

Year 2023

Sustainability

Corporate Governance

Terveystalo Group's Report of the Board of Directors and Consolidated Financial Statements 2023

Terveystalo Annual Report 2023







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Report of the Board of Directors

Operating environment

Target markets

In 2023, demand for healthcare services in Finland continued to be strong. Seasonal variations in demand and booking Despite the stabilised inflation, some procurement categories had continued cost pressure. Terveystalo has actively rates normalised compared to the exceptional comparison period. Demand for basic laboratory services largely nornegotiated with its suppliers to limit the impact of inflation on costs. Electricity prices levelled off from the comparison malised to pre-pandemic levels. As the pandemic receded, customer visits were focused on brick-and-mortar as the period. One of the key areas of the profit improvement program is to fight inflation and reduce costs in selected product demand for COVID-19 testing, digital services, and remote appointments declined materially year-on-year.

Demand from corporate and insurance customers remained strong. In the public-pay market, staffing services saw continued strong demand. In the second half of the year, demand for out-of-pocket dental care services and massage services was dampened by weaker consumer confidence and purchasing power. The public-pay private-provision market is yet to see a broader increase in demand and new, smaller tenders have been limited to digital services.

In Sweden, increased economic uncertainty during the second half of the year affected the demand for organisation and leadership consultation and harmful use rehabilitation services, which are more sensitive to macroeconomic changes.

Terveystalo continued to invest in the recruitment of professionals throughout the year and was successful in steadily increasing supply. To strengthen supply, development efforts were increasingly shifted towards solutions that enhance the work and productivity of professionals.

A tight labour market and inflation created increasing pressure on operating costs, including wages, throughout 2023. The overall employment remains decent. However, significant changes could affect the demand for occupational health services in Finland.

The long-term growth prospects for Terveystalo's addressable markets in Finland and Sweden are solid; the underlying demand is strong, and megatrends, such as the ageing population, digitalisation of healthcare, and lengthening queues in public healthcare, support growth in the future. As the most preferred employer, Terveystalo is well-positioned to drive growth going forward, supported by its strong market position.

Financials

The impacts of inflation

and service categories.

A tight labour market, and continued inflation put upward pressure on wages in healthcare services. In the private healthcare sector, a two-year collective agreement is binding for the duration of 1 May 2022 - 30 April 2024, which applies to Terveystalo's largest group of employees, nurses. In 2022, salary increases were 2.0 percent from 1 October 2022 onwards, and for 2023, the increases were in total 2.95 percent and came into effect on 1 November 2023. In addition, the agreed, one-time instalment of 450 euros was paid in June 2023. In other professions, wage inflation is also present. The large majority of the physicians who work at Terveystalo are private practitioners (approximately 96 percent) who are not in employment with the company.

Terveystalo implements commercial initiatives to mitigate the effect of inflation as a part of the profit improvement program. The successful pricing actions impact both 2023 and 2024 financials.

The treatment queues and regulatory environment in Finland

The contraction of non-urgent care during COVID-19 restrictions resulted in a significant treatment gap for other illnesses. Treatment queues for specialised care have continued to grow. In August 2023, close to 178,000 patients were waiting for access to public provision of non-urgent specialised medical care according to Finnish Institute for Health and Welfare (THL). Of those patients, more than 30,500 (17.2 percent) had been waiting for more than half a year to get treatment. In August 2023, the number of patients who had been waiting for more than half a year for treatment had grown by 9,400 from April 2023.







The responsibility for the organisation of social and healthcare services was transferred to the 21 wellbeing services counties and the City of Helsinki at the beginning of 2023. The wellbeing services county councils decide on the 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 wellbeing services counties have launched smaller tenders for example digital service solutions, but no decisions on larger tenders from the private sector have so far been made.

The government program published in the summer of 2023 aims to increase cooperation between private and public healthcare and to improve the effectiveness and cost-efficiency of the healthcare system. As a first concrete measure, the government decided to raise Kela reimbursements. The new Kela reimbursements came into effect on 1 January 2024 (https://www.kela.fi/medical-expenses). In total, Kela compensations will be increased by 500 million between 2024 and 2027, of which the state's financial contribution is 335 million. The aim of increasing the reimbursements is to shorten the treatment queues in primary care. The measures of the government program are estimated to support the growth of demand for private service production and will bring new opportunities for the implementation of publicly funded and privately provided services.

Impact of the global political situation and conflicts

The direct impacts of political tensions and conflicts, such as the war in Ukraine, have been minimal to Terveystalo. The company does not have business operations in or with Ukraine, Israel, or countries that are subject to sanctions. The indirect financial impact arises from high inflation and potential disruptions in the supply chain and financial markets. The indirect economic impacts are visible in weakened consumer confidence and purchasing power. The impacts may also have a delayed economic impact through declining employment, which could negatively impact the demand for Terveystalo's services.

Financials

Guidance for 2024

Terveystalo estimates its revenue for 2024 to grow (2023: EUR 1,286 million) and its adjusted EBITA margin to be between 10.1 and 11.5 percent (9.8 percent in 2023).

The estimates are based on the end of 2023 projections for inflation, consumer demand and employment, normal morbidity, and a predictable labour market in Finland. The estimates include the impact of the successful completion of the profit improvement program and an annual decrease of approximately EUR 10 million in revenue in the Portfolio Businesses segment's outsourcing business. The Sweden segment's revenue is expected to decline due to macro weakness and the exchange rate is expected to remain stable. The estimates do not include significant acquisitions or divestments.

Financial targets

Terveystalo's financial targets are:

- annual revenue growth of at least 5 percent through organic growth and acquisitions
- an adjusted EBITA margin of at least 12 percent in 2025
- net debt/adjusted EBITDA ratio of 3.5x or less. However, indebtedness may temporarily exceed the target level, such as in conjunction with acquisitions
- to distribute a minimum of 40 percent of net profit as dividends annually. However, the dividend proposal must consider Terveystalo's long-term development potential and financial position.





Key figures

Terveystalo Group, MEUR	2023	2022	202
Revenue	1,286.4	1,259.1	1,154
Adjusted EBITDA, * ¹⁾	200.2	178.0	206
Adjusted EBITDA, % * 1)	15.6	14.1	17
EBITDA ¹⁾	179.2	168.8	201
EBITDA, % ¹⁾	13.9	13.4	17
Adjusted EBITA * ¹⁾	125.6	105.2	141
Adjusted EBITA, % * ¹⁾	9.8	8.4	12
EBITA ¹⁾	104.4	95.9	136
EBITA, % ¹⁾	8.1	7.6	11
Adjusted operating profit (EBIT) * ¹⁾	93.1	73.4	114
Adjusted operating profit (EBIT), % $^{*1)}$	7.2	5.8	ç
Operating profit (EBIT)	-14.7	33.9	110
Operating profit (EBIT), %	-1.1	2.7	ç
Return on equity (ROE), % ¹⁾	-7.6	4.1	13
Equity ratio, % ¹⁾	36.5	40.2	42
Earnings per share (€)	-0.33	0.19	0.6
Net debt	598.1	566.6	519
Gearing, % ¹⁾	116.0	95.7	85
Net debt/Adjusted EBITDA ¹⁾	3.0	3.2	2
Total assets	1,419.5	1,479.4	1,448
Average personnel FTE	6,426	6,552	5,64
Personnel (end of period)	9,824	10,933	9,80
Private practitioners (end of period)	6,092	5,928	5,75

Financials

Terveystalo Group, MEUR	2023	2022	20
Adjusted EBITDA, excluding IFRS 16 * ¹⁾	142.8	122.2	150
Net debt, excluding IFRS 16	379.0	386.8	34(
Net debt/Adjusted EBITDA, excluding IFRS 16 $^{*1)}$	2.7	3.2	

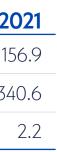
* Adjustments are material items outside the ordinary course of business, and these relate to acquisition-related expenses, restructuringrelated expenses, gain / losses on sale of assets (net), impairment losses, strategic projects and other items affecting comparability.

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 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 a substitute to the measures under IFRS.

Share-related key figures

Share-related key figures	2023	2022	20
Equity per share, EUR	4.1	4.7	Z
Earnings per share, EUR	-0.33	0.19	0.
Dividend per share, EUR	0.30	0.28	0.
Dividend payout ratio, %	190.9%*	145.0%	44.3

*In 2023, the dividend payout ratio of adjusted earnings per share (0.47 EUR) was 63.8 percent.





Financial development

Revenue

The Group's revenue for 2023 increased by 2.2 percent year-on-year and amounted to EUR 1,286.4 (1,259.1) million. The Healthcare Services segment revenue increased by 5.7 percent and was EUR 948.6 (897.8) million. The revenue increase was mainly driven by improved sales mix and successful pricing actions.

Visits to laboratory services decreased substantially year-on-year as COVID testing decreased. A total of approximately 6,800 (335,000) COVID-19 tests were performed¹⁾. Revenue from other laboratory services increased year-onyear. Revenue from surgical operations and imaging services grew year-on-year.

The Portfolio Businesses segment revenue decreased by 8.1 percent million due to expired outsourcing contracts and was EUR 267.2 (290.7) million. The revenue from Sweden decreased by 0.4 percent and came to EUR 92.5 (92.8) million. Without the currency effect, the revenue grew by 7.2 percent. Acquisitions increased revenue in Sweden by approximately EUR 4.6 million.

¹⁾ Excludes sample collection services

Revenue, MEUR	2023	2022	Change, %
Healthcare Services	948.6	897.8	5.7
Portfolio Businesses	267.2	290.7	-8.1
Sweden	92.5	92.8	-0.4
Eliminations	-21.8	-22.2	-1.7
Total	1,286.4	1,259.1	2.2

Financials

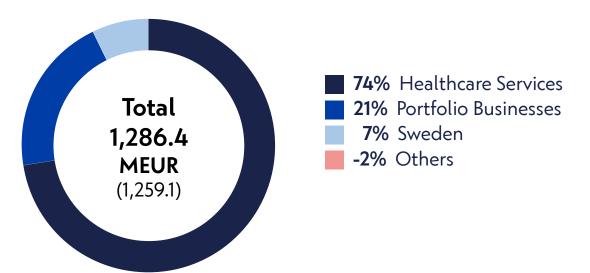
Financial performance and cash flow

The Group's adjusted earnings for 2023 before interest, taxes, amortisation, and impairment losses (EBITA) increased by 19.4 percent to EUR 125.6 (105.2) million, representing 9.8 (8.4) percent of revenue. Profitability improved in all business areas. Profitability was strengthened by normalization of the sales mix, successful pricing actions, and the progress of the profit improvement program.

Adjusted EBITA, MEUR	2023	2022	Change
Healthcare Services	109.0	99.2	
Portfolio Businesses	8.7	3.5	14
Sweden	3.7	2.6	4
Other	4.2	-0.1	>20
Total	125.6	105.2	1

*Section Other reported figures mainly consist of parent company expenses, unallocated Group level adjustments, and provisions.







Material expenses and service purchasing increased by 2.0 percent year-on-year and amounted to EUR 536.2 (525.7) million. Employee benefit expenses decreased by 1.8 percent year-on-year and amounted to EUR 447.0 (455.0) million due to the actions of the profit improvement program, lower sick leaves, and terminated outsourcing contracts. The decrease was partially offset by recruitment and salary increases. Other operating expenses increased by 14.2 percent to EUR 128.2 (112.3) million mainly due to advisory fees of the profit improvement program, as well as higher costs related to rents and premises.

The Group's adjusted EBITDA increased by 12.5percent year-on-year to EUR 200.2 (178.0) million. Adjusted EBIT amounted to EUR 93.1 (73.4) million. Operating result (EBIT) came to EUR -14.7 (33.9) million. The operating result was weakened by EUR 84.6 million write-offs related to goodwill and purchase price allocations relating to public outsourcing customer relationships within the Portfolio Businesses. In the comparison period, impairment of other intangible assets EUR 28.9 million decreased the operating profit.

Net financing costs increased to EUR 24.2 (2.9) million due to the increased interest rate, as well as the increase in the fair value of interest rate hedges during the comparison period. The result before tax was EUR -38.9 (30.9) million. Income taxes were EUR -3.3 (6.5) million. The result for the reporting period amounted to EUR -42.2 (24.4) million, and earnings per share were EUR -0.33 (0.19).

Cash flow from operating activities increased to EUR 158.0 (140.9) million due to improved profitability and timing differences in corporate tax payments. Growth was dampened by growth in working capital employed.

Cash flow from investing activities decreased to EUR -44.2 (-93.9) million. The change from the comparison period mainly consisted of a decrease in M&A activities and investments in intangible assets.

Cash flow from financing activities amounted to EUR -116.2 (-44.6) million. The change from the comparison period was mainly due to refinancing and increased net financial expenses during the reporting period.

Profit improvement programs

During the fourth quarter of 2022, Terveystalo launched a profit improvement program, which aims for an inflation-adjusted, annualised (run-rate) EBITA improvement of at least EUR 50 million by the end of 2024. The program progressed well, and the overall target was exceeded ahead of schedule. The measures implemented by the end of the reporting period are estimated to have an annual run-rate impact of over EUR 60 million on profitability. The adjusted EBITA impact of the program during the fourth quarter was approximately EUR 13 million and during 2023 EUR 37 million.

During the fourth quarter of 2022, a profit improvement program was launched in Sweden targeting a structural change in the profitability in 2025.

The total costs related to the programs in 2022–2024 are estimated to be EUR 30-35 million. The costs are related to restructuring and advisory fees. Advisory fees are tied to the results achieved by the programs. The costs of the programs are treated as items affecting comparability. The costs of the programs, treated as items affecting comparability, were EUR 5.3 million during the fourth quarter and EUR 21.7 million during 2023.

Financials

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 37.7 (40.2) million. The total assets of the Group amounted to EUR 1,419.5 (1,479.4) million.

Equity attributable to owners of the parent company totalled EUR 515.4 (592.0) million.

Gearing (including lease liabilities) was 116.0 (97.7) percent and net debt amounted to EUR 598.1 (566.6) million. The increase in net debt is mainly due to lease liabilities. Net debt, excluding IFRS 16 (lease liabilities) amounted to EUR 379.0 (386.8) million. The average maturity of Terveystalo's financial loans was 3.0 (2.3) years at the end of the fourth quarter of 2023, and the weighted average interest rate for the quarter was 4.8 (1.2) percent. During the reporting period, the company fulfilled the covenant requirement included in its financing agreements reflecting relative indebtedness.

During the reporting period, the company signed an agreement for a long-term loan of EUR 135 million linked to sustainability targets and refinanced the current revolving credit facility. The loan is a bullet loan, and the maturity of the loan is three years supplemented by an extension option of one year. EUR 125 million of the loan was withdrawn and used to refinance bank loans maturing during 2023 and 2024. In connection with the refinancing, the company agreed on the refinancing of a EUR 40 million revolving credit facility maturing in 2024. The maturity of the syndicated credit revolving facility is three years supplemented by an extension option of one year.

During the second quarter of 2023, Terveystalo issued senior unsecured sustainability-linked notes in the aggregate principal amount of EUR 100 million. The notes will mature on 1 June 2028 and carry initially a fixed annual interest of 5.375 percent. The notes were listed on the official list maintained by Nasdaq Helsinki Ltd on 5 June 2023.

At the end of the reporting period, the unused part of credit based on financing agreements and bank accounts with a credit facility amounted to EUR 98.0 (99.6) million.

Return on equity for financial year was -7.6 (4.1) percent. The equity ratio was 36.5 (40.2) percent. In accordance with the 2023 Annual General Meeting's decision, a dividend of EUR 0.28 per share has been paid based on the balance sheet adopted for the fiscal year ending 31 December 2022. The dividend was paid in two instalments. The first dividend instalment was paid to shareholders on 3 April 2023 and the second dividend instalment on 9 October 2023.



Seasonal variation and the impact of the number of business days **Development expenses**

Terveystalo's revenue from corporate and private customers has typically been lower during the vacation seasons, particularly in the summer months. The number of business days influences the revenue and earnings development, particularly when comparing quarterly performance. There was 251 (253) working days in 2023. In 2024, there are 252 working days. 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.

Number of working days by quarter	2022	2023	202
Q1	63	64	6
Q2	61	60	(
Q3	66	65	6
Q4	63	62	6
Full year	253	251	25

Investments and acquisitions

Net investments* in 2023, including M&A, amounted to EUR 43.9 (94.1) million. The Group's net capital expenditure, excluding M&A, amounted to EUR 40.2 (60.0) million. The investments consisted mainly of investments in digital application and service development, IT system projects, medical equipment, and network. The relative share of intangible investments in gross investments decreased year-on-year.

During the second quarter, Terveystalo subsidiary, Feelgood Svenska AB, entered into agreements for two acquisitions. Feelgood acquired Växjö Hälsoforum and Quality Care's operations, of which the former was finalised during the third quarter and the latter during the fourth quarter.

*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

Financials

Capitalised development expenses in 2023 were EUR 23.2 (16.4) million and were included in other intangible assets.

Personnel

The number of Terveystalo's employed staff on 31 December 2023 in Finland was 8,950 (10 100), in Sweden 874 (833) and in total 9,824 (10,933). In FTEs, the average number of personnel in Finland was 5,596 (5,865), in Sweden 829 (687) and in total 6,426 (6,552). The number of private practitioners in Finland was 5,987 (5,822), in Sweden 105 (106) and in total 6,092 (5,928). The number of employees in Finland was affected by a reduction in the number of employees working in COVID-19 related services, the measures of the profit improvement program and the termination of outsourcing contracts.

Reporting segments

Starting from 1 January 2023, Terveystalo has changed its financial reporting structure to better highlight the performance of Terveystalo's businesses. The new reporting structure reflects Terveystalo's new operating model and is aligned with the way the company's management follows the operational performance of Terveystalo's businesses. Terveystalo Group comprises of three reporting segments: Healthcare Services, Portfolio Businesses, and Sweden.

Healthcare Services

Healthcare Services business segment offers customers in Finland integrated care paths from preventive occupational health services to primary care services and to different fields of specialized care, diagnostic, and day surgery. In Healthcare Services, Terveystalo aims for industry-leading profitability and the best care outcomes.

Key figures

	2023	2022	Change, %
Revenue, MEUR	948.6	897.8	5.7
EBITA, MEUR	107.1	93.8	14.2
EBITA, %	11.3%	10.4%	0.8%-p.
Adjusted EBITA, MEUR	109.0	99.2	9.9
Adjusted EBITA, % of revenue	11.5%	11.0%	0.4%-p.

The revenue from Healthcare Services for 2023 increased by 5.7 percent and was EUR 948.6 (897.8) million. The revenue from corporate customers increased by 7.9 percent to EUR 564.0 (522.9) million. Revenue from preventive occupational health services¹⁾ increased year-on-year. Revenue from healthcare appointments also increased, even though the sales from COVID-related services dropped year-on-year. The revenue from consumers increased by 6.4 percent to EUR 296.1 (278.4) million. Revenue increased especially due to higher sales from services produced for insurance companies. The revenue from public sector customers decreased by 8.3 percent to EUR 88.5 (96.4) million due to terminated contracts and ending of COVID-related services sales. Revenue from services provided for municipal occupational health customers grew due to successful pricing actions.

The revenue from appointment services increased by 11.2 percent to EUR 618.3 (556.3) million mainly due to improved customer mix and successful pricing actions. The number of physical appointments increased slightly yearon-year. The number of remote appointments decreased by 19.0 percent due to the COVID-related digital visits during the comparison period. Revenue from diagnostics services (laboratory and imaging) decreased by 8.2 percent and was EUR 229.6 (250.0) million. The number of laboratory visits decreased clearly from the comparison period when there was a high number of COVID tests done. Excluding COVID testing, the number of laboratory visits increased from the comparison period. The revenue from other services increased by 10.0 percent and was EUR 100.7 (91.5) million driven by surgical operations.

Financials

	Revenue, MEUR	2023	2022	Change,
	By customer	2025		change,
	Corporate	564.0	522.9	
	Consumer	296.1	278.4	(
	Public sector	88.5	96.4	-(
)	By service			
,	Appointments	618.3	556.3	1
	Diagnostics	229.6	250.0	-{
	Other	100.7	91.5	1(
	Appointments Diagnostics	229.6	250.0	

Healthcare Services, revenue by customer groups, and services

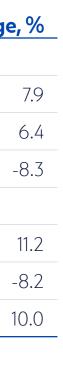
Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health customers, excluding municipal occupational healthcare customers, which are included in the public sector customer group. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes.

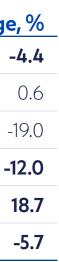
Consumer customers are Terveystalo's third-largest customer group. Consumer customers include private individuals and families. Services for consumers are paid for either by the customers themselves or by their insurance companies.

The services offered to **public sector** customers include specialized care services, other healthcare services produced in the clinic network, as well as occupational health services for the public sector. Outsourcing and staffing services are included in Portfolio Businesses.

Healthcare Services, number of visits

2022 Visits 2023 Change, % 6,351,339 Appointments 6,069,111 Physical appointments 4,750,619 4,723,915 Remote appointments 1,318,492 1,627,424 Diagnostics 1,285,980 1,460,908 41,278 Other 48,984 Total 7,404,075 7,853,525





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 counselling; 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.



In 2023, adjusted earnings before interest, taxes, amortisation, and impairment losses (EBITA) increased by 9.9 percent and amounted to EUR 109.0 (99.2) million, representing 11.5 (11.0) percent of revenue. The drop in COVID-19 testing volumes had a negative impact on profitability, whereas successful pricing actions and improved sales mix in non-COV ID-related services strengthened the profitability. The profit improvement program targeting at least 50-million-euro annualised (run-rate) EBITA improvement by the end of 2024, progressed well and the overall target was exceeded ahead of schedule. The measures implemented by the end of the reporting period are estimated to have an annual rur rate impact of over EUR 60 million on profitability. The adjusted EBITA impact of the program during 2023 was EUR 37 million.

Portfolio Businesses

The Portfolio Businesses segment consists of business areas that aim for independent value creation utilising Terveystalo's capabilities according to their needs. Portfolio Businesses include public sector outsourcing, staffing services, and dental care, as well as other businesses such as public sector digital services, rehabilitation, child welfare, and massage services, as well as interpretation services.

Key figures

	2023	2022	Change, %
Revenue, MEUR	267.2	290.7	-8.1
EBITA, MEUR	8.3	2.0	>200.0
EBITA, %	3.1%	0.7%	2.4%-р.
Adjusted EBITA, MEUR	8.7	3.5	149.4
Adjusted EBITA, % of revenue	3.3%	1.2%	2.1%-р.

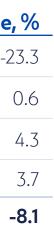
Financials

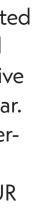
Portfolio Businesses, revenue by services

)V-	Revenue, MEUR	2023	2022	Change,
)	Outsourcing services	91.1	118.7	-23
	Staffing services	84.7	84.1	С
un- 37	Dental care	54.5	52.2	Z
	Other	36.9	35.6	
	Total	267.2	290.7	-8

In the Portfolio Businesses, revenue in 2023 decreased by 8.1 percent and amounted to EUR 267.2 (290.7) million. Revenue from outsourcing services decreased by 23.3 percent due to terminated outsourcing contracts and amounted to EUR 91.1 (118.7) million. Revenue from staffing services increased by 0.6 percent driven by growth in the demand for specialised care and amounted to EUR 84.7 (84.1) million. Higher demand for specialist care services had a positive impact on revenue. Revenue from nurse staffing decreased due to a decrease in COVID-related services year-on-year. Revenue from dental care increased by 4.3 percent and amounted to EUR 54.5 (52.2) million. Revenue from other services increased by 3.7 percent and amounted to EUR 36.9 (35.6) million.

In 2023, adjusted earnings before interest, taxes, amortisation, and impairment losses (EBITA) increased to EUR 8.7 (3.5) million, representing 3.3 (1.2) percent of revenue. Termination of low-margin outsourcing contracts, successful pricing actions, cost cutting, as well as increased demand improved profitability year-on-year. Higher costs of specialised care in outsourcing services, as well as inflation impacted negatively.





Terveystalo

Sweden

The Sweden segment consists of Feelgood subsidiaries' operations in Sweden, which are focused on occupational health and consultation for organisational management and harmful use. In Sweden, Terveystalo aims for profitable growth in the medium and long term.

Key figures

	2023	2022	Change, S
Revenue, MEUR	92.5	92.8	-0.
EBITA, MEUR	2.1	1.9	10
EBITA, %	2.3%	2.0%	0.2%-
Adjusted EBITA, MEUR	3.7	2.6	42
Adjusted EBITA, % of revenue	4.0%	2.8%	1.2%-

In the Sweden segment, revenue in 2023 decreased by 0.4 percent and amounted to EUR 92.5 (92.8) million. The weakening of the Swedish krona from the comparison period had a negative impact on revenue. Without the currency effect, the revenue grew by 7.2 percent. Demand was at a good level during the first half of the year, particularly in organisational leadership consultation and harmful use rehabilitation services. During the third quarter, the demand for preventive occupational health services started to pick up slower after the holiday period than the previous year. During the second half of the year, the increased economic uncertainty affected the demand for services, which are sensitive to macroeconomic changes. Acquisitions increased revenue in Sweden by approximately EUR 4.6 million.

In 2023, adjusted earnings before interest, taxes, amortisation, and impairment losses (EBITA) increased by 42.5 percent to EUR 3.7 (2.6) million, representing 4.0 (2.8) percent of revenue. Profitability was strengthened by increased operational efficiency. During the fourth quarter, a profit improvement program was launched in the business area targeting a structural change in the profitability in 2025.

Statement of non-financial information

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Terveystalo is the largest private health care service provider in Finland in terms of revenue and network and a leading occupational health provider in the Nordic region. Terveystalo employs in total over 15,500 health and well-being professionals. The company is listed on the Helsinki Stock Exchange and has predominantly Finnish ownership. In 2023, Terveystalo had 1.2 million individual customers in Finland and some 7.6 million customer visits were made.

Terveystalo's mission is to fight for a healthier life by focusing on meaningful matters. Terveystalo's strategy is to deliver integrated, data-driven outpatient and preventive care with best-in-class care outcomes and people experience. The key targets are to reach industry-leading profitability and to have a net positive impact on society. Terveystalo's values constitute the foundation for all Terveystalo's operations.

Terveystalo reports on its sustainability work as part of the Annual Report. This section summarizes the key themes, targets, and results. The double materiality assessment conducted in 2023 serves as the foundation for Terveystalo's sustainability efforts and the specifies the information included in sustainability reporting. Terveystalo's material sustainability themes are related to Terveystalo's consumers and end users, own workforce and ethical business conduct. In addition, Terveystalo promotes sustainable consumption and climate action.

Terveystalo's sustainability efforts are guided by the company's Code of Conduct, values, and strategic goals as well as the material sustainability themes based on the double materiality assessment. Terveystalo is committed to the UN Guiding Principles on Business and Human Rights, the conventions of the International Labour Organisation (ILO), and the Ten Principles of the UN Global Compact.

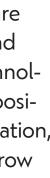
Terveystalo's systematic sustainability management aims to ensure that the company achieves its sustainability targets. The continuous improvement model ensures that Terveystalo's services will continue to create value for customers in the future.

The most significant risks related to material sustainability themes are assessed and mitigated as part of the company's overall risk management process.

There is a constant shortage of educated professionals in the industry while the need and demand for healthcare services continues to grow. The main sustainability risks are related to the availability of health care professionals and thus access to care. The company mitigates these risks by, among other things, automating routine tasks, using technology, and allocating resources according to the need for care. In addition, the company continues to strengthen its position as the most attractive workplace in the industry by developing, among other things, multi-professional cooperation, and leadership. Terveystalo believes it can leverage its position as the most attractive employer in the industry to grow faster than the market.







Good health and well-being

The core of Terveystalo's operations and the company's key positive impact is the provision of appropriate, high-quality, in occupational healthcare in the treatment of people diagnosed with depression or anxiety disorders. When more effective, and safe care for all customers. Terveystalo is a pioneer in data-driven integrated care. The company uses data patients receive care at an early stage, resources for long-term rehabilitative psychotherapy are freed up for those who to support care and target effective prevention and continuously measures the effectiveness of care and the benefits to need it due to the severity of their condition. Terveystalo has systematically developed mental health care paths and the customer. The company's integrated care model provides fast access to care, links the different stages of care into increased the proportion of patients referred to brief psychotherapy. seamless multi-professional and multi-channel care paths, and actively guides the patient, supporting continuity of care throughout the care paths. Terveystalo's digital solutions play a key role in integrated care paths and their development.

Quality is managed at all levels of the organisation

The cornerstones of Terveystalo's quality management system are patient safety and the national legislation governing the industry. Quality is managed on all levels of the organisation. The quality system ensures fast access to care and patient safety, a high-quality and continuously evolving customer experience, data protection and security, compliance, and continuous improvement of the effectiveness of care. Terveystalo's operations are guided by the company's operating policy, quality policy, internal control and risk management policy, self-auditing program, Code of Conduct, and data protection and information security policy. The harmonised processes and procedures that ensure patient safety and high-quality care are documented in Terveystalo's integrated management system. Policies and procedures on the data protection of patient data are documented in the Data Protection Handbook for patient care. Terveystalo's operations are also guided by the ISO 9001:2015 quality management system, the Current Care Guidelines and the laws and regulations governing the industry and the operations of private service providers, and customer agreements.

Targets for quality and effectiveness of care

Terveystalo has defined three key targets to promote the achievement of Terveystalo's quality objectives. Two of the targets are also included in the sustainability-linked financing framework published in 2023.

Effective care for mental health issues

Mental health issues are among the three most common diagnosis categories in Terveystalo and are a significant cause of human suffering, related sickness absences, and early retirement in Finland. Providing appropriate and effective treatment for mental health problems is one of the priorities of Terveystalo's medical quality development. Patients who receive brief psychotherapy recover faster than those given only sick leave and/or medication. Patients who go through brief psychotherapy also have fewer sickness absences. Terveystalo aims to increase the use of brief psychotherapy

Financials

Terveystalo's target is to increase the share of occupational healthcare patients diagnosed with anxiety or depression and who are referred to brief psychotherapy to 25 percent by 2026. In 2023, the share of occupational health patients referred to brief psychotherapy was 12.6 (8.5) percent of all occupational health patients diagnosed with anxiety or depression. Total number of diagnoses of depression and anxiety in occupational health was 87,335 (80,702). The results achieved in 2023 were in line with the target.

Excellent customer experience

NPS (Net Promoter Score) is Terveystalo's most important indicator of the quality of the customer experience. Terveystalo aims to stand out by providing an excellent experience in all customer encounters. The company develops its services by listening to customers and utilising new technology. NPS expresses the share of Terveystalo's patients who would recommend Terveystalo's services to others. Terveystalo's NPS is exceptionally high compared to the industry average (38), and maintaining this performance requires a continuous effort.

Terveystalo's target is to maintain a customer satisfaction score (NPS) of at least 83. In 2023, the NPS for appointments was 84.8 (82.7).

Effective care at every visit

Terveystalo uses PEI indicator (Patient Enablement Instrument) to measure the appointment-specific effectiveness of care. PEI measures the customer's perception of coping with their illness or condition after an appointment that is, whether the customer feels that they can cope with their symptom or illness much better, better, same as before, or worse after the appointment (on a scale of 1–4). The aim of collecting individual customer feedback is to improve both the customer experience and the professional experience. The PEI indicator is commonly used in primary healthcare, and it has been selected by the Finnish Institute for Health and Welfare (THL) as one of the key indicators for measuring the effectiveness of Finnish healthcare in the future.

Terveystalo's target is to maintain an appointment-specific PEI index of at least 2.9. In 2023, the PEI index was 2.9 (2.9). Approximately 60 percent of Terveystalo's customers feel they cope better or much better with their illness after an appointment.









Corporate Governance

Good health and well-being

Target	Indicator (KPI)	Scope of application	Target level	Target year	Base year	2023	2022	2021
Increase the share of occupa- tional healthcare patients diagnosed with anxiety or depression and who are referred to brief psycho- therapy to 25% by 2026 ¹⁾	The share of occupational healthcare patients diagnosed with anxiety or depression and who are referred to brief psychotherapy	Occupational healthcare customers in Finland	25%	2026	2022	12.6%	8.5%	6.2%
Maintain a customer satisfaction score (NPS) of at least 83 ²⁾	NPS (Net Promoter Score) for appointments	Terveystalo's customers, who have visited appointments in Finland	At least 83	Continuous	2022	84.8	82.7	83.0
Maintain an appointment- specific PEI index ³⁾ of at least 2.9	PEI index (Patient Enablement Instrument)	Terveystalo's customers who have visited doctor's appointments in Finland	At least 2.9	Continuous	2022	2.9	2.9	-

¹⁾ Occupational healthcare patients with a diagnosis of depression or anxiety and who are referred to brief psychotherapy / Occupational healthcare patients with a diagnosis of depression or anxiety. ²⁾ NPS measures the individual patient's experience of the service received shortly after the service experience. The patient is asked to assess how likely (on a scale of 0–10) they are to recommend Terveystalo's services. The Net Promoter Score is calculated by subtracting the share of those who gave a score of 0–6 (detractors) from the share of those gave a score of 9–10 (promoters). ³⁾ The PEI index (Patient Enablement Instrument) is used to measure whether the customer feels that they are able to cope with their symptom or illness much better, better, same as before,

or worse after the appointment. The scale is 1-4.

In addition to the aforementioned targets, Terveystalo continuously measures its clinical, experienced and process results based on international best practices and publishes its continuously updated quality indicators on its website. The progress against the quality targets is monitored by Terveystalo's Quality Steering Group on a quarterly basis.

Responsible work

Competent and committed personnel form the foundation for Terveystalo's operations. There are shortages of competent professionals in many places, and the most significant risks in the line of operation related to personnel are related to the availability and retention of competent professionals. A key strategic goal for Terveystalo is to ensure that the company has enough health and well-being professionals to meet the growing demand and achieve its strategic targets. Terveystalo aims to be the best and most attractive employer in its industry.

Terveystalo's attractiveness as an employer and the occupational well-being and job satisfaction of the people who work at Terveystalo constitute the foundation for all operations. Terveystalo strives to strengthen its attractiveness as a workplace by providing professionals with interesting and meaningful work, competitive pay, diverse career, and development opportunities, and ensuring that professionals can work smoothly and focus on meaningful matters. Equality, fairness and non-discrimination are core principles. In 2023, Terveystalo was rated by industry professionals as the most popular employer in Finland for the fourth consecutive time¹⁾.

At the end of 2023, Terveystalo had 8,950 (10,100) employees and 5,987 (5,822) independent private practitioners in its operations in Finland. In Sweden, Terveystalo's subsidiary Feelgood had 874 (833) employees and 105 (106) private practitioners. The number of employees in Finland was affected by a reduction in the number of employees working in COVID-19 related services, the measures of the profit improvement program and the termination of outsourcing contracts.

Terveystalo's operating principles concerning human resources management

Terveystalo has drawn up operating principles for managing material impacts on its personnel. Terveystalo's Code of Conduct includes key principles concerning equality, fairness and non-discrimination. In accordance with Finnish law, Terveystalo respects the right of its employees to be members of trade unions or similar advocacy organisations and participate in their activities. Terveystalo also respects the collective bargaining rights of employees. Eighty percent of Terveystalo's employees in Finland are covered by collective labour agreements. In Sweden, the corresponding figure is 100 percent.

Terveystalo's work community development plan includes targets and actions for developing and maintaining professional competence and promoting occupational well-being. The development plan also includes Terveystalo's equality and non-discrimination plan. Pay equality is assessed and promoted as part of the work community development plan. Gender, for example, cannot be a factor that influences pay. Terveystalo's working group on equality became operational at the beginning of 2023. Its aim is to promote equality in Terveystalo's work communities and customer encounters.

¹⁾Universum employer survey 2023

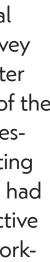
Financials

One of the areas of Terveystalo's people strategy is the development of meaningful and competitive incentive and remuneration models that strengthen the performance and commitment of professionals and Terveystalo's attractiveness as an employer. Terveystalo's remuneration principles are set out in the remuneration policy and are based on performance, fairness and competitiveness. The aim is to ensure that Terveystalo is an attractive employer for motivated and skilled professionals. Remuneration must support the achievement of Terveystalo's strategic targets, incentivise behaviour that is consistent with Terveystalo's values, and reward excellent performance.

Terveystalo's goal is to be the best and most attractive employer in its industry

Terveystalo's goal is to be the best and most attractive employer in its industry for all professionals. The professional survey is one of Terveystalo's most important tools for improving internal procedures and supervisor work. The survey is aimed at all of Terveystalo's professionals, including private practitioners. In the survey, the employee Net Promoter Score (eNPS) is used as a key indicator of well-being and coping at work. The eNPS figure indicates the proportion of the employees and private practitioners who would recommend Terveystalo as a workplace to others. In the 2023 professional survey, the eNPS recommendation index was 19 (28). In 2023, Terveystalo implemented changes to its operating model and streamlined organisational structures in connection with a profit improvement program. These changes had a negative impact on the eNPS. Terveystalo's long-term strengths include well-functioning work communities, effective cooperation and good team leadership. These were perceived increasingly positively. The willingness to continue working at Terveystalo also remained at a good level. The target is for the eNPS indicator to be at least 25 in 2025.





Terveystalo	Year 2023	Sustainability	Corporate Governance	Financials			
+ Responsible work			Полема — П			2027	2022
Target	Indicator (KPI)	Scope of app	olication Target le	vel Target year	Base year	2023	2022
Being the industry's best and most attractive employer	Employee Net Promoter Scor (eNPS)	re Terveystalo's e and private pr		25 2025	2022	19	28

The employee Net Promoter Score (eNPS) indicates the proportion of the personnel and private practitioners who would recommend Terveystalo as a workplace to others.

Well-being and strong work communities

The development of occupational safety at Terveystalo is focused on the identification, prevention, and mitigation The core of Terveystalo's people strategy is to build strong work communities with a humanely efficient working culture where people have high job satisfaction and their work is smooth and productive. To achieve this, Terveystalo looks after of health hazards and adverse health impacts arising from working conditions, as well as protecting and promoting the the health and safety of the personnel by providing occupational health services that exceed the legal requirements safety, work ability, and health of employees. An annual action plan is drawn up for the development of occupational and by continuously developing the safety culture in work communities. Nurturing a healthy work-life balance is part of safety. In 2023, the goal was to develop the systematic management of occupational safety at the individual, unit, busia humanely efficient working culture. Terveystalo's work communities are equal, non-discriminatory, and diverse. Good ness, and Group levels by, for example, clarifying responsibilities related to occupational safety, ensuring careful orienand effective supervisory work is a key factor in performance and job satisfaction, and it is strengthened by supporting tation training, and increasing occupational safety management through supervisory work. A new operating model for the risk assessment of work tasks was introduced in 2023. and training supervisors. All occupational accidents and commuting accidents at Terveystalo are reported and investigated. The operational safety is further developed with the help of safety observations. Terveystalo has not had any occupational accidents or commuting accidents resulting in death or severe injury for years. The accident frequency in Finland in 2023 was 20 (18).

Occupational safety

In Sweden (Feelgood), occupational health and safety are organised following the Swedish legislation. The certified The occupational safety of Terveystalo's personnel in Finland is developed and managed at the Group level, taking company-specific and business-specific differences into account. The different levels of the organisation know and recognize ISO 45001 occupational health and safety system guides the operations. The number of accidents in Sweden in 2023 their responsibilities concerning ensuring occupational safety in compliance with Finnish legislation. Terveystalo's goal is was 16 (13). to be a safer working environment every day.

Terveystalo

Occupational healthcare

Occupational healthcare plays a key role in the identification of health risk factors and the prevention of illnesses. In Finland, Terveystalo's occupational healthcare and occupational safety are organised on a company-specific and regional basis in accordance with Finnish legislation. According to the law, the employer shall arrange occupational healthcare at its own expense to prevent and control health risks and problems related to work and working conditions and to protect and promote the safety, working capacity, and health of employees.

In addition to the statutory requirements, Terveystalo provides its employees in Finland with a comprehensive range of primary healthcare, specialised care, and well-being services, such as occupational physiotherapy and services that support mental well-being. Short-term psychotherapy is also a part of Terveystalo's occupational health services.

Terveystalo itself provides occupational healthcare services to its personnel throughout Finland. Terveystalo's occupational health services are certified under ISO 9001:2015 quality certificate.

In the occupational health services, significant focus is placed on maintaining the personnel's work ability and the treatment of illnesses. Sickness absences among the personnel decreased from the previous year, and the sickness absence rate in Finland was 4.0 (5.2) percent of hours worked.

In Sweden (Feelgood), occupational healthcare is organised in accordance with Swedish legislation. Operations are certified by ISO 45001 occupational health and safety system. In Sweden, the sickness absence rate was 4.8 (5.5) in 2023.

Work-life balance

A healthy work-life balance supports the well-being, productivity, and job satisfaction of the personnel. As an employer, Terveystalo strives to support its personnel in reconciling work and private life. All Terveystalo employees are entitled to statutory leave. In 2023, the share of employees taking statutory leave was 7.4 percent of all employees, of whom 8.1 percent were women and 4.2 percent men. Work at Terveystalo is flexible and location-independent. Work goals and effectiveness determine the where and how the work is performed.

Professional growth and focusing on meaningful matters

Terveystalo offers its employees and private practitioners high-quality training in various areas. Skills development aims at strong and up-to-date professional skills and excellent leadership. In 2023, Terveystalo organised training in Finland on average 11.7 hours per employee. In addition to internal training, Terveystalo cooperates in research and education with several universities and promotes youth employment through trainee programs.

To enable smooth and efficient way of working for professionals, the structures, tools, and processes are continuously developed. In 2023, all of Terveystalo's occupational health customers were given access to the Symptom Assessment tool, a CE-marked medical device that makes the use of occupational healthcare services smoother in the event of illness. The Symptom Assessment tool supports the work of healthcare professionals by taking care of certain routine tasks on the professional's behalf, allowing them to allocate more time to customer encounters.

Ethical business conduct

in 2023 whose investigation has been completed, a violation of the Code of Conduct was observed in two instances, Ethical, responsible and compliant conduct of business is essential in Terveystalo's operations. Terveystalo's operations which led to a disciplinary process. For certain reports received late in the year, the investigations are still ongoing. The are guided by the legislation governing the sector and private healthcare services, as well as the regulations and requirements established by the authorities. In addition, the work of healthcare professionals is guided by their own ethical findings from the reports and completed investigations have been taken into consideration in the development of codes of conduct. Terveystalo's processes.

The Code of Conduct provides a framework that helps ensure compliance with Terveystalo's values and internal guidelines as well as applicable legislation. The Code of Conduct also reflects Terveystalo's commitments to its key stakeholders. Terveystalo is committed to promoting ethical business practices and requires that all the company's operations are conducted in compliance with the applicable laws and regulations. In addition to compliance with legislation and Terveystalo's Code of Conduct, Terveystalo is committed to the UN Guiding Principles on Business and Human Rights, the conventions of the International Labour Organisation (ILO) and the Ten Principles of the UN Global Compact. Terveystalo continuously develops its compliance program and the related processes and controls to ensure that they correspond to the changes in the operating environment.

Terveystalo's Code of Conduct comprises Terveystalo's key principles regarding anti-bribery and anti-corruption, compliance with fair competition and environmental requirements, ensuring privacy and patient safety, employee equality, non-discrimination, and the freedom of association, as well as the reporting of misconduct, among other things.

Terveystalo Group also expects its suppliers to observe high standards of sustainable business concerning ethical, social and environmental perspectives, as well as occupational health and safety. Each year, Terveystalo purchases services, materials, and supplies for its clinics from approximately 5,000 suppliers. Of these, the 190 largest suppliers account for about 80 percent of total purchasing expenditure. The largest procurement categories are subcontracted services, such as cleaning, consulting, and laboratory services, ICT procurement, renting of business premises, pharmaceutical products, and healthcare supplies and equipment.

Terveystalo Group's Supplier Code of Conduct sets out the minimum requirements that all suppliers and partners need to satisfy to engage in business with Terveystalo and its subsidiaries. All Terveystalo's contract suppliers and suppliers participating in tendering processes are required to accept Terveystalo's Supplier Code of Conduct. Terveystalo's Supplier Code of Conduct was updated in 2023. The Supplier Code of Conduct is available on the Terveystalo website.

One important aspect of Terveystalo's culture of doing the right thing is that everyone who acts on behalf of or with Terveystalo, and every customer, partner and supplier, feels that they can freely report any suspicions of misconduct and trust that Terveystalo will take appropriate measures to investigate any actions that are or are suspected of violating the Code of Conduct. Terveystalo has online training on the Code of Conduct aimed at everyone in the organisation. The training includes instructions on highlighting and reporting misconduct. Actual or suspected violations of the Code of Conduct must be reported to the supervisor, the supervisor's supervisor, or Terveystalo's Legal & Compliance department. Suspected misconduct can also be reported via Terveystalo's reporting channel (WhistleB), which is open to everyone. In 2023, Terveystalo received a total of 13 (19) reports through the reporting channel. Of the reports received

Financials

Respecting human rights

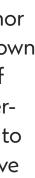
Terveystalo does not tolerate any form of discrimination, harassment, bullying, racism, or inappropriate treatment, nor does Terveystalo condone the use of child labour, any form of forced labour or other human rights violations in its own operations or its value chain or supply chain. Terveystalo respects the human rights set out in the UN Declaration of Human Rights as well as the workers' rights defined by the International Labour Organisation (ILO) and related international conventions. The company is committed to the UN Global Compact initiative and its principles pertaining to human rights and labour rights. Terveystalo's service providers, suppliers and other partners are expected to observe the same principles and respect internationally recognised human rights. Human rights principles are included in Terveystalo's Code of Conduct and Supplier Code of Conduct.

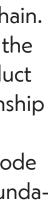
Targets related to ethical business

Terveystalo measures the realisation of ethical and responsible business at Terveystalo and in its value and supply chain. Everyone at Terveystalo is required to observe the Code of Conduct, regardless of their business unit or role in the company. The target is for all Terveystalo employees to have completed Terveystalo's training on the Code of Conduct and correct action. In 2023, 72 (69) percent of Terveystalo's employees in permanent, full-time employment relationship completed the training. The figures include Terveystalo's Finnish operations.

Contractual suppliers and suppliers participating in tendering processes must approve Terveystalo's Supplier Code of Conduct, which includes guidelines and requirements pertaining to anti-corruption and bribery, human rights, fundamental rights at work, occupational health and safety, taxation, and environmental responsibility. The target is for 100 percent of Terveystalo's key suppliers to have approved the Supplier Code of Conduct. At the end of 2023, 81 (80) percent of key suppliers representing 80 percent of Terveystalo's total procurement for operations in Finland had approved the Supplier Code of Conduct. The figures include Terveystalo's Finnish operations.









Target	Indicator (KPI)	Scope of application	Target level	Target year	2023	2022
All employees have completed training on the Code of Conduct and correct action	Percentage of employees in permanent, full-time employment relationship who have completed the training relative to all employees in permanent, full-time employment relationship ¹⁾	Terveystalo's Finnish operations	100%	Continuous	72% ¹⁾	69% ¹⁾
Key suppliers accounting for over 80% of total procurement have approved the Supplier Code of Conduct	Percentage of suppliers who have approved the Supplier Code of Conduct ²⁾	Terveystalo's Finnish operations	100%	Continuous	81%	80%

¹⁾ The figures are not comparable due to the training completion periods not being of equal length and due to change in the group of personnel whose course completions are reported. The new compliance course was introduced and moved to a new online platform in spring 2023. The figures for 2023 only include completions after the course was revised and only completions of employees in permanent, full-time employment relationship in Finnish operations. The figures for 2022 also include course completions that took place in the second half of 2021 and, in addition to course completions of employees in permanent, full-time employment relationship, also course completions of other employees in Finnish operations.

²⁾ Terveystalo measures the share of suppliers who have approved the Supplier Code of Conduct from Terveystalo's key suppliers representing approximately 80 percent of the total procurement expenditure of Terveystalo's operations in Finland. The procurement expenditure does not include expenses related to fees paid to private practitioners, purchases for operations in Sweden, one-off purchases or purchases of low significance.

Anti-corruption and anti-bribery

In the area of anti-corruption and anti-bribery, Terveystalo complies with the law and other applicable regulations and guidelines. Terveystalo is also committed to the UN Global Compact initiative and its anti-corruption principles. Terveystalo's operations are guided by the Code of Conduct, which includes anti-corruption and anti-bribery guidelines regarding, for example, giving and accepting gifts and hospitality as well as the avoidance of conflicts of interest.

All of Terveystalo's contract suppliers and suppliers participating in tendering processes are required to accept Terveystalo's Supplier Code of Conduct, which includes anti-corruption and anti-bribery guidelines and requirements, among other things.

According to Terveystalo's Code of Conduct gifts or other benefits that could affect business decisions or have considerable personal or financial value are not given or accepted in Terveystalo. Terveystalo's Code of Conduct dictates that the company does not support political activities. Terveystalo does not make financial contributions to political parties or organisations, directly or indirectly, nor does Terveystalo fund the election campaigns of individual candidates.



Observed or suspected misconduct related to the Code of Conduct, can be reported anonymously at http://www.report.whistleb.com/en/terveystalo.

No cases of corruption or bribery were reported in 2023. Terveystalo continues to develop its anti-corruption and anti-bribery compliance program and related processes to reflect the changes in its operating environment.

Ensuring patient data protection and information security

The protection of privacy and data protection is the responsibility of everyone working at Terveystalo and everyone working on behalf of Terveystalo. The company pays special attention to the appropriate and legally compliant processing of personal data. Terveystalo provides its personnel with training and instructions on the processing of personal data and emphasises the confidentiality and protection of patient data. Terveystalo introduced a revised online data protection course for all employees in the fall of 2023.

At Terveystalo, patient data is stored in information security-certified patient information systems. Terveystalo's In 2023, Terveystalo's tax footprint totalled EUR 212.1 (235.7) million. The tax footprint is an indicator of the total tax patient information systems in Finland are category A systems and they have undergone information security certification following the regulations related to providing Kanta services. In addition, Terveystalo's data protection and information security are regularly audited under the ISO 9001:2015 certification, both internally and by an external party.

Terveystalo applies the appropriate physical, technical and administrative protection measures to protect data from misuse. These measures include, among other things, control and filtering of network traffic, use of encryption techniques and secure data centres, appropriate access control, controlled granting of access rights and supervising their use, issuing instructions to personnel participating in personal data processing, and risk management related to the planning, implementation, and maintenance of services. Terveystalo chooses its subcontractors carefully and uses agreements and other arrangements to ensure that they process data in compliance with the law and good data protection practices.

Financials

Terveystalo creates value for its stakeholders

Responsible business is also financially profitable and sustainable. Terveystalo creates value for its customers, society, and our shareholders by continuously developing the clinical, operational, and experienced quality of its services, enabling faster access to care, reducing sickness absences, and employing directly and indirectly more than 15,500 professionals. The most significant cash flows from Terveystalo's operations consist of revenue from service sales, purchases from suppliers of goods and services, salaries paid to our personnel, fees paid to private practitioners, taxes, investments, and dividends paid to the shareholders.

In 2023, Terveystalo's revenue and other operating income totalled EUR 1,290.6 (1,261.8) million. The goods, materials, and services purchased from suppliers amounted to EUR 536.2 (525.7) million. Salaries and remuneration amounted to EUR 375.7 (381.5) million. Net financial expenses to creditors amounted to EUR 24.2 (2.9) million. Dividends paid to our shareholders in 2023 based on the results of the previous fiscal year amounted to EUR 35.4 (35.4) million. Terveystalo invested a total of EUR 40.2 (58.5) million to business development.

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Sustainable consumption and climate action

Terveystalo is committed to the targets agreed upon in international climate summits for the mitigation of climate change. Terveystalo's goal is zero emissions from its operations in 2030. The conservation and sustainable use of natural resources in Terveystalo's supply chains are promoted by minimising the generation of waste in all of Terveystalo's operations and forwarding all waste to be recovered. Digital services enable simultaneously improving access to care and reducing customers' travel times and the emissions generated by travel.

Based on the results of the 2023 double materiality assessment, climate change is not one of Terveystalo's material sustainability topics. This is because Terveystalo's carbon footprint is not significant due to the nature of its operations. The service sector is considered to be low in emissions due to its low energy intensity. The impacts of climate change and adaptation to climate change do not present significant risks or opportunities to Terveystalo's business or strategy. However, for the sake of transparency and the continuity of reporting, Terveystalo reports key information on its environmental impacts.

Terveystalo's environmental policy

Terveystalo Group's environmental policy describes the environmental principles that all employees, managers, officials, board members, consultants and other personnel working under the management of Terveystalo Group are expected to follow.

Terveystalo operates in line with the principles of sustainable development to reduce and eliminate environmental risks. In addition to being committed to the Group's environmental policy, Terveystalo is committed to full compliance with the applicable legislation, the regulations issued by the authorities, industry operating practices that ensure occupational safety and patient safety, and the continuous improvement of environmentally friendly operating practices.

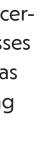
Adverse environmental impacts are prevented by, for example, reducing energy consumption and transitioning to carbon-neutral energy, reducing the volume of waste created in operations and increasing our recycling rate, optimising the life cycle of healthcare equipment, taking environmental perspectives into account in the travel and car policy, as well as developing digital services. In addition, adverse environmental impacts are prevented by planned pharmaceutical services, taking environmental perspectives into account in centralised procurement with efficient inventory management and by taking sustainable development and environmental perspectives into account in network and business premises projects.

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Terveystalo's environmental program covers all clinics in Finland and its appropriateness is evaluated in quality management and environmental management system audits. Terveystalo's environmental management system is certified under the ISO 14001 standard. The standard provides a framework for the continuous development of processes and practices that minimise negative environmental impacts. In 2023, ISO 14001:2015 environmental certification was expanded to cover all of the units in Terveystalo's medical clinic network in Finland. Some of the Feelgood operating locations in Sweden are also ISO 14001:2015 certified.

Zero emissions from own operations 2023

Terveystalo's goal is to reduce its carbon footprint so that its own operations will generate zero emissions in 2030. A further goal is to reduce direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 80 percent by 2025 (using 2018 as the baseline). As regards energy consumption, the goal is for green electricity to account for 100 percent of purchased electricity. In addition, the company aims to minimise the generation of waste and ensure the recycling and recovery of waste in all its operations.





Corporate Governance

Sustainable consumption and climate action

Target	Indicator (KPI)	Scope of application	Target level	Target year	Base year level	Base year	2023	2022	2021
Zero emissions from own operations 2030 ¹⁾	Reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions compared to 2018	Finnish and Swedish operations	-100%	2030	6,316.8	2018	-56%	-76%	-89%
Reduce direct and indirect CO ₂ emissions (Scope 1 and Scope 2) by 80% by 2025 (using 2018 as the baseline)	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, tCO ₂	Finnish and Swedish operations	-80%	2025	6,316.8	2018	2,755.4	1,544.1	664.0
Purchase 100% green electricity by 2025 ²⁾	Share of green electricity of all purchased electricity, %	Finnish and Swedish operations	100%	2025	62%	2020	70%	72%	89%
Minimise waste in all opera- tions and forward all waste to be recovered	The recovery rate of waste generated at Terveystalo units, % ³⁾	Finnish operations	100%	2025	99%	2020	100%	100%	100%
	The recycling rate of waste generated at Terveystalo units, % ³⁾	Finnish operations	100%	2025	61%	2020	68%	67%	64%

¹⁾ Scope 2 emissions are market-based. The market-based Scope 2 emission calculation takes into account the green electricity guarantees of origin purchased by Terveystalo, which in 2023 covered approximately 70 (72) percent of the electricity consumption. The emissions of the remaining purchased electricity have been calculated using the residual mix emission factors for Finland and Sweden (AIB, European Residual Mixes). Finland's residual emission factor increased by 83 percent from 2022 due to a higher share of fossil fuels in the residual mix (Finland's residual emission factor in 2022 was 0.285 kgCO2e/kWh and in 2023 0.5208 kg-CO₂e/kWh). The market-based Scope 2 emissions for 2022 have been recalculated for Finland, because Terveystalo purchased the green electricity guarantee of origin for the period 1 September - 31 December 2022 at the beginning of 2023. From 2022 onwards, the figures for energy use and carbon footprint also include the Swedish operations. The figures for 2021 include only the Finnish operations.

²⁾ In units where Terveystalo purchases electricity itself.

³⁾ Excludes waste fractions that cannot be recycled or recovered under any circumstances.

Terveystalos's carbon footprint

In 2023, Terveystalo's carbon footprint in Finland from Scope 1 and 2 emissions (market-based) was 2,716.0 (1,401. tCO₂e. In Sweden, Feelgood's Scope 1 and 2 emissions totalled 39.4 (142.2) tCO₂e. Terveystalo's carbon footprint of mainly of the production of the electricity consumed by properties, emissions generated by transport and travel as the waste generated in hospitals and clinics. The emissions generated by Terveystalo's operations are reduced, example, by increasingly transitioning to green electricity and prioritizing low-emission vehicles. Terveystalo devel the measurement of its impacts throughout the value chain and works with its key suppliers to reduce the emission generated by the value chain.

Terveystalo reports the direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions arising from its operations Scope 3 – and part of its indirect Scope 3 emissions – in accordance with the GHG Protocol. Emissions from Swedish operations For indirect Scope 3 emissions, Terveystalo reports emissions arising from work-related travel by employees and have been reported starting from 2022. emissions from the waste generated by the company's operations.

Scope 1

As Terveystalo does not, for the most part, own or control the properties at which it operates, the greenhouse gas emissions mostly consist of the emissions from the fleet of cars controlled by Terveystalo and the trucks used for imaging operations. The emissions arising from the company's own driving and driving under its direct control are calculated based on fuel consumption. In 2023, Scope 1 CO₂ emissions in Finland totalled 137.5 (134.5) tCO₂e. In Sweden, Scope 1 emissions were 18.2 (39.9) tCO_2e .

Scope 2

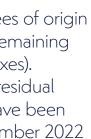
Indirect Scope 2 greenhouse gas emissions arise from the production of electricity purchased by Terveystalo and the In Sweden, the amount of waste generated and emissions from waste are very low since waste is mainly generated in offices. The emissions arising from waste in Sweden totalled 3.4 (2.1) tCO₂e. production of district heating consumed at properties controlled by Terveystalo. In 2023, a total of 16,171 (15,841) MWh of electricity was purchased for the properties controlled by Terveystalo in Finland. The company's electricity portfolio Terveystalo's CO₂ emissions intensity is low due to the nature of the Group's operations. In 2023, Terveystalo's (electricity purchased for properties) has been zero- CO_2 green electricity since the beginning of 2020. Zero CO_2 elecemissions intensity (Scope 1 and 2, market-based) relative to revenue was 2.1 (1.2) gCO₂e/EUR. Relative to the number tricity purchased in Finland for the consumption year 2023 totalled 11,220 (11,395) MWh, which corresponds to approxiof employees, the emissions intensity was 0.4 (0.2) tCO₂e. The figures also include Terveystalo's operations in Sweden. mately 69 (72) percent of the electricity consumption of the company's operations in Finland. The amount of electricity purchased to properties not included in the electricity portfolio totalled 4,951 (4,447) MWh, which corresponds to 2,578.5 (1,267.4) tCO₂e (market-based). The growth in the market-based Scope 2 emissions is mainly due to an 83 percent increase in the Finland's residual emission factor used in the emissions calculation from the comparison period¹. The amount of purchased electricity outside the electricity portfolio in Finland increased by approximately 11 percent, which also affected the Scope 2 emissions growth from the comparison period. In Swedish operations, 2,081 (1,328) MWh of electricity was purchased for properties controlled by Feelgood, of which approximately 74 (67) percent was zero CO_2 green electricity. The Scope 2 emissions from purchased electricity in Sweden totalled 21.1 (102.3) tCO₂e. Terveystalo's target is for green electricity to account for 100 percent of purchased electricity by 2025.

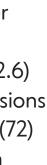
Financials

1.9) consists l as well l, for elops sions	¹⁾ Scope 2 emissions are market-based. The market-based Scope 2 emission calculation takes into account the green electricity guarantees of o purchased by Terveystalo, which in 2023 covered approximately 70 (72) percent of the electricity consumption. The emissions of the remain purchased electricity have been calculated using the residual mix emission factors for Finland and Sweden (AIB, European Residual Mixes). Finland's residual emission factor increased by 83 percent from 2022 due to a higher share of fossil fuels in the residual mix (Finland's residuatemission factor in 2022 was 0.285 kgCO2e/kWh and in 2023 0.5208 kgCO2e/kWh). The market-based Scope 2 emissions for 2022 have be recalculated for Finland, because Terveystalo purchased the green electricity guarantee of origin for the period 1 September - 31 December 3 at the beginning of 2023.
consists l as well l, for elops	purchased by Terveystalo, which in 2023 covered approximately 70 (72) percent of the electricity consumption. The emissions of the rem purchased electricity have been calculated using the residual mix emission factors for Finland and Sweden (AIB, European Residual Mixes Finland's residual emission factor increased by 83 percent from 2022 due to a higher share of fossil fuels in the residual mix (Finland's resi emission factor in 2022 was 0.285 kgCO2e/kWh and in 2023 0.5208 kgCO2e/kWh). The market-based Scope 2 emissions for 2022 have recalculated for Finland, because Terveystalo purchased the green electricity guarantee of origin for the period 1 September - 31 Decemb

Terveystalo aims to avoid unnecessary work-related travel by encouraging to favour remote meetings whenever possible. Terveystalo's personnel in Finland flew a total of 0.8 (0.7) million kilometres in work-related travel, corresponding to 85.5 (84.1) tCO₂e. Reimbursable work-related travel by Terveystalo's personnel in Finland totalled 2.7 (2.6) million kilometres, corresponding to 448.2 (440.8) tCO₂e. Terveystalo encourages its personnel to choose low-emissions vehicles as company cars. The average emissions of the company cars used by Terveystalo in Finland amount to 64 (72) gCO_2e/km . In Sweden, work-related travel by air generated 60.8 (45.1) tCO₂e in emissions. The total emissions from work-related travel by the personnel in Sweden amounted to 260.4 (262.6) tCO₂e.

Terveystalo's goal is to minimise mixed waste in all of Terveystalo's operations and forward as large a share of waste as possible to be recovered. The indirect emissions arising from waste in Finland amounted to 42.6 (41.7) tCO_2e .









EU taxonomy reporting

The EU taxonomy is a classification system for sustainable finance that establishes criteria for determining environmentally sustainable business. The regulation, which entered into force in July 2020, lays the foundations for the EU's taxonomy by setting out the general conditions that economic activity must meet to be classified as environmentally sustainable. The regulation sets out six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, prevention and reduction of pollution, and protection and restoration of biodiversity and ecosystems. Economic activities that contribute to one of these objectives without harming others can be considered environmentally sustainable under certain criteria. Large companies must report the share of sustainable business in their business in accordance with taxonomy criteria.

At present, EU taxonomy mainly concerns the economic activities that play the most important role in achieving the environmental objectives. As a result, many industries, such as health care services, are almost completely excluded from the scope of the current taxonomy.

Terveystalo has determined its taxonomic eligibility by examining its activities in relation to the economic activities listed in the taxonomy. Only one of Terveystalo's businesses is classified in taxonomy (12.1 Residential care activities).

After this, Terveystalo has evaluated the taxonomy alignment of the operation. The activity is classified as aligned with the taxonomy if the taxonomy's criteria are met: 1. The activity essentially supports the achievement of at least one environmental goal, 2. it does not have significant adverse effects from the perspective of other environmental goals, and 3. the activity complies with the minimum social safeguards defined in the taxonomy (Minimum safeguards). Based on this assessment, Terveystalo's activities listed in the taxonomy (12.1 Residential care activities) cannot be considered taxonomy-aligned, because the activities, due to their nature, do not target or support the achievement of the taxonomy's environmental objectives.

As a result of the assessment, the significance of Terveystalo's taxonomic functions is negligible in terms of indicators. The key figures are the share of taxonomy-eligible and taxonomy-aligned operations (percent) in terms of revenue, operating costs, and investments. According to the company's estimate, one percent of Terveystalo's revenue, operating costs and investments are eligible with the current taxonomy and 99 percent are non-eligible. The share of revenue is calculated by dividing the revenue from child welfare services (taxonomy-eligible activity) by the Group's total consolidated revenue. The share of investments (CapEX) is calculated by dividing the investments made in child welfare services during the year (renovation of apartments, investments in machinery and equipment) by the net investments of the company, excluding acquisitions. The share of operating expenditure (OpEx) is calculated by dividing the

Financials

operating expenditure for child welfare services by the total operating expenditure of the group (excluding depreciation and amortisation). Furthermore, zero percent of Terveystalo's revenue, operating costs and investments are taxonomyaligned, and 100 percent are non-taxonomy-aligned. The evaluation according to the EU-taxonomy classification system described above has been performed through an internal assessment by representatives of the Sustainability and Finance organisation.

Form 1: Nuclear power and fossil gas related activities

Nuclear power-related activities The undertaking carries out or finances research, development, demonstration and deployment of innovative power generation facilities that produce energy through a nuclear reaction with minimum waste in the fuel cycle, or has responsibilities related to such activities. The undertaking carries out or finances the construction and safe operation of new nuclear installations for the production of electricity or process heat, including for district heating or industrial processes such as hydrogen 2. production, and the improvement of their safety, using the best available technology, or has responsibilities relating to such activities. The undertaking carries out or finances the safe operation of existing nuclear installations for the production of electricity or process heat, including for district heating or industrial processes such as the production of hydrogen 3. from nuclear energy, and the improvement of their safety, or has responsibilities relating to such operations.

Fossil gas related activities The undertaking carries out or finances the construction or operation of electricity generation plants using fossil gaseous fuels, or has liabilities related to such activities. The undertaking carries out, finances or has responsibilities for the construction, rehabilitation and operation of 5. combined heat or cooling and power plants using fossil gaseous fuels. The undertaking undertakes, finances or has responsibilities for the construction, rehabilitation and operation 6 of heating or cooling plants using fossil gaseous fuels.



Proportion of turnover from products or services associated with Taxonomy-aligned economic activities 2023

1 January–31 December 2023		2023		Substantial contribution criteria					DNSH criteria ("Does Not Significantly Harm")										
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	IClimate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL							_			
Child welfare services	CCA 12.1	12	1%														1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12	1%														1%		
A Turnover of Taxonomy-eligible activities (A1.+A.2)																			
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,274	99%														99%		
TOTAL		1,286	100%														100%		







Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities 2023

1 January–31 December 2023	2023 S					Substantial contribution criteria			DNSH criteria ("Does Not Significantly Harm")										
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	IClimate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL							_			
Child welfare services	CCA 12.1	0	0%														1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														1%		
A. CapEx of Taxonomy-eligible activities (A1.+A.2)																			
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		40	100%														99%		
TOTAL		40	100%														100%		







Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities 2023

1 January–31 December 2023		2023			Substantial contribution criteria				DNSH criteria ("Does Not Significantly Harm")										
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling					_														
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL							_			
Child welfare services	CCA 12.1	10	1%							-							1%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10	1%														1%		
A OpEx of Taxonomy-eligible activities (A1.+A.2)																			
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		1,101	99%														99%		
TOTAL			100%														100%		







Shares and shareholders

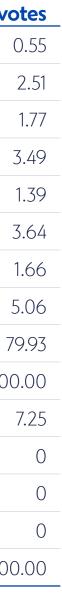
Terveystalo Plc has one share series (TTALO), which is listed on Nasdaq Helsinki Ltd. At the end of 2023, Terveystalo's market value was EUR 983 (794) million and the closing price was EUR 7.74 (6.25). During 2023, the highest price of Terveystalo's share was EUR 8.53 (11.94), the lowest price was EUR 6.43 (6.06), and the average price was EUR 7.50 (9.41). A total of 20.6 (29.5) million shares were traded. At the end of the reporting period, the number of Terveystalo shares registered in the Trade Register was 127,036,531 (127,036,531). The total number of shareholders was 34,025 (30,938) at the end of 2023. Terveystalo and its subsidiaries hold 480,230 (488,536) own shares for reward purposes, corresponding to 0.4% of all outstanding shares.

The largest registered shareholders on 31 December 2023

Name	Number of shares	% of shares	Votes	% of votes	Number of shares	Number of shareholders	% of share- holders	Number of securities	% of securities	Number of votes	% of vot
Varma Mutual Pension Insurance Company	22,151,945	17.44	22,151,945	17.44	1—100	15,740	46.26	701,279	0.55	701,279	0.
Rettig Group AB	21,153,191	16.65	21,153,191	16.65	101—500	12,677	37.26	3,188,040	2.51	3,188,040	2.
Pohjola Insurance Ltd	10,530,332	8.29	10,530,332	8.29	501—1,000	2,927	8.60	2,246,249	1.77	2,246,249	1.
Hartwall Capital	8,231,690	6.48	8,231,690	6.48	1,001—5,000	2,156	6.34	4,431,586	3.49	4,431,586	3.4
OP Life Assurance Company Ltd	7,155,854	5.63	7,155,854	5.63	5,001–10,000	241	0.71	1,763,531	1.39	1,763,531	1.
Skandinaviska Enskilda Banken AB	5,733,851	4.51	5,733,851	4.51	10,001—50,000	206	0.61	4,627,671	3.64	4,627,671	3.6
Ilmarinen Mutual Pension Insurance Company	5,119,495	4.03	5,119,495	4.03	50,001—100,000	27	0.08	2,109,499	1.66	2,109,499	1.6
Local Tapiola Mutual Insurance Company	2,600,000	2.05	2,600,000	2.05	100,001—500,000	29	0.09	6,428,528	5.06	6,428,528	5.0
Elo Mutual Pension Insurance Company	2,508,000	1.97	2,508,000	1.97	500,001—	22	0.06	101,540,148	79.93	101,540,148	79.
Evli Finnish Small Cap Fund	1,967,033	1.55	1,967,033	1.55	Total	34,025	100.00	127,036,531	100.00	127,036,531	100.0
Ten largest in total	87,151,391	68.60	87,151,391	68.60	of which nominee-registered	11	0.03	9,214,087	7.25	9,214,087	7.2
					Non-transferred, total	0		0	0	0	
The list is based on the register of sharehold	ings maintained k	oy Euroclear, and it c	loes not include nomi	nee-	In general account			0	0	0	
registered shares.					In special accounts, total			0	0	0	
					Total issued			127,036,531	100.00	127,036,531	100.0

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Distribution of ownership 31 December 2023





Shareholder groups, 31 December 2023

Shareholders by sector	Number of shares	% of shares	Name	Position	Number of shares	% of shares	% of vot
Households	13,337,151	11.32	Kari Kauniskangas	Chairman of the Board of Directors	21,802	0.02%	0.00
Public entities	31,236,163	26.51	Matts Rosenberg	Member of the Board of Directors	14,498	0.01%	0.00
Financial and insurance institutions	30,372,798	25.78	Carola Lemne	Member of the Board of Directors	5,126	0.00%	0.00
Companies	17,898,422	15.19	Kristian Pullola	Member of the Board of Directors	8,207	0.01%	0.00
Non-profit institutions	3,747,089	3.18	Katri Viippola	Member of the Board of Directors	11,453	0.01%	0.00
Foreign owners	21,230,821	18.02	Ari Lehtoranta	Member of the Board of Directors	6,504	0.01%	0.00
Total	117,822,444	100.00	Sofia Hasselberg	Member of the Board of Directors	2,499	0.00%	0.00
Nominee-registered	9,214,087	7.25	Ville Iho	President and CEO	13,306	0.01%	0.00
			Juuso Pajunen	Chief Financial Officer	19,000	0.01%	0.00
			Petri Bono	Chief Medical Officer	2,087	0.00%	0.00
			Henri Mäenalanen	Interim Executive Vice President, Healthcare Services	2,230	0.00%	0.00
			Stefan Kullgren	Executive Vice President of the Swedish Business Area	0	0.00%	0.00
			Ilari Richard	Senior Vice President, Digital Services	3,134	0.00%	0.00
			Mikko Tainio	Senior Vice President, Portfolio Businesses	5,596	0.00%	0.00
			Minttu Sinisalo	Senior Vice President, Human Resources	1,400	0.00%	0.00
			Management share	holding in total	116,842	0.09%	0.00
			Number of shares to	otal	127,036,531	100.00%	100.00

Financials

Management shareholding, 31 December 2023

Notifications of major shareholdings

During 2023, Terveystalo Plc did not receive any notifications pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act.

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The Board's authorisations

The Board has been authorised to resolve the repurchase and/or on the acceptance as pledge of the company's own shares using the unrestricted equity of the Company. The authorisation covers a maximum of 12,703,653 own shares in total, which corresponds to approximately 10 percent of all shares in the Company.

The Annual General Meeting of Terveystalo Plc was held on 23 March 2023 in Helsinki, Finland. The Annual General Meeting adopted the financial statements for the fiscal year 2022 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting approved the remuneration report for governing bodies. The Board has also been authorised to resolve the issuance of shares and special rights entitling to shares as referred The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that a dividend of to in Chapter 10, Section 1 of the Finnish Companies Act. The authorisation covers a maximum of 12,703,653 own shares in total, which corresponds to approximately 10 percent of all shares in the Company. Authorisations were not used EUR 0.28 per share (totalling approximately EUR 35.4 million with the current number of shares) be paid based on the balance sheet adopted for the fiscal year ended 31 December 2022. during the financial period.

Dividend policy and distribution of profits for 2023 proposed by the Board

The objective of Terveystalo's Dividend Policy is to distribute a minimum of 40 percent of earnings per share in dividends. The current financial performance, development potential, financial position, and capital requirements are taken into account. In 2023, earnings per share were EUR -0.33 (0.19).

The parent company's distributable funds totalled EUR 535.9 (530.8) million, of which EUR 40,5 (23,7) million is result for the financial year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0,30 (0.28) per share totalling EUR 38.0 (35.4) million be paid based on the balance sheet adopted for the financial year ended 31 December 2023. The dividend would be paid in two installments as follows:

The first dividend installment of EUR 0.15 per share would be paid to the shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the first dividend installment on 28 March 2024. The Board of Directors proposes that the first dividend installment would be paid on 8 April 2024.

The second dividend installment of EUR 0.15 per share would be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the second dividend installment on 9 October 2024. The Board of Directors proposes that the second dividend installment would be paid on 16 October 2024. The Board of Directors also proposes that the Annual General Meeting would authorize the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second dividend installment should the rules of Euroclear Finland Ltd or statutes applicable to the Finnish book-entry system change or otherwise so require.

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

Decisions of the Annual General Meeting 2023 and the first Board meeting

The dividend was paid in two instalments as follows:

- The first dividend instalment of EUR 0.14 per share was paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date of the first dividend instalment 27 March 2023. The first dividend instalment was paid to shareholders on 3 April 2023.
- The second dividend instalment of EUR 0.14 per share was paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date of the second dividend instalment 2 October 2023. The second dividend instalment was paid on 9 October 2023. The Annual General Meeting authorised the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second dividend instalment should the rules of Euroclear Finland Oy or statutes applicable to the Finnish book-entry system change or otherwise so require.

The number of members of the Board of Directors was confirmed to be seven. Kari Kauniskangas, Carola Lemne, Kristian Pullola, Matts Rosenberg, and Katri Viippola were re-elected as members of the Board, and Sofia Hasselberg and Ari Lehtoranta were elected as new members of the Board for a term that ends at the end of the Annual General Meeting 2024.

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

As proposed by the Board of Directors, the Annual General Meeting resolved to authorise the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of the Company's own shares using the unrestricted equity of the Company. The authorisation covers a maximum of 12,703,653 shares, which corresponds to approximately 10 percent of all shares in the Company. In addition, as proposed by the Board of Directors, the Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act. The authorisation covers a maximum of 12,703,653 shares, which corresponds to approximately 10% of all shares in the Company. These authorisations are effective until the end of the next Annual General Meeting, however no longer than until 30 June 2024.

As proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to decide on donations in a total maximum of EUR 150,000 for charitable or corresponding purposes. In addition, the



Annual General Meeting resolved to authorise the Board of Directors to decide on the donation recipients, purposes of use, and other terms of the donations. The authorisation will remain effective until the end of the next Annual General Meeting 2024, however no longer than for a period of 18 months from the date of the resolution of the Annual General Meeting.

In its organising meeting, the new Board of Directors Terveystalo's Board of Directors elected Kari Kauniskangas as Chairman of the Board and Matts Rosenberg as Vice Chairman of the Board. Kristian Pullola was elected Chairman of the Audit Committee and Matts Rosenberg, Katri Viippola and Sofia Hasselberg were elected members. Kari Kauniskangas was elected Chairman of the Remuneration Committee and Carola Lemne and Ari Lehtoranta were elected members.

Changes in Terveystalo's Executive Team

As of 1 January 2023, Terveystalo's organisation has consisted of three business areas: Healthcare Services, Portfolio Businesses, and Sweden.

Ilari Richardt was appointed Senior Vice President of Digital Services and a member of the Executive Team as of 29 March 2023 as Kati Sulin left the Company.

Henri Mäenalanen was appointed as the Chief Operating Officer of Terveystalo Healthcare Services as of 12 April 2023 as Siina Saksi left the Company.

Terveystalo announced changes to the Executive Team on 31 October 2023. Sari Heinonen, b.1976, PhD, Marketing, was appointed Executive Vice President of the Healthcare Services Business Area and a member of Terveystalo's Executive Team as of 5 February 2024. Chief Operating Officer Henri Mäenalanen served as interim EVP of the Healthcare Services business area until Sari Heinonen took up her position, after which he will took over the position of Executive Vice President of Portfolio Businesses. Stefan Kullgren, who started as Executive Vice President of the Swedish Business Area and CEO of Feelgood AB on 1 October 2023, was appointed as a member of Terveystalo's Executive Team as of 1 November 2023.

In addition to the above-mentioned executives, Terveystalo's Executive team includes Petri Bono, Chief Medical Officer, Juuso Pajunen, Chief Financial Officer and Minttu Sinisalo, Senior Vice President of People and Careers. All the above report to President, and CEO Ville Iho.

Corporate governance

Terveystalo Plc's Corporate Governance Statement, Remuneration Policy, and Remuneration Report for 2023 will be published as part of the Annual Report 22 February 2024.

Financials

Events after the end of the reporting period

Terveystalo's Board of Directors has approved a new performance period covering the years 2024–2026 of the long-term share-based incentive plan for key personnel

Terveystalo Plc's Board of Directors has approved a new performance period covering the years 2024–2026 of the longterm share-based incentive plan for key personnel. The purpose of the program is to align the objectives of shareholders and key personnel to increase the company's value in the long term, and to commit key personnel to implementing Terveystalo's strategy by offering them a competitive, share-based incentive program.

The Performance Share Plan is based on a rolling 3-year performance period structure, with a new performance period starting at the beginning of each year if so decided by the Board. The Board decides on the participants, performance measures, and targets as well as earning opportunities on an annual basis. Terveystalo published the establishment of the program and its main terms in a stock exchange release on 3 December 2020.

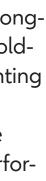
Performance period 2024–2026 of the Performance Share Plan (PSP)

During the performance period 2024–2026, the participants are awarded for successful shareholder value creation. The performance indicators based on which share rewards may be paid to 90 percent of the participants are absolute and relative (compared to the OMX HKI benchmark CAP GI index) Total Shareholder Return. For 10 percent of the participants, the value creation is measured by EBITA (adjusted earnings before interest, taxes, and amortisation) of the business area or independent business that they lead.

Terveystalo's Board of Directors confirms the total amount of shares earned after the end of the performance period. The share rewards that may be paid based on the 2024–2026 earning period will be paid in Terveystalo Plc shares after the end of the performance period, provided that the performance targets set for the program by the Board are achieved. The maximum number of shares to be paid based on this plan is 640,000 shares. Taxes and taxlike payments to the recipient are deducted from the reward, after which the remaining net amount is paid to the participants in shares.

No more than approximately 75 people selected by the Board are eligible to participate in the program, including members of Terveystalo's Executive Team.

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











Performance period 2024–2026 of the Restricted Share Plan (RSP)

The purpose of the Restricted Share Plan is to function as a supplementary structure for separately selected key personnel of Terveystalo in special situations.

The share rewards will be paid in Terveystalo Plc shares after the end of the performance period, provided that the individual participants are still employed by Terveystalo. The maximum number of shares to be paid based on this plan is 64,000 shares.

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, organisations, 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 outlook within the next 12 months. The list is not intended to be exhaustive. The order in which the risks are presented does not describe the magnitude of the impact of the risks' realisation or the probability of their occurrence.

- Achieving the targeted financial effects of the launched profit improvement program is necessary to combat the impact of high inflation and to achieve the financial targets set by the company.
- 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 and high inflation in Finland and their 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 involve risks. The company develops 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 disturbances.
- The company may not be able to find suitable acquisition targets or expansion opportunities under favourable 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 the results of operations.

Financials

- 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 a decline in customer satisfaction.
- Endangered information security or privacy can lead to losses, claims for damages, and endanger reputation.
- 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 the 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 labour 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 on the company's website and in the company's Annual Review.

Annual General Meeting in 2024

Terveystalo Plc's Annual General Meeting (AGM) is planned to be held on Tuesday 26 March 2024. The meeting will be convened by the company's Board of Directors separately at a later date.

Terveystalo Plc **Board of Directors**



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Calculation of financial ratios and alternative performance measures

Financial ratios

Earnings per share, (EUR)

Profit for the period attributable to owners of the parent company Average number of shares during the period

Terveystalo presents alternative performance measures as additional information to the 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 a 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 vie	w, useful indicato	ors of the company's ability to obtain financing and service it	s debt.	Adjusted EBITDA*	=	Earnings Before Interest, Taxes, Depreciation, Amortisation, Impairment losses and adjustments	
				Adjusted EBITDA, %*	=	Earnings Before Interest, Taxes, Depreciation, Amortisation, Impairment losses and adjustments	x 1009
Return on equity, %	=	Profit/loss for the period (LTM) Equity (including non-controlling interest) (average)	x 100%			Revenue	
				Adjusted EBITA*	=	Earnings Before Interest, Taxes, Amortisation, Impairment losses and adjustments	
Equity ratio, %	=	Equity (including non-controlling interest)	x 100%				
		Total assets - advances received					
				Adjusted EBITA, %*	=	Earnings Before Interest, Taxes, Amortisation, Impairment losses and adjustments	x 100 ⁰
Gearing, %	=	Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents	10.00/			Revenue	
		Equity	x 100%	Adjusted operating profit (EBIT)*	=	Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments	

Financials

Net debt/Adjusted	=	Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents
EBITDA (LTM)*		Adjusted EBITDA (LTM)
Net debt/Adjusted		Interest-bearing liabilities excluding lease liabilities -
EBITDA (LTM),	=	interest-bearing receivables and cash and cash equivalents
excluding IFRS 16 *		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.



00%

00%

Terveystalo

Sustainability

Corporate Governance

Adjusted operating profit (EBIT), %*	=	Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments Revenue	× 100
EBITDA	=	Earnings Before Interest, Taxes, Depreciation and Amortisation and Impairment losses	
EBITDA, %	=	Earnings Before Interest, Taxes, Depreciation and Amortisation and Impairment losses Revenue	x 100
EBITA	=	Earnings Before Interest, Taxes, Amortisation and Impairment losses	
(EBITA), %	=	Earnings Before Interest, Taxes, Amortisation and Impairment losses Revenue	x 100
Operating profit (EBIT)	=	Earnings Before Interest, Taxes and Share of profits in associated companies	
Operating profit (EBIT), %	=	Earnings Before Interest, Taxes and Share of profits in associated companies Revenue	x 100
Adjusted EBITDA, excluding IFRS 16 *	=	Earnings Before Interest, Taxes, Depreciation, Amortisation, 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, restructuringrelated expenses, gains and losses on sale of assets (net), impairment losses, strategic projects and other items affecting comparability.

Financials

Reconciliation of alternative performance measures

100%

Return on equity, %	2023	2022	20
Net income	-42.2	24.4	8
Equity (including non-controlling interest) (average)	553.7	600.4	59
Return on equity, %	-7.6	4.1	1

100%

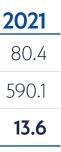
Equity ratio, %	2023	2022	20
Equity (including non-controlling interest)	515.4	592.0	60
Total assets	1,419.5	1,479.4	1,44
Advances received	6.4	7.1	
Equity ratio, %	36.5	40.2	4

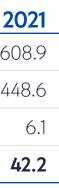
100%

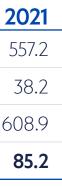
Gearing, %	2023	2022	20
Interest-bearing liabilities	635.8	607.0	5.
Interest-bearing receivables and cash and cash equivalents	37.7	40.4	7
Equity	515.4	592.0	60
Gearing, %	116.0	95.7	8

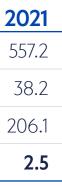
100%

Net debt /Adjusted EBITDA	2023	2022	20
Interest-bearing liabilities	635.8	607.0	55
Interest-bearing receivables and cash and cash equivalents	37.7	40.4	3
Adjusted EBITDA	200.2	178.0	20
Net debt / Adjusted EBITDA	3.0	3.2	











Terveystalo)
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Year 2023

Sustainability

Corporate Governance

Adjusted EBITDA, EUR mill.	2023	2022	2021	Adjusted operating profit (EBIT), EUR mill.	2023	2022	20
Net income	-42.2	24.4	80.4	Net income	-42.2	24.4	80
Income tax expense	3.3	6.5	20.3	Income tax expense	3.3	6.5	20
Share of profits in associated companies	0.0	0.1	0.3	Share of profits in associated companies	0.0	0.1	(
Net finance expenses	24.2	2.9	9.0	Net finance expenses	24.2	2.9	Ç
Depreciation, amortisation and impairment losses	193.8	134.9	91.7	Adjustments*	107.8	39.5	2
Adjustments*	21.1	9.2	4.3	Adjusted EBIT	93.1	73.4	114
Adjusted EBITDA	200.2	178.0	206.1				

				Adjusted operating profit (EBIT), %	2023	2022	202
Adjusted EBITDA, %	2023	2022	2021	Adjusted EBIT	93.1	73.4	114
Adjusted EBITDA	200.2	178.0	206.1	Revenue	1,286.4	1,259.1	1,154.
Revenue	1,286.4	1,259.1	1,154.6	Adjusted EBIT, %	7.2	5.8	9
Adjusted EBITDA, %	15.6	14.1	17.8				

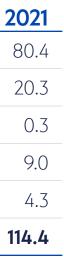
				EBITDA, EUR mill.	2023	2022	20
Adjusted EBITA, EUR mill.	2023	2022	2021	Net income	-42.2	24.4	80
Net income	-42.2	24.4	80.4	Income tax expense	3.3	6.5	20
Income tax expense	3.3	6.5	20.3	Share of profits in associated companies	0.0	0.1	(
Share of profits in associated companies	0.0	0.1	0.3	Net finance expenses	24.2	2.9	Ç
Net finance expenses	24.2	2.9	9.0	Depreciation, amortisation and impairment losses	193.8	134.9	9
Amortisation and impairment losses	119.1	62.0	26.6	EBITDA	179.2	168.8	201
Adjustments*	21.2	9.2	4.3				
Adjusted EBITA	125.6	105.2	141.0				

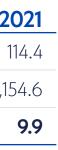
Adjusted EBITA, %	2023	2022	2021
Adjusted EBITA	125.6	105.2	141.0
Revenue	1,286.4	1,259.1	1,154.6
Adjusted EBITA, %	9.8	8.4	12.2

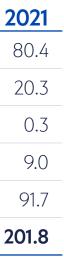
Financials

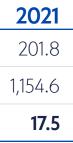
EBITDA, % 2023 2022 179.2 EBITDA 168.8 **021** 41.0 1,286.4 1,259.1 Revenue 13.9 EBITDA, % 13.4

12.2











EBITA, EUR mill.	2023	2022	2021	Adjustments based on account group* , EUR mill.	2023	2022	20
Net income	-42.2	24.4	80.4	Other operating income	-0.8	-0.1	-(
Income tax expense	3.3	6.5	20.3	Personnel expenses	3.1	1.3	C
Share of profits in associated companies	0.0	0.1	0.3	Other operating expenses	18.7	8.0	Z
Net finance expenses	24.2	2.9	9.0	Depreciation and impairment	86.7	30.3	
Amortisation and impairment losses	119.1	62.0	26.6	Deferred tax	-5.9	_	
EBITA	104.4	95.9	136.7	Adjustments	101.9	39.5	4

EBITA, %	2023	2022	2021	Adjusted EBITDA, excluding IFRS 16	2023	2022	202
EBITA	104.4	95.9	136.7	Net income	-42.2	24.4	80
Revenue	1,286.4	1,259.1	1,154.6	Income tax expense	3.3	6.5	20
EBITA, %	8.1	7.6	11.8	Share of profits in associated companies	0.0	0.1	(
				Net finance expenses	24.2	2.9	Ç
Operating profit (EBIT), EUR mill.	2023	2022	2021	Depreciation, amortisation and impairment losses	193.8	134.9	9
Net income	-42.2	24.4	80.4	Adjustments*	21.1	9.2	Z
Income tax expense	3.3	6.5	20.3	IFRS 16 lease expense adjustment	-57.4	-55.8	-49
Share of profits in associated companies	0.0	0.1	0.3	Adjusted EBITDA, excluding IFRS 16	142.8	122.2	156
	27.2	2.0	0.0				

EBITA, %	2023	2022	2021	Adjusted EBITDA, excluding IFRS 16	2023	2022	202
EBITA	104.4	95.9	136.7	Net income	-42.2	24.4	80
Revenue	1,286.4	1,259.1	1,154.6	Income tax expense	3.3	6.5	20
EBITA, %	8.1	7.6	11.8	Share of profits in associated companies	0.0	0.1	C
				Net finance expenses	24.2	2.9	ç
Operating profit (EBIT), EUR mill.	2023	2022	2021	Depreciation, amortisation and impairment losses	193.8	134.9	9
Net income	-42.2	24.4	80.4	Adjustments*	21.1	9.2	Z
Income tax expense	3.3	6.5	20.3	IFRS 16 lease expense adjustment	-57.4	-55.8	-49
Share of profits in associated companies	0.0	0.1	0.3	Adjusted EBITDA, excluding IFRS 16	142.8	122.2	156
Net finance expenses	24.2	2.9	9.0				
EBIT	-14.7	33.9	110.1				

Operating profit, (EBIT), %	2023	2022	2021
EBIT	-14.7	33.9	110.1
Revenue	1,286.4	1,259.1	1,154.6
EBIT, %	-1.1	2.7	9.5

Adjustments based on subject area* , EUR mill.	2023	2022	2021
Acquisition-related expenses ¹⁾	-0.8	2.8	3.1
Restructuring-related expenses ²⁾	3.2	1.5	0.3
Impairment losses	80.8	30.3	-
Strategic projects and other items affecting to comparability	18.8	5.0	0.8
Adjustments	101.9	39.5	4.3

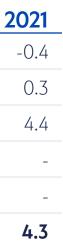
Financials

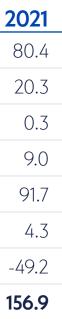
Net debt/Adjusted EBITDA, excluding IFRS 16	2023	2022	20
Interest-bearing liabilities	416.7	427.2	37
Interest-bearing receivables and cash and cash equivalents	37.7	40.4	3
Adjusted EBITDA	142.8	122.2	15
Net debt/Adjusted EBITDA, excluding IFRS 16	2.7	3.2	

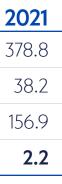
* Adjustments are material items outside the ordinary course of business, and these relate to acquisition-related expenses, restructuringrelated expenses, gain /losses on sale of assets (net), impairment losses, strategic projects and other items affecting comparability.

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

²⁾ Including restructuring of network and business operations







Consolidated financial statements, IFRS

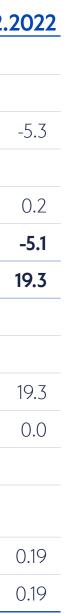
Consolidated statement of comprehensive income

RevenueOther operating incomeMaterials and servicesEmployee benefit expensesDepreciation, amortisation and impairment lossesOther operating expensesOperating resultFinancial income	4,5	1,286.4	1,259
Materials and services Employee benefit expenses Depreciation, amortisation and impairment losses Other operating expenses Operating result	6		-
Employee benefit expenses Depreciation, amortisation and impairment losses Other operating expenses Operating result	-	4.2	2.
Depreciation, amortisation and impairment losses Other operating expenses Operating result	7	-536.2	-525
Other operating expenses Operating result	8	-447.0	-455.
Operating result	9	-193.8	-134.
	10	-128.2	-112.
Financial income		-14.7	33.
	11	1.2	7.
Financial expenses	11	-25.4	-10.
Net finance expenses		-24.2	-2.
Share of results in associated companies		0.0	-0
Result before taxes		-38.9	30.
Income tax expense	12	-3.3	-6.
Net income		-42.2	24.
Profit attributable to			
Owners of the parent company		-42.2	24.
Non-controlling interests			

Financials

EUR mill.	Note	1.131.12.2023	1.1.—31.12.
Other comprehensive adjustments			
Items that may be reclassified to profit or loss			
Translation differences from foreign operations		0.1	
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	28	-0.1	
Other comprehensive income for the period, net of tax		0.0	
Total comprehensive income		-42.2	
Total comprehensive income attributable to:			
Owners of the parent company		-42.2	
Non-controlling interest		-	
Earnings per share for profit attributable to the shareholders of the parent company, in euro			
Basic earnings per share	13	-0.33	
Diluted earnings per share	13	-0.33	

The notes are an integral part of the Consolidated financial statements. 0.0



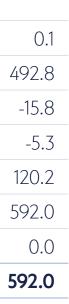
Consolidated statement of financial position

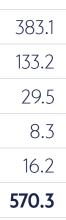
EUR mill.	Note	31 Dec 2023	31 Dec 2022	EUR mill.	Note	31 Dec 2023	31 Dec 20
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity attributable to equity holders of the Company			
Property, plant and equipment	14	84.2	82.0	Share capital		0.1	
Right-of-use assets	14	212.1	173.9	Invested non-restricted equity reserve		492.8	492
Goodwill	15, 16	823.5	879.5	Treasury shares		-15.7	-1
Intangible assets	15	100.0	145.2	Translation differences		-5.2	-,
Investment properties	17	0.3	0.5	Retained earnings		43.4	120
Investments in associates	18	0.0	0.0	Equity attributable to equity holders of the Company total		515.4	592
Loan receivables	20	0.0	0.3	Non-controlling interest		-	1
Deferred tax assets	12	6.0	7.7	TOTAL EQUITY		515.4	592
Other non-current assets	20	0.8	0.8				
Total non-current assets		1,226.8	1,289.8	Non-current liabilities			
				Non-current financial liabilities	20, 21, 25	394.4	38
Current assets				Non-current lease liabilities	14, 21, 25	172.6	13
Inventories		7.1	6.6	Deferred tax liabilities	12	20.2	2
Trade and other receivables	22	143.1	138.4	Provisions	27	2.8	
Current tax receivables		4.8	4.5	Other liabilities		13.7	16
Cash and cash equivalents	23	37.7	40.2	Total non-current liabilities		603.7	570
Total current assets		192.6	189.7				
TOTAL ASSETS		1,419.5	1,479.4	Current liabilities			
				Current financial liabilities	20, 21, 25	22.3	44
				Current lease liabilities	14, 21, 25	46.5	4
				Current tax liabilities		3.6	(
				Provisions	27	3.3	
				Trade and other payables	26	224.7	22
				Total current liabilities		300.3	31
				TOTAL LIABILITIES		904.1	88
				Total equity and liabilities		1,419.5	1,479

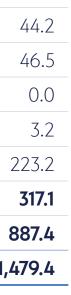
Financials

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









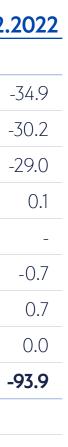
Corporate Governance

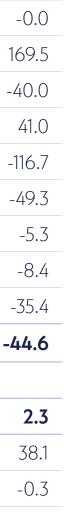
Consolidated statement of cash flows

EUR mill.	Note	1.131.12.2023	1.131.12.2022	EUR mill.	Note	1.131.12.2023	1.1.—31.12.20
Cash flows from operating activities				Cash flows from investing activities			
Profit before income taxes		-38.9	30.9	Acquisition of subsidiaries, net of cash acquired	3	-4.0	-34
Adjustments for				Acquisition of property, plant and equipment		-24.6	-3(
Non-cash transactions				Acquisition of intangible assets		-16.4	-29
Depreciation, amortisation and impairment losses	9	193.8	134.9	Proceeds from the disposal of associates		-	
Change in provisions	27	-2.1	0.5	Sale of business operation, net of cash disposed of		0.3	
Other non-cash transactions		-6.7	-4.1	Acquisition of business operations, net of cash acquired	3	-0.3	_(
Gains and Losses on sale of property, plant, equipment and other changes		-0.2	-0.3	Proceeds from sale of property, plant and equipment		0.8	(
Net finance expenses	11	24.2	2.9	Dividends received		0.0	(
Changes in working capital				Net cash from investing activities		-44.2	-93
Trade and other receivables		-8.7	1.6				
Inventories		-0.5	-0.2	Cash flows from financing activities			
Trade and other payables		2.5	0.4	Acquisition of non-controlling interests	3	-0.1	-(
Interests received		1.2	0.3	Proceeds from non-current borrowings	25	224.6	16
Income taxes paid		-6.6	-26.0	Repayment of non-current borrowings	25	-210.0	-4(
Net cash from operating activities		158.0	140.9	Proceeds from current borrowings	25	26.8	4
				Repayment of current borrowings	25	-47.1	-110
				Payment of lease liabilities	25	-50.9	-40
				Payment of hire purchase liabilities	25	-4.3	
				Interests and other financial expenses paid		-19.9	-{
				Dividends paid		-35.4	-3
				Net cash from financing activities		-116.2	-4/
				Net change in cash and cash equivalents		-2.4	
				Cash and cash equivalents at 1 January		40.2	3
				Exchange rate differences		-0.1	-(
				Cash and cash equivalents at 31 December		37.7	4(

Financials

The notes are an integral part of these Consolidated financial statements.





40.2

Consolidated statement of changes in equity

EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Translation differences	Total	Non- controlling interests	Total equity	EUR mill.		Invested non-restricted equity reserve	Treasury shares		Translation differences	Total	Non- controlling interests	To equ
Equity 1 Jan 2023	0.1	492.8	-15.8	120.2	-5.3	592.0	0.0	592.0	Equity 1 Jan 2022	0.1	492.8	-18.0	134.8	-0.8	608.9	0.0	608
Comprehensive income									Comprehensive income								
Net income	-	-	-	-42.2	-	-42.2	-	-42.2	Net income	-	-	-	24.4	-	24.4	0.0	24
Other compre- hensive income	-	-	-	-0.1	0.1	0.0	-	0.0	Other compre- hensive income	-	-	_	-0.5	-4.5	-5.1	-	
Transactions with owners									Transactions with owners								
Share-based payments		-	0.1	1.3	-	1.4	-	1.4	Share-based payments	_	_	2.2	-3.0	_	-0.8	-	-(
Dividends		-	-	-35.4	-	-35.4	-	-35.4	Dividends	_	-	_	-35.4	_	-35.4	_	-3.
Transactions with non-controlling interests									Transactions with non-controlling interests								
Transactions with non-controlling interest	-	-	-	-	-	-	-0.0	-0.0	Transactions with non-controlling interest	_	_	_	_	_	-	0.0	(
Other									Equity 31 Dec 2022	0.1	492.8	-15.8	120.2	-5.3	592.0	0.0	592
Other corrections*	-	-	-	-0.4	-	-0.4	-	-0.4									
Equity 31 Dec 2023	0.1	492.8	-15.7	43.5	-5.2	515.4	-	515.4									

Equity attributable to owners of the parent company

* Correction to figures of previous financial years.

Equity attributable to owners of the parent company



1. Corporate information

Terveystalo Plc is a Finnish public limited liability company organised under the laws of Finland and domiciled in Helsinki, Finland. The parent company, Terveystalo Plc, is listed on the Nasdaq Helsinki. Terveystalo Group ("the Group", "Terveystalo") consists of the parent company and 24 subsidiaries. More information on subsidiaries is presented in note 31. A copy of the consolidated financial statements is available at the Group's website www.terveystalo.com, from Terveystalo Oyj / Corporate Communications, Jaakonkatu 3, 00100 Helsinki, Finland, or via e-mail at investors@terveystalo.com.

Terveystalo is a leading private healthcare service provider in Finland and leading occupational health provider in the Nordic region. The company offers general practice and specialist medical care, diagnostic services, outpatient surgery, dental services and other adjacent services to corporate, private and public sector customers.

In its meeting on 13 February 2024, the Board of Directors of Terveystalo Plc approved the publishing of these consolidated financial statements.

According to the Finnish Limited Liability Companies Act, shareholders have the right to approve or reject the financial statements in the Annual General Meeting held after the publication of the financial statements. The Annual General Meeting also has the right to make a decision to amend the financial statements.

2. Accounting policies for the consolidated financial statements

2.1 Basis of preparation

The consolidated financial statements of Terveystalo have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements have been prepared in compliance with the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force on 31 December 2023. The consolidated financial statements also comply with the regulations of Finnish accounting and company legislation complementing the IFRSs.

The consolidated financial statements are presented in millions of euros and have been prepared under the historical cost basis, unless otherwise stated in the accounting principles. All figures presented have been rounded, and consequently the sum of individual figures may deviate from the presented aggregate figure.

Financials

2.2 Application of new and amended IFRSs and new IFRIC agenda decisions

New and amended standards applied in the financial year 2023

The Group has applied as from 1 January 2023 the following new and amended standards that have come into effect:

- Amendments to IAS 1 Disclosure of Accounting Policies: The amendments clarify the application of materiality to disclosure of accounting policies.
- Amendments to IAS 8 Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendments narrow the initial recognition exemption (IRE) and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations which give rise to equal and offsetting temporary differences.
- Amendments to IAS 12 International Tax Reform Pillar Two Model Rules: The amendments give relief from accounting for deferred taxes arising from the OECD's (Organisation for Economic Co-operation and Development) international tax reform and require new disclosures to compensate for the potential loss of information resulting from the relief.

The impacts of the above-mentioned amendments on Terveystalo's consolidated financial statements have not been significant.

New and amended standards applied in the financial year 2023 that have no impact on Terveystalo's consolidated financial statements:

 IFRS 17 Insurance Contracts, including Amendments Initial Application of IFRS 17 and IFRS 9 – Comparative Information





Adoption of new and amended standards and interpretations applicable in future financial years

At the publication day of this Group consolidated financial statements, Terveystalo has not applied following new and amended standards and interpretations that are effective in future periods:

- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback (effective for financial years beginning on or after 1 January 2024, early application is permitted)
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current Date; Classification of Liabilities as Current or Non-current – Deferral of Effective Date; Non-current Liabilities with Covenants* (effective for financial years beginning on or after 1 January 2024, early application is permitted)
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements* (effective for financial years beginning on or after 1 January 2024, early application is permitted)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture^{*} (available for optional adoption, effective date deferred indefinitely)

The impact on above-mentioned standards and amendments on Terveystalo's consolidated financial statements are not expected to be significant.

New and amended standards and interpretations applicable in future financial years that are not expected to have impact on Terveystalo's consolidated financial statements:

• Amendments to IAS 21 – Lack of Exchangeability* (effective for financial years beginning on or after 1 January 2025, early application is permitted)

* not yet endorsed for use by the European Union as of 31 December 2023.

2.3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make certain estimates and assumptions that are based on management's best view of the circumstances prevailing on the reporting date, prior experience and assumptions about future events related, among other things, to the expected development of the Group's economic environment in terms of sales and cost level. However, it is possible that the realised outcomes differ from the estimates and assumptions used in the financial statements. In addition, the application of the accounting policies requires judgement, especially when the current IFRS standards have alternative accounting, valuation and presentation methods.

The Group monitors the realisation of the estimates and assumptions and changes in the underlying factors on a regular basis together with the operating units by using several internal and external information sources. Changes in estimates or assumptions are recognised in the period when the estimate or assumption is revised, and in the future periods if the change affects the subsequent periods.

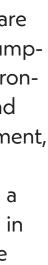
The most important issues requiring management's judgement are presented below:

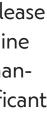
Lease contracts

Terveystalo's lease contracts include both termination and extension options. Group uses the options in managing lease contracts to ensure the flexible use of premises in the Group's businesses. Management uses judgement to determine the use of termination and extension options and assesses the lease termination dates and lease terms. Based on management's judgement, the termination options which relate to perpetual lease contracts for premises that are significant will not be used and such lease contracts are recognised as long-term lease contracts.

Provisions

The most significant provisions in the statement of financial position relate mainly to loss-making contracts. Management makes estimates mainly concerning the total loss of the loss-making contracts.







The critical accounting estimates are presented below:

Intangible assets in connection with business combinations

IFRS 3 requires the acquirer to recognise intangible assets separately from goodwill, if certain criteria are met. Recognising intangible assets separately at fair value requires management to estimate the expected future cash flows. Management has used available market information when possible in determining the fair values. If no market information of the asset has been available, the measurement of the intangible asset is based on the historical yield of the asset and the planned use in operations. The valuations are based on discounted cash flows and estimated disposal or replacement prices, and the valuation requires management to make estimates of the future use of the asset and impact on the company's financial position.

Management believes that the used estimates and assumptions are reasonable for measurement of fair values. In addition, the Group's property, plant and equipment and intangible assets are assessed to determine whether there is any indication of impairment at least at each reporting date.

The valuation of contingent considerations

Management makes discretionary decisions and estimates when determining the valuation of deferred contingent considerations in business combinations. Judgement is applied especially when estimating the expected amount of payments and is based on potential scenarios for future returns, amounts paid under different scenarios and the probability of each scenario.

Impairment testing

Impairment testing for cash-generating units to which goodwill has been allocated is carried out at least annually. Besides goodwill, the Group has no other intangible assets with an indefinite useful life. The recoverable amounts of cash generating units are estimated based on the calculations of their value in use. Preparation of these calculations requires use of estimates. Even though management believes that the used estimates and assumptions are appropriate, the estimated recoverable amounts may differ from the actual results.

Financials

2.4 Principles of consolidation

Subsidiaries

The consolidated financial statements include the parent company Terveystalo Plc and all its subsidiaries where over 50 percent of the voting rights are controlled by the parent company or the parent company otherwise controls the company. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity.

The subsidiaries are included in the consolidated financial statements starting from the date on which control commences until the date on which control ceases.

All subsidiaries are consolidated by using the acquisition method. The consideration transferred for the acquisition of a subsidiary comprise assets transferred, liabilities incurred, and the equity interests issued by the Group measured at fair value. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. On an acquisition by acquisition basis, non-controlling interest in the acquiree is measured either at fair value or at value which equals the proportional share of the non-controlling interest in the identifiable net assets acquired.

All acquisition costs, except costs related to issue of debt or equity securities, are recognised as an expense as incurred. Transactions treated separately from the acquisition are recognised through the income statement and are not included in the consideration transferred. Any contingent consideration is measured at fair value and it is classified either as a liability or equity. Contingent consideration classified as a liability is measured at fair value at the end of reporting period and the resulting profit or loss is recognised in the statement of income. Contingent consideration classified as equity is not remeasured.

If the Group gains control in stages in the acquiree, the existing interest will be measured at fair value through profit or loss.

Goodwill arising from an acquisition is recognised as the excess of the aggregate of the consideration transferred, the amount of non controlling interests in the acquiree and previously held equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the resulting gain is recognised in profit or loss.

Intra group transactions, receivables, liabilities and unrealised gains, as well as the distribution of profits within the Group are eliminated in the preparation of the consolidated financial statements. Accounting policies of subsidiaries have been aligned where necessary to correspond to the Group's principles.

Transactions with non-controlling interests that do not result in the loss of control are treated as equity transactions – in other words, as transactions with owners when they are acting as owners. The difference between the fair value of the consideration paid or received and the book value of the portion of the net assets acquired or disposed is recognised in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is measured at fair value through profit or loss.





Terveystalo

Associates

Associates are entities over which the Group has significant influence. Significant influence generally arises when the Group holds over 20 percent of the voting rights, or otherwise has significant influence, but no control over the entity.

Associates are consolidated using the equity method. They are initially recognised at cost, which includes transaction cost. If the Group's share of the associated company's losses exceeds the carrying amount of the investment, the investment is recognised at zero value in the consolidated statement of financial position. Recognition of further losses exceeding the carrying amount is discontinued, unless the Group has incurred legal or constructive obligations on behalf of the associate.

Unrealised gains resulting from the transactions between the Group and associates are eliminated according to the Group's share of ownership. Goodwill relating to an associate is included in the carrying amount of the investment. The Group's share of the associated company's profit or loss for the period is separately disclosed below net finance expenses. Adjustments have been made when necessary to the associate's accounting policies to align to those of the Group.

At each reporting date, the Group reviews the carrying amounts of the investments in associates to determine whether there is any objective indication of impairment. If any such evidence of impairment exists, then the impairment loss is determined. An impairment loss is the amount by which the carrying amount of an investment in associate exceeds its recoverable amount. An impairment loss is recognised in the statement of income.

If the Group's ownership interest in an associate is reduced, but significant influence is retained, only the relative portion of previously recognised amounts in other comprehensive income and the value of the investment in the consolidated financial statements are recognised in the statement of income as part of the gain or loss.

2.5 Foreign currency transactions

The consolidated financial statements are presented in euros which is the functional and presentation currency of the parent company. Transactions in foreign currencies are translated into respective functional currency at the exchange rate prevailing on the transaction date. Gains and losses arising from transactions denominated in foreign currency and from translation of monetary items are recognised in profit or loss as financial income or expenses.

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

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

Financials

2.6 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

	Magnetic resonance imaging equipment	10 years
t.	Buildings	10—40 years
	Machinery and equipment	2—7 years
	Improvements to office premises	3—10 years

Premises used in operations are depreciated on a straight line basis over a 40 year depreciation period. Property, plant and equipment also includes artwork which is not depreciated.

Gains and losses on the sale and disposal of property, plant and equipment are presented in other operating income or other operating expenses.

Maintenance expenditure are not included in the carrying amounts of property, plant and equipment. When parts of the magnetic resonance imaging equipment are replaced, the Group capitalises the replacement costs as a separate item.

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date.

2.7 Investment properties

Investment property refers to properties held by the Group in order to earn rental income or for capital appreciation or both. Apartments, which are not used in business operations, are mainly accounted for as investment properties. Investment properties are measured at acquisition cost and depreciated on a straight-line basis over a 40-year depreciation period.

2.8 Goodwill and other intangible assets

Goodwill

Goodwill arising in a business combination is recognised as the excess of the aggregate of the consideration transferred, the amount of non controlling interests in the acquiree and previously held equity interest in acquiree over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill is not amortised but tested for impairment annually. For impairment testing, goodwill is allocated to cash generating units or groups of cash generating units. Goodwill is measured at cost less accumulated impairment losses. An impairment loss in respect of goodwill is not reversed.

Gain or loss on disposed unit includes also the carrying amount of goodwill.

Intangible assets

Intangible assets include software and licenses, as well as acquired companies' customer relationships, trademarks and other intangible assets. Intangible assets are recognised initially at cost if the cost of the asset can be measured reliably and if it is probable that the future economic benefits attributable to the asset will flow to the Group.

Cloud computing arrangements which meet the definition of an intangible asset are recognised as intangible assets. Configuration and customisation costs which do not meet the definition of an intangible asset and which are distinct from the cloud computing arrangement, are recognised as an expense as the service is received. Configuration and customisation costs which are not distinct from the cloud computing arrangement, are recognised as prepaid expenses in the statement of financial position and expensed over the expected duration of the cloud computing arrangement.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date separately from goodwill if the assets meet the definition of an asset, are identifiable or rise from contractual or legal rights.

Intangible assets are measured at cost and amortised on a straight line basis over the known or estimated useful lives.

The Group has no intangible assets with indefinite useful life except for goodwill. Amortisation periods used for intangible assets are as follows:

Immaterial rights	3—7 years
Software	3—5 years
Customer agreements and related customer relationships	2—12 years
Trademarks	20 years or shorter useful life
Other intangible assets	3—5 years

Research and development

Research expenditure are recognised as an expense as incurred in the statement of income. Development expenditure are capitalised as intangible assets when certain capitalisation criteria are met. Development expenditure that do not qualify for the capitalisation are recognised as an expense. The estimated useful lives of capitalised development expenditure are 3–5 years.

2.9 Impairment

Tangible and intangible assets

At the end of each reporting period, the Group assesses whether there are any indications of impairment. If any indications of an impairment exist, the recoverable amount of the asset is determined. For goodwill and intangible assets not yet available for use, the recoverable amount is determined annually, irrespective of whether there is any evidence of impairment. Evidence of impairment is assessed at the level of the Group's cash-generating units, i.e. at the lowest unit level, which is largely independent of the other units and whose cash flows can be distinguished from the cash flows of equivalent units.

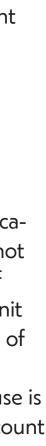
The recoverable amount of an asset is the higher of its fair value less costs to sell or value-in-use. The value-in-use is the amount of estimated future cash flows of an asset or cash generating unit discounted to present value. The discount rate used is the pre-tax discount rate, which reflects the market view on the time value of money and specific risks related to the asset.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in the statement of income. If impairment loss is related to a cash generating unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit, and then to reduce the carrying amounts of the other assets on a pro rata basis. The useful life of an asset, which is subject to depreciation or amortisation, is reassessed when an impairment loss is recognised. The impairment loss recognised for other assets than goodwill is reversed if there has been a change in estimates used to determine the recoverable amount. The reversal of the impairment loss cannot exceed the carrying amount of the asset if impairment loss had not been recognised. Impairment loss recognised for goodwill is not reversed.

Financial assets

At the end of each reporting period the Group evaluates indicators of potential impairment of a single financial asset or a group of financial assets.

The Group recognises an expected credit loss for trade receivables and contract assets based on a simplified approach. Expected credit loss rates have been calculated using historical information of actual impairment losses, and the current conditions and the Group's view of the economic conditions over the expected lives of the receivables have been taken into account.







2.10 Leases

Group as a lessee

The Group assesses whether a contract is or contains a lease at the inception of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. A lessee recognises a right-of-use asset and a lease liability on statement of financial position at the lease commencement date.

A lease term is determined as the non-cancellable period of a lease. The lease term includes periods covered by an option to extend or terminate the lease, if the Group is reasonably certain to exercise the extension option or not to exercise the termination option. Perpetual lease contracts related to significant premises are accounted for as long-term lease contracts, as, according to management judgment, the termination options for such contracts will not be used. The lease term for such contracts is determined based on the Group's strategy and network plan.

The Group does not recognise short-term leases (a lease that has a lease term of 12 months or less) and leases for which the underlying asset is of low value. The lease payments associated with such leases are expensed on a straight-line basis.

Initially a right-of-use asset is measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives, any initial direct costs incurred by the Group, and an estimate of restoration costs to be incurred by the Group. If a lease contains several lease components, they are accounted for separately.

Subsequently right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurements of the lease liability. A right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group is reasonably certain to exercise the purchase option, the right-of-use asset is depreciated over its useful life. The estimated useful lives of right-of-use assets are 1–16 years.

The book value and useful life of a right-of-use asset are reviewed where necessary but at least annually and an impairment loss is recognised if there is a change in expectations of the future economic benefits.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The Group uses an incremental borrowing rate as the discount rate. A lease liability includes fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee, and the exercise price under a purchase option that Terveystalo is reasonably certain to exercise.

Financials

Subsequently a lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Terveystalo's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-use asset or is recorded in the statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

2.11 Financial assets and liabilities Financial assets

The Group's financial assets are classified at fair value through the statement of income or, at amortised cost. Classification is based on the purpose of the acquisition of the item and is made upon initial recognition.

Financial assets at fair value through the statement of income comprise of derivate assets, non-quoted equity instruments and loan receivables. Realised or unrealised gains and losses arising from changes in fair values are recognised in the statement of income in the period in which they are incurred.

Financial assets at amortised cost consist of trade receivables and other receivables. They are measured at amortised cost and they are included in non-current assets unless the Group has an intention to hold the instrument for less than 12 months from the reporting date, in which case they are included in current assets.

The Group has not had financial assets at fair value through other comprehensive income during the periods 2022 or 2023.

The financial asset is derecognised when the contractual rights to the cash flows expire, or the financial asset is transferred to another party and the Group substantially transfers all the risks and rewards of ownership to another party.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits available on demand, and other short-term highly liquid investments. Items included in cash and cash equivalents have original maturities of three months or less from the acquisition date.

Financial liabilities

The Group's financial liabilities are measured at fair value through the statement of income or at amortised cost.

Financial liabilities at fair value through the statement of income comprise derivative liabilities and contingent considerations. Realised or unrealised gains and losses arising from changes in fair values are recognised the statement of income in the period in which they are incurred.

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Financial liabilities at amortised cost include loans from financial institutions, bonds, lease liabilities, hire purchase liabilities and trade and other payables. They are initially recognised at fair value which is based on the consideration received. Transaction costs are included in the initial amount recognised and subsequently the financial liability is measured at amortised cost using the effective interest method.

Financial liabilities are included in non-current and current liabilities and they can be either interest-bearing or non-interest-bearing. Financial liabilities are classified as current liabilities, unless the Group has an unconditional right to postpone the payment of the liability to at least 12 months from the reporting date.

The Group has not had financial liabilities at fair value through other comprehensive income during the periods 2022 or 2023.

Financial liability is derecognised when the Group either settles the liability or has been legally discharged from the obligation related to the liability either through a legal process or by the borrower.

2.12 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined by using FIFO (first in, first out) method. Net realisable value is the cost of inventory less obsolescence allowance.

2.13 Employee benefits

Pension benefits

Pension plans are classified as either defined contribution plans or defined benefit plans. In defined contribution plans, A defined benefit plan is a pension plan under which the Group itself has the obligation to pay retirement benefits

the Group makes fixed contributions into the plan. The Group has no legal or constructive obligation to make additional payments if the pension insurance company is unable to pay pension benefits earned by employees in the reporting period or in previous periods. Contributions made into defined contribution plans are recognised through profit or loss in the reporting period to which they relate. and bears the risk of change in the value of plan liability and assets. The liability recognised on the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets. The pension liability is presented in other non-current liabilities in the statement of financial position. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate or government bonds with approximating terms to maturity and that are denominated in the currency in which the benefits are expected to be paid.

Financials

Actuarial gains and losses related to remeasurements of a defined benefit plan are recognised directly in the other comprehensive income. Interest and other expenses related to defined benefit plans are recognised directly in the statement of income. If a plan is amended or curtailed, the portion of the changed benefit related to past service by the employees, or the gain or loss on curtailment, is recognised directly in the statement of income when the plan amendment or curtailment occurs.

Share-based payment transactions

The benefits granted in accordance with the incentive plan are measured at fair value at the grant date and are expensed on a straight-line basis over the vesting period. The share-based payments settled with equity instruments are not revalued subsequently, and cost from these arrangements is recognised as an increase in equity. The cash-settled sharebased incentives are valued at fair value at each reporting date until the settlement date and recognised as a liability.

The expensed amount of the benefits is based on the Group's estimate of the amount of benefits to be paid in accordance with the fulfilment of service and performance-based vesting conditions at the end of the vesting period. Market conditions are considered in determining the fair value of the benefit. Instead, the non-market criteria, like profitability, are not considered in measuring the fair value of the benefit but are taken into account when estimating the final amount of benefits. The estimate is updated at each reporting date and changes in estimates are recorded through the statement of income.

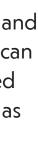
2.14 Provisions and contingent liabilities

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recognised at the present value of the expenditure required to fulfil the obligation. If the obligation can be partially compensated by a third party, the compensation is treated as a separate asset, but only when it is virtually certain that the compensation will be received.

A provision is recognised for contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A contingent liability is a possible obligation arising as a result of past events, and whose existence will be confirmed only when an uncertain future event takes place, not wholly within control of the entity. Also, a present obligation which probably does not require a cash settlement or on which the value cannot be reliably estimated is considered as a contingent liability. Contingent liabilities are disclosed in the notes.







2.15 Revenue recognition

The Group's revenue consists mainly of occupational healthcare services, general practice and clinic hospital operations, dental services as well as diagnostic services. The Group also provides diverse primary healthcare, special healthcare, child welfare and digital healthcare services for public sector as well as amongst other things, massage and rehabilitation services. The Group's customer contracts include primarily one performance obligation, which is typically a single appointment, and the transaction prices are mainly fixed. In some cases, the transaction price includes a variable consideration such as a discount or penalty. Possible variable considerations are assessed at each reporting date and are allocated to one or more performance obligations. The terms of payment and payment periods in customer contracts vary, but payment time is nonetheless clearly below one year. Consequently, customer contracts do not include a significant financing component. Revenue is recognised to the extent that the Group expects to be entitled to in exchange for the goods and services taking into account the terms and conditions of the customer contracts and business practices.

Revenue from individual appointments is recognised at a point in time as the service has been completed. For long-term contracts for predetermined services or a bundle of services, revenue is recognised as Terveystalo fulfils the performance obligation by performing the promised service. The Group's long-term contracts are assessed to include a single performance obligation where the services provided by the Group are integrated into a single bundle of services. The customer simultaneously receives and consumes the benefits from the service and, consequently, the criteria for recognising revenue over time is met. For long-term contracts, Terveystalo measures the progress towards complete satisfaction of the performance obligation by applying the input method, in which the revenue is recognised based on time elapsed. The Group views that the used method best describes the transfer of control for the services provided. Estimated costs and revenues will be re-assessed regularly during performing the services. Revisions in profit estimates as well as projected potential losses on contracts are charged through the statement of income in the period in which they become known. The Group has not incurred any substantial costs for obtaining customer contracts.

Regarding private practitioners, Terveystalo acts as the principal and recognises revenue on a gross basis. Fees related to purchasing these services are recognised in materials and services expenses.

2.16 Segment information

Terveystalo has changed its operating model that came into effect at the beginning of the year 2023, and, as a result, the financial reporting structure to better highlight the performance of Terveystalo's businesses. The new reporting structure reflects Terveystalo's new operating model and is aligned with the way the company's chief operating decision maker follows the operational performance of Terveystalo's businesses. Terveystalo Group comprises of three operating segments that are reportable segments: Healthcare Services, Portfolio Businesses, and Sweden. Monitoring of profitability is primarily based on operating segments. In addition, Terveystalo provides disclosure on revenue for Healthcare Services on customer and service level, and for Portfolio Businesses on service level.

Financials

Terveystalo's chief operating decision maker is the CEO who is monitoring the operating results of operating segments for the purpose of assessing performance and making decisions about resource allocation. Key financial performance measures of the segments comprise primarily revenue and segment adjusted earnings before interest, taxes, amortisation and impairment (EBITA). The evaluation of segment performance and allocation of resources is primarily based on segment adjusted EBITA, which the management estimates the most relevant measure for this purpose.

Healthcare Services offers customers in Finland integrated care paths from preventive occupational health services to primary care services and to different fields of specialised care, diagnostic, and day surgery. In Healthcare Services, Terveystalo aims for industry-leading profitability and the best care outcomes. The Portfolio Businesses segment consists of business areas that aim for independent value creation utilising

The Portfolio Businesses segment consists of business areas that aim for independent value creation utilising Terveystalo's capabilities according to their needs. Portfolio Businesses include public sector outsourcing, staffing services, and dental care, as well as other businesses such as public sector digital services, rehabilitation, child welfare, and massage services, as well as sign language interpretation services.

The Sweden segment consists of Feelgood subsidiaries' operations in Sweden, which are focused on occupational health and consultation for organisational management and harmful use. In Sweden, Terveystalo aims for profitable growth in the medium and long term.

In addition to operating segments, Terveystalo provides information for Other section. Other reported figures mainly consist of parent company expenses as well as unallocated Group level adjustments and provisions.

2.17 Government grants

Government grants are presented in other operating income as far as they do not relate to acquired assets. Grants are recognised when there is reasonable assurance that grants will be received, and the Group will comply with the conditions associated with the grants.

2.18 Operating profit

IAS 1 standard does not define operating profit. The Group has defined it as follows: Operating profit is calculated by adding other operating income to revenue, deducting costs related to materials and services, deducting costs related to employee benefits, depreciation, amortisation and impairments as well as other operating expenses.

by

2.19 Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial period. The Group's share-based incentive plan has a dilution effect related to the earnings per share.

2.20 Income taxes

Income taxes primarily include current and deferred taxes. Tax related to items recognised directly in equity or in other comprehensive income is also recognised in equity or in other comprehensive income. Current tax assets and liabilities are measured at the amount expected to be received from or paid to taxation authorities, using the rates and laws that have been enacted by the date of the statement of financial position. Income taxes include any adjustment to tax in respect of previous years.

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts in taxation. Deferred tax is not recognised in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss at the date of the transaction. Deferred tax is not recognised for non-tax-deductible goodwill or for subsidiaries' retained earnings to the extent that it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxes relate primarily to the difference between the book value and tax base of capitalised customer relationships and trademarks, and to provisions related primarily to loss making contracts.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which they can be used and using the losses is considered probable.

Deferred taxes are calculated using tax rates enacted by the reporting date.

Financials

3. Business Combinations

During the year 2023, the Group has made one corporate acquisition and one business acquisition.

- On 15 August 2023 Feelgood Företagshälsovård AB acquired 100 percent of the occupational health provider Växjö Hälsoforum AB.
- On 2 October 2023 Feelgood Sjukvård AB acquired the occupational health care business of Quality Care AB.

The following table summarises the acquisition date fair values of the consideration transferred as well as the recognised 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 preliminary, and the information has been consolidated, because the acquisitions are not material individually.

Consideration transferred

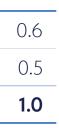
Purchase price, payable in cash		
Contingent consideration		

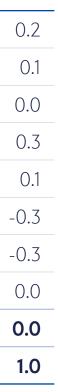
Identifiable assets acquired and liabilities assumed

EUR mill.

Cash and cash equivalents
Intangible assets
Property, plant and equipment
Right-of-use assets
Trade and other receivables
Lease liabilities
Trade and other payables
Deferred tax liabilities
Total identifiable net assets acquired
Goodwill







As a result of these business combinations, a preliminary goodwill amounting to EUR 1.0 million was recognised. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 0.7 million of the recognised goodwill is deductible in taxation. Cashflow impact of the acquisitions made during 2023 was EUR -0.3 million.

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

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

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

The contributed revenue recognised from the acquisitions during the year 2023 was EUR 0.4 million and loss was EUR 0.0 million.

If the acquisition had occurred on 1 January 2023, management estimates that the Group's consolidated revenue in 2023 would have been EUR 1,286.9 million and the consolidated result for the period would have been EUR -42.2 million.

Financials

Business Combinations 2022

During the year 2022, the Group has made 12 corporate acquisitions and 3 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 Fysiogeriatria 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 and its subsidiaries.
- 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.
- On 31 August 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the therapy service provider Ludus Oy Tutkimus- ja Kuntoutuspalvelut.
- On 31 August 2022 Suomen Terveystalo Oy acquired the dental clinic business of Hammasrasti.
- On 31 August 2022 Suomen Terveystalo Oy acquired the physiotherapy and therapy businesses of FysioProfessionals.
- On 30 September 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Saimaan Urheilufysioterapia Oy.
- On 30 September 2022 Suomen Terveystalo Oy acquired the dental clinic business of Hymyn Paikka.
- On 31 October 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the chat and video connection solution provider Somia Reality Oy.



The following table summarises the acquisition date fair values of the consideration transferred as well as the recognised 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 information has been consolidated, because the acquisitions are not material individually.

Consideration transferred

EUR mill.	
Purchase price, payable in cash	37.8
Contingent consideration	5.1
Total consideration transferred	42.9

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	
Intangible assets	
Property, plant and equipment	
Right-of-use assets	
Deferred tax assets	
Inventories	
Trade and other receivables	
Financial liabilities	-
Lease liabilities	-
Trade and other payables	-1
Deferred tax liabilities	
Interest bearing liabilities	-
Total identifiable net assets acquired	
Goodwill	34

Financials

As a result of these business combinations, a preliminary goodwill amounting to EUR 34.0 million was recognised in 2022. In 2023, effect to goodwill arising from corporate acquisitions made in year 2022 was EUR 0.3 million. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 1.0 million of the recognised goodwill is deductible in taxation. Cashflow impact of the acquisitions made during 2022 was EUR -32.9 million. In 2023, cash flow effect from corporate acquisitions made in year 2022 was EUR -4.0 million due to adjustments to purchase prices and additional purchase prices paid.

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

The fair value of the acquired trade and other receivables amounted to EUR 5.2 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition related expenses of EUR 1.3 million related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed revenue recognised from the acquisitions during the year 2022 was EUR 18.3 million and loss was EUR 1.0 million.

If the acquisition had occurred on 1 January 2022, management estimates that the Group's consolidated revenue in 2022 would have been EUR 1 268.0 million and the consolidated result for the period would have been EUR 23.3 million.

4. Segment information

Terveystalo Group's operating segments are Healthcare Services, Portfolio Businesses, and Sweden. These are also reportable segments and operating segments are not aggregated.

Segment information

1.1.—31.12.2023 EUR mill.	Healthcare services	Portfolio Businesses	Sweden	Segments total	Other	Internal eliminations	Total
Revenue							
Revenues from external customers	933.5	260.7	92.3	1,286.4	-	-	1,286.4
Revenues from transactions with other operating seg- ments of the same entity	15.1	6.5	0.2	21.8	-	-21.8	-
Total revenue	948.6	267.2	92.5	1,308.2	-	-21.8	1,286.4
Adjusted EBITA	109.0	8.7	3.7	121.4	4.2	-	125.6
Depreciations	5.9	1.0	6.9	13.8	60.9	-	74.6

1.1.—31.12.2022 EUR mill.	Healthcare services	Portfolio Businesses	Sweden	Segments total	Other	Internal eliminations	Total
Revenue							
Revenues from external customers	882.5	284.0	92.6	1,259.1	_	_	1,259.1
Revenues from transactions with other operating seg- ments of the same entity	15.3	6.7	0.2	22.2	-	-22.2	-
Total revenue	897.8	290.7	92.8	1,281.3	-	-22.2	1,259.1
Adjusted EBITA	99.2	3.5	2.6	105.3	-0.1	-	105.2
Depreciations	5.6	0.9	6.6	13.1	59.7	-	72.8

Financials

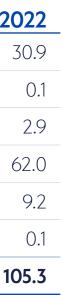
Reconciliation of the total of the reportable segment's adjusted EBITA to the Group's profit before taxes

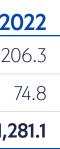
EUR mill.	31 Dec 2023	31 Dec 20
Profit before taxes	-38.9	2
Share of profits in associated companies	0.0	
Net finance expenses	24.2	
Amortisation and impairment losses	119.1	6
Adjustments	21.2	
Other	-4.2	
Adjusted EBITA	121.4	10

Non-current assets by geographical areas

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

31 Dec 2023	31 Dec 20
1,144.7	1,20
75.3	7
1,220.0	1,28
	1,144.7 75.3





5. Revenue

The Group's distribution of revenue is based on three segments: Healthcare Services, Portfolio Businesses, and Sweden. For more information on segments, refer to Note 4, Segment information. The revenue of Healthcare Services is divided by services and customer groups. The revenue of Portfolio Businesses is divided by services. Terveystalo offers its primary and outpatient secondary health care services to three distinct customer groups: corporate customers, private customers, and public customers. The Group does not have customers whose revenue exceeds 10 percent of the Group's total revenue.

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.

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 personalised 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 organisations, such as municipalities, municipal federations, and hospital districts, as well as municipal occupational health care customers. The services offered to public sector customers include full and partial outsourcings, health care staffing services, specialised care services, other health care services, as well as occupational health care services for municipalities, municipal federations, and hospital districts.

EUR mill.	1.131.12.2023	1.1.—31.12.202
Healthcare services	948.6	897.
Portfolio Businesses	267.2	290
Sweden	92.5	92
Elimination	-21.8	-22
Total	1,286.4	1,259

Dissagregation of revenue

Financials

Healthcare services, revenue, EUR mill.	1.1.—31.12.2023	1.1.—31.12.2022
By customer		
Corporate	564.0	522.9
Consumer	296.1	278.4
Public sector	88.5	96.4
Total	948.6	897.8
By service		
Appointments	618.3	556.3
Diagnostics	229.6	250.0
Other	100.7	91.5
Total	948.6	897.8

Portfolio Businesses, revenue, EUR mill.	1.131.12.2023	1.1.—31.12.20	
Outsourcing services	91.1	1	
Staffing services	84.7		
Dental care	54.5	Ľ	
Other	36.9	7	
Total	267.2	29	

Timing of satisfying performance obligations

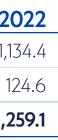
EUR mill.	1.1.—31.12.2023	1.1.—31.12.20
At a point in time	1,192.9	1,13
Over time	93.5	12
Total	1,286.4	1,2

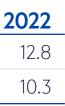
Balances in the statement of financial position

EUR mill.	31 Dec 2023	31 Dec 20
Contract assets	10.2	
Contract liabilities	8.8	

The Group will satisfy performance obligations related to the contract liabilities within one year.

2022 118.7 84.1 52.2 35.6 290.7





Corporate Governance

6. Other operating income

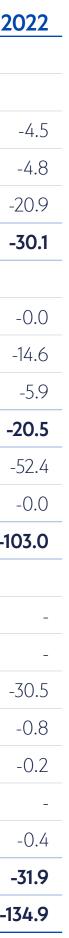
EUR mill.	1.1.—31.12.2023	1.131.12.2022	EUR mill.	1.1.—31.12.2023	1.1.—31.12.202
Rental income	0.9	1.1	Depreciation and amortisation by asset type		
Gains on sale of property, plant and equipment	0.2	0.3	Intangible assets		
Other items	3.1	1.2	Trademarks	-4.7	
Total	4.2	2.7	Customer relationships	-9.4	-4
			Other intangible assets	-18.2	-20
7 Materials and convises			Total	-32.2	-30
7. Materials and services			Property, plant and equipment		
EUR mill.	1.1.—31.12.2023	1.131.12.2022	Buildings	-0.0	-0
Purchases of materials	-40.8	-44.1	Machinery and equipment	-14.9	-14
Change in inventories	0.5	0.2	Improvement to premises	-6.4	-5
External services	-495.9	-481.8	Total	-21.3	-20
Total	-536.2	-525.7	Right-of-use assets	-53.3	-52
			Investment property	-0.0	-C
8. Employee benefit expenses			Depreciation and amortisation total	-107.0	-103
0. L'inployée benefit expenses			Impairment losses by asset groups		
EUR mill.	1.1.—31.12.2023	1.131.12.2022	Goodwill	-57.3	
Wages and salaries	-374.3	-379.5	Customer relationships	-29.3	
Share-based payments	-1.4	-2.0	Other intangible assets	-0.0	-30
Pension expenses — defined contribution plans	-58.7	-61.0	Machinery and equipment	-0.0	-0
Other social security costs	-12.6	-12.5			
Total	-447.0	-455.0	Improvement to premises	-0.0	-C
Number of personnel at the end of the reporting period	9,824	10,933	Investment property	-0.2	
			Associated companies	-	-C
			Impairment total	-86.9	-31
			Total depreciation, amortisation and impairment losses	-193.8	-134

EUR mill.	1.1.—31.12.2023	1.131.12.2022	EUR mill.	1.1.—31.12.2023	1.1.—31.12.202
Rental income	0.9	1.1	Depreciation and amortisation by asset type		
Gains on sale of property, plant and equipment	0.2	0.3	Intangible assets		
Other items	3.1	1.2	Trademarks	-4.7	
Total	4.2	2.7	Customer relationships	-9.4	-4
			Other intangible assets	-18.2	-20
7. Materials and services			Total	-32.2	-30
7. Materials and services			Property, plant and equipment		
EUR mill.	1.1.—31.12.2023	1.131.12.2022	Buildings	-0.0	-C
Purchases of materials	-40.8	-44.1	Machinery and equipment	-14.9	-12
Change in inventories	0.5	0.2	Improvement to premises	-6.4	
External services	-495.9	-481.8	Total	-21.3	-20
Total	-536.2	-525.7	Right-of-use assets	-53.3	-52
			Investment property	-0.0	-C
8. Employee benefit expenses			Depreciation and amortisation total	-107.0	-103
0. Employee benefit expenses			Impairment losses by asset groups		
EUR mill.	1.1.—31.12.2023	1.1.—31.12.2022	Goodwill	-57.3	
Wages and salaries	-374.3	-379.5	Customer relationships	-29.3	
Share-based payments	-1.4	-2.0	Other intangible assets	-0.0	-30
Pension expenses — defined contribution plans	-58.7	-61.0	Machinery and equipment	-0.0	-0
Other social security costs	-12.6	-12.5			
Total	-447.0	-455.0	Improvement to premises	-0.0	-(
Number of personnel at the end of the reporting period	9,824	10,933	Investment property	-0.2	
			Associated companies	-	-(
			Impairment total	-86.9	-31
			Total depreciation, amortisation and impairment losses	-193.8	-134

EUR mill.	1.1.—31.12.2023	1.131.12.2022	EUR mill.	1.1.—31.12.2023	1.1.—31.12.202
Rental income	0.9	1.1	Depreciation and amortisation by asset type		
Gains on sale of property, plant and equipment	0.2	0.3	Intangible assets		
Other items	3.1	1.2	Trademarks	-4.7	-2
Total	4.2	2.7	Customer relationships	-9.4	
			Other intangible assets	-18.2	-20
7. Materials and services			Total	-32.2	-30
7. Materials and services			Property, plant and equipment		
EUR mill.	1.1.—31.12.2023	1.131.12.2022	Buildings	-0.0	-(
Purchases of materials	-40.8	-44.1	Machinery and equipment	-14.9	-12
Change in inventories	0.5	0.2	Improvement to premises	-6.4	
External services	-495.9	-481.8	Total	-21.3	-20
Total	-536.2	-525.7	Right-of-use assets	-53.3	-52
			Investment property	-0.0	-(
8. Employee benefit expenses			Depreciation and amortisation total	-107.0	-103
0. Employee benefit expenses			Impairment losses by asset groups		
EUR mill.	1.1.—31.12.2023	1.131.12.2022	Goodwill	-57.3	
Wages and salaries	-374.3	-379.5	Customer relationships	-29.3	
Share-based payments	-1.4	-2.0	Other intangible assets	-0.0	-30
Pension expenses — defined contribution plans	-58.7	-61.0	Machinery and equipment	-0.0	-(
Other social security costs	-12.6	-12.5			
Total	-447.0	-455.0	Improvement to premises	-0.0	-(
Number of personnel at the end of the reporting period	9,824	10,933	Investment property	-0.2	
			Associated companies	-	-(
			Impairment total	-86.9	-31
			Total depreciation, amortisation and impairment losses	-193.8	-134

Financials

9. Depreciation, amortisation and impairment



10. Other operating expenses

Specification of other operating expenses

specification of other operating expenses			EUR mill.	1.131.12.2023	1.1.—31.12.20
EUR mill.	1.1.—31.12.2023	1.131.12.2022	Interest income on loans and other receivables	1.2	
External services	-22.7	-3.7	Dividend income	0.0	
Operating and maintenance expenses for premises and equipment	-25.1	-22.6	Change in fair value of interest rate derivatives, no hedge accounting	-	
ICT expenses	-40.4	-39.7	Total financial income	1.2	
Non-statutory personnel expenses	-7.4	-7.1	Interest expense on loans from financial institutions	-14.3	-
Leases and charges	-4.9	-5.1	Interest expense on bonds	-3.2	
Travel expenses	-6.9	-6.5	Interest expenses on lease liabilities	-5.2	-
Marketing and communication	-8.7	-8.5	Change in fair value of interest rate derivatives, no hedge accounting	-1.9	
Acquisition-related expenses	-0.1	-1.6	Other financial expenses	-0.9	-
Other costs	-12.0	-17.4	Total financial expenses	-25.4	-10
Total	-128.2	-112.3	Net financial expenses	-24.2	-

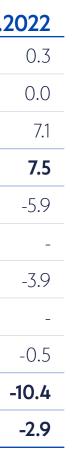
Auditor's fees

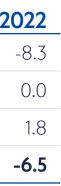
In thousands of euro	1.131.12.2023	1.131.12.2022	12. Taxes		
Audit and auditor's statements based on laws and regulations					
Audit, KPMG	-481.1	-387.9	12.1 Income taxes		
Auditor's statements based on laws and regulations, KPMG	-11.0	-13.4	Income taxes in the statement of income		
Total	-492.1	-401.4	income taxes in the statement of income		
Non audit services			EUR mill.	1.131.12.2023	1.1.—31.12.202
Tax services, KPMG	-4.3	-2.8	Current tax for the reporting year	-10.8	-8
Other services, KPMG	-	-49.5	Income taxes for previous periods	-0.1	(
Total	-4.3	-52.3	Change in deferred taxes	7.6	
Auditor's fees total	-496.4	-453.6	Total income taxes	-3.3	-0

Auditor's fees have been presented excluding value-added tax. Non-audit services paid for the parent company's auditor, KPMG Oy Ab, were 4 (52) thousand euros in total.

Financials

11. Financial income and expenses







Reconciliation of the Group's tax rate to the Finnish tax rate

EUR mill.	1.1.—31.12.2023	1.131.12.2022
Profit or loss before taxes	-38.9	30.9
Tax using the parent company's tax rate	7.8	-6.2
Tax rates in foreign jurisdictions	-0.0	-0.0
Tax exempt income	0.6	0.2
Non-deductible expenses	-11.7	-0.5
Share of profit in associated companies	0.0	-0.0
Recognition of previously unrecognised tax losses	0.2	0.2
Tax losses for which no deferred taxes are recognised	-0.2	-0.2
Taxes from previous periods	-0.1	0.0
Other	0.1	0.0
Total income taxes in the statement of income	-3.3	-6.5

Global minimum top-up tax (Pillar 2)

Terveystalo Group has assessed the impacts of Global minimum top-up tax (Pillar 2) regulation on the taxation of its Group companies. Besides Finland, the Group has operations in Sweden and to a minor extent in Estonia. In Finland and in Sweden effective tax rate is above global minimum top-up tax rate of 15%. Therefore the Group is not expecting to pay top tax due to Pillar 2 minimum top-up tax regulation.

The Group has applied a temporary mandatory relief from deferred tax accounting that arises from international tax reform enforcement legislation.

Financials

12.2 Deferred tax assets and liabilities

Deferred tax assets 2023

EUR mill.	1 Jan 2023	Business combinations	Recognised in the statement of income	Translation differences	31 Dec 20
Provisions	1.6	-	-0.4	-	
Tax losses carried forward	1.8	-	-0.3	-	
Leases	1.4	0.0	0.1	0.0	
Interest rate derivatives	0.7	-	-0.7	-	(
Other temporary differences	2.1	-	-0.4	-	
Total	7.7	0.0	-1.7	0.0	(

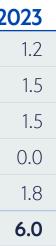
Deferred tax liabilities 2023

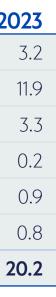
EUR mill.	1 Jan 2023	Business combinations	Recognised in the statement of income	Translation differences	31 Dec 20
Reversal of goodwill amortisation	3.0	-	0.2	-	
Business combinations	21.1	0.0	-9.3	-0.0	
Depreciation difference	2.5	-	0.8	-	
Loan withdrawal expense	0.1	-	0.1	-	
Interest rate derivatives	2.0	-	-1.0	-	
Other temporary differences	0.8	-	-0.0	-	
Total	29.5	0.0	-9.2	-0.0	2

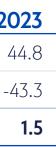
The Group has no material deductible temporary differences, unused tax losses or unused tax credits for which no deferred tax asset has been recognised.

Deferred taxes from lease agreements

		Business			Recognised in the	
EUR mill.	1 Jan 2023	combinations	Additions	Disposals	statement of income	31 Dec 20
Deferred tax asset	36.2	0.1	22.8	-3.5	-10.7	4
Deferred tax liability	-34.8	-0.1	-22.8	3.5	10.8	_2
Total	1.4	0.0	0.0	-0.0	0.1	







Deferred tax assets 2022

combinations	Additions	Disposals	of income	difference	31 Dec 202
0.9	11.1	-1.1	-10.5	-0.1	36
-0.9	-11.1	1.1	10.5	0.1	-32
0.0	0.0	0.0	0.0	-0.0	
	-0.9 0.0				

Deferred tax liabilities 2022

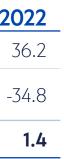
EUR mill.	1 Jan 2022	Business combinations	Recognised in the statement of income	Translation difference	31 Dec 2022
Reversal of goodwill amortisation	2.9	-	0.1	-	3.0
Business combinations	23.5	1.2	-3.4	-0.1	21.1
Depreciation difference	1.3	-	1.2	-	2.5
Loan withdrawal expense	0.1	-	-0.0	_	0.1
Interest rate derivatives	0.1	-	1.9	_	2.0
Other temporary differences	0.6	-	0.2	-0.0	0.8
Total	28.5	1.2	-0.1	-0.1	29.5

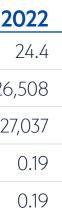
The Group has no material deductible temporary differences, unused tax losses or unused tax credits for which no deferred tax asset has been recognised.

Deferred taxes from lease agreements

13. Earnings per share

	1.131.12.2023	1.1.—31.12.20
Result attributable to the equity holders of the company, EUR mill.	-42.2	
Weighted average number of outstanding shares, in thousands	126,555	126,
Diluted average number of outstanding shares, in thousands	127,037	127,
Basic earnings per share for result attributable to the equity holders of the company, EUR	-0.33	(
Diluted earnings per share for result attributable to the equity holders of the company, EUR	-0.33	(





14. Tangible assets

14.1 Property, plant and equipment

2023 EUR mill.	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total	2022 EUR mill.	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
Acquisition cost 1 Jan 2023	2.3	165.1	64.4	4.2	236.0	Acquisition cost 1 Jan 2022	2.1	144.4	55.0	3.0	204.4
Business combination	-	0.0	-	-	0.0	Business combination	0.2	0.4	0.5	0.0	1.1
Additions	-	13.8	1.7	8.8	24.3	Additions	-	20.0	4.9	6.1	31.0
Disposals	-	-0.5	-0.1	-	-0.6	Disposals	-	-0.4	-	-0.0	-0.4
Translation differences	0.0	0.0	0.0	0.0	0.0	Translation differences	-0.0	-0.2	-0.0	-0.0	-0.2
Transfers between items	-	1.2	10.6	-11.8	-	Transfers between items	-	1.0	4.0	-4.9	0.1
Acquisition cost 31 Dec 2023	2.3	179.7	76.6	1.1	259.7	Acquisition cost 31 Dec 2022	2.3	165.1	64.4	4.2	236.0
Accumulated depreciation and impairment losses 1 Jan 2023	-1.2	-117.1	-35.8	-	-154.0	Accumulated depreciation and impairment losses 1 Jan 2022	-1.1	-101.7	-29.6	-	-132.4
Depreciation	-0.0	-14.9	-6.4	-	-21.3	Depreciation and impairment losses	-0.0	-14.6	-5.9	-	-20.6
Impairment losses	-	-0.0	-0.0	-	-0.0	Impairment losses	-	-0.8	-0.2	_	-1.0
Translation differences	-0.0	-0.0	-0.0	-	-0.0	Translation differences	0.0	0.1	0.0	_	0.1
Accumulated depreciation and impairment losses 31 Dec 2023	-1.2	-132.1	-42.2	-	-175.5	Accumulated depreciation and impairment losses 31 Dec 2022	-1.2	-117.1	-35.8	-	-154.0
Carrying amount 1 Jan 2023	1.2	47.9	28.7	4.2	82.0	Carrying amount 1 Jan 2022	1.0	42.6	25.4	2.9	72.0
Carrying amount 31 Dec 2023	1.2	47.5	34.5	1.1	84.2	Carrying amount 31 Dec 2022	1.2	47.9	28.7	4.2	82.0

Financials



14.2 Right of-use-assets

2023				2022			
EUR mill.	Premises	Other right-of-use assets	Total	EUR mill.	Premises	Other right-of-use assets	Tot
Acquisition cost 1 Jan 2023	331.7	41.5	373.1	Acquisition cost 1 Jan 2022	278.7	41.1	319
Business combination	0.3	-	0.3	Business combination	4.4	-	
Additions	108.2	0.6	108.9	Additions	54.5	0.8	5.
Disposals	-16.5	-1.2	-17.7	Disposals	-4.7	-0.3	-[
Translation differences	0.2	0.0	0.3	Translation differences	-1.3	-	-
Acquisition cost 31 Dec 2023	424.0	40.9	464.9	Acquisition cost 31 Dec 2022	331.7	41.5	37
Accumulated depreciation and impairment losses 1 Jan 2023	-167.5	-31.8	-199.3	Accumulated depreciation and impairment losses 1 Jan 2022	-119.0	-28.3	-147
Depreciation for the reporting period	-50.2	-3.1	-53.3	Depreciation for the reporting period	-48.8	-3.5	-52
Translation differences	-0.2	-0.0	-0.2	Translation differences	0.3	0.0	C
Accumulated depreciation and impairment losses 31 Dec 2023	-217.9	-34.9	-252.8	Accumulated depreciation and impairment losses 31 Dec 2022	-167.5	-31.8	-199
Carrying amount 1 Jan 2023	164.2	9.7	173.9	Carrying amount 1 Jan 2022	159.7	12.7	172
Carrying amount 31 Dec 2023	206.1	6.0	212.1	Carrying amount 31 Dec 2022	164.2	9.7	173

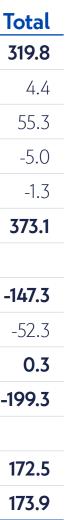
Financials

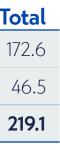
14.3 Lease liabilities

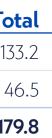
2023, EUR mill.	Premises	Other lease liabilities	То
Non-current lease liabilities	166.8	5.8	17
Current lease liabilities	44.0	2.5	4
Total lease liabilities	210.8	8.3	21

The group has lease agreements that involve repair or renovation responsibilities related to the leased premises, which may result in changes to the future rental level.

2022, EUR mill.	Premises	Other lease liabilities	Tot
Non-current lease liabilities	124.2	9.0	13
Current lease liabilities	43.7	2.8	40
Total lease liabilities	167.9	11.8	179







15. Intangible assets

2023 EUR mill.	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total	2022 EUR mill.	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	То
Acquisition cost 1 Jan 2023	947.5	167.8	88.7	140.2	1,344.2	Acquisition cost 1 Jan 2022	916.6	166.5	88.8	111.0	1,28
Business combination	1.3	0.1	-	-	1.4	Business combination	34.4	2.0	-	4.1	4
Additions	-	-	-	16.3	16.3	Additions	-	-	-	26.1	
Disposals	-0.2	-	-	-0.0	-0.2	Reclassifications	-	-	-	-0.1	-
Translation differences	0.1	0.0	0.0	0.1	0.2	Translation differences	-3.5	-0.7	-0.1	-0.9	_
Acquisition cost 31 Dec 2023	948.8	167.8	88.7	156.6	1,361.9	Acquisition cost 31 Dec 2022	947.5	167.8	88.7	140.2	1,34
Accumulated amortisations and impairment losses 1 Jan 2023	-68.0	-117.5	-38.5	-95.6	-319.6	Accumulated amortisations and impairment losses 1 Jan 2022	-68.0	-107.4	-33.7	-50.0	-25
Amortisation	-	-9.4	-4.7	-18.2	-32.2	Amortisation	-	-10.2	-4.8	-15.1	-7
Impairment losses*	-57.3	-29.3	-	-0.0	-86.6	Impairment losses*	-	_	-	-30.5	-3
Translation differences	-	-0.0	-0.0	-0.1	-0.1	Translation differences	-	0.1	0.0	0.1	
Accumulated amortisations and impairment losses 31 Dec 2023	-125.3	-156.2	-43.2	-113.9	-438.6	Accumulated amortisations and impairment losses 31 Dec 2022	-68.0	-117.5	-38.5	-95.6	-31
Carrying amount 1 Jan 2023	879.5	50.3	50.2	44.6	1,024.7	Carrying amount 1 Jan 2022	848.6	59.1	55.1	61.0	1,02
Carrying amount 31 Dec 2023	823.5	11.6	45.6	42.8	923.4	Carrying amount 31 Dec 2022	879.5	50.3	50.2	44.6	1,02

* As a result of the impairment test, EUR 55.3 million write-offs related to goodwill and EUR 29.3 million write-offs to purchase price allocations relating to public outsourcing customer relationships within the Portfolio Businesses segment public payor CGU were made. The impaired goodwill was recognised mainly in the acquisition of Attendo Healthcare Services in 2018. Customer relationship write-offs relate solely to the legacy Outsourcing business, acquired in the Attendo transaction that is gradually being phased out. In addition, during the year a EUR 2.0 million impairment of goodwill made related to reorganisation of Portfolio businesses in connection to sale of business operations.

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* Includes approx. EUR 29 million impairment related to discontinued sub-projects of the basic IT system development.





Corporate Governance

Development expenditure

Other intangible assets include development expenditure as follows:

2023 ELIR mill

EUR mill.	
Acquisition cost 1 Jan 2023	34
Additions	12
Transfers from advance payments	10
Translation differences	(
Acquisition cost 31 Dec 2023	57
Accumulated amortisations and impairment losses 1 Jan 2023	-13
Amortisation and impairment losses	-12
Accumulated amortisations and impairment losses 31 Dec 2023	-25
Carrying amount 1 Jan 2023	21
Carrying amount 31 Dec 2023	32

2022 EI ID mill

EUR mill.	
Acquisition cost 1 Jan 2022	18.
Business combination	0
Additions	6.
Transfers from advance payments	9.
Translation differences	-0.
Acquisition cost 31 Dec 2022	34.
Accumulated amortisations and impairment losses 1 Jan 2022	-5.
Amortisation and impairment losses	-7.
Accumulated amortisations and impairment losses 31 Dec 2022	-13.
Carrying amount 1 Jan 2022	12.
Carrying amount 31 Dec 2022	21.

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16. Impairment testing of cashgenerating units including goodwill

Goodwill is not amortised but it is tested for impairment at least annually.

Terveystalo has changed its operating model that came into effect in 2023, and, as a result, the financial reporting structure has changed. Previously cash-generating units were divided based on regions. The basis for impairment testing in 2023 is, for the first time, the new management and reporting structure introduced at the beginning of the year, where Terveystalo Group consists of three operating segments: Healthcare Services, Portfolio Businesses, and Sweden. Healthcare Services and Sweden are also cash-generating units. The Portfolio Businesses segment includes Public and Private payor cash-generating units. Comparison figures are not presented due to changed reporting structure. Healthcare Services and Sweden consist of units with their own budgets and performance measurement, and

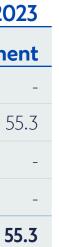
are centrally managed. Portfolio Businesses are managed as a whole, they partly share resources and are centrally managed, but cash flows generated, marketing functions and identifiable assets are different for Public and Private payors.

As a result of the impairment test, the Group made EUR 55.3 million impairment related to goodwill in Portfolio Businesses Public payor cash-generating unit. The impaired goodwill was recognised mainly in the acquisition of Attendo Healthcare Services in 2018. After the impairment, the remaining goodwill related to Portfolio Businesses Public payor cash-generating unit amounts to EUR 146.4 million in total.

Based on impairment testing calculations performed, there is no impairment needs to goodwill for other cashgenerating units. For those cash-generating units, recoverable amounts exceeded their carrying amounts.

Goodwill arising from business combinations has been allocated to cash-generating units as shown in the table below.

		31 Dec 2023		
EUR mill.	Goodwill	%	Impairme	
Healthcare Services	603.6	73.3%		
Portfolio Businesses, Public payor	146.4	17.8%	5.	
Portfolio Businesses, Private payor	29.1	3.5%		
Sweden	44.4	5.4%		
Total	823.5	100.0%	5!	





In financial year 2023 there were four cash generating units in total. The recoverable amounts of the cash-generating units are based on value-in-use calculations which have been calculated using discounted cash flow projections. The key assumptions used in the calculations are terminal period revenue growth rate, profitability (EBIT %) and the discount rate. The projections are based on the budgets and estimates for the years 2024–2027, including the long-term growth, which have been approved by the management.

The assumptions used in impairment calculations in 2023	Healthcare Services	Portfolio Businesses, Public payor	Portfolio Businesses, Private payor	Sweden
The length of impairment testing period	4 years	4 years	4 years	4 years
Terminal period revenue growth rate	2.0%	2.0%	2.0%	2.0%
Profitability (EBIT %) during the terminal period	13.2%	5.3%	6.2%	5.2%
Discount rate (Pre-tax WACC)	9.6%	10.9%	9.6%	8.0%
Discount rate (Post-tax WACC)	8.1%	9.1%	8.1%	6.8%

Revenue growth during the terminal period is based on a flat growth factor which corresponds to long-term target inflation of the European Central Bank. Profitability during the terminal period is based on the assumed organic growth under normal market situation, general development in health care services market and long-term estimates by the Group's management.

The discount rate used in impairment testing has been Pre-tax WACC of which the components are risk-free interest rate, risk premiums, industry-specific beta, industry-specific cost of debt, and industry specific equity/debt ratios.

Financials

Sensitivity analysis

The Group has assessed the sensitivity of the impairment testing to the effect of the most critical assumptions used in the calculation. The table below shows the required change in a single assumption that the recoverable amount would fall below the carrying amount.

Variable	2
Terminal period revenue growth rate	
Healthcare Services	Decrease over 17.1 percentage pe
Portfolio Businesses, Public payor	Not applic
Portfolio Businesses, Private payor	Decrease over 10.2 percentage p
Sweden	Decrease over 1.0 percentage pe
Profitability (EBIT %) during the terminal period	
Healthcare Services	Decrease over 10.6 percentage pe
Portfolio Businesses, Public payor	Not applic
Portfolio Businesses, Private payor	Decrease over 4.2 percentage pe
Sweden	Decrease over 0.9 percentage pe
Discount rate (Pre-tax WACC)	
Healthcare Services	Increase over 14.3 percentage pe
Portfolio Businesses, Public payor	Not applic
Portfolio Businesses, Private payor	Increase over 8.9 percentage pe
Sweden	Increase over 1.0 percentage pe

When assessing the recoverable amounts of cash generating units, management believes that no reasonably possible change in any of the key variables used would lead to a situation where the recoverable amount of the units would fall below their carrying amount in Healthcare Services or Portfolio Businesses, Private payor cash-generating units. In Portfolio Businesses, Public payor cash-generating unit the value in use is equivalent to book value of assets at the time of impairment testing and in consequence sensitivity analysis does not apply to this cash-generating unit.

According to the impairment testing, for Sweden cash-generating unit, changes in critical assumptions presented in table above would lead to carrying amount of assets to be equivalent to recoverable amount. Sweden cashgenerating unit's carrying amount of assets at the time of impairment testing was EUR 65.3 million.

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17. Investment properties

Carrying amount of investment properties

EUR mill.	1.131.12.2023	1.1.—31.12.202
Carrying amount at the beginning of the period	0.5	0.
Impairment	-0.2	
Depreciation	-0.0	-0.
Carrying amount at the end of the period	0.3	0.

Income and expenses related to investment properties

EUR mill.	1.1.—31.12.2023	1.131.12.2022
Rental income from investment properties	0.1	0.1
Operating expenses for investment properties	-0.0	-0.0
Total	0.0	0.1

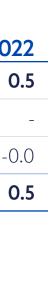
Income and expenses relating to investment properties are presented based on the Group's ownership in the investment properties. There are no other contractual obligations related to investment properties.

Fair values of investment properties

		Value per m ²	Total value
Investment	m ²	(In thousands of euro)	(In thousands of euro)
Koy Jyväskylän Väinönkatu 30	1,348	0.2	269

The value of Kiinteistö Oy Jyväskylän Väinönkatu has been determined based on the Group's share of ownership (16.81%).

Financials



18. Associated companies

Terveystalo has the following associated companies which are all consolidated using the equity method. The Group has no individually material associates.

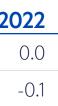
Associated companies 31 Dec 2023	Domicile	Ownership	Voting rig
Terveyden Tuottajat Oy	Finland	0.0%	48

Summarised financial information on associated companies

EUR mill.	2023	20
Carrying amount	0.0	
Group's share of total comprehensive income	0.0	

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19. Share-based payments

Performance Share Plan 2021

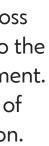
Performance Share Plan is targeted to Terveystalo's key employees. The long-term share-based payment plan is based Bridge Plan is targeted for the President and CEO. Rewards are conditional on the fulfilment of a two-year service on a rolling three year performance period structure, with a new performance period starting each year, if so decided condition and performance conditions tied to financial targets that are set separately. The reward is granted as a gross by the Board. The Board decides on the participants, performance measures and targets as well as earning opportunumber of Terveystalo shares including a cash portion for taxes and tax-related expenses arising from the reward to the nities on an annual basis. Rewards are conditional on the fulfilment of a three-year service condition and performance employee. The reward is settled as net shares. The plan is fully accounted for as an equity settled share-based payment. conditions tied to financial targets that are set separately. The reward is granted as a gross number of Terveystalo shares, The plan ended during the year 2023 and in consequence, the shares earned were granted according to realisation of including a cash portion for taxes and tax-related expenses arising from the reward to the employee. The reward is the plan's conditional performance measures. The plan's impact to the result for the period has been EUR 0.0 million. settled as net shares. The plan is fully accounted for as an equity settled share-based payment. Under the plan, three (3) performance periods 2021–2023, 2022–2024 and 2023-2025 have been launched. The impact of the Performance Period 2021–2023 to the result for the period has been EUR 0.4 million and the expected total cost of the plan is EUR 2.5 million. 37 persons are included in the Performance Period 2021–2023 arrangement. The impact of the Performance Period 2022–2024 to the result for the period has been EUR 0.5 million and the expected total cost of the plan is EUR 1.9 million. 51 persons are included in the Performance Period 2022–2024 arrangement. The impact of the Performance Period 2023–2025 to the result for the period has been EUR 0.4 million and the expected total cost of the plan is EUR 1.6 million. 55 persons are included in the Performance Period 2023–2025 arrangement.

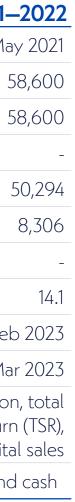
Performance Share Plan 2021	2023–2025	2022–2024	2021–202
Grant date	3 Apr 2023	1 Apr 2022	1 Apr 202
Maximum number of share awards	640,000	683,085	642,00
Outstanding at 1 Jan 2023	-	577,864	486,55
Granted share awards during the period	582,000	-	
Forfeited share awards during the period	49,000	121,890	94,00
Exercised share awards during the period		-	
Outstanding at 31 Dec 2023	533,000	455,974	392,55
Fair value of the share award at grant date	6.6	9.2	12.
End of the performance period	28 Feb 2026	28 Feb 2025	29 Feb 202
End of the vesting period, expected	31 Mar 2026	31 Mar 2025	31 Mar 202
Vesting conditions	Service condition, total Shareholder Return (TSR)	Service condition, total Shareholder Return (TSR)	Service condition, tot Shareholder Return (TSF productivity and digital sale
Exercised	In shares and cash	In shares and cash	In shares and cas

Financials

Bridge Plan

23	Bridge Plan	2021-
021	Grant date	24 Ma
00	Maximum number of share awards	L S
556	Outstanding at 1 Jan 2023	L M
_	Granted share awards during the period	
00	Forfeited share awards during the period	
_	Exercised share awards during the period	
556	Outstanding at 31 Dec 2023	
2.6	Fair value of the share award at grant date	
)24	End of the performance period	28 Feb
)24	End of the vesting period	10 Ma
otal SR), Iles	Vesting conditions	Service condition Shareholder Returr productivity and digita
ash	Exercised	In shares and





Restricted Share Plan

Restricted Share Plan offers individually selected employees an opportunity to earn a fixed number of shares after a vesting period. Rewards are conditional on the fulfilment of a service condition during the vesting period. The reward

is granted as a gross number of Terveystalo shares, including a cash portion for taxes and tax-related expenses arising from the reward to the employee. The reward is settled as net shares. The plan is fully accounted for as an equity settled share-based payment. Three (3) vesting periods have been launched in the plan. At the end of the reporting period,		EUR mill. 31 Dec 2023	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair valı hierarch		
twelve (12) persons were included in the arrange	ement. The impact to the result	t of the vesting period	s 2021–2023,	Financial assets					
2022–2024 and 2023-2025 has been EUR 0.1 m	illion and the expected total co	ost of the plan is EUR ().4 million.	Non-current					
				Loan receivables	0.0	-	0.0	0.0	Level
Restricted Share Plan	2023–2025	2022–2024	2021–2023	Unquoted equity investments	0.8	-	0.8	0.8	Leve
Grant date	3 Apr 2023	22 Jun 2022	15 Apr 2021	Current					
Maximum number of share awards	64,000	68,309	64,200	Trade receivables	-	127.6	127.6	127.6	
Outstanding at 1 Jan 2023	_	3,000	7,000	Cash and cash equivalents	-	37.7	37.7	37.7	
	20.000		1,000	Interest rate derivatives	4.8	-	4.8	4.8	Level
Granted share awards during the period	29,000	6,000	-	Total	5.6	165.3	170.8	170.8	
Forfeited share awards during the period	-	-	-	Financial liabilities					
Exercised share awards during the period	-	-	-	Non-current					
Outstanding at 31 Dec 2023	29,000	9,000	7,000	Loans from financial institutions	-	294.0	294.0	294.0	Level
Fair value of the share award at grant date	6.6	9.5	11.2	Bonds	-	99.1	99.1	102.7	Level
End of the performance period	28 Feb 2026	28 Feb 2025	29 Feb 2024	Hire purchase liabilities	-	1.3	1.3	1.3	Level
End of the vesting period, expected	31 Mar 2026	31 Mar 2025	31 Mar 2024	Contingent considerations	3.3	-	3.3	3.3	Leve
Vesting conditions	Service condition	Service condition	Service condition	Current					
Exercised	In shares and cash	In shares and cash	In shares and cash	Loans from financial institutions	-	19.8	19.8	19.8	Level
				Hire purchase liabilities	-	2.5	2.5	2.5	Level
				Trade payables	-	49.5	49.5	49.5	
				Contingent considerations	2.6	-	2.6	2.6	Leve
				Interest rate derivatives	0.1	-	0.1	0.1	Level
				Total	6.0	466.2	472.2	475.7	

Financials

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





Year 2023

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 realised. 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 1,6 million (2022: EUR -2,4 million).

Terveystalo issued a senior unsecured sustainability-linked bonds in the aggregate principal amount of EUR 100 million. Bonds will mature on 1 June 2028 and carry initially a fixed annual interest of 5.375 percent. Nasdaq Helsinki admitted the Bonds to trading on the official list of Nasdaq Helsinki on 5 June 2023.

Financials

EUR mill. 31 Dec 2022	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair va hierarc
Financial assets					
Non-current					
Loan receivables	0.3	-	0.3	0.3	Leve
Unquoted equity investments	0.8	-	0.8	0.8	Lev
Current					
Trade receivables	_	106.9	106.9	106.9	
Contract assets	-	12.8	12.8	12.8	
Cash and cash equivalents	-	40.2	40.2	40.2	
Interest rate derivatives	9.9	-	9.9	9.9	Leve
Total	11.0	159.9	170.9	170.9	
Financial liabilities					
Non-current					
Loans from financial institutions	-	379.2	379.2	379.2	
Hire purchase liabilities	-	3.9	3.9	3.9	Leve
Contingent considerations	5.6	-	5.6	5.6	Lev
Current					
Loans from financial institutions	-	40.0	40.0	40.0	
Hire purchase liabilities	-	4.2	4.2	4.2	
Trade payables	-	49.0	49.0	49.0	
Contingent considerations	5.0	-	5.0	5.0	Lev
Interest rate derivatives	3.4	-	3.4	3.4	Leve
Total	14.0	476.2	490.2	490.2	



21. Financial risks

21.1 Financial risk management

The Group is exposed to various financial risks in its normal business activities. The objective of the Group's risk management is to minimise the negative effects of changes in the financial markets on the Group's result and valuation. The Group's main financial risks are interest rate risk, credit risk and liquidity risk. The Group's risk management principles are approved by the Board of Directors and the Group's financial department is responsible for the implementation of the principles. The Group's financial department identifies and assesses risks and acquires instruments needed to hedge against them.

21.2 Interest rate risk and currency risk

The Group's interest rate risk arises from its loans from financial institutions issued at a floating rate. In 2023, the Group's average interest rate for loans from financial institutions has been 4.0 percent (2022: 1.2 percent). If the interests would have been one percentage point higher it would have caused an increase of EUR 4.1 million in interest expenses during the year 2023 (2022: EUR 3.9 million).

The Group does not apply hedge accounting according to IFRS 9. The Group's subsidiaries have the following open interest rate derivative contracts at the reporting date:

- Interest rate swap agreements based on which the Group pays fixed 2.94, 0.48 and 2.92 percent interest rate and receives variable interest on EUR 30.0, 50.0 and 50.0 million loan capital.
- Interest rate swap agreements based on which the Group pays variable interest rate and receives fixed interest on EUR 15.0 and 25.0 million loan capital.

Besides Finland, the Group has operations in Sweden and to a minor extent in Estonia and is thereby exposed to currency risk arising from Swedish krona. As billing and purchasing of the Group companies is conducted in the local currency, the transaction risk exposure for Terveystalo is insignificant. During the year 2023, the Group incurred foreign exchange change of EUR 0.0 million (2022: EUR -0.1 million). However, the group is exposed to exchange rate translation differences, which are booked in other comprehensive income that may be reclassified as profit or loss.

21.3 Credit risk

The majority of the Group's incoming cash flows are payments from established institutions, public sector and companies with appropriate credit rating. However, the Group's trade receivables include credit risk. Credit risk is managed mainly by monitoring the customer's credit rating on a regular basis and by co-operating with collection agencies. In addition, the Group's customers include private people whose invoicing is primarily carried out in connection with the rendering of services.

The Group has no major customer specific risk concentrations and its credit risk is diversified. Credit risk is managed by monitoring the amount, maturity distribution and turnover of trade receivables. Credit risk is also monitored on a client by client basis.

The Group's maximum credit risk is equal to the carrying amount of financial assets at the reporting date. The maturity distribution of the Group's trade receivables is disclosed in note 22 Trade and other receivables.

21.4 Refinancing risk and Liquidity risk

The group aims to ensure sufficient liquidity through efficient cash management and adequate credit limits. Refinancing risk is managed through a balanced portfolio that includes loans with sufficiently long maturities. The Group aims to assess and monitor continuously the amount of funding required by business operations, in order to ensure sufficient liquidity to finance its operations, to repay maturing loans as well as to carry out investments and acquisitions of companies according to the growth strategy.

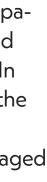
The Group's cash and cash equivalents comprise cash in bank accounts, cash in hand and cash payments not yet recorded into the Group's bank accounts (cash in transit) at the reporting date.

The Group manages liquidity risk by monitoring unused liquidity reserves and forecasting future cash flows.

The Group has an overdraft facility and undrawn credit facilities, of which EUR 98.0 million remained unused at the reporting date (2022: EUR 99.6 million).

The Group has EUR 412.1 million of bank loans. Uncertainty in financial markets may cause the cost of financing needed for the group's business operations to rise or become more difficult to obtain. The Group may not necessarily obtain financing on competitive terms or at all, and it may not be able to fulfill its obligations according to the financing arrangements.

The table below presents a contractual maturity analysis of financial liabilities. The cash flow figures are undiscounted and they include both interest payments and repayments of principals. Interest payments which are based on variable rates have been presented using variable rates as of the end of the reporting date.







Maturity analysis of liquidity risk

31 Dec 2023

EUR mill.	Carrying amount	Contractual cash flows	1 year	1—2 years	2—5 years	Over 5 year
Loans from financial institutions	313.8	331.6	15.8	137.0	167.6	11.
Bonds	99.1	124.5	5.4	5.4	113.6	
Lease liabilities	219.1	226.5	51.5	47.4	83.8	43.
Hire purchase liabilities	3.8	3.8	2.6	1.2	0.1	
Trade payables	49.5	49.5	49.5	-	-	
Interest rate derivatives	0.1	0.4	0.3	0.4	-0.4	
Total	688.6	728.6	122.5	188.8	362.1	55.

31 Dec 2022

EUR mill.	Carrying	Contractual cash flows	1.000	1 2 40 2 110	2—5 years	
EOK Mill.	amount	Casti Hows	1 year	1—2 years	Z-5 years	Over 5 yea
Loans from financial institutions	419.2	446.9	52.3	220.3	151.5	22
Lease liabilities	179.8	191.9	49.9	43.2	74.8	24
Hire purchase liabilities	8.0	8.2	4.3	2.6	1.3	
Trade payables	49.0	49.0	49.0	-	-	
Interest rate derivatives	3.4	2.9	0.1	1.9	0.9	
Total	659.4	698.5	155.6	267.9	228.5	46

21.5 Capital management

The objective of the Group's capital management is to support business operations and to ensure competitive operating conditions with optimal capital structure, as well as to enable the implementation of the strategy.

Financials

In addition to operative cash flows, the capital structure is managed by potential share issues, acquisition of treasury shares by increase or repayment of financial liabilities, possible conversions between equity and financial liabilities, as well as through operative decisions on investments and growth, and potential disposals of assets in order to reduce liabilities.

The development of the Group's capital structure is monitored, amongst other things, with the following: change in net debt, ratio of net debt to operating margin, and the cash flow forecast.

The Group's net debt to equity ratio (gearing) was 116.0 percent at the reporting date (2022: 95.7 percent). The ratio is calculated by dividing interest bearing net debt with equity. The net debt includes interest bearing liabilities less interest bearing receivables and cash and cash equivalents. The Group's interest bearing liabilities were EUR 635.8 million at the reporting date (2022: EUR 607.0 million). A significant part of the interest bearing liabilities consists of loans from financial institutions.

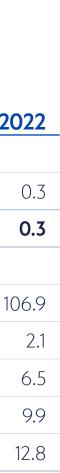
The Group's loan agreements include a covenant, based on which creditors can demand an immediate repayment of the loans if a certain covenant limit is breached. The covenant relates to the ratio between EBITDA and net debt. The Group has met all covenant terms and conditions during the reporting period and at the reporting date.

22. Trade and other receivables and contract assets

Carrying amounts of trade and other receivables and contract assets

EUR mill.	2023	20
Non-current		
Loan receivables	0.0	
Total non-current receivables	0.0	
Current		
Trade receivables	117.4	10
Other receivables	2.3	
Prepaid expenses	8.4	
Derivative assets	4.8	
Contract assets	10.2	1
Total	143.1	138





138.4

Specification of prepaid expenses

EUR mill.	2023	2022	2022		Expected	Recognised	Carryin
Personnel related prepaid expenses	0.0	0.0	EUR mill.	Trade receivables total	credit loss	expected credit loss	amour
Other prepaid expenses	8.4	6.5	Contract assets	12.8	0.0%	-0.0	12
Total	8.4	6.5	Not past due	95.0	-0.1%	-0.1	95
			Past due				
	al a construction de la construction	1	Less than 30 days	7.3	-0.4%	-0.0	7
During the reporting period, the Group has recognised final credit losses an and contract assets through the statement of income totaling EUR 2.1 million	-		31—90 days	2.3	-1.2%	-0.0	2
provision is based on a simplified approach. Estimated impairment loss rates have been calculated using historical information of actual impairment losses, and the current conditions and the Group's view of the economic conditions over the expected lives of the receivables have been taken into account. Based on the Group's view, the carrying amount of trade receivables corresponds to the maximum credit risk if the			91—180 days	1.0	-5.9%	-0.1	1
			Over 180 days	3.2	-55.5%	-1.8	1
			Total	121.6		-1.9	119
Dased on the Gloup's view, the callving amount of fidde receivables co	responds to the maximum cre	ail fisk if the					

Based on the Group's view, the carrying amount of trade receivables corresponds to the maximum credit risk if the contractual parties are unable to meet their obligations related to trade receivables.

The fair value of other receivables and prepaid expenses corresponds with their carrying amount.

Ageing of trade receivables and recognised credit losses

2023 EUR mill.	Trade receivables and contract assets total	Expected credit loss	Recognised expected credit loss	Carrying amount
Contract assets	10.2	0.0%	-0.0	10.2
Not past due	101.9	-0.1%	-0.1	101.8
Past due				
Less than 30 days	10.4	-0.4%	-0.0	10.3
31—90 days	2.4	-1.3%	-0.0	2.4
91—180 days	1.8	-8.4%	-0.2	1.6
Over 180 days	3.0	-61.3%	-1.8	1.1
Total	129.7		-2.1	127.6

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Information about credit risk related to trade receivables is stated in note 21 Financial risks.

Financials

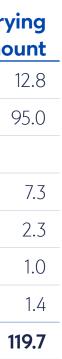
Ageing of trade receivables and recognised credit losses

Information about credit risk related to trade receivables is stated in note 21 Financial risks.

23. Cash and cash equivalents

The Group's cash and cash equivalents on 31 December 2023, amounting to EUR 37.7 million (2022: EUR 40.2 million) consist of cash in hand and bank as well as, cash payments on the bank settlement account at the reporting date.

The carrying amounts in the statement of financial position correspond to the maximum amount of credit risk if the contractual parties are unable to meet their obligations. However, no significant counterparty risks are associated with cash and cash equivalents. The fair value of cash and cash equivalents correspond to their carrying amounts.





24. Share capital and invested non-restricted equity reserve

EUR mill.	Number of out- standing shares, 1,000 pcs	Number of treasury shares, 1,000 pcs	Number of shares total, 1,000 pcs	Share capital	Invested non-restricted equity reserve	Treasury shares	Tota
1 Jan 2022	126,307	1,730	128,037	0.1	492.8	-18.0	474
Acquisition of treasury shares	241	-241	-	-	-	2.2	2
Cancellation of treasury shares	-	-1,000	-1,000	-	-	-	
31 Dec 2022	126,548	489	127,037	0.1	492.8	-15.8	477
1 Jan 2023	126,548	489	127,037	0.1	492.8	-15.8	477
Acquisition of treasury shares	8	-8	-	-	-	0.1	C
Cancellation of treasury shares	_	-	_	-	_	-	
31 Dec 2023	126,556	480	127,036	0.1	492.8	-15.7	477

Shares and share capital

On 31 December 2023, the amount of shares is 127,036,531 of which amount of outstanding shares is 126,556,301 and amount of treasury shares is 480,230.

The Company has a single share class. The shares have no nominal value. All shares issued have been paid in full. Terveystalo Plc's share is listed on Nasdaq Helsinki Oy. The trading code is TTALO. Terveystalo Plc's shares belong to

Each share has one vote at the Annual General Meeting and equal rights to dividends and other distribution of assets. the book-entry system maintained by Euroclear Finland Oy.

Financials

Invested non-restricted equity reserve

Invested non restricted equity reserve consists of other investments similar to equity and the subscription price of shares to the extent that it has not been recorded in share capital according to specific resolution. According to the current Finnish Companies Act, subscription price of new shares is recognised in the share capital, unless it has not been according to Issuance Resolution fully or partly recognised in invested non-restricted equity reserve.

Distributable funds

On 31 December 2023, the distributable funds of the parent company totalled EUR 535.9 million including the profit of the financial period 2023 of EUR 40.5 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.30 (0.28) per share totaling EUR 38.0 (35.4) million be paid based on the statement of financial position adopted for the financial year ended 31 December 2023. The dividend would be paid in two instalments as follows:

- The The first dividend instalment of EUR 0.15 per share would be paid to the shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the first dividend instalment on 28 March 2024. The Board of Directors proposes that the first dividend instalment would be paid on 8 April 2024.
- The second dividend instalment of EUR 0.15 per share would be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the second dividend instalment on 9 October 2024. The Board of Directors proposes that the second dividend instalment would be paid on 16 October 2024. The Board of Directors also proposes that the Annual General Meeting would authorize the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second dividend instalment should the rules of Euroclear Finland Ltd or statutes applicable to the Finnish book-entry system change or otherwise so require.

The dividend proposed by the Board of Directors to the Annual General Meeting is not deducted from distributable equity until approved by the Annual General Meeting of Shareholders.

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

otal 74.9 2.2 **477.1** 77.1 0.1 -77.2



25. Financial liabilities

EUR mill.	1 Jan 2023	Cash flows	Business combinations	Other changes	Translation differences	31 Dec 2023
Loans from financial institutions	419.2	-105.2	-	-0.2	-	313.8
Bonds	-	99.6	-	-0.5	-	99.1
Hire purchase liabilities	8.0	-4.3	-	-	-	3.8
Lease liabilities	179.8	-50.9	0.3	90.4	-0.5	219.1
Total	607.0	-60.8	0.3	89.7	-0.5	635.7

			Non			
EUR mill.	1 Jan 2022	Cash flows	Business combinations	Other changes	Translation differences	31 Dec 2022
Loans from financial institutions	365.4	53.8	0.5	-0.2	-0.4	419.2
Hire purchase liabilities	13.3	-5.3	-	-	-	8.0
Lease liabilities	178.5	-49.3	4.4	46.2	-0.0	179.8
Total	557.2	-0.8	4.9	46.0	-0.4	607.0

The Group's loan agreements include a covenant, based on which creditors can demand an immediate repayment of the loans if a certain covenant limit is breached. The covenant relates to the ratio between EBITDA and net debt. The Group has met all covenant terms and conditions during the reporting period and at the reporting date.

Financials

26. Trade and other payables

Carrying amounts of trade and other payables

EUR mill.	2023	20
Trade payables	49.5	Д
Other payables	80.1	{
Contract liabilities	8.8	1
Derivative liabilities	0.1	
Accrued expenses	86.2	7
Total	224.7	22

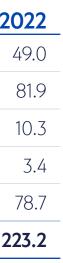
Specification of other payables

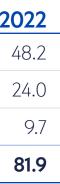
EUR mill.	2023	20
Doctor's fee liabilities	48.5	4
VAT liabilities	23.3	2
Other	8.3	
Total	80.1	8

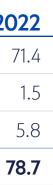
79.8 **)7.0**

Specification of accrued expenses

EUR mill.	2023	20
Personnel-related accrued expenses	74.0	7
Interest liabilities	6.3	
Other	5.9	
Total	86.2	78







27. Provisions

Carrying amounts of provisions

EUR mill.	2023	202
Non-current provisions	2.8	8.
Current provisions	3.3	3.
Total	6.1	11.

EUR mill.	2023	2022	2 Summary of the impact of the defined benefit plans in the financial state		ements
Onerous contracts	4.1	7.1	EUR mill.	2023	202
Other provisions	2.0	4.4	Present value of the defined benefit obligations	1.3	
Total	6.1	11.5	Expenses related to defined benefit plans	0.0	(
			Remeasurements of defined benefit obligations	0.1	-(

Changes in provisions during the financial year 2023

EUR mill.	Onerous contracts	Other provisions	Total
1 Jan 2023	7.1	4.4	11.5
Increase in provisions	1.1	0.9	2.1
Used provisions	-4.1	-3.4	-7.5
31 Dec 2023	4.1	2.0	6.1

Changes in provisions during the financial year 2022

EUR mill.	Onerous contracts	Other provisions	Tota
1 Jan 2022	6.6	4.4	11.0
Increase in provisions	2.2	0.6	2.8
Used provisions	-1.7	-0.6	-2.
31 Dec 2022	7.1	4.4	11.

)22 8.3 3.2 11.5

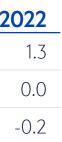
The Group has defined benefit plans in Sweden in the Feelgood subgroup. These consists of PSA and PA-KL plans which are closed and for which all the participants have either retired or left the Group. There are no assets related to the Group's defined benefit plans. The defined benefit plans determine the amount of pension to be paid and the benefits to be paid for disability and at termination of employment. The benefits in these plans are usually based on the length of employment and the level of final salary. The weighted average duration of the defined benefit obligations was seven years at the reporting date.

Summany of the impact of the defined herefit plane in the financial statements

Reconciliation of the defined benefit obligation

28. Defined benefit plans

EUR mill.	2023	20
1 Jan	1.3	
Interest expense (+) / income (-)	0.1	
Benefits paid	-0.1	
Remeasurement of the obligation		
Actuarial gain (-) / loss (+) from change in financial assumptions	0.1	-
Translation differences	0.0	-
31 Dec	1.3	





Applied actuarial assumptions

%	2023	2022	EUR mill.	31 Dec 2023	31 Dec 20 2
Discount rate	3.70	3.80	Business mortgages	7.5	1
Inflation	1.70	1.90	Total	7.5	1'
			Securities for own debts		
The discount rate is determined based on the yield of Swedish housing market bonds which have a length that approximates the Group's pension obligations.			Deposits	0.2	(
			Guarantees	0.2	(
			Total	0.4	(

Sensitivity analysis of the relevant actuarial assumptions' impact on defined benefit obligation

EUR mill.	2023	2022
0.5%-point increase in the principal assumption		
Discount rate	-0.0	-0.0
Inflation	0.0	0.0
0.5%-point decrease in the principal assumption		
Inflation	-0.0	-0.0

An external actuary has performed the sensitivity analysis for one variable at a time while holding all other variables constant and regardless of the actual volatility of the given variable. Consequently, the purpose of the analysis is not to quantify expected change in the defined benefit obligation but to illustrate the sensitivity of the value of the obligation to these variables.

Financials

29. Collateral and contingent liabilities

As part of the normal development and maintenance of its branch and hospital network, the Group has entered into a 20-year lease agreement with an estimated annual rent of EUR 3.5 million. The transfer of control of the lease property is planned to take place in 2027.

30. Related party transactions

Group's related parties

The Group's related parties include the parent company as well as subsidiaries and associated companies. In addition, related parties include also the members of the Board of Directors, Group management and the CEO as well as their close family members and entities in which they have control or joint control.

The relationships of the parent company and the subsidiaries are disclosed in note 31 Group companies.

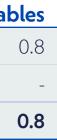
Related party transactions

2023	Sales	Purchases	Receivables	Payak
Associated companies	0.6	9.7	0.2	
Other related parties	0.0	-	-	
Total	0.6	9.7	0.2	









Terveystalo

2022	Sales	Purchases	Receivables	Payables			202	3			2022	2	
Associated companies	0.6	10.6	0.3	1.0									
Total	0.6	10.6	0.3	1.0	Remuneration to the Board of Directors, in thousands of euro	Annual fee settled in cash	Annual fee settled in shares	Meeting fees	Other financial benefits*	fee settled	Annual fee settled in shares	Meeting	Oth financi benefit
Compensation for the key n	management				Kari Kauniskangas (Chairman of the board)	52.5	35.0	18.7	0.6	52.5	35.0	19.0	0.6
Remuneration to the CEO, in thousand	ds of euro		2023	2022	Kristian Pullola	31.2	20.8	11.7	0.3	31.2	20.8	14.2	0.
Fixed pay			397.7	393.6	Katri Viippola	24.9	16.6	13.7	0.3	24.9	16.6	15.5	0.
Other benefits			12.3	6.4	Matts Rosenberg	31.2	20.8	12.4	0.3	31.2	20.8	10.4	0.
Short-term incentives			402.2	105.0	Carola Lemne	24.9	16.6	18.0	0.3	24.9	16.6	14.7	0.
Share-based payments			348.1	546.9	Lehtoranta Ari**	24.9	16.6	8.5	0.3	-	-	-	
Pensions (statutory)			133.4	82.9	Hasselberg Sofia**	24.9	16.6	15.4	0.3	_	_	_	
Total			1,293.7	1,134.8	Members of the Board of	Directors until 10) October 2022	2					
Demonstration to the CEO is many and a					Dag Andersson					41.5	0.0	13.8	0.0
Renumeration to the CEO is presented of	on an accrual dasis.				Members of the Board un	til 7 April 2022							
					Niko Mokkila	-	-	-	-	0.0	0.0	3.8	0.0
Remuneration to the members of the (a, b) is the approximate of a			2027	2022	Åse Aulie Michet	-	-	-	_	0.0	0.0	4.4	0.0
(excluding CEO), in thousands of euro Fixed pay)		2023 1,348.3	2022 1,638.5	Tomas Von Rettig	-	-	-	_	0.0	0.0	5.1	0.0
Other benefits			28.7	28.1	Total	214.5	143.0	98.1	2.3	206.2	109.8	100.7	1.8
				1// 1									

2022	Sales	Purchases	Receivables	Payables			202	3			2022	2	
Associated companies	0.6	10.6	0.3	1.0									
Total	0.6	10.6	0.3	1.0	Remuneration to the Board of Directors, in thousands of euro	Annual fee settled in cash			Other financial benefits*	fee settled	Annual fee settled in shares		Ot finan benef
Compensation for the key manage	ment				Kari Kauniskangas (Chairman of the board)	52.5	35.0	18.7	0.6	52.5	35.0	19.0	(
Remuneration to the CEO, in thousands of euro			2023	2022	Kristian Pullola	31.2	20.8	11.7	0.3	31.2	20.8	14.2	(
Fixed pay			397.7	393.6	Katri Viippola	24.9	16.6	13.7	0.3	24.9	16.6	15.5	(
Other benefits			12.3	6.4	Matts Rosenberg	31.2	20.8	12.4	0.3	31.2	20.8	10.4	(
Short-term incentives			402.2	105.0	Carola Lemne	24.9	16.6	18.0	0.3	24.9	16.6	14.7	(
Share-based payments			348.1	546.9	Lehtoranta Ari**	24.9	16.6	8.5	0.3	_	-	_	
Pensions (statutory)			133.4	82.9	Hasselberg Sofia**	24.9	16.6	15.4	0.3	_	-	-	
Total			1,293.7	1,134.8	Members of the Board of	Directors until 10) October 2022	2					
					Dag Andersson					41.5	0.0	13.8	(
Renumeration to the CEO is presented on an accru	ial dasis.				Members of the Board un	til 7 April 2022							
					Niko Mokkila	-	-	-	-	0.0	0.0	3.8	(
Remuneration to the members of the Executive to	eam		2027	2022	Åse Aulie Michet	-	_	-	_	0.0	0.0	4.4	(
(excluding CEO), in thousands of euro Fixed pay			2023 1,348.3	2022 1,638.5	Tomas Von Rettig	-	_	_	_	0.0	0.0	5.1	(
Other benefits			28.7	28.1	Total	214.5	143.0	98.1	2.3	206.2	109.8	100.7	
			20.7	20.1									

Remuneration to the members of the Executive team (excluding CEO), in thousands of euro	2023	2022
Fixed pay	1,348.3	1,638.5
Other benefits	28.7	28.1
Short-term incentives	606.7	146.1
Share-based payments	412.1	730.9
Termination benefits	226.3	305.9
Pensions (statutory)	330.7	301.6
Total	2,952.8	3,151.1

Renumeration to the members of the Executive team is presented on an accrual basis.

Financials

* Other financial benefits include transfer tax fees for the annual fees paid in shares. ** Member of the Board of Directors from 2023.

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Bonus Scheme

The Company operates a bonus scheme, which is determined by the Board of Directors of the Company upon the recommendation of the Remuneration Committee. The CEO and the members of the Executive Team are eligible to participate in the bonus scheme in accordance with the Company's bonus policy. Annual bonuses are payable based on the attainment of key performance targets of the Company. The key performance targets of the CEO and the Executive Team are based on the Company's adjusted FBITA as well as the individual business and performance targe

	Company's adjusted EBIIA as well as the individual business and per	•	Company name	Domicile	Group's share	Group's voting rig
	rmance targets are set by the manager of the participant in the bonu reystalo Plc has resolved on share-based incentive plans directed to t		Alna Sverige AB	Sweden	100.0%	100.0
	on the share-based incentive plans is presented in note 19 Share-based	•	EAM TTALO Holding Oy*	Finland	0.0%	0.0
, , ,		1 /	Feelgood Företagshälsa Dalarna AB	Sweden	100.0%	100.0
			Feelgood Företagshälsovård AB	Sweden	100.0%	100.0
Management holdings			Feelgood Hälsoforum AB	Sweden	100.0%	100.0
Name	Position	31 Dec 2023	Feelgood Länshälsan AB	Sweden	100.0%	100.0
Kari Kauniskangas	Chairman of the Board of Directors	21,802	Feelgood Sjukvård AB	Sweden	100.0%	100.0
Matts Rosenberg	Member of the Board of Directors	14,498	Feelgood Svenska AB	Sweden	100.0%	100.0
Carola Lemne	Member of the Board of Directors	5,126	Idavallen AB	Sweden	100.0%	100.0
Kristian Pullola	Member of the Board of Directors	8,207	Länshälsan Skåne AB	Sweden	100.0%	100.0
Katri Viippola	Member of the Board of Directors	11,453	Medimar Scandinavia Ab	Finland	100.0%	100.0
	Member of the Board of Directors		Nämndemansgården i Sverige AB	Sweden	100.0%	100.0
Ari Lehtoranta		6,504	Rela-hierojat Oy	Finland	100.0%	100.0
Sofia Hasselberg	Member of the Board of Directors	2,499	Sauma Lastensuojelupalvelut Oy	Finland	100.0%	100.0
Ville Iho	President and CEO	13,306	Sivupersoona Oy	Finland	100.0%	100.0
Juuso Pajunen	Chief Financial Officer	19,000	Suomen Hierojakoulut Oy	Finland	100.0%	100.0
Petri Bono	Chief Medical Officer	2,087	Suomen Terveystalo Oy	Finland	100.0%	100.0
Henri Mäenalanen	Interim Executive Vice President, Healthcare Services	2,230	Terveystalo Estonia OÜ	Estonia	100.0%	100.0
Stefan Kullgren	Executive Vice President of the Swedish Business Area	-	Terveystalo Healthcare Holding Oy	Finland	100.0%	100.C
Ilari Richard	Senior Vice President, Digital Services	3,134	Terveystalo Healthcare Oy	Finland	100.0%	100.0
Mikko Tainio	Senior Vice President, Portfolio Businesses	5,596	Terveystalo Julkiset palvelut Oy	Finland	100.0%	100.0
Minttu Sinisalo	Senior Vice President, Human Resources	1,400	Terveystalo Kuntaturva Oy	Finland	100.0%	100.0
		· · · ·	Terveystalo Tactus Oy	Finland	100.0%	100.0
			TT Ålands Tandläkarna Ab	Finland	100.0%	100.C

Financials

31. Group companies

The Group's parent company is Terveystalo Plc domiciled in Finland.

Subsidiaries as at 31 December 2023

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* Evli Asset Management holds the ownership and voting rights of EAM TTALO Holding Oy by legal terms, but according to the agreement, Terveystalo has control over the company and acts as the principal, whereas EAM is an agent through the holding company. Based on this control arising from contractual terms, the holding company is consolidated into the Group's IFRS financial statements as a structured entity.

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Changes in the Group structure Financial year 2023

The following mergers took place during the financial year 2023:

- 31.1.2023 Kunnon Syke Oy merged with Suomen Terveystalo Oy.
- 28.2.2023 Ludus Oy merged with Suomen Terveystalo Oy.
- 31.3.2023 Saimaan Urheilufysioterapia Oy merged with Suomen Terveystalo Oy.
- 31.5.2023 Evalua International Ltd Oy merged with Suomen Terveystalo Oy.
- 31.8.2023 Somia Reality Oy merged with Suomen Terveystalo Oy.
- 30.9.2023 Feelgood Jobbhälsan AB merged with Feelgood Företagshälsovård AB.
- 30.9.2023 Medicin Direkt Östersund AB merged with Feelgood Sjukvård AB.
- 30.9.2023 The Drawing Room AB merged with Nämndemansgården Sverige AB.

The following companies operations have ceased during the financial year 2023:

- 22.2.2023 Evalua Nederland B.V.
- 31.12.2023 Rela Estonia ÖU

Financial year 2022

The following mergers took place during the financial year 2022:

- 30.4.2022 Attentio Oy merged with Suomen Terveystalo Oy.
- 1.6.2022 Vantaan Työterveys Oy merged with Suomen Terveystalo Oy.
- 31.8.2022 Lapin Liikuntaklinikka Oy merged with Suomen Terveystalo Oy.
- 31.8.2022 Hierojakoulu Relaxi Oy merged with Suomen Hierojakoulut Oy.
- 31.8.2022 Feelgood Primärvård AB merged with Feelgood Företagshälsovård AB.
- 31.8.2022 Feelgood Online AB merged with Feelgood Företagshälsovård AB.
- 31.8.2022 Feelgood Företagshälsovård Östersund AB merged with Feelgood Företagshälsovård AB.
- 31.8.2022 Feelgood Företagshälsovård Blekinge AB merged with Feelgood Företagshälsovård AB.
- 31.8.2022 Feelgood Företagshälsovård Södra AB merged with Feelgood Företagshälsovård AB.
- 30.9.2022 Jyväskylän lastensuojelupalvelut Oy merged with Jyväskylän Hoitokoti Ankkuri Oy.
- 30.9.2022 Lastensuojelupalvelut Väylä Oy merged with Jyväskylän Hoitokoti Ankkuri Oy.
- 30.9.2022 Ankkurin Huoltamo Oy merged with Jyväskylän Hoitokoti Ankkuri Oy.
- 30.9.2022 Terapiatelakka Oy merged with Jyväskylän Hoitokoti Ankkuri Oy.
- 31.10.2022 OMT-Klinikka Kokkola Oy merged with Suomen Terveystalo Oy.
- 31.10.2022 Aktiivi-Fysioterapia Tampere Oy merged with Suomen Fysiogeriatria Oy.
- 31.10.2022 Mimmin Terapia Oy merged with Suomen Fysiogeriatria Oy.
- 31.10.2022 toi.minna Oy merged with Suomen Fysiogeriatria Oy.
- 1.11.2022 Suomen Fysiogeriatria Oy merged with Suomen Terveystalo Oy.
- 30.11.2022 Keltaisen Kartanon Kuntoutus Oy merged with Jyväskylän Hoitokoti Ankkuri Oy.
- 30.11.2022 Into Terveys Oy merged with Suomen Terveystalo Oy.

32. Subsequent events

Terveystalo's Board of Directors has approved a new performance period covering the years 2024–2026 of the long-term share-based incentive plan for key personnel

Terveystalo Plc's Board of Directors has approved a new performance period covering the years 2024–2026 of the long-term share-based incentive plan for key personnel. The purpose of the program is to align the objectives of shareholders and key personnel to increase the company's value in the long term, and to commit key personnel to implementing Terveystalo's strategy by offering them a competitive, share-based incentive program.

The Performance Share Plan is based on a rolling 3-year performance period structure, with a new performance period starting at the beginning of each year if so decided by the Board. The Board decides on the participants, performance measures, and targets as well as earning opportunities on an annual basis. Terveystalo published the establishment of the program and its main terms in a stock exchange release on 3 December 2020.

Performance Period 2024–2026 of the Performance Share Plan (PSP)

During the performance period 2024–2026, the participants are awarded for successful shareholder value creation. The performance indicators based on which share rewards may be paid to 90% of the participants are absolute and relative (compared to the OMX HKI benchmark CAP GI index) Total Shareholder Return. For 10% of the participants, the value creation is measured by EBITA (adjusted earnings before interest, taxes, and amortisation) of the business area or independent business that they lead.

Terveystalo's Board of Directors confirms the total amount of shares earned after the end of the performance period. The share rewards that may be paid based on the 2024–2026 earning period will be paid in Terveystalo Plc shares after the end of the performance period, provided that the performance targets set for the program by the Board are achieved. The maximum number of shares to be paid based on this plan is 640,000 shares. Taxes and taxlike payments to the recipient are deducted from the reward, after which the remaining net amount is paid to the participants in shares.

Financials

No more than approximately seventy (75) people selected by the Board are eligible to participate in the program, including members of Terveystalo's Executive Team.

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

Performance Period 2024–2026 of the Restricted Share Plan (RSP)

The purpose of the Restricted Share Plan is to function as a supplementary structure for separately selected key personnel of Terveystalo in special situations.

The share rewards will be paid in Terveystalo Plc shares after the end of the performance period, provided that the individual participants are still employed by Terveystalo. The maximum number of shares to be paid based on this plan is 64,000 shares.

Parent company's financial statement, FAS

Parent company's income statement

EUR	Note	1.131.12.2023	1.1.—31.12.2022
Revenue	1.1	11,487,798	1,622,050
Materials and supplies		-1,684	-1,851
Employee benefit expenses			
Wages and salaries		-1,889,541	-1,446,798
Social security expenses			
Pension expenses		-232,335	-128,348
Other social security expenses		-153,776	-21,741
Depreciation, amortisation and impairment losses	1.2	-18,227	-8,199
Other operating expenses	1.4	-20,555,877	-4,804,758
Operating loss		-11,363,642	-4,789,646
Financial income and expenses	1.5		
Other interest and financial income			
From group companies		3,194,991	1,629
From others		-	10
Other interest and financial expenses			
To group companies		-1,126,839	-10,753
To others		-3,833,481	-215,450
Loss before appropriations and taxes		-13,128,972	-5,014,210
Appropriations	1.6		
Increase/decrease in depreciation in excess of plan		-16,959	-8,937
Group contributions		63,777,000	34,634,000
Taxes		-10,132,230	-5,952,627
Profit for the period		40,499,784	23,658,227

Financials

Parent company's statement of financial position

EUR	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.1		
Machinery and equipment		86,887	60,753
Investments	2.2		
Holdings in group companies		516,818,244	516,818,244
Loan receivables from group companies	2.3	100,000,000	-
Total non-current assets		616,905,132	516,878,997
Current assets			
Receivables from group companies	2.3	87,022,736	41,133,012
Prepayments and accrued income	2.4	1,030,499	603,637
Total current assets		88,053,235	41,736,649
TOTAL ASSETS		704,958,366	558,615,647
EQUITY AND LIABILITIES			
Equity	2.5		
Share capital		80,000	80,000
Invested non-restricted equity reserve		493,503,962	493,503,962
Retained earnings		1,855,024	13,632,562
Profit for the period		40,499,784	23,658,227
Total equity		535,938,771	530,874,751
Appropriations			
Depreciation in excess of plan		25,896	8,937
Total appropriations		25,896	8,937
Liabilities	2.6		
Non-current liabilities			
Bonds		100,000,000	-
Current liabilities			
Trade payables		2,296,985	1,541,585
Liabilities to group companies		56,730,930	
Other liabilities		35,585	25,159
Accruals and deferred income		9,930,200	974,548
Total liabilities		168,993,700	27,731,959
TOTAL EQUITY AND LIABILITIES		704,958,366	558,615,647

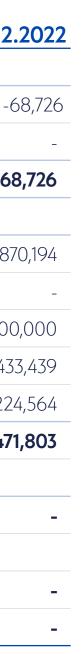


Parent company's statement of cash flows

EUR	1.131.12.2023	1.1.—31.12.20
Cash flows from operating activities		
Profit for the period before income taxes	50,631,069	29,610,8
Adjustments		
Depreciations according to plan	18,227	8,19
Non-cash transactions	-60,564,902	-34,625,06
Financial income and expenses	1,765,330	224,56
Change in working capital		
Change in trade and other receivables	-16,767,585	469,2
Change in trade and other payables	878,760	455,60
Taxes	-4,464,873	-10,546,53
Net cash from operating activities	-28,503,974	-14,403,07

Financials

2022	EUR	1.131.12.2023	1.1.—31.12
	Cash flows from investing activities		
853	Acquisition of tangible and intangible assets	-44,361	-
	Granted loan receivables to subsidiary	-100,000,000	
,199	Net cash from investing activities	-100,044,361	-6
063	Cash flows from financial activities		
564	Change in group bank account	31,521,429	-7,8
	Proceeds of long-term borrowings	99,594,000	
239	Received group contribution	34,634,000	58,00
667	Dividends paid	-35,435,764	-35,43
536	Interest and other financial expenses paid	-1,765,330	-22
077	Net cash from financial activities	128,548,335	14,47
	Net change in cash and cash equivalents	-	
	Cash and cash equivalents at 1 January	-	
199 063 564 239 667 536	Cash and cash equivalents at 31 December	-	





Accounting policies of parent company's financial statements

The financial statements of Terveystalo Plc are prepared in accordance with Finnish Accounting Standards (FAS).

Measurement and recognition principles and methods Holdings in group companies

The carrying amount of holdings in group companies consists of historical costs less impairments. If the estimated future cash flows generated by a non-current asset are expected to be permanently lower than the balance of carrying amount, an adjustment to the value must be made to write-down the difference as an expense. If the basis for the impairment can no longer be justified at the reporting date, it is reversed.

Property, plant and equipment, and depreciation

The carrying amount of property, plant and equipment consists of historical costs less depreciation and other deductions. Property, plant and equipment are depreciated using straight-line depreciation based on the expected useful life of the asset.

The depreciation is based on the following expected useful lives: Machinery and equipment: 5 years

Financials

Notes to the statement of income

1.1 Revenue

EUR	2023	20
Finland	11,455,589	1,593,
Sweden	32,209	29,
Total	11,487,798	1,622,

1.2 Depreciation, amortisation and impairment losses

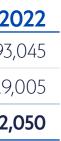
EUR	2023	20
Depreciation	-18,227	-8,
Total	-18,227	-8,1

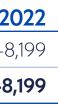
1.3 Personnel

	2023	20
Average number of personnel during financial year	4	

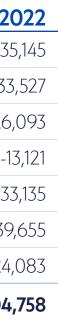
1.4 Other operating expenses

EUR	2023	20
External services	-19,452,524	-3,535
ICT expenses	-36,242	-33,
Non-statutory personnel expenses	-109,863	-126,
Leases	-14,731	-13
Travel expenses	-51,977	-33
Marketing and communication	-201,761	-239,
Other costs	-688,779	-824,
Total	-20,555,877	-4,804,









Corporate Governance

Auditor's fees

EUR	2023	2022	21 December - related a surface and		
Audit and auditor's statements based on laws and regulations			2.1 Property, plant and equipment		
Audit, KPMG	-101,000	-76,000	Machinery and equipment		
Auditor's fees total	-101,000	-76,000	EUR	2023	202
			Acquisition cost 1 Jan	107,614	38,88
1.5 Financial income and expenses			Additions	44,361	68,72
EUR	2023	2022	Acquisition cost 31 Dec	151,975	107,6
Other interest and financial income			Accumulated depreciation and impairment losses 1 Jan	-46,861	-38,6
From group companies	3,194,991	1,629	Depreciation for the period	-18,227	-8,19
From others	-	10	Accumulated depreciation and impairment losses 31 Dec	-65,087	-46,8
Total	3,194,991	1,639	Carrying amount 1 Jan	60,753	22
Other interest and financial expenses			Carrying amount 31 Dec	86,887	60,7

	2025		2.1 Property, plant and equipment		
Audit and auditor's statements based on laws and regulations					
Audit, KPMG	-101,000	-76,000	Machinery and equipment		
Auditor's fees total	-101,000	-76,000	EUR	2023	202
			Acquisition cost 1 Jan	107,614	38,88
1.5 Financial income and expenses			Additions	44,361	68,72
EUR	2023	2022	Acquisition cost 31 Dec	151,975	107,6
Other interest and financial income			Accumulated depreciation and impairment losses 1 Jan	-46,861	-38,6
From group companies	3,194,991	1,629	Depreciation for the period	-18,227	-8,19
From others	-	10	Accumulated depreciation and impairment losses 31 Dec	-65,087	-46,8
Total	3,194,991	1,639	Carrying amount 1 Jan	60,753	22
Other interest and financial expenses			Carrying amount 31 Dec	86,887	60,7
To group companies	-1,126,839	-10,753			
To others	-3,833,481	-215,450			
Total	-4,960,321	-226,203	2.2 Investments		

1 / 4

1.6 Appropriations			EUR	2023	202
EUR	2023	2022	Acquisition cost 1 Jan	516,818,244	516,818,24
Increase/decrease in depreciation in excess of plan	-16,959	-8,937	Acquisition cost 31 Dec	516,818,244	516,818,24
Group contributions received	63,777,000	34,634,000	Carrying amount 1 Jan	516,818,244	516,818,24
Appropriations total	63,760,041	34,625,063	Carrying amount 31 Dec	516,818,244	516,818,24
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Financials

Holdings in group companies

Notes to the statement of the financial position





Parent company ownerships:

Holdings in group companies	2023	202
Terveystalo Healthcare Holding Oy	100%	100

2.3 Receivables from group companies

EUR	2023	202
Loan receivables	100,000,000	
Total	100,000,000	
EUR	2023	202
Non-current receivables	4,418,475	4,494,63
Trade receivables	827,512	586,50
Group contribution receivables	63,777,000	34,634,00
Prepayments and accrued income*	17,999,749	1,417,87
Total	87,022,736	41,133,01

* 2023 including rechargeable management fees EUR 14.8 million and interest receivables EUR 3.2 million.

2.4 Prepayments and accrued income

EUR	2023	202
VAT receivables	477,423	393,68
Prepayments and accrued income	553,076	209,95
Total	1,030,499	603,63

Financials

2.5 Changes in equity

Restricted equity

Share capital

EUR	2023	20
At the beginning of the period	80,000	80,
At the end of the period	80,000	80,
Total restricted equity	80,000	80,0

Unrestricted equity

Invested non-restricted equity reserve

EUR	2023	20
At the beginning of the period	493,503,962	493,503,9
At the end of the period	493,503,962	493,503,9

Retained earnings

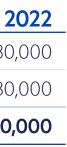
2023	20
37,290,789	49,066,0
-35,435,764	-35,433,4
1,855,024	13,632,5
40,499,784	23,658,2
535,858,771	530,794,
535,938,771	530,874,
	37,290,789 -35,435,764 1,855,024 40,499,784 535,858,771

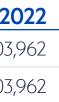
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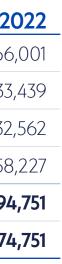
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Distributable equity

EUR	2023	202
Invested non-restricted equity reserve	493,503,962	493,503,96
Retained earnings	1,855,024	13,632,56
Net income	40,499,784	23,658,22
Total	535,858,771	530,794,7

Shares and share capital

On 31 December 2023, the amount of shares is 127,036,531 of which 480,230 is held by EAM TTALO Holding Oy, a company which is under the control of Terveystalo Plc.

The company has a single share class. The shares have no nominal value. All shares issued have been paid in full. Each share has one vote at the Annual General Meeting and equal rights to dividends and other distribution of assets.

Terveystalo Plc's share is listed on Nasdaq Helsinki Oy. The trading code is TTALO. Terveystalo Plc's shares belong to the book-entry system maintained by Euroclear Finland Oy.

Invested non restricted equity reserve

Invested non restricted equity reserve consists of other investments similar to equity and the subscription price of shares to the extent that it has not been recorded in share capital according to specific resolution. According to the current Finnish Companies Act, subscription price of new shares is recognised in the share capital, unless it has not been according to Issuance Resolution fully or partly recognised in invested non restricted equity reserve.

2.6 Liabilities

2.6.1 Non-current liabilities

EUR	2023	2022
Bonds	100,000,000	-
Total	100,000,000	-

Financials

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Terveystalo Plc issued senior unsecured sustainability-linked notes in the aggregate principal amount of EUR 100 million in June 2023. The Notes will mature on 1 June 2028 and carry initially a fixed annual interest of 5.375 percent. The notes were listed on the official list maintained by Nasdaq Helsinki Ltd on 5 June 2023.

2.6.2 Current liabilities

EUR	2023	20
Trade payables	2,296,985	1,541,5
Other liabilities to group companies	56,730,930	25,190,6
Other liabilities	35,585	25,
Accruals	9,930,200	974,
Total	68,993,700	27,731,9

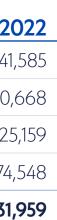
2.6.3 Liabilities to Group companies

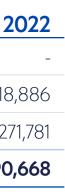
EUR	2023	20
Trade payables	265,918	
Group bank account payables	56,440,316	24,918,
Accruals and deferred income	24,697	27
Total	56,730,930	25,190,

2.6.4 Accruals and deferred expenses

EUR	2023	20
Personnel-related accrued expenses	841,720	271
Other	2,845,628	274,
Interest liabilities	3,195,139	
Income tax liability	3,047,713	429
Total	9,930,200	974,









Other notes

3. Collateral and other contingent liabilities

EUR	2023	202
Suretyship*	305,000,000	420,000,00
Guarantees	81,927	81,92

* Suretyship given by Terveystalo Plc to subsidiaries' financial institution loans

Financials

022 000 ,927



Corporate Governance

Signatures to the financial statements and Board of Director's report

Helsinki, 13 February 2024

Kari Kauniskangas Chairman of the Board of Directors Sofia Hasselberg Member of the Board of Directors

Ari Lehtoranta Member of the Board of Directors Carola Lemne Member of the Board of Directors

Kristian Pullola Member of the Board of Directors Matts Rosenberg Member of the Board of Directors

Katri Viippola Member of the Board of Directors Ville Iho President and CEO

Financials

Auditors note

A report on the audit has been issued today.

Helsinki, 13 February 2024

KPMG Oy Ab Audit firm

Henrik Holmbom Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Terveystalo Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Terveystalo Plc (business identity code 2575979-3) for the year ended 31 December 2023. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes. In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of EU regulation 537/2014. The nonaudit services that we have provided have been disclosed in note 10 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Financials

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing, and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.



The key audit matter

How the matter was addressed in the audit

Valuation of Goodwill and acquisition related Intangible Assets (Accounting Principles for the Consolidated Financial Statements and the Notes 3, 15 and 16)

- At the year-end 2023 the goodwill amounted to 824 M€ and accounted for 58 % of the consolidated total assets and for 160 % of the consolidated equity.
- The acquisition-related recognised assets for customer relationships and trademark and at the yearend 2023 were in total 57 M€.
- in 2023 Terveystalo has changed the operational model and financial reporting structure. Accordingly, the composition of the cash-generating units changed and goodwill was reallocated to the new cash-generating units.
- Terveystalo determines recoverable amounts for impairment tests based on value in use. Preparation of cash flow projections underlying impairment tests requires management judgments for profitability, long-term growth rate and discount rate.
- As a result of the impairment tests, the Group recognized a 55 M€ million impairment related to goodwill and a 29 M€ impairment related to customer relationships for the Portfolio Businesses Public payor cash-generating unit.
- Given the high level of management judgment related to the forecasts used and the significant carrying amounts involved, valuation of goodwill and acquisition related intangible assets is considered a key audit matter.

- We assessed the key assumptions used in the impairment tests, such as profitability, discount rate and long-term growth rate. To analyse the forecasts, we applied professional judgement in testing the key assumptions and assessing the resulting effects on the sensitivity analysis.
- We assessed the appropriateness of the assumptions used and the technical accuracy of the calculations. This included a comparison to external market and industry forecasts.
- In addition, we considered the appropriateness of the disclosures in respect of goodwill, impairment testing and acquisition related intangible assets.

Financials

The key audit matter	
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How the matter was addressed in the audit

Revenue Recognition

(Accounting Principles for the Consolidated Financial Statements and the Note 5)

- The consolidated revenue for 2023 amounted to 1.286 M€ million and consist of numerous types of individual service transactions and service combinations generated to various customer and payer groups in multiple business locations. Volumes of sales transactions processed in the IT systems are substantial and Terveystalo also uses a number of service pricing models and client contract templates.
- Given the variety and large number of sales transactions, revenue recognition is considered a key audit matter.
- As part of our audit procedures, we evaluated the sales-related internal control environment, as well as tested the key controls. We also performed substantive audit procedures.
- We tested the processes to record sales transactions as well as the sales pricing and invoicing processes.
 We assessed the appropriateness of the revenue recognition for the sales transactions.
- We evaluated the IT systems relevant for revenue recognition.
- We considered the appropriateness of the disclosures presented for revenue in the consolidated financial statements.

Responsibilities of the Board of Directors and the Managing Director (CEO) for the Financial Statements

The Board of Directors and the Managing Director (CEO) are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director (CEO) are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors and the Managing Director (CEO) are responsible for

assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

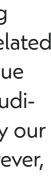
Financials

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's (CEO) use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





Other Reporting Requirements

Information on our audit engagement

We have acted as auditors appointed by the Annual General Meeting uninterrupted for twelve years. Terveystalo Plc became a public interest entity on 13 October 2017.

Other Information

The Board of Directors and the Managing Director (CEO) are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 13 February 2024 KPMG Oy Ab

HENRIK HOLMBOM Authorised Public Accountant, KHT

Financials

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