (end of period) | - | - | - | 10,850 | 9,306 | 16.6 | 9,805 |
| Private practitioners (end of period) | - | - | - | 5,813 | 5,159 | 12.7 | 5,754 |

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

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

17. Calculation of financial ratios and alternative performance measures

Financial ratios

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

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

Alternative performance measures to the statement of financial position

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

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

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

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

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

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

Alternative performance measures to the statement of income

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

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

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

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

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

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

18. Reconciliation of alternative performance measures

| Adjusted EBITDA, EUR mill. | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Profit (loss) for the period | 11.1 | 16.2 | 36.4 | 40.1 | 80.4 |
| Income tax expense | 3.0 | 4.2 | 9.0 | 10.1 | 20.3 |
| Share of profits in associated companies | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 |
| Net finance expenses | 0.4 | 2.3 | 0.3 | 4.6 | 9.0 |
| Depreciation, amortization and impairment losses | 26.2 | 21.4 | 50.9 | 42.3 | 91.7 |
| Adjustments* | 1.7 | 0.8 | 2.3 | 1.0 | 4.3 |
| Adjusted EBITDA | 42.4 | 45.0 | 99.0 | 98.3 | 206.1 |

| Adjusted EBITDA, % | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Adjusted EBITDA | 42.4 | 45.0 | 99.0 | 98.3 | 206.1 |
| Revenue | 318.2 | 275.3 | 647.9 | 554.0 | 1,154.6 |
| Adjusted EBITDA, % | 13.3 | 16.4 | 15.3 | 17.8 | 17.8 |

| EBITDA, EUR mill. | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Profit (loss) for the period | 11.1 | 16.2 | 36.4 | 40.1 | 80.4 |
| Income tax expense | 3.0 | 4.2 | 9.0 | 10.1 | 20.3 |
| Share of profits in associated companies | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 |
| Net finance expenses | 0.4 | 2.3 | 0.3 | 4.6 | 9.0 |
| Depreciation, amortization and impairment losses | 26.2 | 21.4 | 50.9 | 42.3 | 91.7 |
| EBITDA | 40.7 | 44.2 | 96.7 | 97.4 | 201.8 |

| EBITDA, % | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|------------------|-------------|-------------|-------------|-------------|-------------|
| EBITDA | 40.7 | 44.2 | 96.7 | 97.4 | 201.8 |
| Revenue | 318.2 | 275.3 | 647.9 | 554.0 | 1,154.6 |
| EBITDA, % | 12.8 | 16.0 | 14.9 | 17.6 | 17.5 |

| Adjusted EBITA, EUR mill. | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Profit (loss) for the period | 11.1 | 16.2 | 36.4 | 40.1 | 80.4 |
| Income tax expense | 3.0 | 4.2 | 9.0 | 10.1 | 20.3 |
| Share of profits in associated companies | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 |
| Net finance expenses | 0.4 | 2.3 | 0.3 | 4.6 | 9.0 |
| Amortization and impairment losses | 7.9 | 5.9 | 14.9 | 11.6 | 26.6 |
| Adjustments* | 1.7 | 0.8 | 2.3 | 1.0 | 4.3 |
| Adjusted EBITA | 24.1 | 29.5 | 63.1 | 67.7 | 141.0 |

| Adjusted EBITA, % | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|--------------------------|------------|-------------|------------|-------------|-------------|
| Adjusted EBITA | 24.1 | 29.5 | 63.1 | 67.7 | 141.0 |
| Revenue | 318.2 | 275.3 | 647.9 | 554.0 | 1,154.6 |
| Adjusted EBITA, % | 7.6 | 10.7 | 9.7 | 12.2 | 12.2 |

| EBITA, EUR mill. | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Profit (loss) for the period | 11.1 | 16.2 | 36.4 | 40.1 | 80.4 |
| Income tax expense | 3.0 | 4.2 | 9.0 | 10.1 | 20.3 |
| Share of profits in associated companies | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 |
| Net finance expenses | 0.4 | 2.3 | 0.3 | 4.6 | 9.0 |
| Amortization and impairment losses | 7.9 | 5.9 | 14.9 | 11.6 | 26.6 |
| EBITA | 22.5 | 28.7 | 60.7 | 66.7 | 136.7 |

| EBITA, % | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|-----------------|------------|-------------|------------|-------------|-------------|
| EBITA | 22.5 | 28.7 | 60.7 | 66.7 | 136.7 |
| Revenue | 318.2 | 275.3 | 647.9 | 554.0 | 1,154.6 |
| EBITA, % | 7.1 | 10.4 | 9.4 | 12.0 | 11.8 |

| Adjusted operating profit (EBIT), EUR mill. | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|---|-------------|-------------|-------------|-------------|--------------|
| Profit (loss) for the period | 11.1 | 16.2 | 36.4 | 40.1 | 80.4 |
| Income tax expense | 3.0 | 4.2 | 9.0 | 10.1 | 20.3 |
| Share of profits in associated companies | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 |
| Net finance expenses | 0.4 | 2.3 | 0.3 | 4.6 | 9.0 |
| Adjustments* | 1.7 | 0.8 | 2.3 | 1.0 | 4.3 |
| Adjusted operating profit (EBIT) | 16.2 | 23.6 | 48.1 | 56.0 | 114.4 |

| Adjusted operating profit, (EBIT), % | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|--|------------|------------|------------|-------------|------------|
| Adjusted operating profit (EBIT) | 16.2 | 23.6 | 48.1 | 56.0 | 114.4 |
| Revenue | 318.2 | 275.3 | 647.9 | 554.0 | 1,154.6 |
| Adjusted operating profit (EBIT), % | 5.1 | 8.6 | 7.4 | 10.1 | 9.9 |

| Operating profit (EBIT), EUR mill. | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|--|-------------|-------------|-------------|-------------|--------------|
| Profit (loss) for the period | 11.1 | 16.2 | 36.4 | 40.1 | 80.4 |
| Income tax expense | 3.0 | 4.2 | 9.0 | 10.1 | 20.3 |
| Share of profits in associated companies | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 |
| Net finance expenses | 0.4 | 2.3 | 0.3 | 4.6 | 9.0 |
| EBIT | 14.6 | 22.8 | 45.8 | 55.0 | 110.1 |

| Operating profit, (EBIT), % | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|-----------------------------|------------|------------|------------|------------|------------|
| EBIT | 14.6 | 22.8 | 45.8 | 55.0 | 110.1 |
| Revenue | 318.2 | 275.3 | 647.9 | 554.0 | 1,154.6 |
| EBIT, % | 4.6 | 8.3 | 7.1 | 9.9 | 9.5 |

| Return on equity, % | 30 Jun 22 | 30 Jun 21 | 31 Dec 21 |
|---|-------------|-------------|-------------|
| Profit/loss for the period (LTM) | 76.7 | 78.6 | 80.4 |
| Equity (including non-controlling interest) (average) | 607.0 | 590.0 | 590.1 |
| Return on equity, % | 12.6 | 13.3 | 13.6 |

| Equity ratio, % | 30 Jun 22 | 30 Jun 21 | 31 Dec 20 |
|---|-------------|-------------|-------------|
| Equity (including non-controlling interest) | 605.1 | 608.6 | 608.9 |
| Total assets | 1,493.9 | 1,419.0 | 1,448.6 |
| Advances received | 5.2 | 1.7 | 6.1 |
| Equity ratio, % | 40.6 | 42.9 | 42.2 |

| Gearing, % | 30 Jun 22 | 30 Jun 21 | 31 Dec 21 |
|--|-------------|-------------|-------------|
| Interest-bearing liabilities | 599.7 | 563.9 | 557.2 |
| Interest-bearing receivables and cash and cash equivalents | 42.4 | 34.5 | 38.2 |
| Equity | 605.1 | 608.6 | 608.9 |
| Gearing, % | 92.1 | 87.0 | 85.2 |

| Net debt/Adjusted EBITDA (LTM) | 30 Jun 22 | 30 Jun 21 | 31 Dec 21 |
|--|------------|------------|------------|
| Interest-bearing liabilities | 599.7 | 563.9 | 557.2 |
| Interest-bearing receivables and cash and cash equivalents | 42.4 | 34.5 | 38.2 |
| Adjusted EBITDA (LTM) | 206.7 | 199.0 | 206.1 |
| Net debt/Adjusted EBITDA (LTM) | 2.7 | 2.7 | 2.5 |

| Adjusted EBITDA (LTM), excluding IFRS 16 | 30 Jun 22 | 30 Jun 21 | 31 Dec 21 |
|--|--------------|--------------|--------------|
| Profit (loss) for the period | 76.7 | 78.6 | 80.4 |
| Income tax expense | 19.2 | 19.5 | 20.3 |
| Share of profits in associated companies | 0.2 | 0.6 | 0.3 |
| Net finance expenses | 4.8 | 9.9 | 9.0 |
| Depreciation, amortization and impairment losses | 100.2 | 88.0 | 91.7 |
| Adjustments* | 5.6 | 2.3 | 4.3 |
| IFRS 16 lease expense adjustment | -51.2 | -45.2 | -49.2 |
| Adjusted EBITDA (LTM), excluding IFRS 16 | 155.5 | 153.8 | 156.9 |

| Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 | 30 Jun 22 | 30 Jun 21 | 31 Dec 21 |
|--|------------|------------|------------|
| Interest-bearing liabilities | 425.4 | 381.7 | 378.8 |
| Interest-bearing receivables and cash and cash equivalents | 42.4 | 34.5 | 38.2 |
| Adjusted EBITDA (LTM) | 155.5 | 153.8 | 156.9 |
| Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 | 2.5 | 2.3 | 2.2 |

| Adjustments*, EUR mill. | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|---|------------|------------|------------|------------|------------|
| Acquisition related expenses ⁽¹⁾ | 1.2 | 0.6 | 1.6 | 0.5 | 3.1 |
| Restructuring related expenses ⁽²⁾ | 0.4 | 0.1 | 0.6 | 0.1 | 0.3 |
| Gains and losses on sale of assets, net | - | - | - | - | - |
| Strategic projects and other items affecting to comparability | 0.1 | 0.2 | 0.2 | 0.3 | 0.8 |
| Adjustments | 1.7 | 0.8 | 2.3 | 1.0 | 4.3 |

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

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

²⁾ Including restructuring of network and business operations.