20230629469G3

Årsredovisning

för

Feelgood Svenska AB

556511-2058

Räkenskapsåret

2022

Fastställelseintyg

Undertecknad verkställande direktör i Feelgood Svenska AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-06-20. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 2023-06-26

Joachim Morath

20230629469 64

Årsredovisning

för

Feelgood Svenska AB

556511-2058

Räkenskapsåret

2022

20230629046965

Styrelsen och verkställande direktören för Feelgood Svenska AB avger följande årsredovisning för räkenskapsåret 2022.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Feelgood Svenska AB är moderbolag i en hälsokoncern och ett av Sveriges ledande hälsoföretag. Feelgood är ett rikstäckande företag och är etablerat med ett drygt sextiotal egna enheter.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret

Bolaget har under räkenskapsåret förvärvat samtliga andelar i Nämndemansgården i Sverige AB med tillhörande dotterbolag. Tidigare ägde Feelgood Svenska AB cirka 4% av aktierna.

Under räkenskapsåret har det även skett ett två fusioner, dotterbolagen Feelgood Primärvård AB och Feelgood Online AB har fusionerats samman med systerbolaget Feelgood Företagshälsovård AB.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Kriget i Ukraina påverkar säkerhetsläget i Sverige och därmed även Feelgood Svenska ABs närvärld.Ytterligare konsekvenser av kriget kan medföra potentiella risker för bolaget, så som exempelvis inflation och ökade kostnader etc. I dagsläget bedöms risken för påverkan vara hanterbar för bolaget men utvecklingen följs noga.

Användande av finansiella instrument

Feelgoods verksamhet och lönsamhet påverkas av en rad yttre och inre faktorer som är potentiella risker. Feelgood arbetar löpande med att identifiera, mäta och hantera dessa risker. Till de områden där bolaget är exponerad för risker kan bland annat räknas marknadsberoende, politiska, leverantörsberoende, kundberoende, finansiella risker och risken för dataavbrott.

Feelgood har en central ekonomifunktion som ansvarar för att reducera de finansiella riskerna och utföra de löpande finansiella transaktionerna. De finansiella instrument som hanteras består av bankkrediter samt kort- och långfristiga lån. Feelgood har även finansiella instrument direkt kopplade till bolagets verksamhet såsom kundfordringar och leverantörsskulder.

Bolaget är i sin verksamhet utsatt för finansiella risker som kan ge fluktuationer i resultat och kassaflöde. Dessa risker är huvudsakligen finansieringsrisk, kreditrisk, likviditetsrisk och ränterisk. Därutöver finns risker för egendom och ansvar som är försäkringsbara.

20230629459666

Hållbarhetsupplysningar

Företaget upprättar enligt 7 kap 31§ inte någon lagstadgad hållbarhetsrapport. Terveystalo Oyj, org. nr: 2575979-3 säte Helsingfors upprättar hållbarhetsrapport för koncernen där Feelgood Svenska AB ingår.

Ägarförhållanden

Feelgood Svenska AB är ett helägt dotterbolag till Terveystalo Healthcare Oy.

Flerårsöversikt (Tkr)	**2022**	**2021**	**2020**	**2019**	**2018**
Nettoomsättning	31 693	25 458	24 793	22 028	24 315
Resultat efter finansiella poster	-224	-11 192	-25 944	-11 910	-8 063
Balansomslutning	389 130	252 473	249 482	266 420	276 898
Soliditet (%)	55,9	85,9	87,0	87,0	94,0

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

fri överkursfond	11 092 500
balanserad vinst	69 968 218
årets vinst	482 884
	81 543 602

disponeras så att	
i ny räkning överföres	81 543 602
	81 543 602

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

20230629469 67

Resultaträkning

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Rörelsens intäkter			
Nettoomsättning		31 692 910	25 458 262
		31 692 910	**25 458 262**
Rörelsens kostnader			
Övriga externa kostnader	2, 3	-25 342 600	-30 674 635
Personalkostnader	4	-4 876 264	-4 853 474
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-1 091 624	-993 096
Övriga rörelsekostnader		-8 709	0
		-31 319 197	**-36 521 205**
Rörelseresultat	5	**373 713**	**-11 062 943**
Resultat från finansiella poster			
Resultat från övriga företag som det finns ett ägarintresse i	6	590 306	-35 172
Övriga ränteintäkter och liknande resultatposter	7	3 817	916
Räntekostnader och liknande resultatposter	8	-1 192 076	-94 437
		-597 953	**-128 693**
Resultat efter finansiella poster		**-224 240**	**-11 191 636**
Bokslutsdispositioner	9	720 000	11 050 000
Resultat före skatt		**495 760**	**-141 636**
Skatt på årets resultat	10	-12 876	5 944
Årets resultat		**482 884**	**-135 692**

20230629469 68

Balansräkning

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Licenser	11	1 555 927	1 074 786
		1 555 927	**1 074 786**
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	12	750 019	1 479 222
		750 019	**1 479 222**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	13, 14	240 593 885	196 774 075
Ägarintressen i övriga företag	15	0	883 694
Uppskjuten skattefordran	16	182	13 058
		240 594 067	**197 670 827**
Summa anläggningstillgångar		**242 900 013**	**200 224 835**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		143 189 620	50 448 139
Aktuella skattefordringar		125 066	58 486
Övriga fordringar	17	88 973	236 919
Förutbetalda kostnader och upplupna intäkter	18	1 605 937	1 504 236
		145 009 596	**52 247 780**
Kassa och bank		1 220 234	0
Summa omsättningstillgångar		**146 229 830**	**52 247 780**
SUMMA TILLGÅNGAR		**389 129 843**	**252 472 615**

20230629469

Balansräkning

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	19, 27		
Bundet eget kapital			
Aktiekapital		132 862 964	132 862 964
Reservfond		3 015 000	3 015 000
		135 877 964	**135 877 964**
Fritt eget kapital			
Fri överkursfond		11 092 500	11 092 500
Balanserad vinst eller förlust		69 968 218	70 103 909
Årets resultat		482 884	-135 692
		81 543 602	**81 060 717**
Summa eget kapital		**217 421 566**	**216 938 681**
Kortfristiga skulder			
Checkräkningskredit	20	0	3 366 772
Leverantörsskulder		325 333	2 895 708
Skulder till koncernföretag		161 544 786	26 479 557
Övriga skulder		7 854 521	284 377
Upplupna kostnader och förutbetalda intäkter	21	1 983 637	2 507 520
Summa kortfristiga skulder		**171 708 277**	**35 533 934**
SUMMA EGET KAPITAL OCH SKULDER		**389 129 843**	**252 472 615**

20230629046970

Rapport över förändringar i eget kapital

	Aktie-kapital	Bundna reserver	Balanserat resultat	Årets resultat	Summa eget kapital
Ingående eget kapital 2021-01-01	**132 862 964**	**3 015 000**	**95 333 302**	**-14 136 893**	**217 074 373**
Disposition enligt beslut på stämma			-14 136 893	14 136 893	0
Årets resultat				-135 692	-135 692
Utgående eget kapital 2021-12-31	**132 862 964**	**3 015 000**	**81 196 409**	**-135 692**	**216 938 681**
Disposition enligt beslut på stämma			-135 692	135 692	0
Årets resultat				482 884	482 884
Utgående eget kapital 2022-12-31	**132 862 964**	**3 015 000**	**81 060 717**	**482 884**	**217 421 565**

20230629469 71

Kassaflödesanalys

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Den löpande verksamheten			
Resultat efter finansiella poster	24	-224 240	-11 191 636
Justeringar för poster som inte ingår i kassaflödet	22	510 028	1 028 268
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**285 788**	**-10 163 368**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av kortfristiga fordringar		-93 041 727	7 068 800
Förändring av leverantörsskulder		-2 570 375	-120 610
Förändring av kortfristiga skulder		143 111 401	3 754 811
Kassaflöde från den löpande verksamheten		**47 785 087**	**539 633**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar		-843 562	0
Investeringar i materiella anläggningstillgångar		0	-32 011
Investeringar i finansiella anläggningstillgångar		-44 439 810	0
Försäljning av finansiella anläggningstillgångar		2 094 000	0
Kassaflöde från investeringsverksamheten		**-43 189 372**	**-32 011**
Finansieringsverksamheten			
Förändring checkräkningskredit		-3 366 772	-507 622
Kassaflöde från finansieringsverksamheten		**-3 366 772**	**-507 622**
Årets kassaflöde		**1 228 943**	**0**
Likvida medel vid årets början	23		
Kursdifferens i likvida medel			
Kursdifferens i likvida medel		-8 709	0
Likvida medel vid årets slut		**1 220 234**	**0**

20230629469 72

Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Immateriella tillgångar
Företaget redovisar internt upparbetade immateriella anläggningstillgångar enligt aktiveringsmodellen. Det innebär att samtliga utgifter som avser framtagandet av en internt upparbetad immateriell anläggningstillgång aktiveras och skrivs av under tillgångens beräknade nyttjandeperiod, under förutsättningarna att kriterierna i BFNAR 2012:1 är uppfyllda.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde. Följande avskrivningsprocent tillämpas:

Immateriella anläggningstillgångar	
Licenser	5 år
Materiella anläggningstillgångar	
Inventarier, verktyg och installationer	5 år

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

20230629046973

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och

20230629469 74

ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Pensioner
Bolagets VD har en individuell pensionsplan till vilken månatlig betalning görs med ett belopp motsvarande 25 procent av månadslönen.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget Terveystalo Oyj, organisationsnummer 2575979-3 med säte i Helsingfors upprättar koncernredovisning.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.

Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Förändringar i spärrade medel redovisas i investeringsverksamheten.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Uppskattningar och bedömningar
Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Inga väsentliga källor till osäkerhet i uppskattningar och antaganden på balansdagen bedöms kunna innebära en betydande risk för en väsentlig justering av redovisade värden för tillgångar och skulder under nästa räkenskapsår.

20230629469

Not 2 Leasingavtal

Årets leasingkostnader avseende leasingavtal, uppgår till 4 288 775 kronor (4 161 323 kr).

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2022	**2021**
Inom ett år	4 440 000	3 699 352
Senare än ett år men inom fem år	0	3 820 868
Senare än fem år		0
	4 440 000	**7 520 220**

Not 3 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2022	**2021**
KPMG AB		
Revisionsuppdrag	50 000	100 000
	50 000	**100 000**

20230629469 76

Not 4 Anställda och personalkostnader

	2022	2021
Medelantalet anställda		
Män	1	1
	1	**1**
Löner och andra ersättningar		
Styrelse och verkställande direktör	2 852 920	3 483 776
	2 852 920	**3 483 776**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	635 503	591 008
Övriga sociala avgifter enligt lag och avtal	1 054 915	1 148 461
	1 690 418	**1 739 469**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**4 543 338**	**5 223 245**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	33 %	33 %
Andel män i styrelsen	67 %	67 %

Not 5 Inköp och försäljning mellan koncernföretag

	2022	2021
Andel av årets totala inköp som skett från andra företag i koncernen	0,014 %	11,30 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	100,00 %	100,00 %

Not 6 Resultat från övriga företag som det finns ägarintresse i

	2022	2021
Nedskrivningar	-590 306	35 172
	-590 306	**35 172**

20230629469777

Not 7 Övriga ränteintäkter och liknande resultatposter

	2022	2021
Övriga ränteintäkter	3 817	916
	3 817	**916**

Not 8 Räntekostnader och liknande resultatposter

	2022	2021
Övriga räntekostnader	1 192 076	94 437
	1 192 076	**94 437**

Not 9 Bokslutsdispositioner

	2022	2021
Erhålln konc. bidrag	720 000	15 500 000
Lämnade konc. bidrag	0	-4 450 000
	720 000	**11 050 000**

Not 10 Aktuell och uppskjuten skatt

	2022	2021
Skatt på årets resultat		
Förändring av uppskjuten skatt avseende temporära skillnader	-12 876	5 944
Totalt redovisad skatt	**-12 876**	**5 944**

Avstämning av effektiv skatt

	2022		2021	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		495 760		-141 636
Skatt enligt gällande skattesats	20,6	-102 127	20,6	29 177
Ej avdragsgilla kostnader		-21 343		-23 233
Ej skattepliktiga intäkter		121 855		0
Justering avseende skatter för föregående år		1 797		0
Under året utnyttjande av tidigare års underskottsavdrag vars skattevärde ej redovisats som tillgång		-13 058		0
Redovisad effektiv skatt	**2,6**	**-12 876**	**4,2**	**5 944**

20230629469 78

Not 11 Licenser

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	22 944 854	22 944 854
Inköp	843 562	0
Utgående ackumulerade anskaffningsvärden	**23 788 416**	**22 944 854**
Ingående avskrivningar	-21 870 068	-21 601 374
Årets avskrivningar	-362 421	-268 694
Utgående ackumulerade avskrivningar	**-22 232 489**	**-21 870 068**
Utgående redovisat värde	**1 555 927**	**1 074 786**

Not 12 Inventarier, verktyg och installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	4 914 167	4 882 156
Inköp	0	32 011
Utgående ackumulerade anskaffningsvärden	**4 914 167**	**4 914 167**
Ingående avskrivningar	-3 434 945	-2 710 543
Årets avskrivningar	-729 203	-724 402
Utgående ackumulerade avskrivningar	**-4 164 148**	**-3 434 945**
Utgående redovisat värde	**750 019**	**1 479 222**

Not 13 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	224 517 882	224 517 882
Inköp	42 965 810	0
Försäljningar	-620 000	0
Omklassificeringar	1 474 000	0
Utgående ackumulerade anskaffningsvärden	**268 337 692**	**224 517 882**
Ingående nedskrivningar	-27 743 807	-27 743 807
Utgående ackumulerade nedskrivningar	**-27 743 807**	**-27 743 807**
Utgående redovisat värde	**240 593 885**	**196 774 075**

20230629469 79

Not 14 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Bokfört värde
Feelgood Sjukvård AB	100%	100%	120 000
Feelgood Företagshälsovård AB	100%	100%	196 654 075
Nämndemansgården i Sverige AB	100%	100%	43 819 810
			240 593 885

Not 15 Ägarintressen i övriga företag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	6 000 570	6 000 570
Omklassificeringar	-6 000 570	
Utgående ackumulerade anskaffningsvärden	**0**	**6 000 570**
Ingående nedskrivningar	-5 116 876	-5 081 704
Omklassificeringar	4 526 570	
Årets nedskrivningar	590 306	-35 172
Utgående ackumulerade nedskrivningar	**0**	**-5 116 876**
Utgående redovisat värde	**0**	**883 694**

Not 16 Uppskjuten skattefordran

	2022-12-31	2021-12-31
Belopp vid årets ingång	13 058	7 114
Årets avsättningar	0	5 944
Under året ianspråktagna belopp	-12 876	0
Belopp vid årets utgång	**182**	**13 058**

Not 17 Övriga fordringar

	2022-12-31	2021-12-31
Övriga poster	88 973	236 919
	88 973	**236 919**

Not 18 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Förutbetalda hyreskostnader	1 273 990	1 173 639
Förutbetalda försäkringspremier	47 715	76 597
Övriga förutbetalda kostnader	284 232	254 000
	1 605 937	**1 504 236**

20230629469 80

Not 19 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal A-Aktier	106 290 371	1,25
	106 290 371	

Not 20 Checkräkningskredit

	2022-12-31	2021-12-31
Beviljat belopp på checkräkningskredit uppgår till	6 000 000	6 000 000
Utnyttjad kredit uppgår till	0	3 366 772

Not 21 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna löner	237 263	0
Upplupen semester	84 689	146 694
Upplupna sociala avgifter	101 157	46 091
Övriga upplupna poster	1 560 526	2 314 735
	1 983 635	**2 507 520**

Not 22 Justering för poster som inte ingår i kassaflödet

	2022-12-31	2021-12-31
Avskrivningar	1 091 624	993 096
Nedskrivningar	-590 306	35 172
	501 318	**1 028 268**

Not 23 Likvida medel

	2022-12-31	2021-12-31
Likvida medel		
Banktillgodohavanden	1 220 234	0
	1 220 234	**0**

Not 24 Räntor och utdelningar

	2022-12-31	2021-12-31
Erhållen ränta	-2 595	-916
Erlagd ränta	1 192 076	94 437
	1 189 481	**93 521**

20230629469 81

Not 25 Ställda säkerheter

	2022-12-31	2021-12-31
För företagets egen räkning:		
Företagsinteckningar	19 390 000	19 390 000
	19 390 000	**19 390 000**

Not 26 Uppgifter om moderföretag

Moderföretag i den största koncern där företaget ingår och som upprättar koncernredovisning är Terveystalo Oyj med organisationsnummer 2575979-3 med säte i Helsingfors.

Not 27 Disposition av vinst eller förlust

	2022-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
fri överkursfond	11 092 500
balanserad vinst	69 968 218
årets vinst	482 884
	81 543 602
disponeras så att	
i ny räkning överföres	81 543 602
	81 543 602

20230629469 82

Not 28 Väsentliga händelser efter räkenskapsårets slut

Kriget i Ukraina påverkar säkerhetsläget i Sverige och därmed även Feelgood Svenska ABs närvärld.Ytterligare konsekvenser av kriget kan medföra potentiella risker för bolaget, så som exempelvis inflation och ökade kostnader etc. I dagsläget bedöms risken för påverkan vara hanterbar för bolaget men utvecklingen följs noga.

Datum för fastställelse av resultat- och balansräkning framgår av den elektroniska underskriften

Ville Iho
Ordförande

Joachim Morath
Verkställande direktör

Elina Saviharju
Styrelseledamot

Juuso Pajunen
Styrelseledamot

Vår revisionsberättelse har lämnats den dag som framgår av min elektroniska underskrift

KPMG AB

Magnus Ripa
Auktoriserad revisor

Deltagare

FEELGOOD SVENSKA AB 556511-2058 Sverige

Signerat med Svenskt BankID	*2023-06-20 06:25:04 UTC*
Namn returnerat från Svenskt BankID: Joachim Peter Morath Personnummer returnerat från Svenskt BankID: 196803120275	Datum

Joachim Morath
joachim.morath@feelgood.se

Leveranskanal: E-post

TERVEYSTALO Finland

Signerat med Finskt FTN	*2023-06-20 10:01:13 UTC*
Namn returnerat från Finskt FTN: VILLE MIKKO IHO Personnummer returnerat från Finskt FTN: 050669-0139	Datum

Ville Iho
CEO
ville.iho@terveystalo.com

Leveranskanal: E-post

Signerat med Finskt FTN	*2023-06-20 06:34:32 UTC*
Namn returnerat från Finskt FTN: Elina Outi Saviharju Personnummer returnerat från Finskt FTN: 111181-144H	Datum

Elina Saviharju
elina.saviharju@terveystalo.com

Leveranskanal: E-post

Signerat med Finskt FTN	*2023-06-20 06:45:22 UTC*
Namn returnerat från Finskt FTN: JUUSO EDVARD PAJUNEN Personnummer returnerat från Finskt FTN: 101081-123C	Datum

Juuso Pajunen
juuso.pajunen@terveystalo.com

Leveranskanal: E-post

KPMG Sverige

Signerat med Svenskt BankID	*2023-06-20 11:28:11 UTC*
Namn returnerat från Svenskt BankID: MAGNUS RIPA Personnummer returnerat från Svenskt BankID: 196906063950	Datum

Magnus Ripa
Auktoriserad revisor
magnus.ripa@kpmg.se
19690606-3950

Leveranskanal: E-post

20230629469B3

20230629469 84

Revisionsberättelse

Till bolagsstämman i Feelgood Svenska AB, org. nr 556511-2058

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Feelgood Svenska AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Feelgood Svenska ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Feelgood Svenska AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt *årsredovisningslagen. Styrelsen och verkställande direktören* ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten *och att använda antagandet om fortsatt drift. Antagandet om fortsatt* drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet *som beror på misstag, eftersom oegentligheter kan innefatta* agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Feelgood Svenska AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

✓ Signerat 2023-06-20 12:22:41 UTC Oneflow ID 5143956 Sida 1 / 3

20230629469B5

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Feelgood Svenska AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift

KPMG AB

Magnus Ripa
Auktoriserad revisor

✓ Signerat 2023-06-20 12:22:41 UTC Oneflow ID 5143956 Sida 2 / 3

Deltagare

KPMG Sverige

Signerat med Svenskt BankID — *2023-06-20 12:22:41 UTC*

Namn returnerat från Svenskt BankID: MAGNUS RIPA
Personnummer returnerat från Svenskt BankID: 196906063950

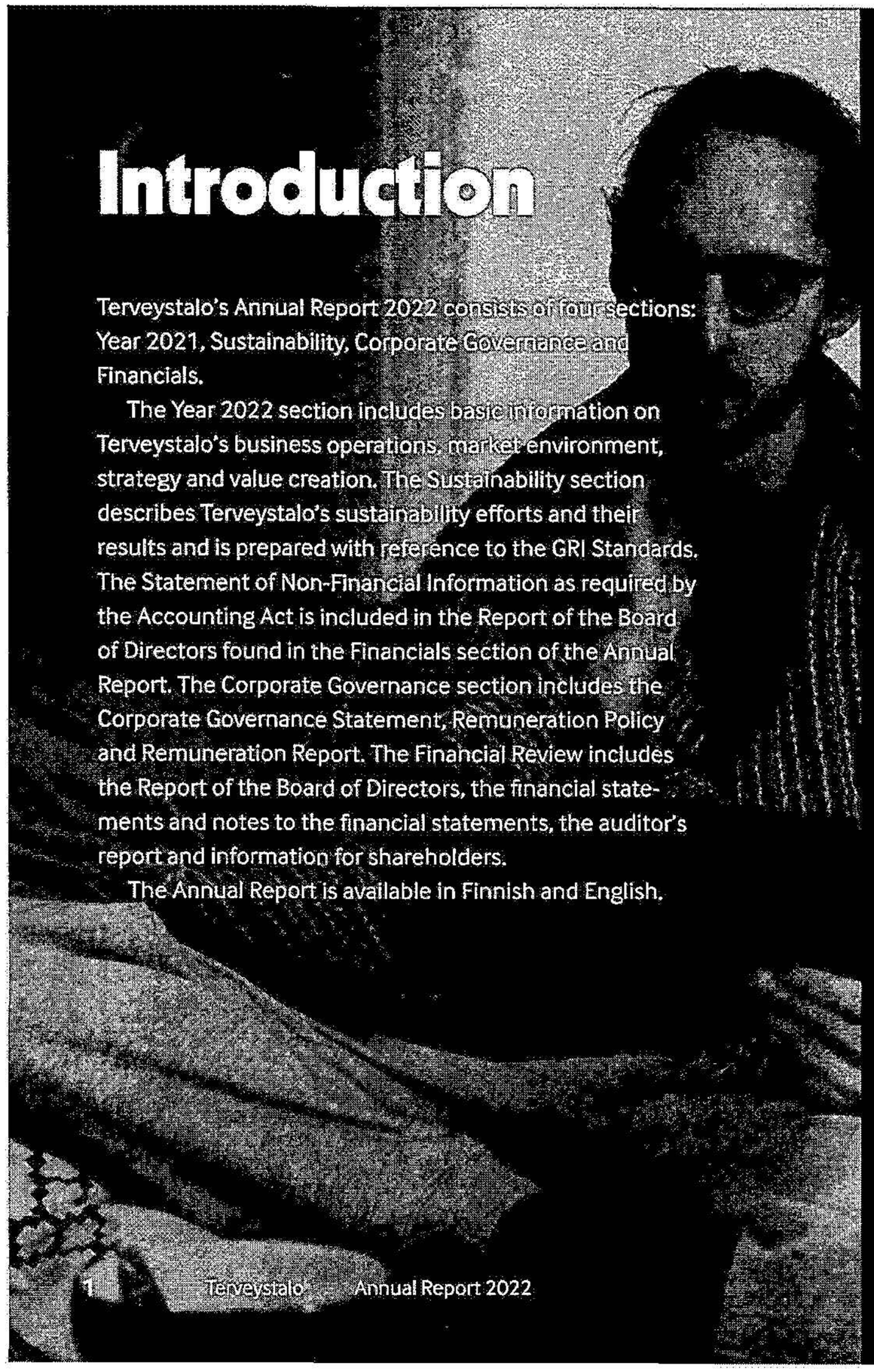
Datum

Magnus Ripa
Auktoriserad revisor
magnus.ripa@kpmg.se
19690606-3950

Leveranskanal: E-post

20230629465986


Annual Report
2022
Terveystalo
Get better.



Introduction

Terveystalo's Annual Report 2022 consists of four sections: Year 2021, Sustainability, Corporate Governance and Financials.

The Year 2022 section includes basic information on Terveystalo's business operations, market environment, strategy and value creation. The Sustainability section describes Terveystalo's sustainability efforts and their results and is prepared with reference to the GRI Standards. The Statement of Non-Financial Information as required by the Accounting Act is included in the Report of the Board of Directors found in the Financials section of the Annual Report. The Corporate Governance section includes the Corporate Governance Statement, Remuneration Policy and Remuneration Report. The Financial Review includes the Report of the Board of Directors, the financial statements and notes to the financial statements, the auditor's report and information for shareholders.

The Annual Report is available in Finnish and English.

Contents

Year 2022

3 Terveystalo in brief
4 Key figures
5 CEO's Review
7 Highlights in 2022
8 Trends influencing health care
9 Terveystalo's addressable markets
12 Terveystalo's strategy
15 Financial targets and their achievement
16 Value creation model

Sustainability

Sustainability at Terveystalo

20 Terveystalo's sustainability themes
21 Goals and achievements
24 Terveystalo contributes to the achievement of sustainable development goals
26 Sustainability management
30 Stakeholder engagement
31 Materiality analysis as the foundation of our sustainability efforts

Terveystalo's sustainability themes

33 Good health and well-being
42 Ethical business
46 Responsible work
54 Sustainable economic growth
58 Sustainable consumption and climate action

Reporting principles

64 Sustainability reporting principles
65 Sustainability themes and material topics
68 GRI index

Corporate Governance

73 Corporate governance statement
87 Terveystalo remuneration policy for governing bodies
93 Remunation report

Financials

98 Board of Directors' Report
125 Financial statements
180 Auditor's Report
184 Information for shareholders
186 Contact information



Year 2022

3 Terveystalo in brief
4 Key figures
5 CEO's Review
7 Highlights in 2022
8 Trends influencing healthcare
9 Terveystalo's addressable markets
12 Terveystalo's strategy
15 Financial targets and their achievements
16 Value creation model

20230822201427

Terveystalo in brief

Terveystalo is the largest private health care service provider in Finland in terms of revenue and network. Terveystalo is also a leading occupational health provider in the Nordic region.

We offer a wide variety of primary health care, specialized care, and well-being services for corporate and private customers and the public sector. Terveystalo's digital services are available 24/7, regardless of time and place. Health and well-being services are also provided by Terveystalo's over 370 clinics across Finland. In Sweden, we offer occupational health services at 155 clinics. Terveystalo is listed on the Helsinki Stock Exchange and has a predominantly Finnish ownership.

Terveystalo is a pioneer in occupational health in the Nordic region and the largest private health care service provider in Finland

- 8.5 million customer visits in Finland in 2022
- 1.4 million digital appointments in Finland in 2022
- 1.3 million individual customers in Finland in 2022
- 1.9 million end-customers of occupational health services in Finland and Sweden

24/7

Digital services regardless of location

2.5 milj.

Registered users

In Sweden

155

Clinics offer occupational health services
940 professionals



In Finland

370

Clinics, of which
18 hospital units
34 dental clinics
15,920 professionals

Services provided

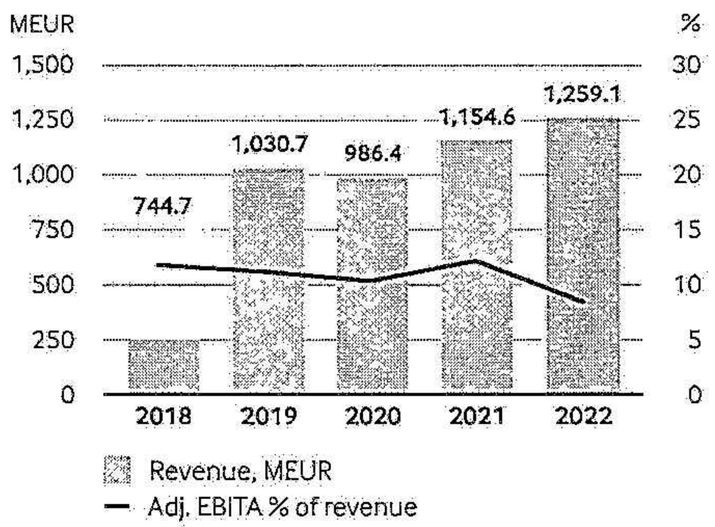
Terveystalo provides services to corporate customers, private customers and public sector customers.

- Occupational health services
- GP and specialist services
- Diagnostics
- Surgery
- Well-being services
- Oral health
- Outsourcing and staffing services
- Child welfare services

202308220142S

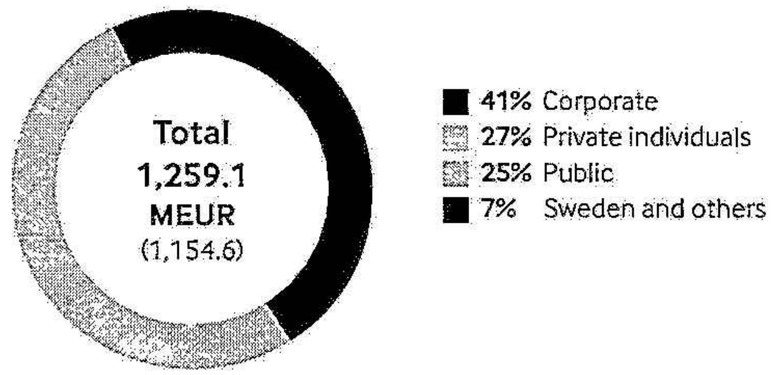
Key figures

Revenue and Adjusted EBITA-%

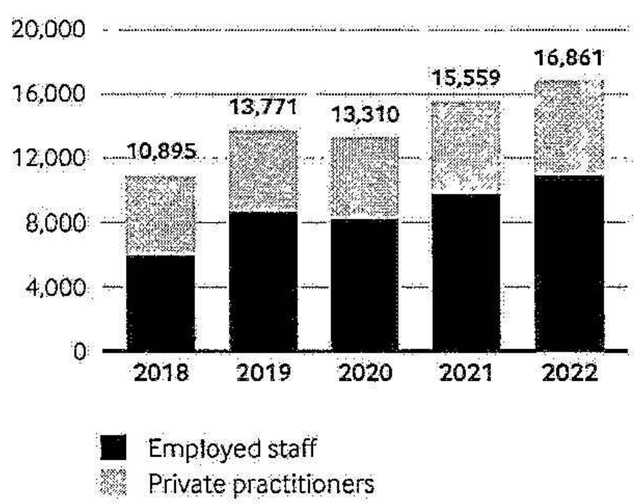


Revenue breakdown

% of total revenue 2022



Personnel and private practitioners



Terveystalo Group, EUR million	2022	2021	2020
Revenue	1,259.1	1,154.6	986.4
Adjusted EBITA[1]	105.2	141.0	101.9
Return on equity (ROE) %[1]	4.1	13.6	8.2
Equity ratio %[1]	40.2	42.2	42.1
Earnings per share (EUR)	0.19	0.63	0.36
Gearing %[1]	95.7	85.2	85.9
Net debt/adjusted EBITDA (last 12 months)[1]	3.2	2.5	3.0
Dividend per share	0.28[2]	0.28	0.26
Personnel (end of period)	10,933	9,805	8,253
Private practitioners (end of period)	5,928	5,754	5,057

1,259
Revenue (EUR million)

3.2
Net debt/ adjusted EBITDA

8.4%
Adjusted EBITA % of revenue

29
eNPS[3]

1.4 mill.
Digital appointments in Finland

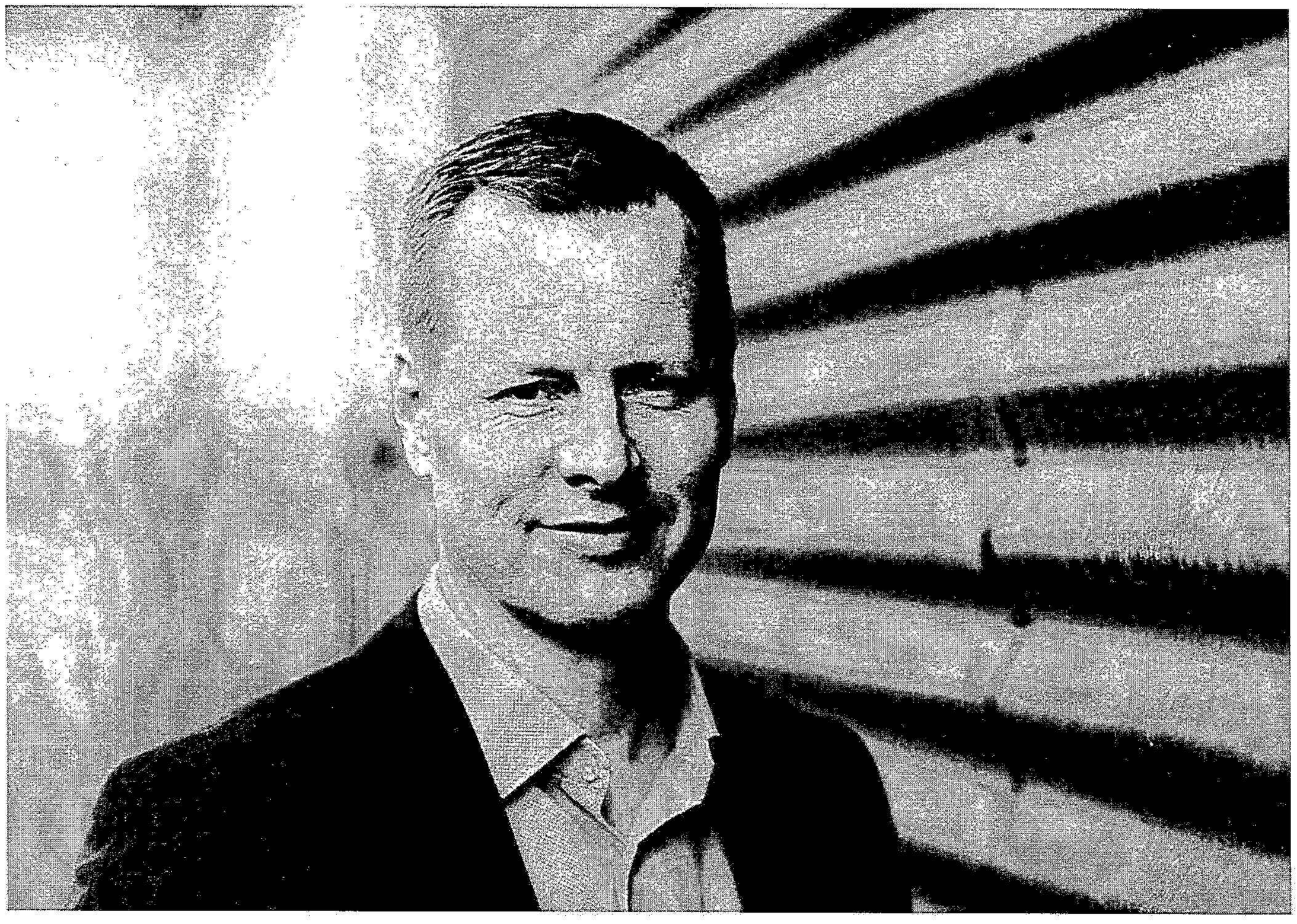
83
NPS[4], appointments

[1] Adjusted earnings before impairment and amortization of intangible assets
[2] Board's proposal
[3] Employee promoter score (job satisfaction, personnel in Finland)
[4] Customer satisfaction, Net Promoter Score

20230822201429

Ville Iho, President and CEO:

Continued strong demand, profit improvement actions launched to address the weakened profitability



The demand for health services continued to be very strong in 2022. However, the sales mix was more strongly focused on appointments and lower-margin care chains than the previous year, weakening profitability in addition to inflationary pressures.

The volumes of Covid-19 testing fell sharply from the second quarter of the year as the pandemic took a back seat. The share of diagnostics visits excluding COVID testing increased gradually but was clearly below the pre-pandemic level of 2019. Surgical operations and digital services, which were in strong demand throughout the year, continued to grow. Overall, the revenue increased by 9% year-on-year to 1,259 million euros. Our business in Sweden accounted for about half of this growth.

2023082201430

We were very successful in recruiting, especially towards the end of the year, and our service offering was clearly strengthened not only in terms of digital appointments but also in terms of appointments at the clinics. However, the clear improvement was not enough to compensate for negative earnings drivers, inflationary pressures, and the dilution of the sales mix, and profitability clearly fell short of the targets. Adjusted EBITA for 2022 fell by 25.4% to 105.2 million euros, representing 8.4% of revenue. Earnings per share were EUR 0.19.

The measures aimed at strengthening profitability are moving ahead as planned

In connection with the third quarter results, we communicated three sets of measures we are taking to react to the change in the operating environment and the reduced profitability: the profit improvement program, a change in the operating model, and the independent profitability improvement measures of the portfolio businesses. The two-year profit improvement program focused on our core business started as planned, and we are confident that we will achieve our goal of an annual run-rate profit improvement of EUR 50 million by 2024, most of which is estimated to be achieved already in 2023. Our renewed management model, based on a clearer division of the core business, portfolio business, and Swedish business, has brought clarity to profit drivers and speed to decision-making. The portfolio business programs have also started as planned.

Our Swedish business developed as expected in 2022. Revenue grew organically and through acquisitions, and profitability strengthened compared to the reference period. We see growth potential and opportunities for value creation in Sweden in the medium term.

Focus on core business and organic growth

Our business grew rapidly in 2022, and the conditions for growth in health care services will continue to be good. Demand is strong, and the utilization rate of total capacity is high, despite the dip in consumer confidence and the uncertain market environment. Poor access to treatment in public healthcare increases the demand for privately provided services, especially through voluntary health insurance. The situation in the public market is predictably quiet after the reform, and there are few new tenders. We expect the market to pick up in the second half of the year after the start-up phase of the well-being services counties.

Our financial targets and strategy remain unchanged; in our core business, we aim for industry-leading profitability, and we want to keep our spot as the preferred choice for customers and professionals. Portfolio businesses aim at independent value creation, and in Sweden, we aim for significant and profitable growth in the medium term. Due to the changed operating environment, our primary focus is on the core business and organic growth, and we are clearly more selective in M&A in both of our home markets, Finland, and Sweden.

Our financial position is strong, and we are confident about the future. Our goal is to significantly improve the total return for shareholders in the coming years. The board proposes to the Annual General Meeting that the dividend remains at the 2021 level of 0.28 euros.

We promote health and well-being

Our customer satisfaction is very strong, and we have maintained our position as the preferred employer among industry professionals. The clinical quality of our services is excellent, and our work to develop the effectiveness of treatment is particularly strongly reflected in the results of our investment areas, such as mental well-being, and in the results of treatment paths for the musculoskeletal system. In the business built around the musculoskeletal system, the number of customers has grown strongly during the year, and the number of referrals from insurance companies has increased thanks to the fast access to care and excellent treatment results based on multi-professional treatment paths. In terms of mental well-being, Terveystalo has long been a pioneer in building low-threshold services for companies, and our extensive data shows that the services radically reduce sickness absences related to mental health. Our mission is to fight for a healthier life. We want to keep our client companies moving and we will continue to invest in the effectiveness and high-quality of care pathways.

Towards better,
Ville Iho

We support the UN Global Compact initiative

Terveystalo has signed the UN Global Compact initiative. We are committed to continuing our work to integrate the Global Compact's principles related to the environment, human rights, work and the fight against corruption into our operations, culture and value chain.

Ville Iho,
CEO of Terveystalo

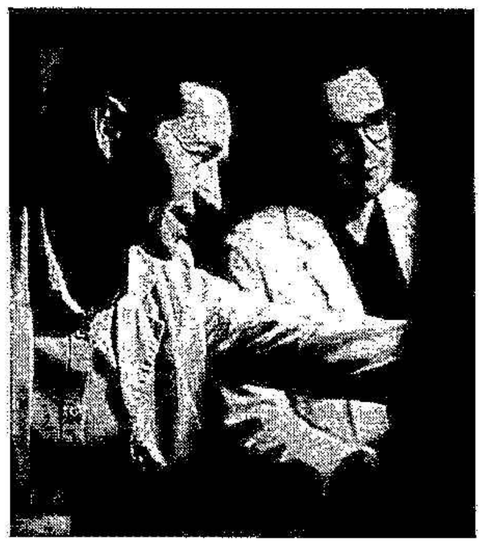
20230822201431

Highlights in 2022



Accelerating the implementation of Terveystalo's strategy with a change in the operating model and a two-year profit improvement program

In October 2022, Terveystalo launched a profit improvement program to speed up the achievement of strategic and financial goals. The program aims for an inflation-adjusted, annualized run-rate EBITA improvement of at least 50 million euros by the end of 2024. Most of the targeted benefits are estimated to be realized already in 2023. To strengthen long-term value creation, focus on high medical quality, and the execution of the program, Terveystalo has changed its operating model and organizational structure. The new organization consists of three business areas: Healthcare Services, Portfolio Businesses and Sweden.



Terveystalo is number one for healthcare professionals

Terveystalo is the most interesting workplace in the health-care sector. Terveystalo has been investing in modern management and strong work communities for years. More than 1,500 health and pharmaceutical professionals chose Terveystalo as the most interesting workplace in the health service sector. Terveystalo has held the top position in the sector since 2020. The data is based on the annual employer image survey conducted by Universum, which evaluated nearly 60 operators from the public sector, private health service companies and pharmaceutical companies.

Terveystalo's new digital platform tailored for the public sector enables remote appointments in the well-being services counties

Terveystalo has developed a digital platform for the public sector to meet the needs and challenges of the well-being services counties. The patient can manage their own appointments, have a remote appointment and continue self-care using the health coaching and information packages provided by the platform, all in one place. Remote appointments are an easy and modern way for the customer to seek help in health issues. In addition, they enable easy access to professionals in locations where it is otherwise challenging. By utilizing telemedicine and digital solutions, well-being services counties can direct to local clinics only those patients who would benefit from it, which helps dismantle the care queues.



The Swedish business developed according to plans

With leading occupational health processes, services and digital tools, Terveystalo is the market leader in occupational health in the Nordic region. Our business in Sweden developed in 2022 according to our plans and revenue increased by 151%. We made two acquisitions in occupational health and expanded our operations beyond occupational health by buying Nämndemansgården, which specializes in addiction treatment. Our goal is to grow in the Swedish occupational health market both organically and through additional acquisitions. We also see the potential to expand the range of services in the Swedish market towards more integrated care chains.



2023082201432

Trends influencing healthcare

The demand for healthcare services is increasing, among other things, due to the ageing population and growth in chronic diseases. At the same time, healthcare systems around the world face shortages of competent professionals. In addition, the COVID-19 pandemic has increased treatment backlogs. Digital services drive the renewal of health care and bring new solutions, but they also create new customer expectations. Increasing awareness of personal health and the overall trend towards healthier lifestyles make people more willing to increase spending on preventive care and well-being services.

Digitalization of healthcare

- The COVID-19 pandemic accelerated the digitalization of health care.
- Customers expect better service quality, availability, convenience and personalization.
- Utilizing digitalization broadly enables faster provision of services, promotes innovation and helps control the growth of costs.
- Digitalization enables more efficient use of limited health care resources.
- Access to care and the smoothness of service are improved.

Ageing of the population

- The Finnish population is ageing at the second-highest rate in the world and this trend is expected to continue in the coming decades. The same trend is also seen in Sweden.
- The higher proportion of elderly people in the population presents a variety of challenges to health care, and the only way to respond to these challenges is through new and innovative solutions.
- Smooth cooperation and division of duties between the public and private sectors are preconditions for maintaining and developing the functional capacity, quality and availability of health care.

Growth in lifestyle diseases

- As many as 50 percent of working-age Finns have, or are at risk of developing, a lifestyle disease.
- Obesity, diabetes, hypertension, sleep disorders, substance abuse, back problems and mental health challenges reduce work ability and lead to sickness absences.
- Lifestyle diseases increase the demand for health care services and emphasize the significance of preventive health care and early intervention.
- Need for cost-effective solutions for managing population health is growing.
- There will be a shift from paying for use towards partially subscription-based services that support lifelong health.

Shortage of health care professionals

- There is a global shortage of health care professionals.
- The social welfare and health care sector in Finland is predicted to need as many as 200,000 new professionals over the next 15 years to replace retiring employees and respond to the growing demand for services.
- The industry faces a twofold challenge of not only attracting but also retaining professionals.
- Recruitment problems have become worse and the competition for skilled professionals continues to intensify – creating an attractive workplace is of critical importance.
- The role of nurses and other health care professionals is growing.
- Digitalization and remote services make it possible to relieve the shortage of skilled professionals and balance out regional differences in access to care.

Consumerization of healthcare

- Interest in holistic health and well-being as well as related data and measurements is growing.
- Individuals are more aware of their health and are asserting more influence over their medical care.
- Nutrition trends, meditation, yoga and exercise are growing in popularity.

20230822201433

Terveystalo's addressable markets

Terveystalo operates in Finland in occupational health, primary health care, specialty care and well-being services. In 2021, Terveystalo expanded into occupational health in Sweden with the acquisition of Feelgood, one of Sweden's leading occupational health companies.

Terveystalo's addressable market in Finland

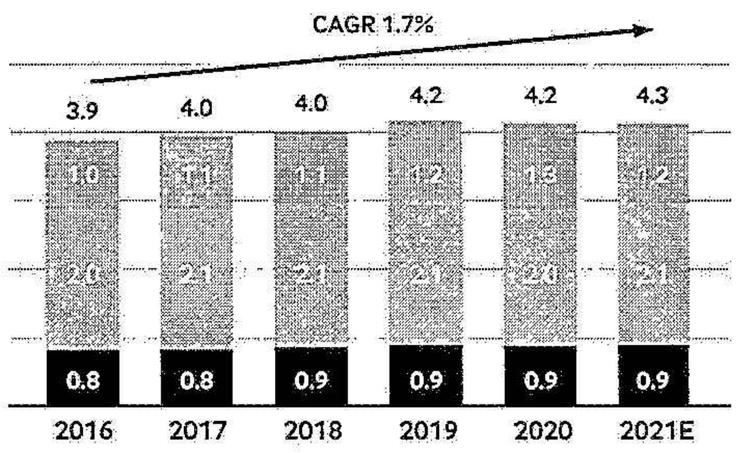
In Finland, the total cost of health care is estimated at around EUR 15 billion. About 75 percent is publicly funded and provided. Privately provided health care accounts for just over a quarter, which includes publicly funded and privately provided (6 percent) and privately provided and funded (20 percent) health care. The privately provided market relevant to Terveystalo, approximately EUR 4.3 billion, includes primary health care, dental care, specialty care, occupational health care and child welfare services. Terveystalo's share of this entire market is about 25–30 percent.

Finland has a unique occupational health system that covers 1.9 million Finns. Occupational health is associated with a statutory pension system. The system encourages employers to invest in occupational health to bring down pension costs. This has effects on public health as well as the total cost of health care. According to studies, companies that systematically invest in work ability management benefit manifold. One invested euro returns six euros as a result of lower sickness absence and pension costs. Terveystalo provides occupational health services in Finland to over 27,000 companies and to a total of approximately 670,000 people through its corporate customers.

Between 2016 and 2021, Terveystalo's target market has grown by approximately 1.7 percent per year (CAGR). The COVID-19 pandemic had a negative impact on market

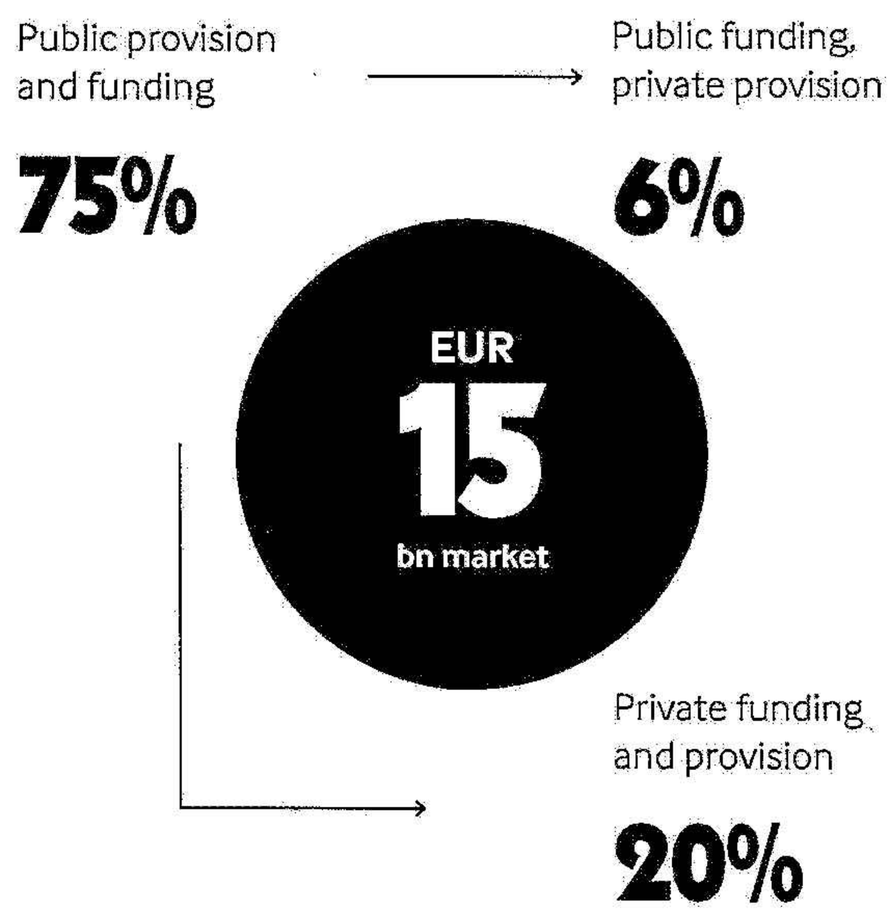
Terveystalo's addressable market in Finland, 2016-2021E

EUR bn



Source: National Institute for Health and Welfare, KELA, Statistics Finland

Private provision is an established and growing component of the Finnish market



Source: National Institute for Health and Welfare, KELA, Statistics Finland

20230822014434

growth in 2019–2020, but healthcare market growth returned to positive in 2022. The rapid ageing of the population, the accumulated care debt during the pandemic, and the high incidence of lifestyle illnesses will increase the need for healthcare in the coming years.

Terveystalo's addressable market in Sweden

In Sweden the total cost of health care is estimated at around EUR 30 billion. About 73 percent is publicly funded and provided. Privately provided health care accounts for around EUR 7 billion, which includes publicly funded and privately provided (19 percent of total healthcare market) and privately provided and funded (5 percent) health care. In Sweden, the privately produced and financed market consists largely of oral health services that are not offered by the public sector for people over 23 years, as well as employer-financed occupational health care. The private healthcare market in Sweden is quite fragmented; the combined market share of the ten largest players is around 36 percent. Market growth has historically been faster than the Finnish market.

The ageing of the population, lifestyle diseases, lengthened care queues in the public sector, growing awareness of health and well-being, and the increase in voluntary health insurance are driving the growth of the private healthcare market also in Sweden.

Terveystalo's subsidiary Feelgood, which operates in Sweden, offers services in occupational health and, including; risk assessments, ergonomics and physiotherapy, organization and leadership, and harmful use. In addition, the company provides private health care and well-being services to its occupational care customers´ employees and their families through the digital service Feelgood Plus.

The Swedish occupational health market is stable and has a size of around 0.4 billion euros. Feelgood is Sweden's third largest provider of occupational health services with a market share of around 19 percent. The Swedish occupational health system includes fewer services required by law than the Finnish system. Occupational health and private health services are also in different systems. However, employers are interested in offering more extensive occupational healthcare in order to reduce sick leave and extend working careers. Terveystalo's subsidiary Feelgood serves approximately 8,300 corporate customers in Sweden, with a total of approximately 1.2 million occupational health end-customers.

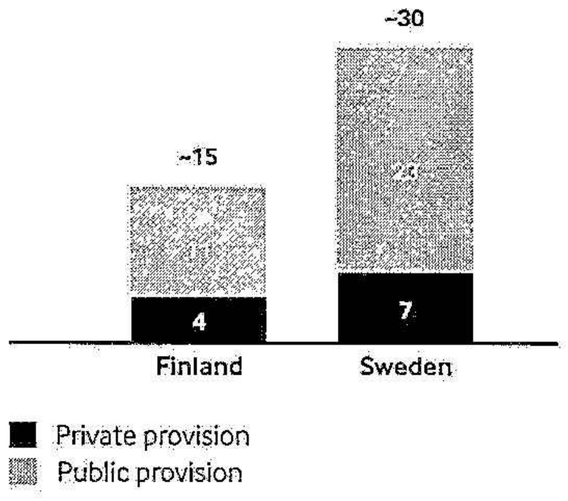
Operating environment 2022

Terveystalo's target markets

Demand for health services was strong in Terveystalo's target markets throughout the year. Nevertheless, the growth was tempered by the lack of supply, which was also impacted by higher sickness absences compared to the comparison period. In Finland, the demand was more focused on short care pathways. The demand for diagnostics and other services related to COVID-19 decreased significantly from the comparison period due to a decline in COVID testing. In Sweden, the demand for occupational health services and particularly for consultation for organizational management and harmful use was growing. The growth of demand for digital services and remote appointments continued to be strong. The demand for mental health services and preventive well-being services continued to grow.

A tight labour market and high inflation create growing pressure on operating costs, including wages. The employment situation is strong, but significant changes can affect the demand for occupational health services. The long-term growth prospects are good for Terveystalo's addressable markets in Finland and Sweden; the underlying demand is strong, and we are well-positioned to drive growth going forward, supported by our strong market position and reputation among industry professionals of being a preferred employer.

Healthcare markets
EUR bn



The impacts of inflation

High inflation can be seen as upward pressure on prices in all procurement categories, and Terveystalo has actively negotiated with its suppliers to limit the impact of inflation on costs. The rising price of electricity has a negative impact on operational costs. Due to component shortages, delivery times have become longer in certain categories of products and materials, such as healthcare equipment.

Skill shortages, a tight labour market, and high inflation put pressure also on wages. The private healthcare sector concluded a two-year, moderate salary agreement for the period 1 May 2022 to 30 April 2024. The first wage increase of 2.0% took effect on 1 October, 2022. The wage increases in 2023 will be decided according to the wage increases in the reference sectors and the salary increase is at least 1.9%.

Commercial initiatives have been and will be undertaken to mitigate the effect of inflation as a part of Terveystalo's profit improvement program. The effects will be visible in stages from the fourth quarter of 2022 onwards.

The treatment queues, social and healthcare reform, and changes in the regulation

The contraction of non-urgent care in the private and public healthcare sectors during COVID-19 restrictions has resulted in a significant treatment gap in other illnesses. According to the Finnish Institute for Health and Welfare

20230822201435

(THL), over 150,000 patients were waiting for access to non-urgent specialized care at the end of August 2022. Of those waiting for treatment, over 20,000 (9,500) had been waiting for more than six months. The average waiting time for non-urgent care was 65 days in August 2022. The treatment queues continued to lengthen also in Sweden. In November 2022, close to 150,000 people in Sweden were waiting for surgery or a procedure (www.skr.se).

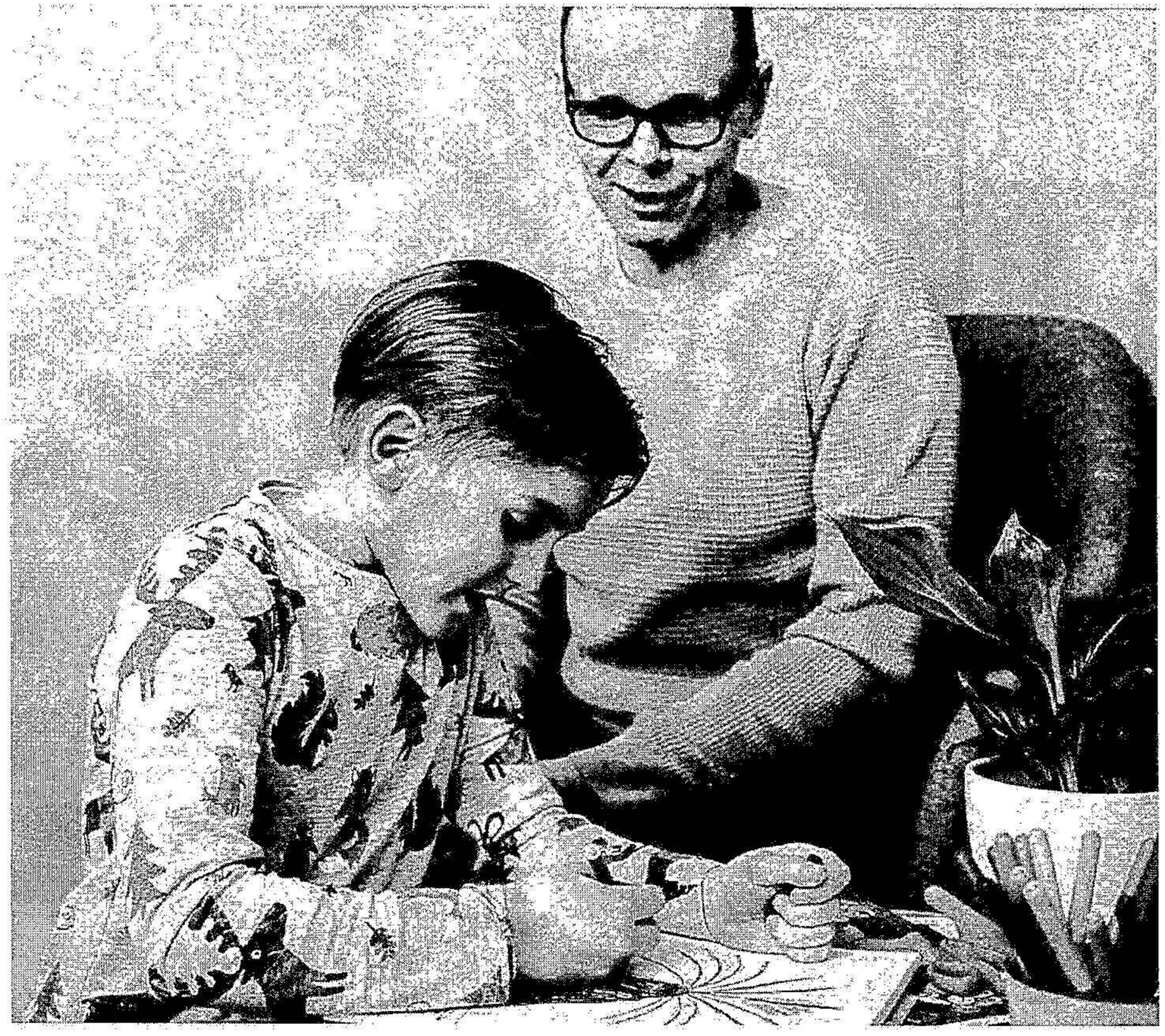
Under the social and healthcare reform, the responsibility for the organization of social and healthcare services will be transferred to the 21 well-being services counties and the City of Helsinki. The well-being services county councils, elected in January 2022, will decide on the well-being services county and service strategies, the principles of the service network, the service level of emergency services, the budget and financial planning of the well-being services county, and the appointment of members to governing bodies. The term of office of the county council is four years, commencing on March 1, 2022. In 2022, the new well-being services county councils have focused on administrative organization. Decisions on new material service procurements from the private sector are expected in the first half of 2023 at the earliest.

As a result of the social welfare and healthcare reform, some of Terveystalo's outsourcing agreements for public services will need to be renegotiated so that the new contractual terms will enter into force at the beginning of 2026 at the latest. Furthermore, there will be restrictions on the subcontracting practices for public services produced as outsourced services, but these are not expected to have a significant impact on Terveystalo. The dismantling of the queues for non-urgent care in the public sector will require more extensive use of private healthcare services in the aftercare of the pandemic.

Cuts to Kela reimbursements for private healthcare took effect on 1 January 2023. The changes are estimated to impact the demand for general practitioners' and gynecologists' appointments and imaging services. As consumers' general purchasing power weakens, the changes can also affect the use of other services. Cutting Kela reimbursements from private healthcare will most likely lengthen the queues in public healthcare, make it more difficult to dismantle long treatment queues, increase the costs of the public sector, and make the work of newly established well-being services counties more difficult.

The impacts of the war in Ukraine

The indirect impacts of the war in Ukraine on Terveystalo are assessed to be minimal, as Terveystalo does not have business operations in, or with, countries that are subject to sanctions. Indirect impacts arise from supply chain disruptions, high inflation, and potential disruptions in the financial markets. The indirect economic impacts are already 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.



20230822201436

Our purpose is to fight for a healthier life.

Our vision is to introduce the new era of health – with fewer sick days and more healthy, happy years – driven by data and Nordic know-how.

Values

HUMAN BEING AT THE CENTER
We take responsibility for the health and wellbeing of our fellow human beings, for the opportunity to live a good life. We work together to help our customer and our customer guides us in our renewal. We help each other and value all of our experts.

STEERED BY MEDICAL SCIENCE
Everything we do is based on medical science and researched knowledge. All our decisions are steered by care efficacy and the well-being of our customers.

FOR THE COMMON GOOD
We build health and wealth for the society and produce effective care efficiently. We share information and ignite discussion and create better healthcare for all: customers, professionals, and society.



Strategic targets

THE PROFITABILITY LEADER IN THE NORDIC REGION IN PRIVATE HEALTH SERVICES.

PREFERRED BY CUSTOMERS AND PROFESSIONALS.

How we do it

THE SMART PLATFORM
We are able to provide our customers with the right service regardless of time, place, and channel, from the beginning of the treatment path to its end.

THE CUSTOMER'S HEALTH PARTNER
We anticipate the customer's needs, create services that support holistic well-being, take care and actively strengthen the relationship.

GROWTH IN NEW MARKETS
We grow in the Nordics and in digital services.

Financial targets

- **Growth**
  At least 5% annual growth in revenue
- **Profitability**
  An adjusted EBITA margin of 12–13%
- **Indebtedness**
  Interest-bearing Net debt/ Adjusted EBITDA not to exceed 3.5
- **Dividend**
  At least 40% of net profit as dividends annually

20230822201437

Terveystalo's strategy

Our purpose is to fight for a healthier life. Our vision is to create a world with fewer sick days and more healthy, happy years.

To realize our mission and vision and to support our success, our strategy sets out two key targets for 2021–2025:

- To be the most profitable private health care operator in the Nordic countries
- To be the preferred choice of customers and professionals

Expansion in well-being services and strategic, complementary acquisitions are also key aspects of Terveystalo's growth strategy.

To achieve these targets, we have defined strategic focus areas that will take us towards our strategic objectives.

The smart platform

Our services are the most conveniently available to customers. We provide the right service regardless of time, place, and channel, from the beginning to the end of the care path.

The demand for novel health services, pricing models and operative models is growing, while the scarcity of health care professionals is increasing the need for more intelligent use of competence.

We are developing an intelligent service platform that will drive growth, profitability, customer satisfaction and retention. By having the smartest platform in the industry, we can provide our customers with the right service regardless of time, place, and channel, from the beginning to the end of the care path. The optimization of customer guidance and the personalization of services enable us to not only make more efficient use of our resources but also improve access to care, clinical quality, the impact of our services and, consequently, customer satisfaction. The smart service platform supports the management of the customer's entire care path, which is always built using industry-leading care protocols to make it as smooth and impactful as possible.

Health partner

We anticipate customer needs, create services that support holistic well-being, look after our customers and actively strengthen our relationship with them.

In addition to treating illnesses, we want to create health partnerships with our customers and to keep in touch, anticipate customer needs and provide holistic well-being services. We use digital solutions to make the use of our services convenient and attractive, to increase customer retention and to provide a platform for continuous health partnerships and personalized services. The Terveystalo mobile application already has over 1.2 million users and our goal is to be a health partner for a million people in the Nordic region. We are also adding new low-threshold well-being services to our offering and developing services that suit the various life stages of our customers.

Expansion to new markets

We will achieve growth in the Nordic region and in digital services.

Terveystalo is the largest private health care provider in Finland and the clear market leader in occupational health in the Nordic region. Our growth potential in our domestic market is starting to be limited, which is why we are now looking at new markets.

The Nordic region is a natural choice for our international expansion. The acquisition of Feelgood has given us access to the growing Swedish health market through the locally leading occupational health care provider. Our goal is to grow in the Swedish occupational health market both organically and through additional acquisitions. In the longer term, we see potential not only in the good growth opportunities in the Swedish occupational health market but also in expanding the range of services in Sweden towards more integrated care chains. Our business in Sweden developed in 2022 according to our plans and revenue increased by 151 percent. We made two acquisitions in occupational health and expanded our operations beyond occupational health by acquiring Nämndemansgården, which specializes in addiction treatment.

Terveystalo is a pioneer in the digitalization of health care. We have world-class expertise in digital tools for customers and professionals and we have made long-term investments in their development. Terveystalo is in a good position to also leverage these competencies in other markets and thereby create significant added value for various stakeholders.

2023082201438

A change in the operating model and profit improvement program

In October 2022, Terveystalo launched a two-year profit improvement program to speed up the achievement of strategic and financial goals. The program aims for an inflation adjusted, annualized run-rate EBITA improvement of at least 50 million euros by the end of 2024. Most of the targeted benefits are estimated to be realized already in 2023.

Accelerating the implementation of Terveystalo's strategy with a change in the operating model and a two-year profit improvement program.

The measures of the program focus on hard cost savings, commercial and productivity-improving measures to increase revenue, as well as strategic development measures to increase supply and strengthen the sales margins.

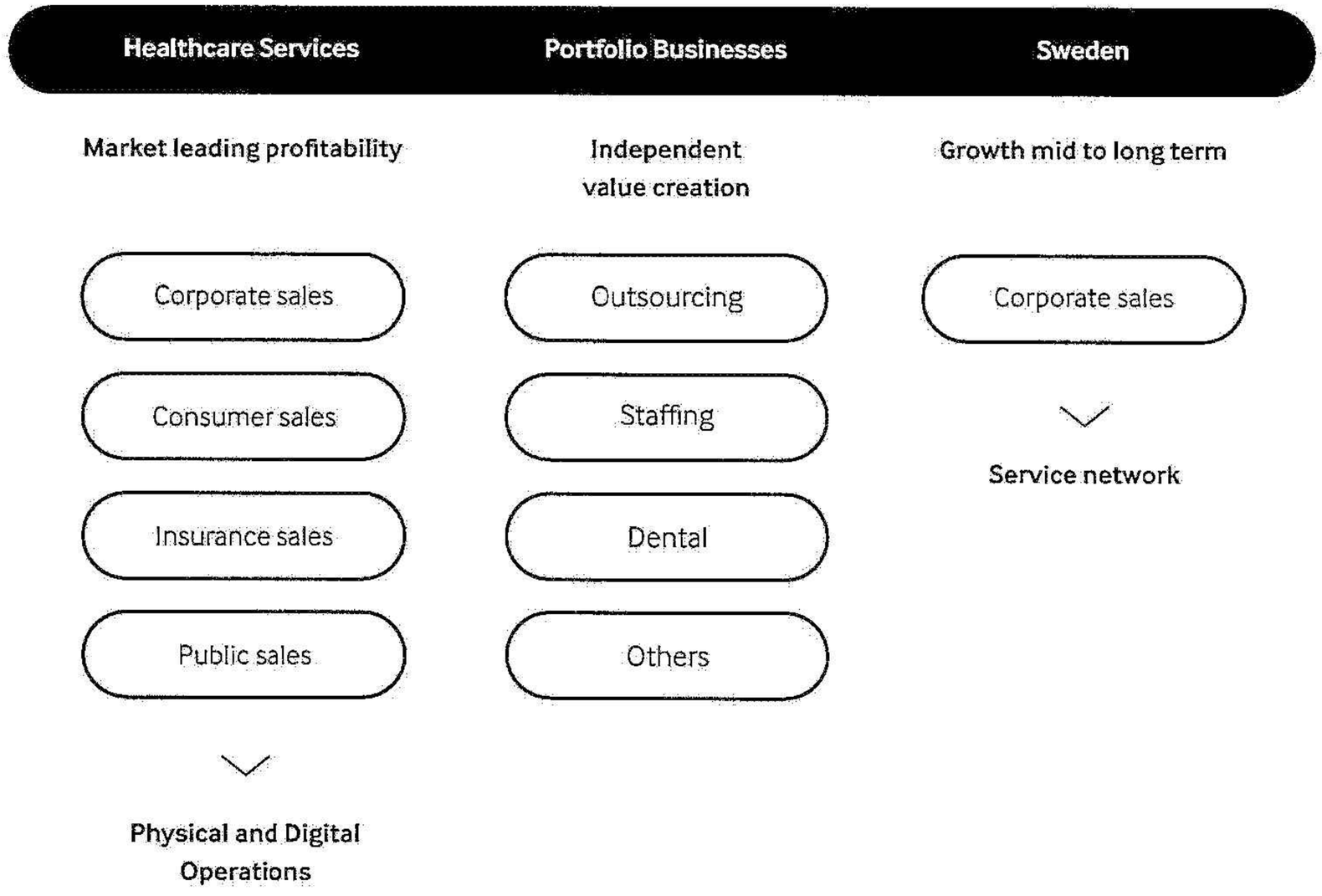
The change in the operating model was one of the first concrete steps of the program. The changes made clarified roles and responsibilities and strengthened the independent, efficient management of separate businesses and the implementation of intact care pathways and high-quality care. The new organization consists of three business areas: Healthcare Services, Portfolio Businesses and Sweden.

Healthcare Services is fully responsible for all the services we produce in our clinical network for all customer groups. In Healthcare Services, Terveystalo targets high profitability and growth exceeding the market growth.

Portfolio Businesses are responsible for separate businesses with the aim of strengthening their independent development, management and value creation. Portfolio Businesses include oral health, public outsourcing, staffing services, child welfare, public digital health, massage business, rehabilitation services and interpretation services.

In Sweden, Terveystalo is looking for strong, profitable growth in the medium term.

The new operating model enables the efficiency of the core business and independence of the Portfolio business



20230822201439

Financial targets and their achievements

Growth

Target

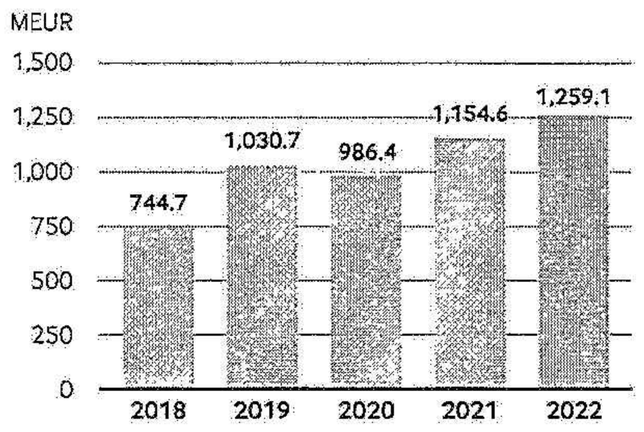
Annual revenue growth of at least 5 percent through organic growth and acquisitions

Outcome

+9.0%

Terveystalo's revenue grew by 9.0% to EUR 1,259.1 million.

Revenue
Target of at least 5% growth annually



Profitability

Target

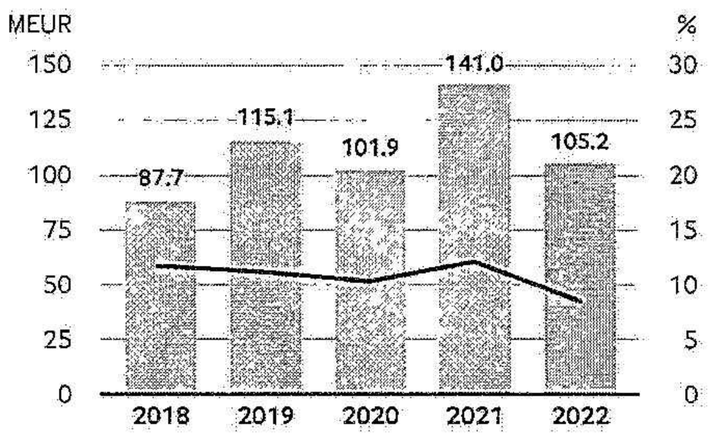
Adjusted EBITA margin of at least 12–13 percent in the medium to long term

Outcome

8.4%

Terveystalo's adjusted EBITA amounted to EUR 105.2 (141.0) million representing 8.4 (12.2) percent of revenue.

Adjusted EBITA and EBITA-%
Target 12–13% of revenue



Capital structure

Target

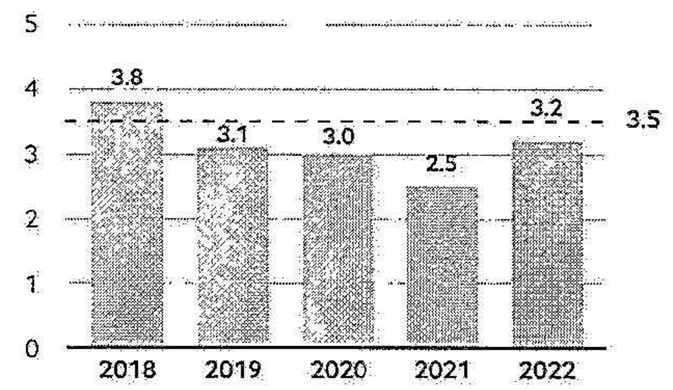
The net debt/adjusted EBITDA ratio must be 3.5x or less. However, indebtedness may temporarily exceed the target level, such as in conjunction with acquisitions.

Outcome

3.2

Net debt/adjusted EBITDA was 3.2 (2.5) at the end of 2022.

Net debt / Adjusted EBITDA
Target max 3.5



2018 not fully comparable due to IFRS 16 impact

Dividends

Target

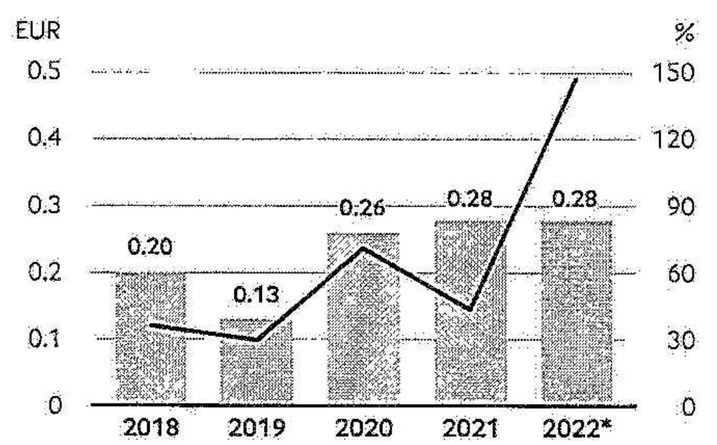
The target is to distribute a minimum of 40 percent of net profit as dividends annually. However, the dividend proposal must take into account Terveystalo's long-term development potential and financial position.

Outcome

145.0%

The Board of Directors proposes that a dividend of EUR 0.28 per share be paid for the financial year 2022. This represents 145.0% of the net profit for the financial period.

Dividend/share and % of net profit
Target is to distribute at least 40% of net profit as dividends.



20230822201440

Value creation model

The foundation for value creation

Personnel, competence and culture

- Competent and committed personnel: more than 16,800 professionals, of whom more than 5,900 are independent practitioners
- We invest in our personnel's competence and well-being as well as our culture. Our goal is to be the best and most attractive employer in our industry.

Digital capabilities and innovation

- Digital solutions for improving clinical, operational and experienced quality
- Terveystalo app and remote services
- Digital tools for professionals
- Care guidance tools
- Efficient and responsible use of data

Intangible resources

- Strong brand
- ISO 9001:2015 quality certification
- ISO 13485 certification
- Strong patient safety
- Data protection and information security
- Stakeholder relations, stakeholder trust and close cooperation with the public authorities, industry organizations, insurance and pension companies and sickness funds

Infrastructure

- 24/7 digital services
- 370 clinics in Finland
- 18 hospital units
- 34 dental clinics
- 73 Rela-massage units in Finland, 1 in Estonia
- 155 locations in Sweden offering occupational health services, of which 93 are own clinics

Financial capital

- Net debt EUR 567 (519) million
- Equity EUR 592 (609) million
- Investments excluding M&A EUR 60 (43) million

Purchased materials and services

- Purchased materials and services EUR 526 (489) million
- Electricity 17,168 (15,944) MWh, of which 50% (89%) was green electricity

Activities

Our purpose

Our purpose is to fight for a healthier life.

Our vision

Our vision is to create a new era of health – fewer sick days and more healthy, happy years.

We provide services to three different customer groups:

1. corporate customers
2. private customers
3. public sector customers

- Occupational health services
- GP and specialist services
- Diagnostics
- Surgery
- Well-being services
- Oral health
- Outsourcing and staffing services
- Child welfare services

24/7
digital services

Approx. 8.5 M
million customer visits in Finland

Approx. 1.4 M
digital appointments in Finland

20230822014441

Impacts

Good health and well-being

We have an impact on our customers' health and well-being.

- High customer satisfaction, NPS 83 (83)

Smooth care chains and digital services expedite access to care.

- T3 (the third available non-urgent appointment with a physician) at our clinics was 1.93 (1.61)
- Help available via the chat function in seconds

Sickness absences and the costs of work left undone are reduced.

Cooperation and partnerships with the public sector bring solutions to access to care.

- T3 (the third available non-urgent appointment with a physician) for public services was 12.0 (6.5)

Biobank samples are used in clinical research to investigate the causes of illnesses and develop treatments.

Responsible work and sustainable economic growth

The most attractive employer in the industry and a high level of employee well-being

- Employee Net Promoter Score eNPS 29 (32)
- Personnel sickness absenteeism rate 5.2 (4.4), below the national average
- Lost time injury frequency rate LTIR 15 (20), significantly below the average for the industry (34)
- Studies show that Terveystalo is the most attractive employer in its industry among professionals.

We create value for our shareholders.

- Revenue growth 9%
- Earnings per share EUR 0.19 (0.63)
- Stable dividend distribution: dividend proposal EUR 0.28 (0.28) per share
- Return on equity (ROE) 4.1% (13.6%)

We are a significant employer and taxpayer.

- Wages and salaries paid EUR 382 (316) million
- Tax footprint EUR 236 (191) million

Responsible consumption and climate action

We reduce the emissions arising from our operations by using green electricity and prioritizing vehicles with low emissions.

- The carbon footprint from Scope 1 and 2 emissions has decreased by 61% since 2018.

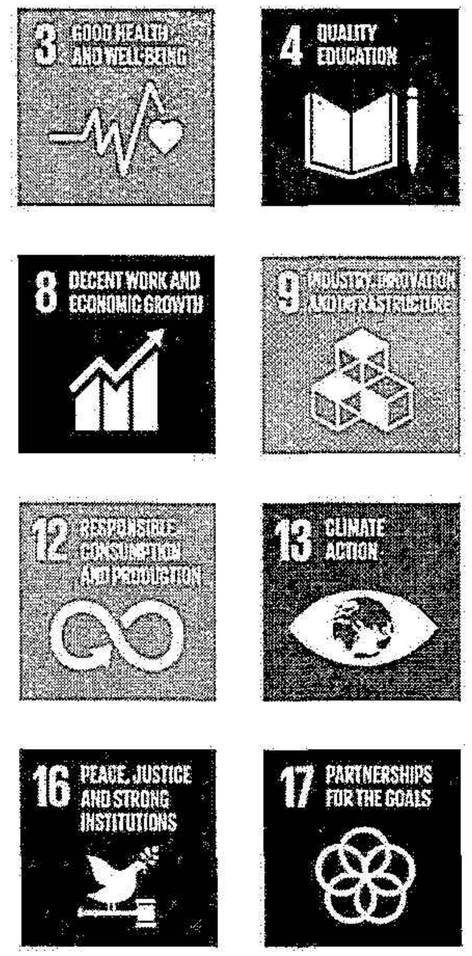
We promote the conservation and sustainable use of natural resources by reducing plastic consumption, recycling and increasing the efficiency of material management.

- The recovery rate of waste generated at Terveystalo units 100 (100)%
- Waste recycling rate 67% (64%)

Our digital services enable us to simultaneously improve service availability and reduce our customers' travel times and the emissions generated by travel.

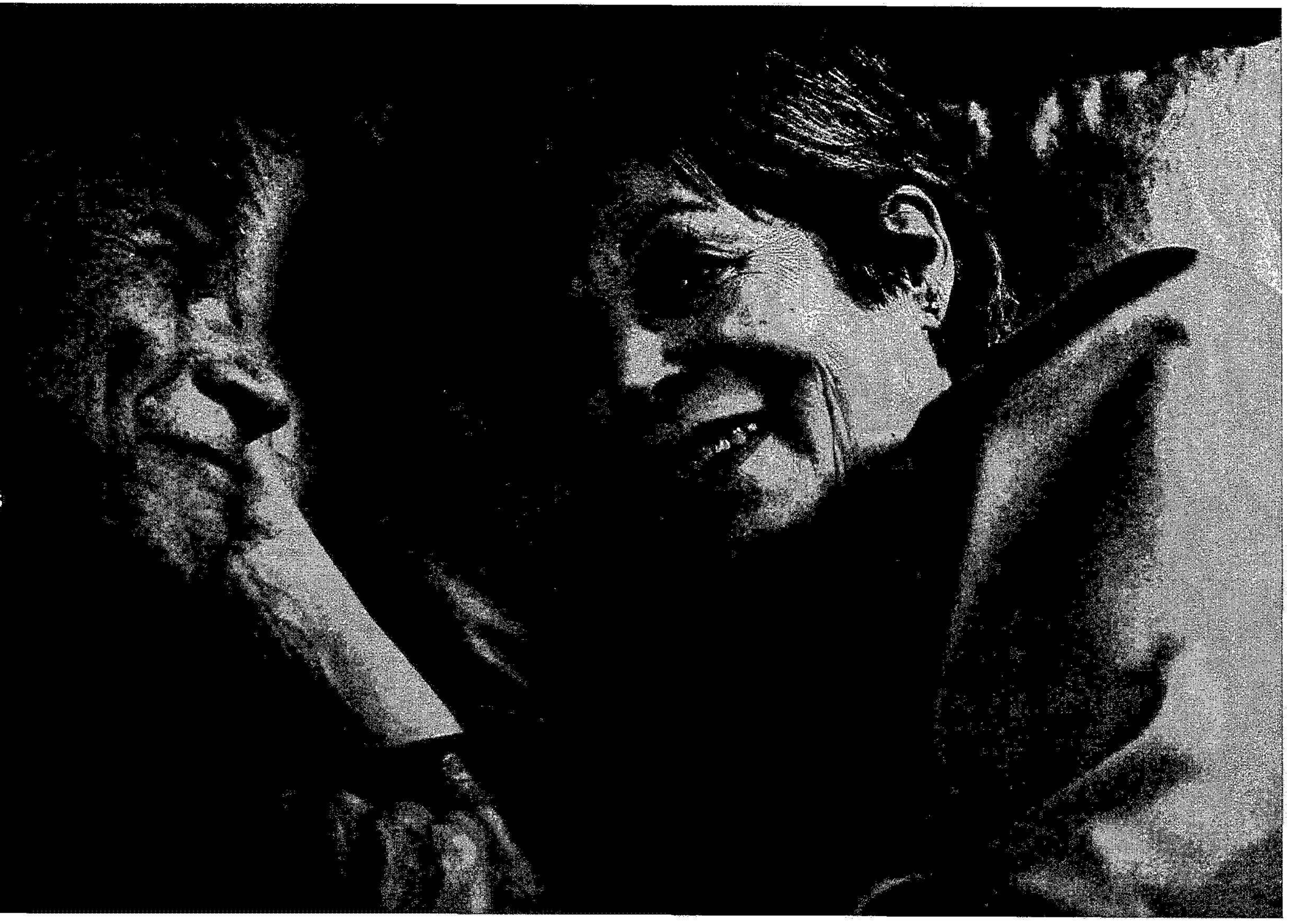
- 34% (25%) of all visits were provided remotely, digitally or by phone.

SDG



20230822201442

Sustainability



Terveystalo and sustainability

20 Terveystalo's sustainability themes
21 Goals and achievements
24 Sustainable development goals
26 Sustainability management
30 Stakeholder engagement
31 Materiality analysis

Terveystalo's sustainability themes

33 Good health and well-being
42 Ethical business
46 Responsible work
54 Sustainable economic growth
58 Sustainable consumption and climate action

Reporting principles

64 Sustainability reporting principles
65 Sustainability themes and material topics
68 GRI index

20230822201443

Terveystalo and sustainability

Sustainability is a core value for Terveystalo. Above all, we want to promote the health and well-being of our customers and personnel. We also create positive impacts on the entire society around us and promote ethical business practices throughout our value chain. We also minimize our environmental impacts in all of our operations and products.

Our sustainability efforts are guided by Terveystalo's Code of Conduct, our common values and strategic goals as well as the sustainability themes that are essential to our stakeholders. We regularly monitor the results of our work pertaining to sustainability.



20230822014444

Terveystalo's sustainability themes

Good health and well-being

- All members of our personnel are responsible for ensuring that our customers receive appropriate, high-quality and safe care.
- We aim to stand out by providing an outstanding experience in all customer encounters, regardless of the channel.
- We develop our work by listening to our customers and utilizing new technology.

Ethical business

- Terveystalo's employees and practitioners must do the right thing regardless of where we are, who we are with or what the circumstances are.
- A workplace culture that always insists on doing what is right creates a foundation for long-term success.
- In addition to the company's values, Terveystalo's operations are guided by Terveystalo's Code of Conduct and Supplier Code of Conduct.

Responsible work

- Competent and committed personnel form the foundation for our operations.
- We offer diverse career and development opportunities in a wide range of jobs.
- We aim to be our industry's best and most attractive employer for all professionals.
- Equality, fairness and non-discrimination are important principles to which we are committed.

Sustainable economic growth

- Responsible business is also financially profitable and sustainable.
- We create value for our customers, society, and our shareholders by continuously developing the quality of our operations, enabling faster access to care, reducing sickness absences, and employing directly and indirectly more than 16,800 professionals.
- We are a significant employer, taxpayer and provider of health services in Finland.

Sustainable consumption and climate action

- Our goal is to achieve zero emissions in our own operations in 2030.
- We reduce the emissions arising from our operations by using emission-free green electricity and prioritizing vehicles with low emissions.
- We promote the conservation and sustainable use of natural resources in our supply chain by reducing plastic consumption, recycling and increasing the efficiency of material management.
- Our digital services enable us to simultaneously improve service availability and reduce our customers' travel times and the emissions generated by travel.

20230822014445

Goals and achievements

We have set targets in accordance with our key sustainability themes and we monitor their achievement on a regular basis. We have developed a quality index to promote the reporting and transparency of quality by measuring clinical and experienced quality, access to care as well as preventive care. The quality index consists of seven different impact indicators and we use it to measure clinical, experienced and process results based on international best practices. Our quality indicators and their continuously updated results are available to the public on our website. Our climate goal is to achieve zero emissions in our own operations in 2030.

Good health and well-being

Area	Target	Indicator	Target	2022	2021	2020	SDG
Quality index: High clinical and experienced quality, access to care and preventive care	Use of the WHO Surgical Safety Checklist in over 99% of surgical operations	Use of the WHO Surgical Safety Checklist in surgical operations	>99%	98.9%	99.8%	97.8%	3
	Prescriptions for drugs affecting the central nervous system in relation to visits to a physician below 3.5%	Prescriptions for drugs affecting the central nervous system in relation to visits to a physician	<3.5%	4.0%	4.3%	4.6%	
	Duration of sickness absence issued on the day of the operation (median), repair of the rotator cuff and the anterior cruciate ligament <28 days	Duration of sickness absence issued on the day of the operation (median), repair of the rotator cuff and the anterior cruciate ligament	<28	30	32	36	
	Percentage of preventive work of occupational health appointments over 60%	Percentage of preventive work of occupational health appointments	>60%	69.6%	70.2%	67.8%	
	Days until next available appointment, clinics (T3) below 1.00	T3, i.e. the third available appointment	<1.00	1.93	1.61	1.17	
	Appointment NPS over 74	Appointment NPS	>74	82.7	83.0	82.8	
	eNPS at least 31 by 2025	eNPS	>31	29	32	18	
	Quality index total	Quality index, %	100	92.2	94.6	94.2	
Access to care, public services	Days until next available appointment (T3) public services < 7 for a physician, < 1 for a nurse	T3, i.e. the third available appointment with a physician	<7	12.0	6.5	5.6	
		T3, i.e. the third available appointment with a nurse	<1	2	1	1	
Patient safety		Reimbursed patient claims / appointments with a physician		0.0016%	0.0019%	0.0021%	
		Near misses/hazardous incidents		56.9%	50.0%	57.0%	

The figures include Terveystalo's operations in Finland.

20230822201446

Ethical business

Area	Target	Indicator	Target	2022	2021	2020	SDG
Employees who have completed orientation training on the Code of Conduct and correct action	100% of our employees have completed the training	Percentage of employees who have completed the training relative to all employees[1]	100%	69.2%	66.0%	52.3%	16
Suppliers who have approved the Supplier Code of Conduct	100% of our suppliers have approved the Supplier Code of Conduct	Percentage of suppliers who have approved the Supplier Code of Conduct relative to all suppliers (of suppliers representing 80% of total purchases)	100%	80%	80%	80%	

[1] The training periods have been of different lengths. The figures for 2022 also include performances during the second half of 2021, which is why the figures are not fully comparable. The figures include Terveystalo's operations in Finland.

Responsible work

Area	Target	Indicator	Target	2022	2021	2020	SDG
Occupational safety	Accident rate below the sector average	Accident rate	< 34 (sector average)	15	20	25	8
Personnel's well-being	Reducing sickness absences	Sickness absences	-	5.2%	4.4%	3.8%	
Employer recommended by the personnel	Improving the employee promoter score	eNPS	31 by 2025	29	32	18	

The figures include Terveystalo's operations in Finland.

Sustainable economic growth

Area	Target	Indicator	Target	2022	2021	2020	SDG
Tax footprint	We openly disclose our tax footprint annually	Tax footprint, EUR million	-	235.7	191.0	152.3	8
Revenue growth	Minimum annual growth 5%	Revenue growth, %	5 %	9.0%	17.1%	-4.3%	
The people we employ	We create jobs	Employee benefit expenses, EUR million	-	455.0	378.2	310.2	

20230822014447

Sustainable consumption and climate action

Area	Target	Indicator	Target	2022	2021	2020	SDG
Reducing the carbon footprint	Zero emissions from own operations in 2030.[1] Between 2023 and 2030, we will compensate for any remaining greenhouse gas emissions by investing in certified carbon dioxide emission compensation projects.	Reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions compared to 2018 (6,316.8 tCO_2)	-100% by 2030	-61%	-89%	-66%	13
	We will 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	-80% by 2025	2,476.3	664.0	2,165.4	
Energy consumption	We will purchase 100% green electricity by 2025[2]	Share of green electricity of all purchased electricity, %	100% by 2025	50%	89%	62%	
Waste recovery[4]	We will minimize waste in all of our operations and forward all waste to be recovered	The recovery rate of waste generated at Terveystalo units, %[3]	100% by 2025	100%	100%	99%	12
		The recycling rate of waste generated at Terveystalo units, %[3]	100% by 2025	67%	64%	61%	
		Mixed waste intensity (mixed waste [metric tons] relative to total revenue [100 million])	Annual reduction	5.8	6.4	6.0	

[1] Between 2023 and 2030, we will compensate for any remaining greenhouse gas emissions by investing in certified carbon dioxide emission compensation projects. Our aim is to eventually discontinue compensation measures and to achieve zero emissions in our own operations by 2030. In 2022 emissions were not compensated due to cost savings. The calculation of Scope 2 emissions is market-based. The exceptional electricity market disturbances forced Terveystalo to change its electricity supplier in the middle of the year, and because of the high market price of electricity, no green electricity was purchased for the rest of the year. The calculation of the market-based figure is based on the emission factor of the electricity purchased by Terveystalo in Finland, while the location-based figure is calculated according to a factor based on the source distribution of local energy production. The amount of green electricity from the electricity purchased in Sweden has been calculated according to the average share of green electricity in the Swedish market, since supplier-specific information is not available. The energy consumption and carbon footprint figures for 2022 also include operations in Sweden. Comparison years only include Finland.
[2] In the units where we purchase electricity ourselves.
[3] Excludes waste fractions that cannot be recycled or recovered under any circumstances, such as hazardous waste.
[4] Includes Terveystalo's operations in Finland.

202308220144 8

Terveystalo contributes to the achievement of sustainable development goals

We have analyzed our operations and business strategy in relation to the UN Sustainable Development Goals (SDGs) by considering our positive and negative impacts. From among the 17 goals and 169 targets, we selected and prioritized the ones that are most essential for us and we commit to promoting in our operations. We actively promote eight sustainable development goals.



This is our most important sustainable development goal. We have a significant opportunity to contribute to people's health and holistic well-being. In ensuring comprehensive health care, we have a positive impact larger than our size. Possible negative effects may be due to, for example, excessive or unnecessary prescription of drugs. We systematically aim to reduce this kind of practice through our clinical quality efforts.

Read more on p. 33



We have plenty of direct positive effects on this goal through, for example, economic growth, innovations that improve profitability and job creation. We are a strong enabler as a provider of occupational health services that maintain and improve the work ability of our customers. Our growth improves people's well-being without risking natural resources.

Read more on p. 54



Health care is an essential part of infrastructure. We have invested in the development of the quality and effectiveness of the care we provide, as well as innovations that improve the availability of care. Our biobank supports scientific research.



We produce health care services cost-effectively in close cooperation with the public sector. Public partnerships represent one third of our business.



We uphold the principles of transparency, justice and good governance. As a member, we have committed to promoting the principles of the UN Global Compact initiative. We accomplish this with the help of our Code of Conduct and training.

Read more on p. 42



We train our professionals and engage in research and education cooperation with several universities. Our trainee programs also promote youth employment.

Read more on p. 46





We transparently report on our climate impacts. We are committed to the targets agreed upon in international climate summits for the mitigation of climate change. We reduce the emissions arising from our operations by increasingly shifting to green electricity and preferring vehicles with low emissions. We promote the conservation and sustainable use of natural resources in our supply chains by reducing plastic consumption, recycling, increasing the efficiency of material management and reducing the number of small orders. Promoting the use of digital health services in society helps to reduce emissions from unnecessary travel.

Read more on p. 58

20230822201449

Our key commitments and sustainability indices

We are committed to the principles of the UN Global Compact initiative, according to which we promote human rights, labour rights, environmental efforts and anti-corruption.

Terveystalo has received the ISS ESG Prime sustainability rating. This means we meet the high sustainability standards of ISS ESG in our industry and we are in the top 10 percent globally in the ISS ESG Prime rating framework. Our scores were better than average particularly in the areas of quality, patient safety, employee relations, and the working environment.

In 2021, Terveystalo received a rating of AA+ (Excellent+) in the Upright Project's assessment of the company's net impact on society. The rating is higher than 93.3% of all of the evaluated companies, 96.1% higher than the companies listed on Nasdaq Helsinki and 50% higher than other health care companies. Net impact refers to the difference between positive and negative impacts, i.e. the comprehensive net value creation of companies. The Net Impact Scorecard is an indicator of what resources a company uses and what it achieves with those resources. Inspired by credit ratings, the scorecard summarizes each company's net impact using a rating scale of AAA-CC.

Terveystalo is a member of the Finnish corporate responsibility network FIBS and an official partner of Helsinki Pride 2022.

In 2022, Terveystalo completed the CDP (formerly the Carbon Disclosure Project) comprehensive climate assessment for the second time and was awarded a rating of C.

FIBS

UN GLOBAL COMPACT Network Finland

Corporate ESG Performance Prime RATED BY ISS ESG

CDP DRIVING SUSTAINABLE ECONOMIES

UPRIGHT PROJECT NET IMPACT RATING AA+ TERVEYSTALO (2021)

Terveystalo has received a net impact rating of AA+ (Excellent+) in 2021, driven by its contribution to health and society.

Only 6.7 % of all companies receive this or a higher net impact rating.

Source: Upright Project, 2021

20230822201450

Sustainability management

Our sustainability efforts are based on our Code of Conduct and shared values. Our systematic management of sustainability is aimed at ensuring that we achieve our sustainability targets.

Our continuous improvement model ensures that our services will continue to create value for our customers in the future. The management of Terveystalo's key sustainability themes is described in the table below. We assess our management model based on audits, feedback, identified development targets and the achievement of goals, and modify it when necessary.

Good health and well-being

Description and purpose of the management approach	Policies and Commitments	Objectives	Resources and Responsibilities	Feedback mechanisms	Projects and initiatives in 2022
The health and well-being of our customers are the starting point for the planning of all operations. The purpose of the management approach is to ensure patient safety and high-quality care.	• Terveystalo's operating policy, quality policy, internal control and risk management policy, self-monitoring, Code of Conduct, data protection and information security policy and compliance rules • ISO 9001: 2015 quality system • Operations are guided by the Current Care Guidelines • Government Decree on the Principles of Good Occupational Health Care Practice 708/2013 • General Data Protection Regulation (EU) 2016/679 • Other laws and regulations governing business operations, the industry and the operations of private service providers as well as customer agreements • The harmonized processes and procedures that ensure patient safety and high-quality care are documented in Terveystalo's operating handbook. • Our policies and procedures pertaining to the data protection of patient data are documented in the Data Protection Handbook for patient care.	• Our services are of high clinical quality and are the most conveniently available to customers. • We provide the right service regardless of time, place, and channel, from the beginning to the end of the care path. • Quality indicators, patient safety	• The Chief Medical Officer is responsible for clinical quality and patient safety. • The assurance and development of quality and patient safety are managed by the Group's quality steering group, data protection team, safety team, patient safety team and the regional quality network.	• Incident reports, customer feedback • Each Terveystalo employee and practitioner is required to report actual or suspected misconduct to their supervisor, the supervisor's supervisor, Terveystalo's Legal & Compliance department or via the Terveystalo reporting channel.	• Annual assessment of patient safety risks and internal and external audits of the quality system in accordance with the ISO 9001:2015 standard. • Terveystalo received a quality certificate for public services health centre operations. • We prepared a Terveystalo continuity plan. The operating models defined in the continuity plan ensure the production of Terveystalo's critical services in emergency and disruption situations, as well as the availability of medical services and business continuity. • Patient and occupational safety risk assessments • Expert-specific customer feedback pilots in the autumn of 2022. Larger-scale collection of personal feedback started at the beginning of 2023. • We launched a new patient and customer safety online course. • We introduced new quality indicators as part of the continuous development of quality and effectiveness reporting. The set of quality indicators (32 indicators) is on our website. • We participate in the development and implementation of the Ministry of Social Affairs and Health's (STM) national customer and patient safety strategy.

20230822201451

Ethical business

Description and purpose of the management approach	Policies and Commitments	Objectives	Resources and Responsibilities	Feedback mechanisms	Projects and initiatives in 2022
At the general level, our sustainability is guided by Terveystalo's Code of Conduct and values. The purpose of the management approach is to ensure the effective implementation of our strategy and the achievement of our business goals as planned.	• Terveystalo's Code of Conduct and Supplier Code of Conduct. • We always observe the laws and regulations governing our operations. • In addition to compliance with legislation and Terveystalo's Code of Conduct, we aim to observe widely accepted ethical standards, such as the UN Global Compact principles. We also expect our partners and subcontractors to share and observe the same ethical principles.	• All Terveystalo employees have familiarized themselves with the Code of Conduct and completed an online course on Compliance to confirm this. • All of our suppliers have accepted the Supplier Code of Conduct. • Ensuring patients' data protection and information security.	• Terveystalo's Board of Directors approves the Code of Conduct. • Terveystalo's Legal & Compliance department is responsible for the implementation of the Code of Conduct in the organization and supervisors are responsible for communication related to the Code of Conduct.	• Actual or suspected violations of the Code of Conduct are primarily reported to the supervisor, the supervisor's supervisor or Terveystalo's Legal & Compliance department. They can also be reported anonymously via the Terveystalo reporting channel.	• Terveystalo has two different Compliance courses in use, one tailored for employees working in clinical duties and a broader course for administrative employees.

Responsible work

Description and purpose of the management approach	Policies and Commitments	Objectives	Resources and Responsibilities	Feedback mechanisms	Projects and initiatives in 2022
The objective of our HR management is to ensure that our personnel have a high level of well-being and that they perform their jobs successfully. The management approach pertaining to occupational health and safety is described in more detail in the Responsible work section of this report.	• Terveystalo Group's equality and non-discrimination policy • Terveystalo's HR policy • The work community development plan	• Our goal is to be the best and most attractive employer in our industry. • Improving Terveystalo's employee Net Promoter Score (eNPS) to reach a good level • Accident rate below the industry average • Reducing sickness absences	• The Senior Vice President, Human Resources is responsible for HR management and its development at Terveystalo.	• Personnel and private practitioner surveys • Hazardous incident reports by the personnel • Performance reviews • Private practitioner	• Recruiting new professionals to increase the supply • Continuous development of occupational safety • Training in the use and utilization of digital tools in customer work • Development project to streamline the work of occupational health nurses and strengthen occupational well-being continued in 2022.

2023082201452

Sustainable economic growth

Description and purpose of the management approach	Policies and Commitments	Objectives	Resources and Responsibilities	Feedback mechanisms	Projects and initiatives in 2022
We develop our business in accordance with our financial targets and values. We create shareholder value by developing customer-oriented services that improve the availability and effectiveness of care. We communicate our activities openly and transparently. We follow a responsible tax policy.	• We communicate in accordance with our Disclosure Policy and we comply with EU regulations, Finnish legislation, the rules of Nasdaq Helsinki Oy, the regulations and instructions of the European Securities Market Authority ("ESMA") and the Financial Supervisory Authority, the Finnish governance code and Terveystalo's management principles and internal instructions. • Terveystalo and its subsidiaries comply with a responsible tax policy in accordance with Terveystalo's tax strategy. • Our suppliers and subcontractors are required to commit to the Supplier Code of Conduct and comply with the laws and regulations governing their operations.	• Growth: at least 5% annual revenue growth in the long term • Profitability: Adjusted EBITA 12–13% of revenue in the medium to long term • Capital structure: Net Debt/Adjusted EBITDA not to exceed 3.5x • Dividend policy: At least 40% of the profit for the financial period distributed as dividends • We openly report our tax footprint annually. • We create jobs.	• The CEO is responsible for the Company's day-to-day management and the implementation of strategy. The CEO ensures that the management of the Company is adequately arranged, and the Company's accounting complies with the legislation. The CEO also ensures the appropriate arrangement of the Company's administration and asset management.	• Each Terveystalo employee and practitioner is required to report actual or suspected misconduct to their supervisor, the supervisor's supervisor, Terveystalo's Legal & Compliance department or via the Terveystalo reporting channel.	• Terveystalo renewed its operating model and launched a 50 million euro annual profit improvement program.

Sustainable consumption and climate action

Description and purpose of the management approach	Policies and Commitments	Objectives	Resources and Responsibilities	Feedback mechanisms	Projects and initiatives in 2022

We take our environmental impacts into consideration in all our operations. The objective of our environmental program is that everyone at Terveystalo takes the potential environmental impacts into account in their day-to-day work and operates in environmentally friendly ways.	• Terveystalo's Group services and some of our clinics in Finland have ISO 14001:2015 Environmental Management System certification.
	• Feelgood, Terveystalo's subsidiary operating in Sweden, also has ISO 14001:2015 Environmental Management System certification.
	• Our Environmental Policy and Environmental Program covers the entire Terveystalo Group and meet the requirements of the environmental standard.
		• Zero emissions from own operations in 2030. The remaining emissions will be compensated between 2023 and 2030.
		• We will reduce our direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 80% by 2025 (using 2018 as the baseline).
		• We will purchase 100% green electricity by 2025.
		• We will minimize waste in all of our operations and forward all waste to be recovered:
		  • The recovery rate and recycling rate of waste generated at Terveystalo units will be 100% by 2025.
		  • Reducing the mixed waste intensity
			• The Director of Quality and Development and operative group appointed for the environmental system, are responsible for the ISO 14001: 2015 certificate as well as approving the environmental program and ensuring that the operations comply with it.
			• The Environmental System Steering Group and Quality Steering Group monitor the implementation of the environmental program.
				• Terveystalo reporting channel, incident reports
				• Internal feedback and development suggestions
				• Customer feedback
					• Annual assessment of environmental risks
					• Internal and external audits in line with ISO 14001:2015, supplier audits
					• The plastic and cardboard recycling project continued.
					• A nationwide project was started to reduce the use of plastic bags.
					• ISO 14001:2015 Environmental Management System certification was expanded in the Oulu area.
					• Terveystalo was accepted as an organizational member of the Climate Leadership Coalition climate business network. Terveystalo has actively participated in the activities of the Climate and Health theme group.

Sustainability governance

The Board of Directors of Terveystalo is the highest decision-making body which oversees the sustainability-related issues within the organization. The Board reviews and guides the sustainability strategy and major plans of action, and monitors and oversees progress against goals and targets annually.

Terveystalo's sustainability efforts are guided by the company Code of Conduct, values, and strategic goals as well as the sustainability themes that are essential to Terveystalo stakeholders. The results of Terveystalo's sustainability efforts are monitored regularly. The most significant risks related to material non-financial themes are assessed and sought to be mitigated as part of the company's overall risk management process.

At the management level, the Quality Steering Group chaired by Chief Medical Officer is responsible for assurance and development of quality and patient safety and monitors the implementation and progress of the quality and sustainability measures. The Vice President, Communications, IR & CR (reporting to the CEO) is responsible for managing the process of setting new sustainability targets and coordinating sustainability initiatives within the company.

Risk management procedures are integrated to all levels of the organization. Terveystalo identifies risks using performance indicators, market statistics, customer feedback, inspection reports and inquiries from the authorities, occupational safety risk surveys, incident information, results of internal audits and audits, and competitor information. Risk management is assessed annually through the following quality certificates:

- **ISO 9001: 2015 quality system**
  This certificate covers the corporate management system, business lines, corporate services, appointment services, hospital services, occupational health care, screening services, medical imaging services, laboratory services, dental care, customer services, health care staffing, biobanking activities, digital appointment services, well-being services, Fokus special units and child welfare services.

- **ISO 13485 quality system**
  This certificate covers design, development, manufacturing, distribution and sales of medical software.

- **ISO 14001: 2015 environmental system**
  This certificate covers the corporate management system, business lines, corporate services, appointment services, hospital services, occupational health care, screening services, medical imaging services, laboratory services, dental care and customer services in Finland.

In Sweden, Terveystalo's subsidiary Feelgood has ISO 9001: 2015 quality system, ISO 14001: 2015 environmental system and ISO 45001 occupational health and safety system certificates.

The company also has a Risk management and internal control policy to manage the different risk processes. Also, internal audit verifies the processes and control duties.



20230822014S4

Stakeholder engagement

Terveystalo's role in society means the company has several stakeholders with whom it engages in active dialogue.

In addition to customers, personnel, private practitioners, and shareholders, our primary stakeholders include the authorities and social decision-makers that can influence the relevant legislation and its drafting. Other key stakeholders include the supervisory authorities and the media. We also engage in close interaction with lobbyists within the sector. Open dialogue and effective cooperation enable a more predictable operating environment for everyone involved. The table below describes Terveystalo's engagement with various stakeholders in 2022.

Key memberships in organizations and advocacy organizations

Terveystalo' s representatives work in several organizations. The most significant of these are listed below:

- The Confederation of Finnish Enterprises
- Central Chamber of Commerce
- Helsinki Region Chamber of Commerce
- The Finnish Association of Private Care Providers HALI ry
- The Association of Finnish Private Healthcare Providers
- Finnish Association of Purchasing and Logistics LOGY
- FIBS ry

Stakeholder group	Stakeholder expectations	Terveystalo's response to the expectations	Channels of engagement
Customers	Competitive and responsibly produced high-quality services	We continued to develop our services in numerous different areas. We strive to meet the growing demand by, among other things, recruiting new professionals and further increasing the supply of our digital services, including by developing a digital service platform tailored to the public sector. We measured customer satisfaction regularly and comprehensively. We are piloting the collection of expert-specific customer feedback.	Physical and digital encounters with customers, online services, feedback surveys and channels, marketing communication, social media.
Personnel and private practitioners	Responsible management, smooth interaction, equality, a good working atmosphere and working conditions, development of competence, competitive pay	We continued a change process to support successful work performance and even more effective cooperation. We developed tools to make work smoother, trained professionals, eased the lack of resources with new recruitments and actively communicated with our personnel on topical issues.	Personal interaction, intranet, newsletters, personnel satisfaction survey, development discussions, private practitioner discussions, training, seminars, and events.
Shareholders	In addition to creating financial additional value, open communication about the implementation of the strategy and financial performance, and responsible business.	We actively communicated with owners and investors about material issues related to business development, challenges in a difficult market environment and measures to improve profitability.	Open and active dialogue; regular and continuous reporting with stock exchange releases and reports, personal communication channels, such as meetings with investors and analysts, general meetings of shareholders, and other events. Our Investor Relations function coordinates interaction with investors, aiming to ensure equal opportunities to receive information and meet with the company management.
The authorities and decision-makers	Good cooperation and open disclosure of information and interaction to facilitate the preparation of decisions. The development and renewal of healthcare is a shared goal for Terveystalo, the authorities and decision-makers.	We engaged in active dialogue on issues related to the industry.	Open dialogue, meetings, and communication in various working groups and events, etc.
Media	Openness of communication, reliability of information and prompt service. Use of Terveystalo's expertise in health care-related topics.	We engaged in active communication regarding our operations and made our professionals available on topics related to health and health care.	Open and active communication through various channels. Quick and open response to requests from media.
Industry organizations	Effective and open cooperation that makes our expertise available to the entire industry. Development of Finnish health care and promotion of citizens' health constitute a common goal.	We engaged in active dialogue on issues related to the industry.	Diverse cooperation with organizations such as the Finnish Association of Private Care Providers and Lääkäripalveluyritykset. Our cooperation channels include working groups and various events.

2023082201455

Materiality analysis as the foundation of our sustainability efforts

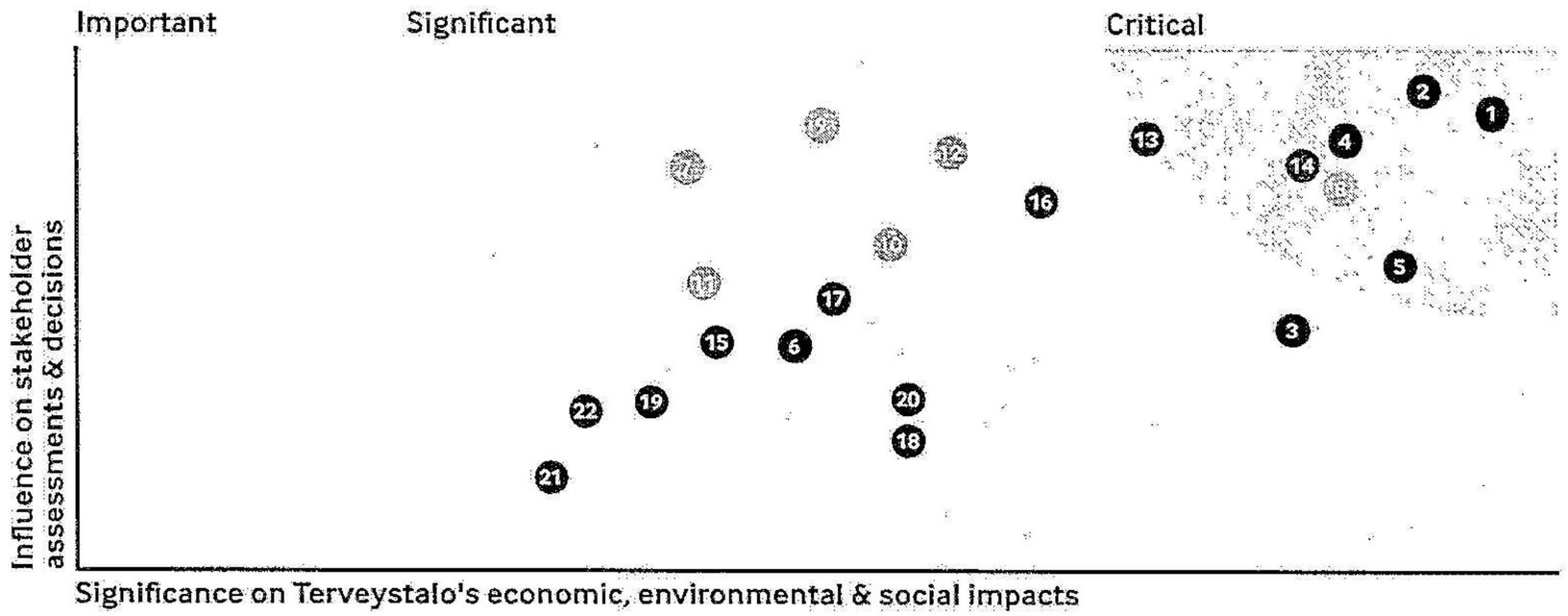
We have defined our material aspects of sustainability in collaboration with the representatives of our key stakeholders. The materiality analysis we conducted in 2019 serves as the foundation of our sustainability efforts, sustainabilty communications and their development.

In 2023, we will conduct a new materiality analysis, which corresponds to the new GRI standards and the EU's sustainability reporting directive.

Based on our materiality analysis, we also analyzed in detail the views of ESG investors regarding various aspects of sustainability. As part of the background work for the materiality analysis, we surveyed the global leaders of our industry. To identify Terveystalo's sustainability priorities, we arranged a workshop with our selected experts. After the workshop, we reinforced the results by conducting a survey targeted at our experts, which was then used as the basis for an online survey of stakeholders. Terveystalo's employees and private practitioners were particularly well represented in the survey. Other stakeholders represented in the survey included our shareholders, investors, the media, and industry organizations. In addition to the online survey, we interviewed the representatives of our key stakeholders. The order of priority of our material themes of sustainability was largely the same regardless of the stakeholder mix.

Our key sustainability themes are closely related to our core function

All our stakeholders were unanimous in their view of Terveystalo's critical themes of sustainability. Terveystalo must operate in the best possible manner in its core business of health care service provision and, in particular, ensure the clinical quality and effectiveness of care, patient safety, high service quality, occupational safety, data protection, information security, the promotion of customer well-being, and the prevention of illnesses. In addition, Terveystalo's shareholders emphasized the importance of focusing on the company's carbon footprint, which is related to the current megatrend of climate change. Terveystalo has made several major acquisitions in recent years, and the well-being at work of the company's personnel was substantially emphasized in the results of the materiality analysis. The link between employee well-being and patient well-being was highlighted in the responses of customers and shareholders alike. In addition, the most significant risks and opportunities were seen by all the stakeholders as being linked to both information security and digitalization.



Good health and well-being
1. Quality and impact of care
2. Guaranteeing patient security
3. Availability of care
4. Offering high quality services
5. Increasing customer wellbeing and preventing illnesses
6. Creating service innovations and developing operations

Ethical business
7. Preventing corruption and bribery
8. Ensuring data protection and information security
9. Respecting human rights
10. Responsible marketing
11. Using AI responsibly
12. Playing fair

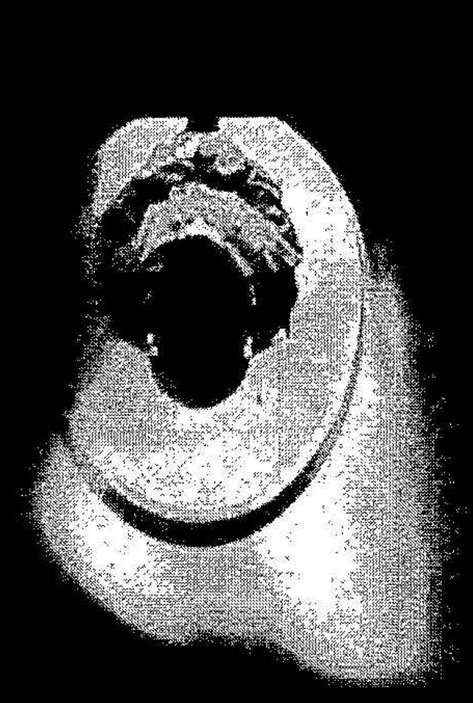
Responsible work
13. Employee well-being
14. Guaranteeing safety
15. Diversity of employees
16. Developing know-how of employees

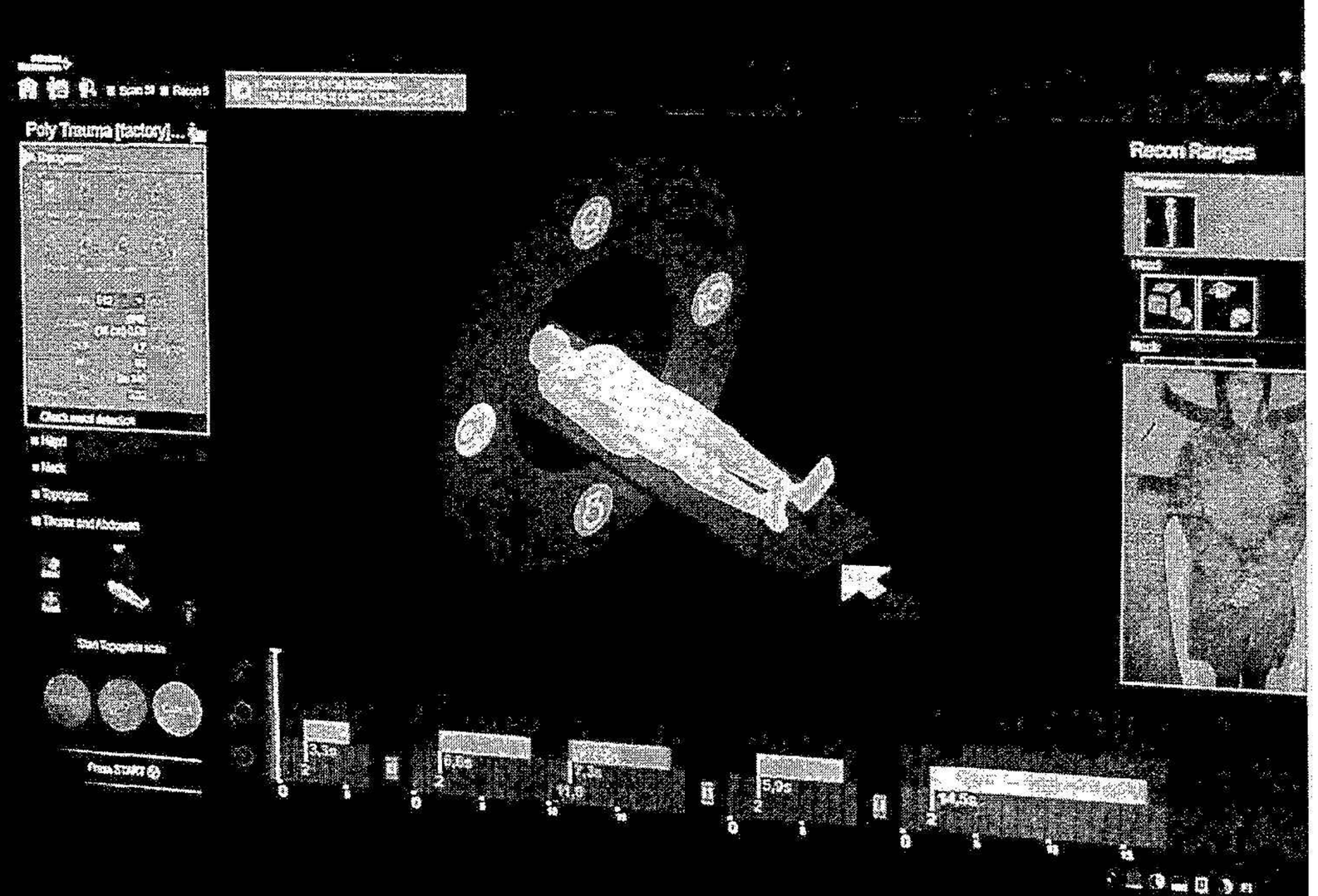
Sustainable economic growth
17. Responsible tax policy and paying taxes
18. Creating added economic value for the society and owners
19. Sustainable supply chain operations and the share of domestic purchases
20. Providing employment in Finland

Sustainable consumption and climate action
21. Minimizing our carbon footprint
22. Material efficiency and recycling

20230822201456

Terveystalo's sustainability themes





2023082201457

Good health and well-being

Good health and well-being

All members of our personnel are responsible for ensuring that our customers receive appropriate, high-quality and safe care. We aim to stand out by providing an outstanding experience in all customer encounters, regardless of the channel. We develop our work by listening to our customers and utilizing new technology.

Quality and impact are at the core of our operations

We are committed to the high quality and continuous development of our operations. We measure, monitor and manage our quality actively. Developing our service quality and operational efficiency even further allows us to ensure the best possible working conditions for our professionals and the optimal impact of our customers' service experience, without compromising on the all-important aspects of human contact and empathy.

Good health and well-being

Area	Target	Indicator	Target	2022	2021	2020	SDG
Quality index: High clinical and experienced quality, access to care and preventive care	Use of the WHO Surgical Safety Checklist in over 99% of surgical operations	Use of the WHO Surgical Safety Checklist in surgical operations	>99%	98.9%	99.8%	97.8%	3
	Prescriptions for drugs affecting the central nervous system in relation to visits to a physician below 3.5%	Prescriptions for drugs affecting the central nervous system in relation to visits to a physician	<3.5%	4.0%	4.3%	4.6%	
	Duration of sickness absence issued on the day of the operation (median), repair of the rotator cuff and the anterior cruciate ligament <28 days	Duration of sickness absence issued on the day of the operation (median), repair of the rotator cuff and the anterior cruciate ligament	<28	30	32	36	
	Percentage of preventive work of occupational health appointments over 60%	Percentage of preventive work of occupational health appointments	>60%	69.6%	70.2%	67.8%	
	Days until next available appointment, clinics (T3) below 1.00	T3, i.e. the third available appointment	<1.00	1.93	1.61	1.17	
	Appointment NPS over 74	Appointment NPS	>74	82.7	83.0	82.8	
	eNPS at least 31 by 2025	eNPS	>31	29	32	18	
	Quality index total	Quality index, %	100	92.2	94.6	94.2	
Access to care, public services	Days until next available appointment (T3) public services < 7 for a physician, < 1 for a nurse	T3, i.e. the third available appointment with a physician	<7	12.0	6.5	5.6	
		T3, i.e. the third available appointment with a nurse	<1	2	1	1	
Patient safety		Reimbursed patient claims / appointments with a physician		0.0016%	0.0019%	0.0021%	
		Near misses/hazardous incidents		56.9%	50.0%	57.0%	

The figures include Terveystalo's operations in Finland.

20230822201458

Good health and well-being

We divide our quality-related work into four areas:

Clinical quality

- Healthcare must be based on evidence and good care and operating practices, and it must be high quality, safe and appropriately implemented. At Terveystalo, we actively monitor, measure and manage clinical quality.

Operational efficiency

- Streamlined processes ensure the smart allocation of resources and the reliability of operations. All services provided by Terveystalo are based on our comprehensive and certified ISO9001:2015 -quality management system. Our customers can always trust the quality of our care, the smooth use of services, and the efficiency and safety of our services. In addition, we promote pleasant and efficient everyday life by developing our expertise and management. Our comprehensive network, digital tools and extensive service range constitute a platform for providing efficient, personal and local services for customers.

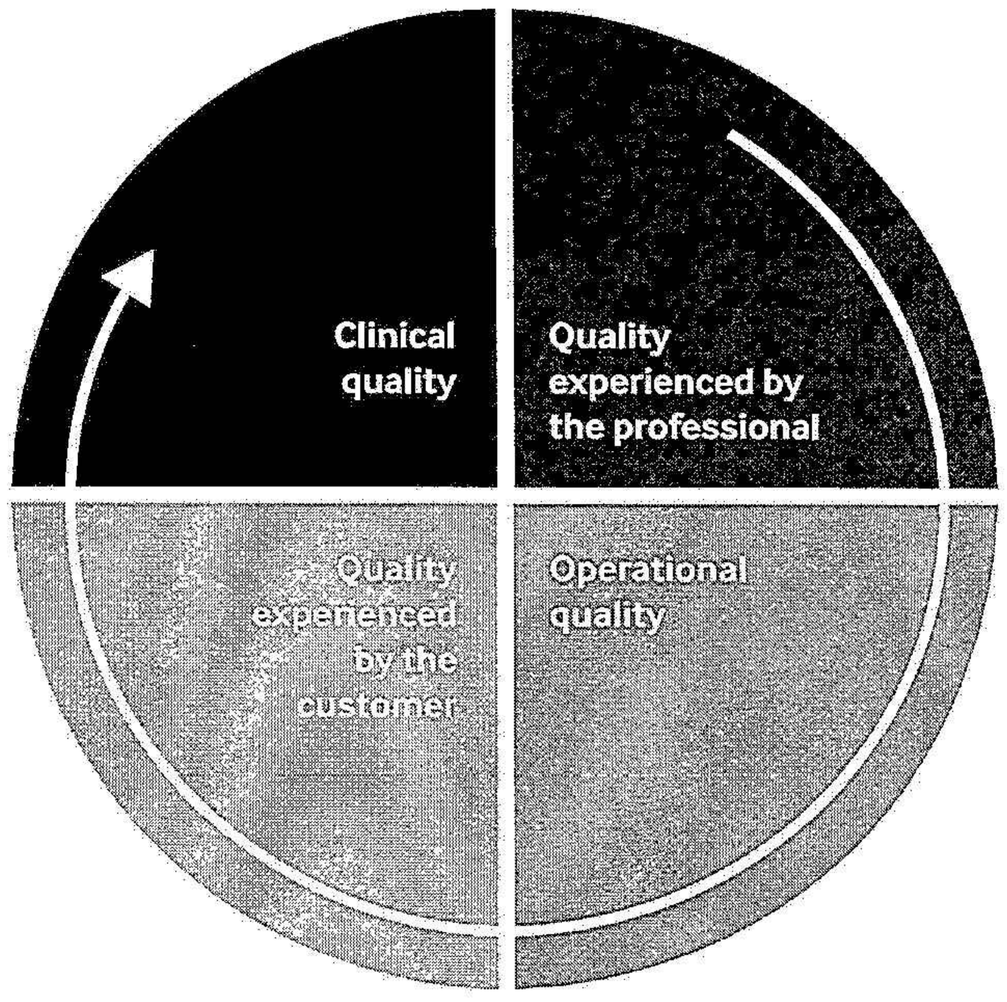
The customer's experienced quality

- The customer's experience is always personal and develops through every encounter. It is important to us that customers receive the care they need without delay and that they are encouraged to make choices that promote their well-being. Our objective is to be the preferred provider of healthcare services for all customer groups.

The professional's experienced quality

- We believe that satisfied employees provide a better customer experience in customer encounters, and so enhancing customer satisfaction. The realization of the strategy requires that we are able to attract qualified and motivated health care professionals to Terveystalo and retain them. This enables us to achieve clinical quality, superior service experience and operational efficiency.

Clinical quality is the basis of everything we do



20230822201459

Good health and well-being

Quality management at all levels of the organization

The cornerstones of our quality system are patient safety and the national legislation governing the field. Our quality assurance system is a management system that provides a framework for managing quality and effectiveness at all levels of the organization. Our strategic priority areas, joint processes and measurability guide us towards consistently high-quality operations. Continuous improvement of our operations is an essential part of our quality efforts. The objectives of our quality-related efforts also include ensuring service availability, patient safety, an excellent customer experience, compliance with recommendations, data protection, information security and the development of the effectiveness of care. The Group's quality steering group monitors the achievement of the quality objectives quarterly using quality indicators.

Patient safety is the foundation for quality in health care

Clinical quality is a key element of Terveystalo's quality efforts that is continuously monitored and developed. Clinical quality refers to the patient receiving the right treatment at the right time and in the right manner, and that treatment has no avoidable adverse effects. We ensure service quality, safety, customer orientation and productivity through consistent operating methods, the continuous training of our experts as well as modern premises and technology. We manage patient safety by monitoring the number of procedure and clinic-specific post-surgery infections, hazardous events, official requests for clarifications, and the decisions of the Patient Insurance Centre, among other measures. We ensure the safety and effectiveness of the provided pharmacotherapy by medication plans, operating guidelines, and a basic range of drugs.

Each year, the themes, priorities and strategy of patient safety at Terveystalo are chosen by the Group's patient safety team and confirmed by the quality steering group. This work is supported by internal and external audits. In 2022, the patient safety themes were: unacknowledged laboratory results, drug maintenance permits and drug treatment plan, faster identification and notification of hazardous incidents, and sharing information on the handling and actions related to hazardous incidents. The theme related to hazardous incidents emerged from the 2021 survey, where the patient safety culture, patient safety implementation and development needs were mapped. The clear structures and strategy of patient safety are aimed at effective cooperation to improve patient safety within clinics, throughout the organization, with the supervisory authorities and particularly in practical work with patients.

A good patient safety culture means having an open atmosphere in which employees are able to highlight any shortcomings or hazards (near misses/hazardous incidents) they observe in their work treating patients, without fear of sanctions or blame. Shortcomings and hazardous incidents are addressed openly and carefully to ensure that the issue does not reoccur. In 2022, we launched a new patient and customer safety online course. The course is mandatory for all employees working with patient care and persons in positions with responsibility for patient safety. The course is also recommended for private practitioners working in Terveystalo.

The quality index measures clinical and experienced quality

We continuously develop our services, the quality and effectiveness of provided care and the service experience of our customers. We measure clinical, experienced and process results based on international best practices.

Terveystalo uses a quality index that consists of four components:

- high clinical quality
- availability of care
- preventive care
- experienced quality from the professional's perspective and the patient's perspective

Our quality index is comprised of seven key indicators:

- use of the WHO Surgical Safety Checklist in surgical operations
- prescriptions for drugs affecting the central nervous system relative to the number of physician's appointments
- duration of sickness absence issued on the day of operation for repair of the rotator cuff and the anterior cruciate ligament
- percentage of preventive work of occupational health appointments
- availability of care as measured by T3 (the third available appointment)
- Net Promoter Score (NPS) for appointments
- employee Net Promoter Score (eNPS)

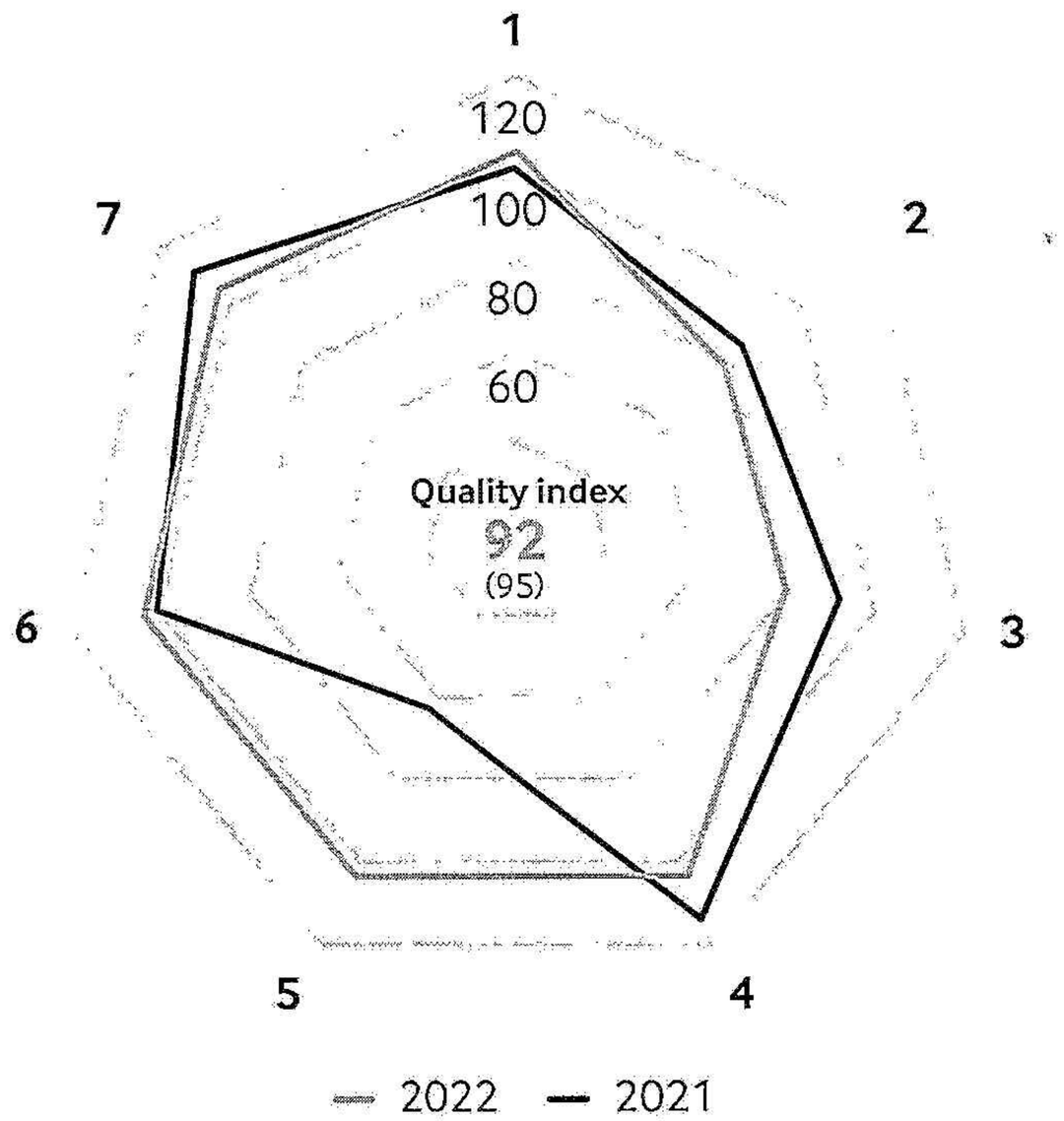
In 2022, we continued to develop quality and effectiveness of the reporting. The set of indicators (32 indicators) is on our website.

20230822201460

Good health and well-being

Quality index

% of target



1. Use of the WHO Surgical Safety Checklist in surgical operations

We perform surgeries in our network of 18 hospitals. We systematically apply the WHO Surgical Safety Checklist before the start of each procedure. It is a standard list of questions to check safety issues relevant for the operation in the OR. In 2022, the WHO Surgical Safety Checklist was used in 98.9 (99.8) percent of the operations we performed.

2. Prescriptions for drugs affecting the central nervous system relative to the number of physician's appointments

When used appropriately, drugs affecting the central nervous system are effective and necessary. However, because of their adverse effects, their use requires careful discretion by a physician. We have a special project aimed at promoting the safe use of drugs affecting the central nervous system according to clinical guidelines in patient care. To harmonize prescription practices, we have prepared detailed guidelines for prescribing drugs affecting the central nervous system based on legislation, Current Care Guidelines, Smart to Avoid Recommendations, guidelines issued by the National Supervisory Authority for Welfare and Health, and operating models proven in clinical work. In 2022, our clinics wrote prescriptions for drugs affecting the central nervous system for 4.0 (4.3) percent of visits to a physician.

3. Duration of sickness absence issued on the day of operation for repair of the rotator cuff and the anterior cruciate ligament

Our surgical operations aim to provide swift high-quality care pursuant to care criteria to quickly restore the patient's functional capacity and ability to work. We systematically develop the treatment chain for our surgery patients. Our aim is to enable faster recovery and return to work. Correctly prepared surgery implemented without delay as well as a plan for early rehabilitation and return to work play a key role in this. The average length of sickness absence issued on the day of operation for surgical repair of the rotator cuff and the anterior cruciate ligament was 30 (32) days in 2022.

4. Percentage of preventive work of occupational health appointments

Work not carried out is expensive for Finnish companies. Therefore, it pays to invest in work ability management through preventive measures. Effective work ability management requires that organizations know what kinds of risks to work ability they are managing. With targeted health examinations, we survey the organization's health and work ability risks and obtain information to support the management efforts. Our occupational health examinations always include an electronic, scientifically validated health survey. The survey is a self-assessment for the employees. Based on the survey, we can identify possible risks related to health and work ability. With the survey, we can target measures particularly to those with significant risks. In 2022, preventive work accounted for 69.6 (70.2) percent of all of our occupational health appointments.

5. Availability of care as measured by T3 (the third available appointment), clinics

We continuously develop the availability of care by managing the balance between supply and demand as well as by developing our digital services and the work of our professionals. We measure the availability of care by the T3 indicator, which is the number of days until the third available non-urgent appointment at our clinics. The figure indicates how quickly a customer can have an appointment with a physician. The T3 indicator for appointments with a physician was 1.93 (1.61) in 2022.

6. Net Promoter Score (NPS) for appointments

We aim to stand out by providing an excellent experience in all customer encounters. We develop our work by listening to our customers and utilizing technology. NPS (Net Promoter Score) is our most important indicator of customer satisfaction. We collect feedback with SMS and browser-based surveys, and we are continuously adding NPS measurements at new customer encounter points. In 2022, the NPS for our appointments was 82.7 (83.0). The NPS for our hospital services remained at a high level of 95.1 (94.7).

7. Employee Net Promoter Score (eNPS)

We want to be the most attractive workplace for professionals. The professional survey is one of our 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 employee 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 our employees and private practitioners who would recommend Terveystalo as a workplace to others. In the 2022 professional survey, the eNPS recommendation index was 29 (32). Among the strengths of Terveystalo are the activities of work communities and cooperation in teams, as well as the work of immediate supervisors. In the development of professional experience, the aim is to nurture these identified strengths. Our aim is to have an eNPS recommendation index of 31 by 2025.

2023082201461

Good health and well-being

Expert-specific customer feedback to support professional development

Customer feedback plays a key role in the development of work. Terveystalo's experts have wished for direct, personal customer feedback in addition to unit-specific feedback. The collection of expert-specific customer feedback was tested in selected units in the fall of 2022. Almost 15,000 feedback requests were sent to customers and around 4,000 responses were received. The feedback received in the pilot was in principle positive and the average satisfaction with the expert service was 4.5, on a scale of 1–5.

The indicator of personal customer feedback that was chosen for the pilot was the so-called PEI (Patient Enablement Instrument) that measures the customer's ability to deal with their illness after their appointment. The PEI is commonly used in Finnish primary health care. In the pilot, two out of three respondents reported that they were managing better or much better with their illness after their appointment. The PEI index provides valuable information on the effectiveness and success of the treatment in solving the patient's problem.

The pilot was carried out in close cooperation with professionals. Over the course of the pilot, the functionality of the feedback tool and various feedback questions was tested: what kind of information the professional receives from the feedback, how the feedback can be used in professional development and how the professionals experience the feedback. According to the professionals involved in the pilot, the opportunity to receive personal feedback is an excellent change. Appointments often provide the right diagnosis and treatment, but the customer's experience may remain unclear. Feedback is also an important tool for professional development. The open responses provided professionals with information on the strengths of their operations and on issues that they should pay more attention to. A larger-scale collection of personal feedback was started at the beginning of 2023. The opportunity to receive personal customer feedback is also offered to other professionals.

Terveystalo's care pathways support the customer's self-care

Science-based care guidance is developed at Terveystalo with the help of common care pathways. Care pathways are defined by Terveystalo as ways of treating the disease or condition for which the customer has sought treatment based on the Current Care Guidelines and other generally accepted treatment guidelines.

The aim is to support professionals and customers in designing and implementing more effective care by making the choices in accordance with the care pathway easy in everyday life. Care pathways support the customer's self-care and care progress.

For professionals, the treatment protocols propose suitable next steps on the customer's care pathway. Together with the customer, the professional then decides which of the proposals to put into action, taking the customer's



20230822201462

Good health and well-being

individual situation and needs into consideration. The customer can also be given direct guidance, for example, in the case of providing reminders about the next steps in the treatment, a national recommendation on influenza vaccination or another simple care pathway.

For the patient, this means a clearer, smoother and more predictable course of treatment. For the professional, care pathways provide better tools and clearer and smoother work.

The first care pathways defined by Terveystalo were introduced in 2021. At the end of 2022, there were care pathways for the treatment of non-specific lower back pain, depression and anxiety, insomnia, reflux, vitreous detachment and children's lower respiratory tract infection, and a total of 360,000 care pathways were activated in the Terveystalo app.

The aim of care pathways is to:

- Facilitate and support the work of professionals
- Improve patient referral
- Ensure examination and treatment according to the Current Care Guidelines
- Facilitate customer flow
- Increase the patient's knowledge of the condition and its treatment as well as self-care
- Create a sense of caring, as well as a health partnership with the patient
- Improve customer satisfaction
- Improve clinical quality and effectiveness

Occupational health's brief psychotherapy path – effective mental health care

The number of mental health diagnoses has increased steadily and they are the main cause of sickness absences and disability pensions in Finland. Terveystalo has developed an occupational health brief psychotherapy care pathway based on the Current Care Guidelines, and invested in measuring the effectiveness of care and thereby further developing care. According to a survey carried out by Terveystalo*, mental health-related sickness absences decreased by approximately 40 percent among Terveystalo's occupational health customers when employees were offered a short period of brief psychotherapy as part of occupational health. Brief psychotherapy offered as part of occupational health is an effective treatment alternative when an employee's work ability is threatened by mental health problems. The aim is to restore, strengthen, and maintain work ability and promote the overall quality of life and well-being. Short-term psychotherapy includes about 10–20 appointments and is targeted, goal-oriented treatment for mild to moderate common mental health disorders, such as anxiety and depression. In Terveystalo, short-term psychotherapy is carried out by psychotherapists, either in person or remotely.

The effectiveness of the treatment is monitored at the beginning and end of the treatment period using the CORE-OM and BDI questionnaires commonly used in psychotherapy studies. In the follow-up process, the questionnaires are automatically and regularly sent to the patient during treatment to be answered in the Terveystalo app. The questionnaire platform scores the responses and a professional reviews the results with the patient. Aside from the fact that brief psychotherapy is a highly effective form of treatment, the systematic collection of feedback and efficacy data has been found to correlate with a positive outcome. The process is goal-oriented and motivating when both the professional and the patient receive information about progress. According to the BDI depression questionnaire, during the treatment, the mood-related symptoms of employees receiving brief psychotherapy improved on average from mild depressive symptoms to normal reference levels. Based on the CORE-OM questionnaire, which measures wider psychological well-being and the effectiveness of treatment, psychological symptoms decreased and functional capacity and perceived well-being increased significantly.

Terveystalo's aim is to increase the use of occupational brief psychotherapy in the treatment of people diagnosed with depression or anxiety disorders. It is important that more and more people receive care at an early stage, thus freeing up resources for long-term rehabilitative psychotherapy for those who need it due to the severity of the disorder.

*The data of the survey consists of the brief psychotherapy appointments of Terveystalo Occupational Healthcare customers in 2000–2022. The survey included 9,109 occupational health customers and a total of 72,296 brief psychotherapy appointments.

20230822201463

Good health and well-being

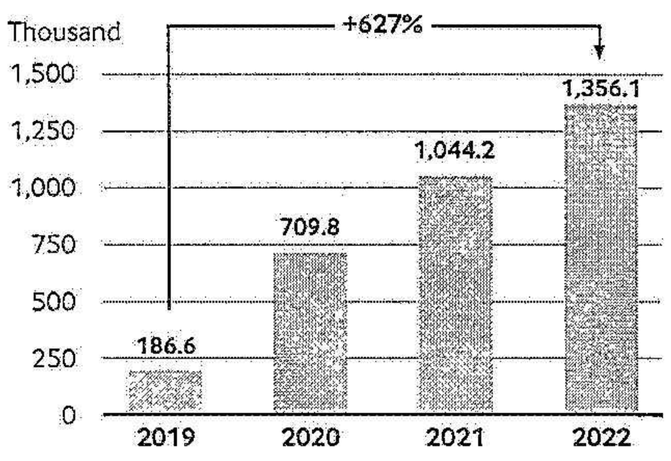
Digital services improve access to care and bring health services close to the customer

With the COVID-19 pandemic, remote service solutions became a key way for Terveystalo to provide health care services to a wide range of customers, regardless of time and place. At Terveystalo, a physician, nurse or therapist can also be consulted remotely via video or chat. Digital services efficiently improve the availability of care and lower the threshold of seeking treatment. The Terveystalo app provides, among other things, access to the Doctor Chat in seconds on average, at all times on every day of the year. The low-threshold Mielen Chat is also available to Terveystalo Occupational Healthcare customers at all times. In the Terveystalo app, customers can renew prescriptions, get referrals for laboratory tests and communicate with the nurse or physician responsible for their care. Clearly visualized laboratory test and imaging results are always available in the app. The app provides the customer with a personalized health plan. In addition, the app sends customers personal health-related reminders.

In total, there were approximately 1.4 (1.0) million digital appointments in Terveystalo in 2022. A total of 2.9 (2.0) million appointments, corresponding to 34 (25) percent of all appointments, were conducted as remote appointments, digitally or by phone. The Terveystalo mobile application has more than 1.2 million users and up to 2.5 million users have registered for Terveystalo's digital services.

The number of bookings made using the digital appointment booking service in the Terveystalo app and on the website has multiplied in the last few years. Terveystalo's digital appointment booking service was named the best user experience in the Grand One 2022 competition.

Development of digital visits 2019–2022



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

Healthy workplace™ model builds the preconditions for healthy and productive work

Occupational health and work ability management are the core business of Terveystalo. Healthy Workplace™ is our new occupational health services concept. The task of occupational health is to promote people's working ability and functional capacity throughout their career. In addition to a healthy and safe work and working environment, the work community and its management have a major influence on the ability to work. Together with the employer, employees, and other workplace stakeholders, occupational healthcare promotes workplace well-being.

Terveystalo Occupational Healthcare services' task and customer promise is "Healthy Workplace—For healthier people and companies". Terveystalo's Healthy Workplace concept is based on proactive, multidisciplinary, and goal-oriented occupational health cooperation between the employer, the employees, and other stakeholders. The achievement of the jointly agreed goals is monitored in a transparent fashion. Digital remote services also improve the flexibility of occupational health services. Our common goal is to help people and organizations thrive.

New work ability management consulting service to help with future working life challenges

In 2022, we expanded our service range with the work ability management consulting service, which complements our core competencies and provides our customers with a deeper understanding of the current state of their organizations, helps to clarify future work ability management goals and responds to the work ability management challenges created by the changes in work.

The effectiveness of work ability management is based on anticipation, harmonized management of disability risks, and multidisciplinary cooperation. In the service process of the consulting services, these issues are taken into account and the model centres on co-design and customer orientation. Everything starts with a comprehensive analysis of the current situation, which utilizes the customer's data and Terveystalo's extensive material bank. The analysis identifies the most important drivers and areas for future development of work ability management. Based on the analysis, a development plan is drawn up and a service package chosen together with the customer, which is implemented in order to improve the work ability of the organization's personnel and to minimize disability risks. The building of the plan is led by work ability management consultants, who bring in Terveystalo's professionals from different fields. In addition, the consultants act as work ability partners for the customer companies in situations where HR or supervisors need help, for example, in identifying and managing disability risks or carrying out change projects. The assistance may be of a project nature or may be more permanent.

20230822201464

Good health and well-being

Our primary health care solution is Smooth Health Centre

Terveystalo's solution to primary health care is concept called Smooth Health Centre. We want to offer wellbeing services counties our long-term experience as a public healthcare partner, our advanced digital services and our expertise in utilizing data.

Terveystalo has extensive experience in providing public social and healthcare services. Over the years, we have been responsible for 27 social welfare and health care units in more than 30 municipalities. Terveystalo's expertise includes all the service areas of public primary health care: health centre services, services for families with children and the elderly, oral health services, and services for adults and special interest groups. It is essential to manage the service and care pathways between the different entities in such a way that the services can be used as smoothly as possible by residents and that the service production is cost-efficient and effective. Different geographical areas have their own social and health challenges: the population has its own specific characteristics and municipalities have different areas of expertise. Each one needs to create its own functional and unique whole.

Terveystalo has introduced ways in which the availability and quality of care have been improved at health centres. Terveystalo regularly monitors the activity data of the health centres whose services it produces, e.g. the T3 time of access to care, the number of staff and the use of resources. Health centres have introduced a multidisciplinary way of working; nurses, physicians and other healthcare professionals work in a team that solves the customer's health concerns together. In this way, the patient's case can be solved more often than before already during the first call. A nurse alone is able to solve about 40 percent of the customers' care needs, and when a physician is involved, that rate rises to 60–70 percent. Another major change is digital and remote services. Health centres have a model where the customer's need for care can be solved remotely by phone or chat with the help of a nurse and physician already during the first contact.

We produced the health centre services of 16 municipal health centres in 2022. In 2022, the average T3 time (the third available appointment) describing the availability of non-urgent appointments to a physician in our health centres was 12.0 (6.5) days and the T3 time to a nurse was 2.0 (1.0) days. Our target is less than 7 days to see a physician and less than 1 day to see a nurse. The availability of care was excellent nationwide at our health centres throughout the year. Queues for oral health care have also remained at a good level in Terveystalo's 12 outsourced dental clinics. The average T3 time for non-urgent dentist appointments was 35 (35) days. NPS, which measures the customer satisfaction of health centres was 80 (80).

The central objective of the social welfare and healthcare reform is to enable equal social and health care everywhere in Finland. The care guarantee for primary health care will be gradually tightened between 2023 and 2024. The aim is that non-urgent care will be available within seven days starting from the end of 2024, instead



2023082201465

Good health and well-being

of the current three months. Innovative and cost-effective solutions are needed in primary health care in order to achieve this goal.

Terveystalo's digital platform makes the use of remote services in public health care faster and easier

Terveystalo has developed a digital platform for the public sector, which has been built to meet the needs and challenges of the well-being services counties.

In the future, well-being services counties will be able to concentrate all digital services related to health care on the platform developed by Terveystalo. The digital platform is ready for comprehensive integrations, such as patient information systems or national services such as Omaolo. The patient can manage their own appointments, have a remote appointment and continue self-care using the health coaching and information packages provided by the platform, all in one place. The appearance and content of the digital platform can be tailored according to the customer's wishes. The platform operating in the browser of a computer or phone requires strong authentication and thus customer and patient data can be processed securely.

The digital platform enables the customer to be treated smoothly during one session: a physician can join a nurse's appointment or a chat appointment can be switched to a video appointment, if it is necessary to solve the problem. Remote appointments are an easy and modern way for the customer to seek help in health issues. In addition, they enable easy access to professionals in locations where it is otherwise challenging. By utilizing telemedicine and digital solutions, well-being services counties can direct to local clinics only those patients who would benefit from it, which helps dismantle the care queues. Learn more about Terveystalo's digital platform.

The biobank builds well-being for the future

Biobanks make samples and data available to high-quality research and product development projects that aim to find the causes of diseases and promote general health. The goals of Terveystalo's biobank are the promotion of the population's health, the identification of factors involved in disease mechanisms, the prevention of diseases and the development of products or treatment practices that promote the population's well-being or health or that are used in medical care. We investigate the causes of diseases and support the development of products and treatments used in health care. Our biobank also promotes scientific research related to COVID-19. Terveystalo's biobank has been awarded ISO 9001:2015 quality management system certification.

Remote services reduce unnecessary emergency department visits in North Ostrobothnia

Terveystalo has provided the North Ostrobothnia Hospital District (PPSHP) with the Päivystysapu 116117 helpline service from the beginning of 2022. At the same time, new features were added to the service to complement the call service: an Omaolo assessment and chat, which operates on a digital platform developed by Terveystalo.

Päivystysapu 116117 is a nationwide advice and guidance service organized by the hospital districts and staffed by health professionals around the clock. The service provides advice on sudden health problems when the local health centre is closed. On average, a call or chat is answered in ten seconds.

Thanks to the service, less than 30 percent of contacts result in an actual visit to the emergency room. Over the phone or in a chat, a professional is able to decide whether a patient needs immediate treatment or whether they should visit a health centre during opening hours. The respondents are experienced professionals at Terveystalo who are able to decide remotely whether a customer's concern requires a physical meeting with a physician or nurse.

More than 400,000 people live in the North Ostrobothnia Hospital District, half of them in Oulu. The well-being services county of Northern Ostrobothnia will be one of Finland's largest. The rural areas are sparsely populated, with an aging population and sometimes long distances to healthcare units. Remote services will play a central role in ensuring and developing services.



20230822014666

Ethical business

Ethical business

Operating ethically and responsibly is an integral element of Terveystalo's values and strategy. Terveystalo's Code of Conduct and Supplier Code of Conduct provide a framework that helps us ensure that we act in accordance with our values, internal guidelines and applicable laws. They support a company culture that takes ethical perspectives into account and combines a high work ethic, professionalism, solution-oriented cooperation and the pursuit of measurable impact in everything we do.

Ethical business

Area	Target	Indicator	Target	2022	2021	2020	SDG
Employees who have completed orientation training on the Code of Conduct and correct action	100% of our employees have completed the training	Percentage of employees who have completed the training relative to all employees[1)]	100%	69.2%	66.0%	52.3%	16
Suppliers who have approved the Supplier Code of Conduct	100% of our suppliers have approved the Supplier Code of Conduct	Percentage of suppliers who have approved the Supplier Code of Conduct relative to all suppliers (of suppliers representing 80% of total purchases)	100%	80%	80%	80%	

[1)] The training periods have been of different lengths. The figures for 2022 also include performances during the second half of 2021, which is why the figures are not fully comparable. The figures include Terveystalo's operations in Finland.

Values guide our work

Putting people at the centre

We take responsibility for everyone's health and well-being, the opportunity to lead a good life. Together, we work for the best of our customers, and the customers show us the direction of our renewal. We help each other and value all of our professionals.

Medicine is our compass

Everything we do is based on medicine and science. The effectiveness of care and our customers' well-being guide all our decisions.

For the common good

Through our operations, we build a healthier and wealthier society, and provide effective treatment. We share information and invite discussion. We create better health care for everyone: customers, professionals and the society.

2023082201467

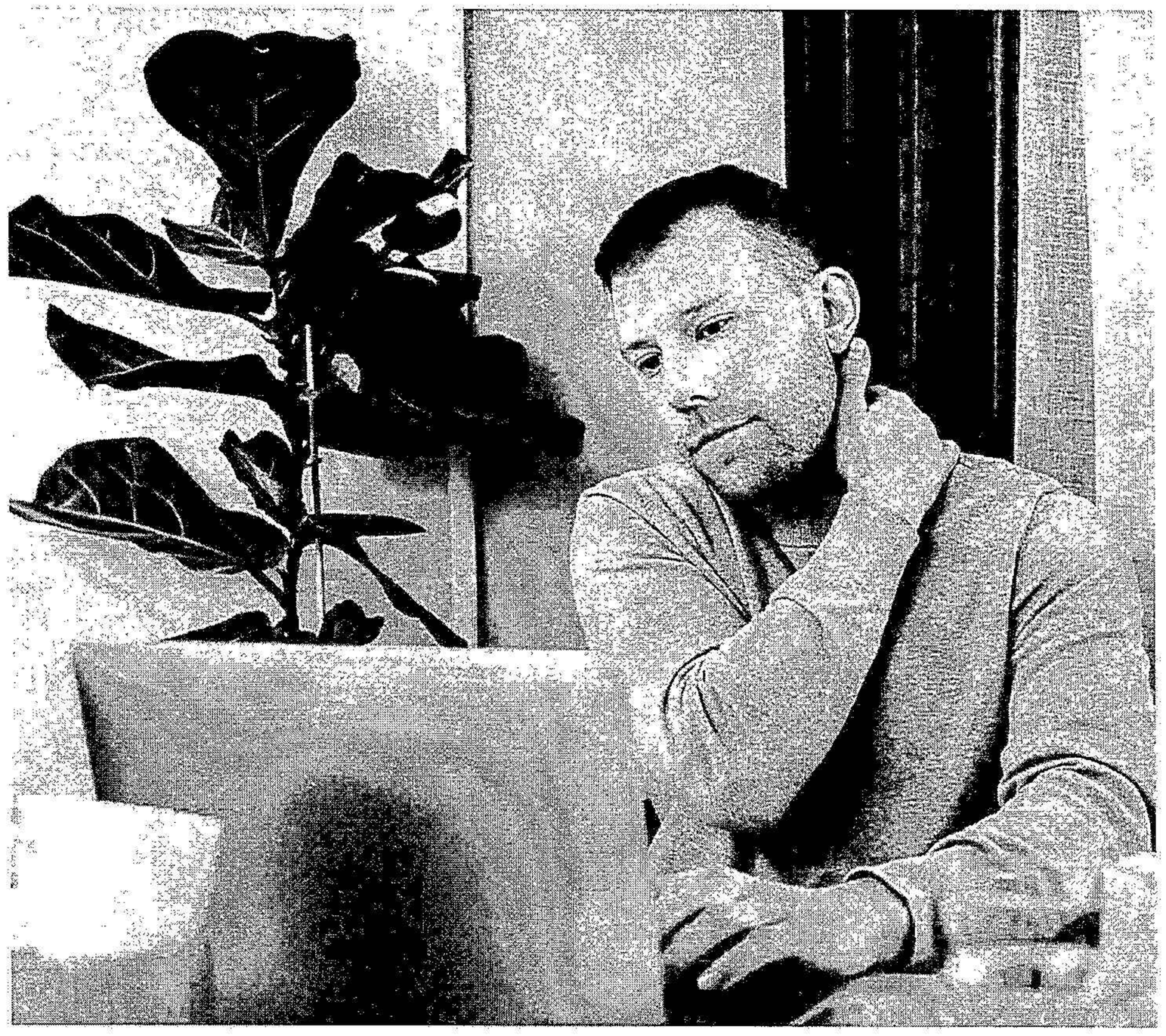
We train our personnel to comply with the Code of Conduct and ethical requirements

The Code of Conduct translates our values into concrete principles that form a foundation for our daily work and decision-making. The ethical, responsible and compliant conduct of business is emphasized in Terveystalo's operations already through the requirements of the industry. Terveystalo's business is guided by legislation governing the sector and private health care services as well as the requirements set by authorities. The work of healthcare professionals is also guided by the ethical standards of the various professional groups. Terveystalo's own Code of Conduct provides an overarching guideline that is shared by everyone at Terveystalo and which we all adhere to. The Code of Conduct includes our main principles regarding anti-corruption and bribery, compliance with fair competition and environmental requirements, protection of privacy, patient safety, employee equality, non-discrimination and freedom of association, as well as reporting of suspected misconduct. Terveystalo is committed to promoting ethical business practices. In addition, Terveystalo constantly develops its compliance program and the related processes and controls so that they respond to changes in our operating environment. During 2022, Terveystalo also strengthened its compliance resources.

Terveystalo has online training on ethical guidelines for everyone at the company. There are separate online training courses tailored for those in administrative work and clinical work, taking into account their different operating environments. The online training was last updated in the fall of 2021, and it is mandatory for all Terveystalo employees. Terveystalo is currently renewing the training package by, among other things, improving the user experience of the learning platform and the interactivity of the training, as well as tailoring the contents in a targeted manner. The new compliance training is planned to be introduced during 2023. The purpose of the courses is to build an understanding of why compliance and ethical responsibility are important and how they are related to the day-to-day actions and decisions of everyone at Terveystalo. A further goal of the training is to create a better understanding of key compliance themes related to ethics, including fair competition, the avoidance of conflicts of interest, the prevention of bribery, data protection and reporting misconduct, as well as to further develop our compliance culture. In 2022, 9,031 Terveystalo employees (6,993 salaried employees, 2,038 private practitioners) completed the training and received a passing grade. The goal is that 100% of employees complete the Code of Conduct training.

Anti-corruption and anti-bribery

In the area of anti-corruption and anti-bribery, Terveystalo complies with the law and other applicable regulations. Terveystalo is also committed to the UN Global Compact initiative and its anti-corruption principles. Our operations



202308220146B

are also guided by our Code of Conduct, which includes anti-corruption and bribery guidelines regarding, for example, giving and accepting gifts and hospitality as well as the avoidance of conflicts of interest.

The prevention of corruption is included in Terveystalo's Code of Conduct, which addresses the giving and accepting of gifts and hospitality, sponsorships, accepting and making donations, understanding and avoiding conflicts of interest, as well as the rules pertaining to lobbying. We emphasize that, at Terveystalo, we do not offer, give, request or accept gifts or other benefits that could affect business decisions or have considerable personal or financial value. We also do not make financial contributions to political parties or fund the election campaigns of individual candidates. No incidents of corruption were reported in 2022. Terveystalo continues to develop its anti-corruption and anti-bribery compliance program and related processes to reflect the changes that have occurred in our environment. Terveystalo also works to ensure compliance with sanctions laws and regulations. In 2022, Terveystalo introduced new controls that support third-party risk management.

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- and 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 Organization (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 suppliers, service providers and other business partners are also expected to comply with these principles and respect internationally recognized human rights. Principles related to human rights are included in Terveystalo's Code of Conduct and Supplier Code of Conduct.

Maintaining a competitive advantage and responsible marketing

Terveystalo's Code of Conduct includes a commitment to fair competition. We compete fairly, with integrity and in compliance with the applicable legislation. All of our employees are required to comply with laws, regulations and internal guidelines pertaining to competition. We respect the intellectual property rights and confidential information of others. In its marketing activities, Terveystalo is committed to complying with the ethical guidelines governing the marketing of medical services. The marketing of medical services must provide patients with accurate and reliable information on the services provided by physicians and health care service providers, thereby giving patients the opportunity to obtain factual information and support patients' freedom of choice in seeking medical care.

The responsibility of suppliers is ensured by the Supplier Code of Conduct

Terveystalo wants to ensure the implementation of ethical and responsible business also in its value and supply chain. Each year, Terveystalo buys services, materials and supplies for its clinics from approximately 4,000 suppliers. Consequently, the network of service providers and suppliers of goods – and good supplier cooperation – play a key role in our operations. We want our contractual service providers and suppliers of goods to be aware of Terveystalo's significant role in society and impacts on society and environment. We want suppliers to commit to taking responsibility for the economic, social and environmental impacts of their operations. To ensure the responsible conduct of suppliers, contractual suppliers and suppliers participating in tendering processes have to 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. At the end of 2022, 80 (80) percent of suppliers representing 80 percent of Terveystalo's total procurement volume had approved the Supplier Code of Conduct.

Reporting channel gives everyone the opportunity to report suspected misconduct

One important aspect of our culture of responsible business is that everyone who acts on behalf of or with Terveystalo, as well as 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 being in violation of the Code of Conduct. Actual or suspected infringements are primarily reported to one's supervisor, the supervisor's supervisor or Terveystalo's Legal & Compliance department. Terveystalo also uses WhistleB, a reporting channel open to everyone. This reporting channel enables anonymous reporting of observed or suspected misconduct at: www.report.whistleb.com/terveystalo. Any suspected misconduct and violations are investigated appropriately and confidentially. If a suspected violation proves to be unwarranted, there are no negative consequences to the reporter provided that the reporter has acted in good faith. The WhistleB reporting channel has been in use since 2017, and it has become one of the possible channels for reporting suspected misconduct or violations.

In 2022, we received a total of 19 (22) reports of suspected violations through the reporting channel. Out of these, the reports already investigated did not reveal any noncompliance with or infringement of law or the Code

2023082201469

Ethical business

of Conduct. Investigation of some of the reports received late in the year is not completed yet. The findings of the reports and completed investigations have been considered in the development of Terveystalo's processes.

We ensure data protection and information security for patients

Privacy protection is a core value for us. At Terveystalo, we respect everyone's privacy. We pay special attention to the appropriate and legally compliant processing of personal data. We provide our personnel with training and instructions on the processing of personal data and emphasize the particular confidentiality and protection of patient data. The realization of data protection is the responsibility of everyone who works for Terveystalo.

The digitalization of health care presents significant opportunities for improving the availability and effectiveness of care as well as the early identification of risks. Terveystalo has made significant investments in the development of digital services and tools. As digital services increase in importance, and change the industry, the requirements concerning data protection and information security increase accordingly.

Terveystalo stores patient information in information security certified patient information systems. Terveystalo's patient information systems used in Finland are category A systems and they have undergone information security certification in accordance with the regulations related to providing Kanta services. In addition, Terveystalo's data protection and information security are regularly audited internally and by a third party according to the ISO 9001:2015 certification.

Terveystalo applies the appropriate physical, technical, and administrative protection measures to protect data from misuse. These measures include, among others, control and filtering of network traffic, use of encryption techniques and safe data centres, appropriate access control, controlled granting of access rights and supervision of their use, giving instructions to staff participating in personal data processing and risk management related to the planning, implementation, and maintenance of our 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.

We use data and AI responsibly

The identification, prediction and prevention of illnesses and health risks benefit both the patient and society. Analyzing and using patients' health data is an essential part of health risk identification. It ensures that we can provide timely treatment for customers and that we can also give recommendations, the acceptance of which is always up to the customers. We develop and use AI in a reliable and ethical manner. We actively monitor that the AI solutions we use are responsible, beneficial to people, relevant to both Terveystalo and the customers and that the specified objectives are achieved. We respect and monitor the realization of fundamental rights also in the context of using AI technology and we protect our customers' data and privacy in all circumstances.

We engage in internal dialogue in the company regarding the ethics of AI and topics related to data protection (including the Act on the Secondary Use of Health and Social Data). We actively monitor AI solutions, the related discussion and recommendations (including the EU regulations on AI that are currently in the process of being drafted). In the development and use of AI, we are committed to legal compliance and we adhere to the general ethical recommendations pertaining to the use of AI.

"We provide our personnel with training and instructions on the processing of personal data and emphasize the particular confidentiality and protection of patient data.

20230822201470

Responsible work

Responsible work

At Terveystalo, our mission is to fight for a healthier life. We want to be a pioneer in our field, so we are constantly developing our thinking, expertise and working methods. We give healthcare professionals the opportunity to join a multidisciplinary community of top talents, a team whose members help each other succeed. In line with our values, we always focus on people and work towards the common good. Our strategic goal is to be the industry's best and most attractive workplace for all professionals.

Responsible work

Area	Target	Indicator	Target	2022	2021	2020	SDG
Occupational safety	Accident rate below the sector average	Accident rate	< 34 (sector average)	15	20	25	8
Personnel's well-being	Reducing sickness absences	Sickness absences	-	5.2%	4.4%	3.8%	
Employer recommended by the personnel	Improving the employee promoter score	eNPS	31 by 2025	29	32	18	

The figures include Terveystalo's operations in Finland.

Terveystalo is a significant employer

At the end of 2022, Terveystalo's Finnish operations employed 10,100 (9,131) employees and 5,822 (5,644) independent private practitioners. In 2021, we expanded to Sweden with the acquisition of Feelgood, a local occupational health operator. In Sweden, we employed 833 (674) employees and 106 (110) private practitioners at the end of 2022.

We need many professionals to support our growth

Over the next 15 years, it is estimated that 200,000 new healthcare professionals will be needed in Finland to meet the growing need for care. Our core goal is to ensure that Terveystalo has enough health and well-being professionals to meet the growing demand and achieve the goals of our strategy. To ensure this, we recruit new professionals and strive to reduce employee turnover. We also aim to increase the number of hours worked at Terveystalo by the current private practitioners working at Terveystalo. The attractiveness of Terveystalo as an employer and the well-being and satisfaction at work of those working in Terveystalo form the foundation for all our operations. We strengthen our attractiveness as a workplace by providing professionals with interesting and meaningful work, diverse career and development opportunities, and ensuring that professionals can work smoothly and focus on what is essential. As an employer, we promise to have the best work community in the industry, to operate in a multidisciplinary manner, to develop as a company and as individuals, and to be pioneers in our field.

Our goal is to be the best and most attractive employer in our industry. We have been systematically working towards this goal for many years and are by far the most popular employer in our field among industry professionals in Finland.

20230822201471

Responsible work

Changes in how professionals work and supporting people through change

We provide professionals with a smooth and efficient working environment and support them in changing their work. Digitalization has changed the work of health and well-being professionals and brought new skills requirements. Digitalization makes it possible to increase both the smoothness and productivity of work, allowing professionals to focus on customer encounters and problem-solving. Change also requires new approaches to management and remuneration.

When it comes to changes in the way professionals work and supporting that change, we are investing especially in improving the content and guidance of work by developing care guidance and care pathways. Care guidance based on care pathways aims to provide more consistent and effective care to our customers and facilitate the work of professionals.

The role of customer feedback is key in the development of work. Terveystalo's experts have asked for direct, personal customer feedback in addition to unit-specific feedback. The collection of expert-specific customer feedback was tested in selected units in the fall of 2022. The pilot was carried out in close cooperation with professionals. A larger-scale collection of personal feedback will start at the beginning of 2023 based on the good experiences of the pilot. According to the professionals involved in the pilot, the opportunity to receive personal feedback is also an important tool for professional development. Read more on p. 40.

We provide our professionals with versatile, constantly evolving digital tools. The occupational health work ability management model, the Healthy Workplace Suunta service, the disability risk recognition of Etydi, the professionals' own work management mobile application Terveystalo Pro, and medical reporting support professionals in their work and provide tools for research work. We have also introduced new tools to support the work of professionals, such as the Terveystalo + Nightingale health index. Professionals can also utilize the customer-directed digital health and well-being content, guidelines and weekly programs found in the Terveystalo app in guiding and advising the customer.

We look after the health and safety of our employees

Occupational health care plays an important role in the identification of health risk factors and the prevention of illnesses. Our occupational health care and occupational safety in Finland are organized on a company-specific and regional basis in accordance with Finnish legislation, according to which the employer shall arrange occupational health care at its own expense in order to prevent and control health risks and problems related to work and working conditions and to protect and promote the safety, work ability and health of employees.

In addition to the statutory requirements, we provide our employees in Finland with a comprehensive range of primary health care, specialized care and well-being services, such as direct access to an occupational physical therapist and Mielen Chat and Mielen Sparri, digital services that support mental well-being. Mielen Chat and Mielen Sparri are low-threshold services that are provided remotely using the Terveystalo app. These services allow the user to discuss anything on their mind in strict confidentiality and they also provide tools to support mental well-being. Brief psychotherapy is also part of our occupational health services. We aim to recognize challenges related to work ability and occupational health at an early stage and seek solutions to these challenges through effective cooperation with occupational health services.

Our occupational health care provides occupational health services for our personnel throughout Finland. Thanks to centralized and goal-driven management, the content and practices of our occupational healthcare are consistent and produce good results. Labquality Oy has awarded our occupational health services an ISO 9001:2015 quality certificate.

In our Group, advice and guidance related to employee health and well-being at work, the assessment of work-related health risks, and the prevention and treatment of illnesses are part of our normal cooperation with our

Terveystalo is number one for healthcare professionals

Terveystalo is the most interesting workplace in the healthcare sector. Terveystalo has been investing in modern management and strong work communities for years. More than 1,500 health and pharmaceutical professionals chose Terveystalo as the most interesting workplace in the health service sector. Terveystalo has held the top position in the sector since 2020. The data is based on the annual employer image survey conducted by Universum, which evaluated nearly 60 operators from the public sector, private health service companies and pharmaceutical companies.



20230822201472

Responsible work

occupational health services and our insurance company partners. When it comes to the treatment of serious illnesses, we cooperate with primary health care and specialized health care.

During the COVID-19 pandemic, occupational health has invested heavily in upholding the personnel's work ability and medical care in a state of emergency. Sickness absences of personnel increased from the previous year, and the sickness absence percentage in Finland was 5.2 (4.4) percent of hours worked. In Sweden the corresponding figure was 5.5 (4.0).

The statutory occupational healthcare action plan includes the general objectives of occupational healthcare as well as the requirements based on workplace conditions and related measures. We review the action plan annually based on workplace visits and our company's work ability management needs, among other things.

Our occupational health operations are based on our Healthy Workplace model, which is aimed at ensuring that work is as efficient as possible, the work community functions well, the management approach is active, and that individuals have a high level of well-being at work. In occupational health, the company, the personnel and the occupational health services work together in accordance with the set goals. The action plan is available to the personnel on the company's intranet.

Terveystalo's private practitioners are not covered by occupational health care. Instead, as self-employed persons, they arrange their own occupational health care. Private practitioners are not in an employment relationship with Terveystalo. They decide on their own fees and provide services directly to customers as part of our service offering.

Occupational health services for the staff transferred from acquired entities are, as a rule, organized in accordance with the acquired entity's previous agreement at least for the duration of a transition period if the company in question is a subsidiary and it is not merged with Suomen Terveystalo.

There were no fatal accidents or accidents leading to serious injuries at Terveystalo in 2022. Our accident frequency in Finland was 15 (20) in 2022, which is clearly below the average in the healthcare sector (34).

In 2021, we started work on the development of occupational safety in Finland, as part of which we started to reform occupational safety operating models, tools and guidelines, and drew up an action plan of measures that we will implement over the next few years in order to ensure the safety of our personnel at work even better than before. The action plan includes, for example, occupational safety training, clarified safety responsibilities and new operating models for assessing occupational safety risks, among other things. In 2022, these development measures were implemented across the organization.

In Sweden (Feelgood), occupational health and safety is organized in accordance with Swedish legislation, and Feelgood has an ISO 45001 occupational health certificate.

We develop our know-how and Terveystalo as a workplace

Systematic and business-oriented personnel development, smooth work and responsible, good supervisor work ensure the well-being of our personnel, which in turn benefits our customers through better care and a positive customer experience. We require everyone at Terveystalo to have a defined set of professional skills that is based on the values that guide our operations. In Terveystalo, competence develops by doing, learning from each other and through training. During development discussions, the need for competence development is identified, and it is agreed how the development will be implemented. Terveystalo offers a wide range of vocational training and opportunities for learning at work. We also develop leadership and supervisor work, and support self-study between work by increasing opportunities for online learning, for example.

The growth of digital health has been strong in recent years. We have invested in training our personnel in the use of digital tools and channels, as well as their use in customer work. We provide training for physicians and nurses in the use of different types of remote services. The trainings include basic system training, trainings by type of appointment (video appointment, chat appointment), as well as in-depth further training on, for example, the assessment of care needs remotely, customer experience and guidance, and consulting services.

In 2022, we continued the development project aimed at streamlining the work of occupational health nurses and strengthening well-being at work. Pilots were carried out during the year, for example, for the planning and management of work. The implementation of the new operating models developed on the basis of the results of the pilots started in the fall. The new operating models support a consistent quality of service for our customers and strengthen work management and job satisfaction. According to the results of the professional survey, occupational health nurses' coping at work has improved thanks to the new operating models.

In addition, training courses aimed at different professions and supporting professional development were organized during the year. We also trained our personnel on data protection and security, as well as on operations in compliance with requirements and ethical guidelines. In 2022, we organized training in Finland for a total of 69,733 (79,847) hours, which corresponds to 7.0 (8.7) hours per employee.

In addition to internal training, we also engage in research and education cooperation with several universities and promote youth employment with trainee programs, among other things. In the fall of 2022, we launched a new trainee program for occupational psychologists, which includes 18 psychologists. During the program, participants will be able to grow and learn in the role of an occupational psychologist responsible for a customer, with the support of senior experts.

20230822201473

Responsible work

Work at Terveystalo takes place flexibly and independently of the place. Work goals and effectiveness determine the way work is done. Our Group services have moved to hybrid work, where the teams agree on the most effective way of working for them. The way of working is influenced, for example, by the smoothness of the work, goals, flexibility and the well-being of the personnel. We also encourage teams to meet regularly at the office. We have also developed flexible working opportunities for those of our professionals who work at the customer interface. Flexible work is now routine for physicians, occupational health professionals and those who work at our customer service centres, for example.

Specialization and training of physicians at Terveystalo

We want to guarantee our experts the opportunity for diverse career development, and actively develop specialization opportunities. Our occupational health specialization program is the most extensive of our specialization paths, and it is possible to specialize at almost all of our occupational health clinics in Finland. Our specialization training is carried out in close cooperation with the medical faculties of universities.

Dozens of students with a Bachelor's degree in medicine work at Terveystalo every summer. In the summer of 2022, the development of students' skills was supported by a tailored educational path at Terveystalo's summer school. The content and implementation of the eight-week summer school received praise from the students, and according to the feedback, the summer school offered the desired support for the early stages of a physician's career.

The diverse events and training we offer are available to all of our physicians. For the biggest medical specialists, our career experts also develop and organize training courses and events designed by specialization. We also offer physicians professional training at our annual medical convention. Through numerous online courses and webinars, Terveystalo's diverse career opportunities offer possibilities for work development as well as the chance to focus on appropriate work for each physician.

The medical supervisor plays an important role in the work community and we also train our experts in various managerial tasks. A physician can also work at Terveystalo in administrative development tasks or research work.

Terveystalo's professional skills are as follows:

Competent

My professional competence is extensive, and I share my competence. I have the courage and the will to develop and update my competence and I seek solutions, challenge myself, and network with other professionals.

Caring

I build cooperation and trust between our professionals and our customers. I work in a way that is inclusive and encourages others and behave in a way that shows my respect for others.

Customer-oriented

I do everything I can to serve customers proactively, using the customer's needs as a starting point and ending up with a solution that serves the customer. I ensure that the customer knows their treatment/service path. I create a smooth and warm customer experience for the customer.

Productive

I work in a way that is goal-oriented and proactive. I achieve results in my work and by working together with our other professionals and our customers.

Responsible

I take responsibility for the quality of my work. I offer high-quality service to every customer. I also take responsibility for my work community by being friendly and treating all of the professionals around me equally well. We grow by growing together.

20230822014 74

Personal development discussions as a tool for performance management and job satisfaction

At Terveystalo, annual personal development discussions are held with all full-time employees to support goal-driven and motivated work. The development discussion includes a review of the previous period's successes and learning together with the supervisor, and setting targets for the new period. In addition to addressing the goals for the previous and next period, the discussion covers competence, well-being at work, working in accordance with Terveystalo's defined professional skills, cooperation as well as long-term objectives and wishes. The themes discussed in the personal development discussion are revisited in one-to-one discussions held at least once a month and in more extensive half-year reviews. The personal development discussions are a key aspect of the practical implementation of Terveystalo's strategy, values and professional skills as well as performance management and the monitoring of the achievement of goals.

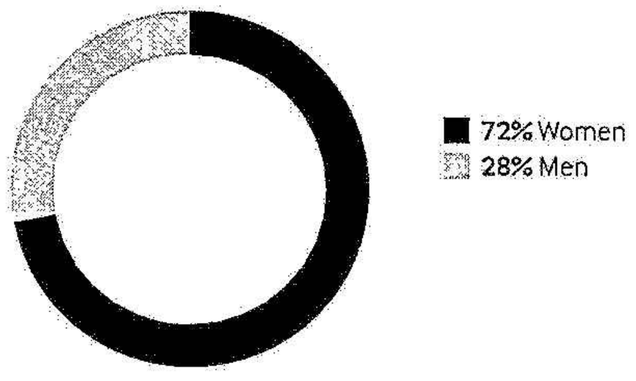
We also engage in active dialogue with the private practitioners working at Terveystalo. The private practitioner discussion is a regular personal discussion with the aim of developing cooperation and the conditions for work as a self-employed private practitioner at Terveystalo. Specialization-specific meetings and training organized throughout the year also support professional networking and medical guidance.

The professional survey is a key development tool

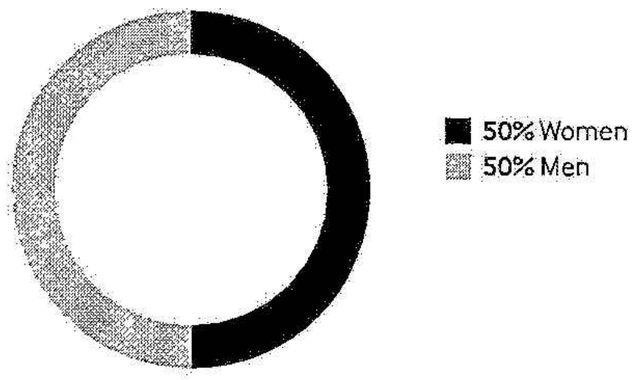
The professional survey is an important tool for improving internal practices and supervisor work. The survey is aimed at everyone working for Terveystalo in Finland, including private practitioners who work for the Group. A biannual professional survey maps experiences in well-being at work, management and the functioning of the work community, among others. The Employee Net Promoter Score (eNPS) is the key indicator of well-being at work and coping at work in the personnel survey. The indicator shows the proportion of the personnel and private practitioners who would recommend Terveystalo as a workplace to others.

In the 2022 professional survey, the eNPS recommendation index was 29 (32). Among the strengths of Terveystalo are the activities of work communities and cooperation in teams, as well as the work of immediate supervisors. In the development of professional experience, the aim is to nurture these identified strengths. Our aim is to have an eNPS recommendation index of 31 by 2025.

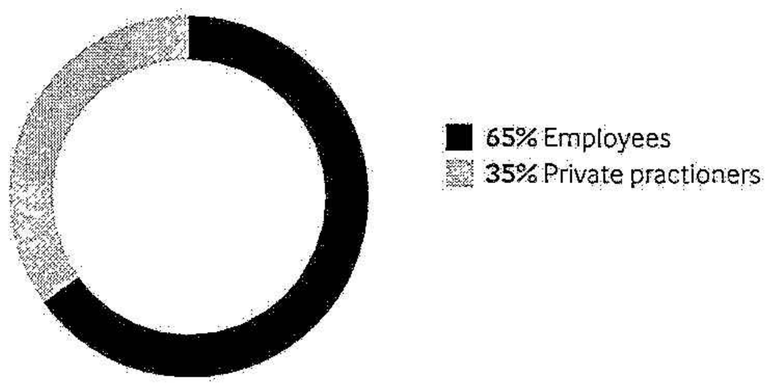
Women and men, % of all employees



Women and men, % of executive team, 2022



% of employees and private practitioners, 2022



2023082201475

Responsible work

We promote diversity, equality and non-discrimination

We observe the principles of equality, fairness, and non-discrimination. We do not discriminate on the basis of race, age, ethnic or national origin, nationality, language, religion, belief, opinions, health status, disability, sexual orientation or other personal reasons or circumstances. In recruitment, we focus on the person's professional competence, the ability to take responsibility and the will to improve our operations and themselves.

In order to implement these principles, a work community development plan is regularly drawn up and updated at Terveystalo, as part of which issues related to equality and non-discrimination are also discussed. The work community development plan was last drawn up at the end of 2022.

We also treat our customers equally. We require all our healthcare professionals to comply with the Finnish Medical Association's and WHO's ethical guidelines, according to which it is the responsibility of the physician to promote health and prevent disease. According to the Finnish Medical Association's ethical guidelines, a physician should treat the patient according to their needs and treat all of their patients equally.

In accordance with the diversity policy of our Board of Directors, our objective is to have a balanced gender distribution in the Board of Directors. At the end of 2022, two of the five members of the Board of Directors were women. Four of the eight Management Group members were women.

The remuneration of our personnel is based on the principles of performance, equal treatment and competitiveness. For jobs that fall under collective agreements, such as nurses, the pay categories correspond to the classifications specified in the collective agreements. Pay is also influenced by job-specific responsibility supplements and the employee's years of experience. For senior salaried employees, pay is determined based on the position and the demands of the job as well as other factors, including competence, experience, performance and results. The company-specific equality plans are focused on the equality of remuneration and are aimed at promoting equal pay. Gender, for example, cannot be a factor that influences pay.

For a more equal Terveystalo

We want to be an open and safe place to work and do business for everyone, regardless of sexual orientation, gender identity and gender expression. In the summer of 2022, we asked our personnel for ideas to promote these goals. We received good development ideas for better consideration of sexual and gender minorities in work communities and customer encounters. We also identified interest in participating in the activities of the working group promoting equality. The purpose of the working group is to develop the implementation of equality, especially from the perspective of sexual and gender minorities. The composition of the working group, which will be launched at the beginning of 2023, will change each year so that as many people as possible will have the opportunity to participate. Ten people from different backgrounds were selected for the working group.

In 2022, we were one of the official partners of the Helsinki Pride event. We also offered our personnel training on how to interact with sexual and gender minorities in healthcare services.



20230822201476

Responsible work

Number of Terveystalo's personnel and private practitioners in Finland

	2022	2021	2020
Personnel	10,100	9,137	8,253
Private practitioners	5,822	5,644	5,057

Personnel by occupational group in Finland

	2022	2021	2020
Personnel in Finland	15,922	14,781	13,310
Physicians	6,051	5,900	5,707
Nurses	3,860	3,933	3,628
Other health care professionals	2,955	2,554	1,963
Others	2,491	2,377	1,959
Senior management	10	12	12

Salaried employees and private practitioners

Personnel by country

	2022	2021	2020
Finland	15,922	14,781	13,310
Sweden and others	939	778	0
Total	16,861	15,559	13,310

Salaried employees and private practitioners

Personnel in Finland by type of employment relationship, %

	2022	2021	2020
Permanent	76	77	84
Fixed-term	24	23	16
Full-time	53	50	55
Part-time	47	50	45

Percentage of women and men, %

	2022		2021	
	Women	Men	Women	Men
Personnel in Finland	72	28	72	28
Physicians	50	50	49	51
Nurses	95	5	95	5
Other health care professionals	79	21	78	22
Others	82	18	83	17
Senior management	50	50	50	50
The Board of Directors	40	60	29	71
Personnel (salaried) in Sweden	83	17	83	17

For Finland includes salaried employees and private practitioners, for Sweden only salaried employees

Age structure of the personnel in Finland, %

	2022	2021	2020
Under 30 years	12	14	13
30–49 years	49	49	48
Over 50 years	39	37	39

Salaried employees and private practitioners

20230822201477

Responsible work

Sickness absences, %

	2022	2021	2020
Personnel (salaried) in Finland	5.2	4.4	3.8
Physicians	1.3	0.9	1.3
Nurses	7.2	5.6	5.7
Other health care professionals	5.9	4.5	4.3
Others	5.1	4.2	2.8
Personnel (salaried) in Sweden	5.5	4.0	N/A

Personnel in Finland, exit turnover, %

	2022	2021	2020
Personnel in Finland	15.0	14.0	17.1
Physicians	18.6	19.8	28.8
Nurses	15.2	13.8	13.2
Other health care professionals	11.1	7.8	6.0
Others	11.5	8.4	6.9

Due to the different nature of the operations, staffing services are not included in the figures.
Salaried employees and private practitioners

Employee Net Promoter Score (eNPS)

	2022	2021	2020
Personnel in Finland	29	32	18

Salaried employees and private practitioners

Accidents and accident frequency

	2022	2021	2020
Personnel (salaried) in Finland			
Number of accidents	224	273	253
Accident frequency (per one million working hours)	15	20	25
Personnel (salaried) in Sweden			
Number of accidents	13	8	N/A
Accident frequency (per one million working hours)	N/A	N/A	N/A

The figures for 2021 have been adjusted due to more accurate calculations.

Hours of training

	2022	2021	2020
Personnel (salaried) in Finland	69,733	79,847	63,864
Physicians	4,001	3,754	7,893
Nurses	36,125	44,505	35,851
Other health care professionals	12,306	9,784	14,534
Others	17,301	18,937	5,534
Hours of training per employee	7.0	8.7	7.5
Physicians	1.8	1.9	3.4
Nurses	9.4	11.4	10.3
Other health care professionals	8.8	10.8	9.4
Others	7.0	8.0	5.3

20230822201478

Sustainable economic growth

Sustainable economic growth

Responsible business is also financially profitable and sustainable. We create value for our customers, society, and our shareholders by continuously developing the clinical, operational, and experienced quality of our work, enabling faster access to care, reducing sickness absences, and employing directly and indirectly more than 16,800 people, including both employees and private practitioners. We are a significant employer, taxpayer, and provider of health services in Finland.

Terveystalo's success benefits society

We produce services in Finland not only in the form of occupational health services for employers but also in the form of purchased services for the public sector and directly to private customers. Well-functioning occupational health care keeps the economy going. By providing public services, we save the taxpayers' money because we can offer high-quality health services cost-efficiently. By choosing private sector services, the customer also reduces queues in the public sector, both in dental care and other health care services. In Sweden, we mainly produce diverse preventive occupational health services, helping Swedish companies and their employees achieve a higher level of well-being.

We create economic added value not only for our customers but also for other key stakeholders, such as our personnel, private practitioners, our material and service suppliers, and society. Our most significant cash flows 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.

We are a significant employer, taxpayer and provider of health services in Finland.

Sustainable economic growth

Area	Target	Indicator	Target	2022	2021	2020	SDG
Tax footprint	We openly disclose our tax footprint annually	Tax footprint, EUR million	-	235.7	191.0	152.3	8
Revenue growth	Minimum annual growth 5%	Revenue growth, %	5%	9.0%	17.1%	-4.3%	
The people we employ	We create jobs	Employee benefit expenses, EUR million	-	455.0	378.2	310.2	

20230822O1479

Sustainable economic growth

Creation and distribution of direct economic value added

MEUR	2022	2021	2020
Customers			
Revenue and other operating income	1,261.8	1,158.0	989.1
Suppliers			
Purchased products, materials and services	525.7	488.9	447.6
Value added	**736.1**	**669.1**	**541.5**
Distribution of value added			
Distributed to stakeholders:			
Personnel			
Salaries and fees	381.5	315.9	262.5
Public sector			
Taxes and social expenses	106.4	82.6	58.4
Creditors			
Net financing costs	2.9	9.0	10.0
Shareholders			
Dividends	35.4	33.1	16.5
Buyback of own shares	-	11.2	0
Business development	**58.5**	**42.6**	**32.7**

Terveystalo is one of the largest employers in Finland

Terveystalo was one of the largest employers in Finland in 2022. At the year-end, our personnel in Finland included approximately 10,100 (9,131) salaried employees and 5,822 (5,644) private practitioners. In Sweden, we had 833 (674) employees and 106 (110) private practitioners.

Terveystalo pays its taxes to the countries it operates in

In accordance with Terveystalo's public tax strategy, we pay, collect, account and report our indirect and direct taxes in full at the right time and place, i.e. where the economic activity, addition of value and work generating the profit actually take place. This means that, as a Group, we pay almost all of our taxes to Finland, which is where most of our operations take place. Regarding the business activities of Feelgood, Rela-hierojat and Evalua sales company, taxes are also paid in Sweden, Estonia, and the Netherlands. The local business activities of our subsidiaries in Estonia and the Netherlands have been minor during the financial year 2022. Our responsible tax policy ensures that our financial profit is divided fairly between our key stakeholders, i.e. customers, shareholders, municipalities and the state. Tax revenue is used in turn to finance public services and investments that support the national government's capabilities, sustainability and responsiveness.

We publish our tax footprint annually, describing the total sum and division of taxes and tax-like charges paid to society. Our direct taxes include corporate income tax, transfer tax, and real estate tax, and our indirect taxes include, for example, value added tax. In accordance with the Tax Accounting Act, a share of the corporate income tax we pay is paid to the municipalities where Terveystalo's employees have worked, based on the number of employees. This means that all Terveystalo's clinics and outsourcing operations accrue tax revenue for the municipality they operate in.

As a basic rule, private health care companies are not eligible to deduct value added tax on purchases, which means that VAT is a substantial factor for them. The proportion of value added tax that is not deducted increases our tax footprint. Health care services sold by a private service provider are tax-exempt for customers. Corresponding with previous financial years, our tax footprint provides information of the VAT amount, which has not been deducted. However, some services – such as cosmetic surgery – are not exempt from VAT for the customer, which

20230822201480

Sustainable economic growth

means we collect and pay VAT. As of financial year 2022, we have added information on VAT paid to the Tax Authorities for the business activities liable to value added tax.

The parent company of the Terveystalo Group and the financing and purchasing companies operate in Finland and pay their taxes to Finland. Terveystalo has companies providing health care and other services in Finland, Sweden, Estonia and the Netherlands. All of the Group companies engage in economic activities in the countries they are domiciled in and pay taxes for their operations in accordance with the local regulations. Terveystalo's tax footprint reporting covers all of the Group's Finnish companies. For Sweden and Feelgood, the tax footprint is reported for the period of Terveystalo's ownership. As the share of revenue represented by the subsidiaries operating in Estonia and the Netherlands is still minor compared to the Group as a whole, the other countries' share of the tax footprint is presented combined.

In 2022, our tax footprint totalled EUR 235.7 (191.0) million. The tax footprint is an indicator of the total tax revenue generated for society by Terveystalo's business activities. In addition, we paid a total of EUR 340.6 (316.3) million in fees to private practitioners, who pay their individual taxes separately. The taxes paid by private practitioners are not included in Terveystalo's tax footprint.

Terveystalo's tax footprint

MEUR	2022	2021	2020
Performance-based statutory payments related to personnel	**80.4**	**62.0**	**47.8**
TyEL employee insurance premiums (employer's share)	56.9	50.6	38.6
Unemployment insurance contributions (employer's share)	6.4	5.3	4.3
Accident insurance premiums and group life insurance premiums + other social security costs	0.8	0.7	0.7
Employer's health insurance contributions	15.6	5.1	3.5
Social security costs outside Finland	0.6	0.4	0.6
Taxes withheld from pay [1]	**92.1**	**76.4**	**65.1**
Taxes paid	**63.3**	**52.5**	**39.5**
Non-deducted VAT [2]	32.1		
VAT remitted [3]	1.7	29.1	21.3
Real estate tax	0.6	0.3	0.1
Income tax (cash-based)	26.0	20.7	17.2
Asset transfer tax	0.6	0.4	0.1
Taxes on dividend payments	2.2	1.9	0.8
Total tax footprint	**235.7**	**191.0**	**152.3**

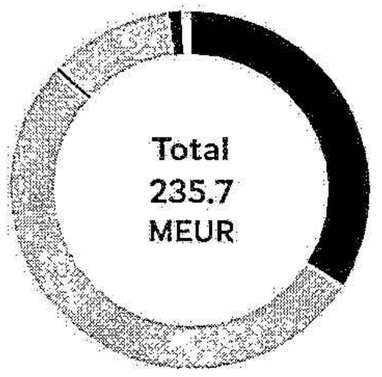
[1] In addition, a total of EUR 340.6 (316.3) million in fees was paid to self-employed persons working as subcontractors and responsible for paying taxes at their own initiative.
[2] Value-added tax is a significant factor for companies in the health care sector, as private healthcare companies are not, as a rule, eligible to deduct value-added tax.
[3] As of financial year 2022, the amount of remitted VAT has been added to the tax footprint.

Terveystalo's tax footprint by country

MEUR	2022	2021
Finland	212.5	182.8
Sweden and others	23.2	8.2
Total	**235.7**	**191.0**

Tax footprint 2022

MEUR



- 80.4 Performance-based statutory payments related to personnel
- 92.1 Taxes withheld from salaries
- 32.1 Non-deducted VAT
- 0.6 Real estate tax
- 26.0 Income tax (cash-based)
- 0.6 Asset transfer tax
- 2.2 Taxes on dividend payments
- 1.7 VAT remitted

Furthermore, a total of EUR 340.6 million in fees was paid to self-employed persons working as subcontractors. This comes on top of Terveystalo's tax footprint.

From Terveystalo's total tax footprint, we have collected EUR 212.5 million in Finland and EUR 23.2 million in international business.

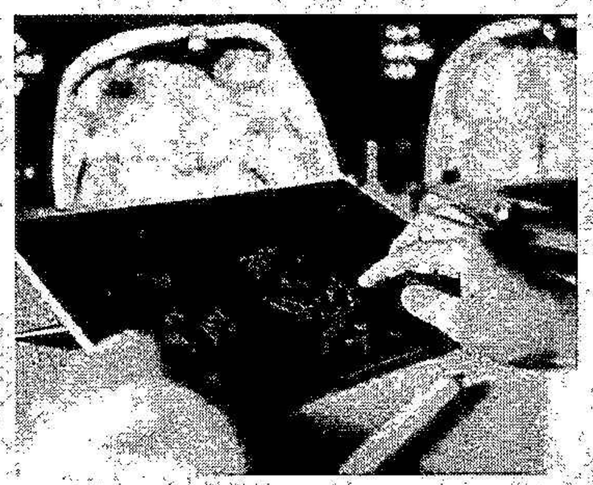
20230822014B1

Sustainable economic growth

Taxes in Terveystalo's operations

Procurement

Terveystalo does not deduct VAT from its procurement; it mainly bears the burden of the VAT because, as a general rule, private healthcare companies are not eligible to deduct VAT.



Terveystalo pays transfer tax when it expands its network through acquisitions.

Independent Practitioners

Terveystalo pays fees to independent practitioners, who in turn pay and file their own taxes.

Procurement →

Terveystalo

Shareholders

Terveystalo withholds and pays taxes on dividends to the shareholders of the listed company.

Sale of healthcare services →

Personnel

Terveystalo pays accrual-based statutory payments related to personnel, and withholds taxes from salaries.

Terveystalo pays income taxes based on its taxable profit.

Terveystalo pays real estate taxes on buildings and properties.

Customers

Customer fees for healthcare services are exempted from VAT in accordance with the Value Added Tax Act.

Some services, such as cosmetic surgery, are however not VAT. In such cases, Terveystalo collects and pays VAT.



20230822201482

Sustainable consumption and climate action

Sustainable consumption and climate action

We are committed to the targets agreed upon in international climate summits for the mitigation of climate change. Our goal is zero emissions from our own operations in 2030. We promote the conservation and sustainable use of natural resources in our supply chains by reducing plastic consumption, recycling, increasing the efficiency of our material management and reducing the number of small orders. Our digital services enable us to simultaneously improve access to care and reduce our customers' travel times and the emissions generated by travel.

Sustainable consumption and climate action

Area	Target	Indicator	Target	2022	2021	2020	SDG
Reducing the carbon footprint	Zero emissions from own operations in 2030.[1] Between 2023 and 2030, we will compensate for any remaining greenhouse gas emissions by investing in certified carbon dioxide emission compensation projects.	Reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions compared to 2018 (6,316.8 tCO_2)	-100% by 2030	-61%	-89%	-66%	13
	We will 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	-80% by 2025	2,476.3	664.0	2,165.4	
Energy consumption	We will purchase 100% green electricity by 2025[2]	Share of green electricity of all purchased electricity, %	100% by 2025	50%	89%	62%	
Waste recovery[4]	We will minimize waste in all of our operations and forward all waste to be recovered.	The recovery rate of waste generated at Terveystalo units, %[3]	100% by 2025	100%	100%	99%	12
		The recycling rate of waste generated at Terveystalo units, %[3]	100% by 2025	67%	64%	61%	
		Mixed waste intensity (mixed waste [metric tons] relative to total revenue [100 million])	Annual reduction	5.8	6.4	6.0	

[1] Between 2023 and 2030, we will compensate for any remaining greenhouse gas emissions by investing in certified carbon dioxide emission compensation projects. Our aim is to eventually discontinue compensation measures and to achieve zero emissions in our own operations by 2030. In 2022 emissions were not compensated due to cost savings. The calculation of Scope 2 emissions is market-based. The exceptional electricity market disturbances forced Terveystalo to change its electricity supplier in the middle of the year, and because of the high market price of electricity, no green electricity was purchased for the rest of the year. The calculation of the market-based figure is based on the emission factor of the electricity purchased by Terveystalo in Finland, while the location-based figure is calculated according to a factor based on the source distribution of local energy production. The amount of green electricity from the electricity purchased in Sweden has been calculated according to the average share of green electricity in the Swedish market, since supplier-specific information is not available. The energy consumption and carbon footprint figures for 2022 also include operations in Sweden. Comparison years only include Finland.
[2] In the units where we purchase electricity ourselves.
[3] Excludes waste fractions that cannot be recycled or recovered under any circumstances, such as hazardous waste.
[4] Includes Terveystalo's operations in Finland.

20230822014B3

Sustainable consumption and climate action

We build a sustainable relationship with the environment in line with our environmental policy

Our environmental policy is guided by Terveystalo's values and strategy, which the management and personnel have undertaken to comply with.

We operate in line with the principles of sustainable development in order to reduce and eliminate environmental risks. We comply with all applicable laws, regulations and procedures in place in our industry to ensure safety at work and patient safety.

> **We operate in line with the principles of sustainable development in order to reduce and eliminate environmental risks.**

Our environmental goals are as follows:

- Development of environmental management and awareness at all organizational levels
- Identification, anticipation and monitoring of direct and indirect environmental impacts
- Reduction of environmental impacts in our day-to-day operations
- Development of practices that promote sustainable development

We prevent adverse environmental impacts by, for example:

- reducing energy consumption and transitioning to carbon-neutral energy,
- reducing the volume of waste created in our operations and increasing our recycling rate,
- optimizing the life-cycle of health care equipment, with due consideration for technological development,
- taking environmental perspectives into account in our travel and car policy,
- developing digital services by planning and implementing pharmaceutical services in an up-to-date manner,
- taking environmental perspectives into account in centralized procurement and ensuring efficient inventory management, and
- taking sustainable development and environmental perspectives into account in our network and business premises projects.

Terveystalo's environmental program covers all of our clinics in Finland and its appropriateness is evaluated in quality management and environmental management system audits. Some of our clinics in Finland and Group services are ISO 14001:2015 certified. Feelgood, Terveystalo's subsidiary operating in Sweden, also has ISO 14001:2015 certification.

Our climate target: zero emissions from own operations in 2030

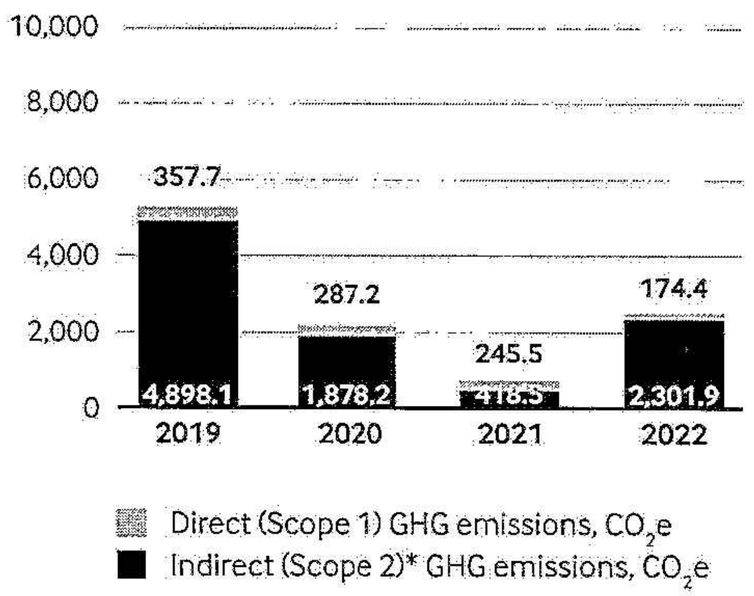
Our goal is to reduce our carbon footprint so that we will achieve zero emissions in our own operations in 2030. Between 2023 and 2030, we will compensate greenhouse gas emissions from our own operations by investing in certified CO_2 emission compensation projects. Our aim is to eventually discontinue compensation measures and to achieve zero emissions in our own operations by 2030.

A further goal is to reduce our direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 80% by 2025 (using 2018 as the baseline). As regards energy consumption, our target is for green electricity to account for 100% of the electricity we purchase. The recycling and recovery of waste is another key theme in our environmental responsibility, with the goal being to minimize waste in all operations. The indicators we use for this are the mixed waste intensity and the recovery rate and recycling rate of waste generated at Terveystalo's units.

Our carbon footprint increased due to disruptions in the electricity market

In 2022, Terveystalo's carbon footprint from Scope 1 and Scope 2 emissions (market-based) in Finland totalled 2,334.1 (644.0) metric tons of carbon dioxide equivalent (tCO_2e). Scope 2 emissions from purchased electricity quadrupled from the previous year. This was due to the exceptional electricity market disturbances, which forced Terveystalo to change its electricity supplier in the middle of the year, and because of the high market price of electricity, no green electricity was purchased for the rest of the year. In Sweden, Scope 1 and 2 emissions from Feelgood's operations totalled 142.2 tCO_2e. Terveystalo's carbon

GHG-emissions development



*Market based Scope 2
Emission in 2022 also include Sweden.

20230822014484

Sustainable consumption and climate action

footprint consists mainly of the production of the electricity consumed by properties, emissions generated by transport and travel as well as the waste generated in hospitals and clinics. The emissions generated by Terveystalo's operations are reduced, for example, by increasingly transitioning to green electricity and prioritizing low-emission vehicles.

Emissions

We report the direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions arising from our operations – and part of our indirect Scope 3 emissions – in accordance with the GHG standard. We report the emissions from Swedish operations for the first time for the year 2022.

Scope 1

As we do not, for the most part, own or control the properties at which we operate, our greenhouse gas emissions mostly consist of the emissions from our fleet of cars and the trucks used for imaging operations. The emissions arising from our own driving and driving under our direct control are calculated based on fuel consumption. In 2022, Scope 1 CO_2 emissions in Finland totalled 134.5 (245.5) metric tons of carbon dioxide equivalent (tCO_2e). In Sweden, Scope 1 emissions totalled 39.9 tCO_2e.

Scope 2

Indirect Scope 2 greenhouse gas emissions arise from the production of electricity purchased by Terveystalo and the production of district heating consumed at properties controlled by Terveystalo. In 2022, electricity purchases for properties controlled by Terveystalo totalled 15,841 (14,159) MWh. Since January 2020, the company's electricity portfolio (electricity purchased for properties) has been zero-CO_2 green electricity. Zero-CO_2 electricity purchased for 2022 in Finland totalled 7,730 (12,696) MWh, representing approximately 49 (89) percent of the company's electricity consumption in Finland. The remainder, 8,111 (1,499) MWh, corresponds to 2,199.6 (418.5) metric tons of CO_2 equivalent (tCO_2e, market-based). The exceptional electricity market disturbances forced Terveystalo to change its electricity supplier in the middle of the year, and because of the high market price of electricity, no green electricity was purchased for the rest of the year. In Sweden electricity purchases for properties controlled by Feelgood totalled 1,328 MWh, of which 67 percent was zero-CO_2 green electricity. As regards energy consumption, our target is for green electricity to account for 100% of the electricity we purchase.

Scope 3

For indirect Scope 3 emissions, we report emissions arising from work-related travel by employees and waste created by the company's operations.

We aim to avoid unnecessary work-related travel by encouraging the use of remote meetings whenever possible. In 2022, Terveystalo's personnel in Finland flew a total of 0.7 (0.3) million kilometres in work-related travel, equalling 84.1 (39.9) tCO_2e. Regarding reimbursable work-related travel, our personnel in Finland travelled a total of 2.6 (1.9) million kilometres, equalling 440.8 (322.1) tCO_2e. We encourage our personnel to choose low-emis-



20230822201485

Sustainable consumption and climate action

sions vehicles as company cars. The average emissions of the company cars used by the Group in Finland amount to 72 (92) g CO_2e/km. In Sweden, personnel are encouraged to use trains instead of flying and to favour remote meetings when possible. Terveystalo's personnel in Sweden flew a total of 0.31 million kilometres, resulting in emissions of 45.1 tCO_2e. A total of 262.6 tCO_2e were emitted from all the work-related trips of the Swedish personnel.

The indirect emissions arising from waste in Finland totalled 41.7 (36.6) tCO_2e in 2022. In Sweden, emissions from waste are very low since the amount of waste generated from operations is small and is mainly generated in offices. The emissions arising from waste in Sweden totalled 2.1 tCO_2e.

Terveystalo has a low CO_2 emissions intensity

Terveystalo's CO_2 emissions intensity is low due to the nature of the Group's operations. In 2022, Terveystalo's emissions intensity (Scope 1 and Scope 2, market-based) relative to revenue amounted to 1.8 (0.6) gCO_2e/EUR. Relative to the number of employees, the emissions intensity was 0.4 (0.12) tCO_2e. Figures for 2022 also include operations in Sweden.

Digital services improve access to care and reduce environmental effects

Our digital services enable us to simultaneously improve service availability and reduce our customers' travel times and the emissions generated by travel. In 2022, the number of remote appointments increased to 2.9 (2.0) million. Remote appointments through digital channels or over the phone accounted to 34 (25) percent of all appointments.

Minimization and utilization of waste

The recycling and recovery of waste is another key theme in our environmental responsibility, with our goal being to minimize mixed waste in all operations and forward as large a share of our waste as possible to be recovered. The indicators we use for this in Finland's operations are the mixed waste intensity and the recovery rate and recycling rate of waste generated at Terveystalo's units in Finland. We are committed to reducing the plastic waste generated by our operations in accordance with the EU's plastic strategy by improving our recycling efforts and reviewing the packaging options offered by our suppliers when possible. We also keep a close eye on our medical waste and try to minimize it by increasing the efficiency of our inventory management. The amount of waste from Terveystalo's Swedish operations is small and is largely office waste, because Feelgood has no hospitals, medical clinics or laboratories.

The COVID-19 pandemic also influenced the amount of waste generated in 2022, as the use of protective equipment needed for COVID-19 testing, vaccination and the protection of staff and customers increased during the year. The amount of mixed waste was also increased by the renovations of several units.

Greenhouse gas emissions (Scope 1 and 2)

Metric tons of CO_2 e	2022	2021	2020	2019	2018
Direct (Scope 1)					
Finland	134.5	245.5	287.2	357.7	334.9
Sweden	39.9	N/A	N/A	N/A	N/A
Total	174.4	245.5	287.2	357.7	334.9
Indirect (Scope 2, market-based)					
Finland	2,199.6	418.5	1,878.2	4,898.1	5,981.9
Sweden	102.3	N/A	N/A	N/A	N/A
Total	2,301.9	418.5	1,878.2	4,898.1	5,981.9
Indirect (Scope 2, location-based)					
Finland	1,156.4	1,320.1	1,881.4	1,784.1	2,125.4
Sweden	13.3	N/A	N/A	N/A	N/A
Total	1,169.7	1,320.1	1,881.4	1,784.1	2,125.40
Scope 1 and Scope 2 (marked-based)	2,476.3	664.0	2,165.4	5,255.8	6,316.8
Change from 2018	-61%	-89%	-66%	-17%	N/A
Change from previous year	273%	-69%	-59%	-17%	N/A
Scope 1 and 2 (location-based) total	1,344.1	1,565.6	2,168.6	2,141.1	2,460.3

The calculation of the market-based figure in Finland is based on the emission factor of the electricity purchased by Terveystalo, while the location-based figure is calculated according to a factor based on the source distribution of local energy production.

The amount of green electricity from the electricity purchased for the Swedish operations has been calculated according to the average share of green electricity in the Swedish market, as supplier-specific information is not available.

20230822201486

Sustainable consumption and climate action

Greenhouse gas emissions (Scope 3)

Metric tons of CO_2 e	2022	2021	2020	2019	2018
Business travel					
Finland	549.7	374.5	312.5	400.3	270.5
Sweden	262.6	N/A	N/A	N/A	N/A
Total	812.3	374.5	312.5	400.3	270.5
Waste					
Finland	41.7	36.6	30.2	25.6	29.7
Sweden	2.1	N/A	N/A	N/A	N/A
Total	43.8	36.6	30.2	25.6	29.7
Indirect (Scope 3) total	856.1	411.1	342.7	425.9	300.2

Emissions intensity

	2022	2021	2020	2019
Emissions intensity: Scope 1+2/revenue, gCO_2e/EUR				
Finland	1.9	0.6	2.2	5.0
Sweden	1.1	N/A	N/A	N/A
Total	1.8	0.6	2.2	5.0
Emissions intensity: Scope 1+2 /full-time equivalent, tCO_2e.				
Finland	0.4	0.1	0.4	1.1
Sweden	0.1	N/A	N/A	N/A
Total	0.4	0.12	0.44	1.1

Scope 2 marked-based

Purchased electricity

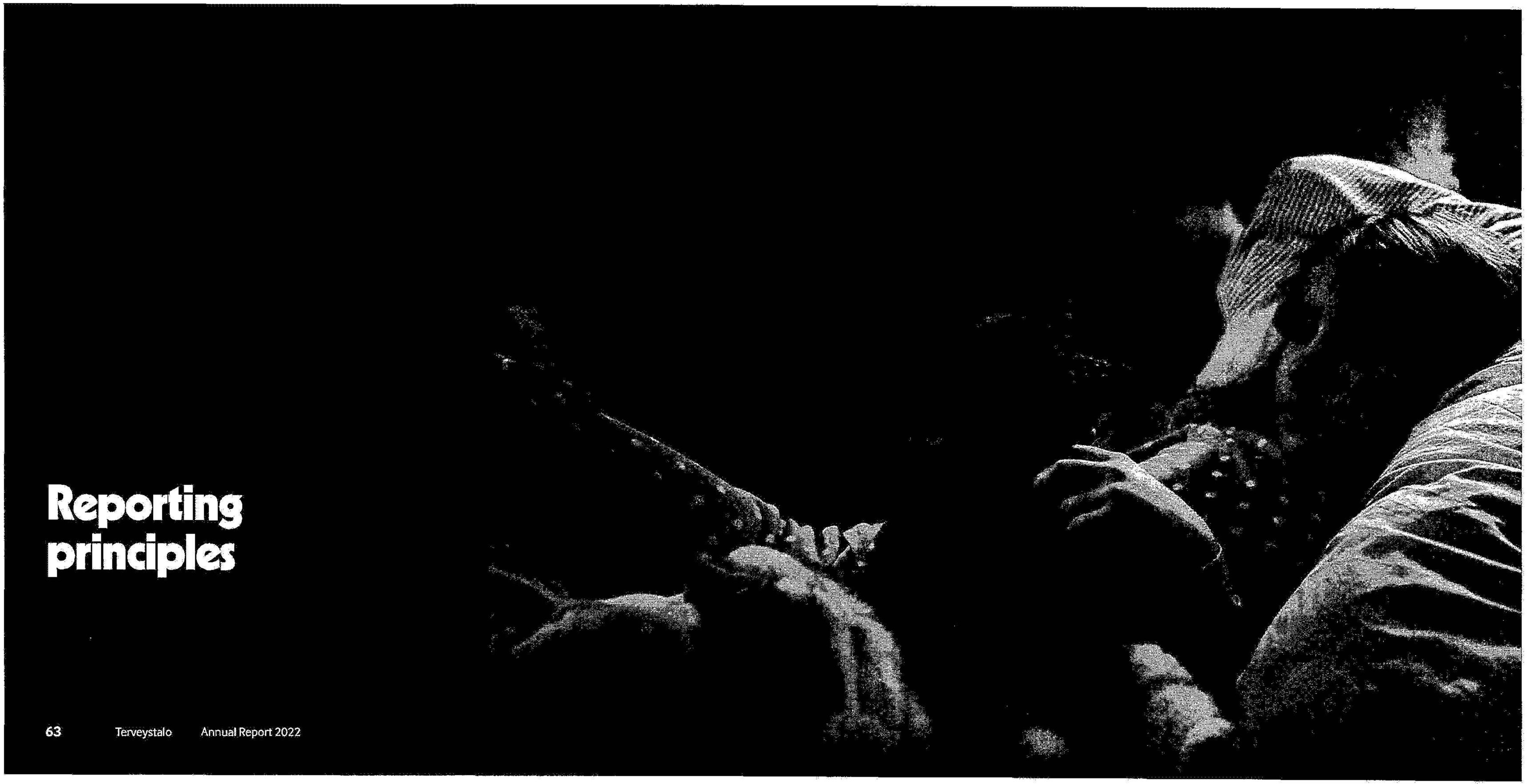
MWh	2022	2021	2020	2019	2018
Finland					
Purchased electricity	15,841	14,195	15,944	16,219	17,140
of which green electricity (CO_2-free)	7,730	12,696	9,934	0	0
share of electricity consumption, %	49%	89%	62%	0%	0%
Sweden					
Purchased electricity	1,328	N/A	N/A	N/A	N/A
of which green electricity (CO_2-free)	888	N/A	N/A	N/A	N/A
Purchased electricity total	17,169	14,195	15,944	16,219	17,140
of which green electricity (CO_2-free)	8,619	12,696	9,934	0	0
share of electricity consumption, %	50%	89%	62%	0%	0%

The amount of green electricity from the electricity purchased for the Swedish operations has been calculated according to the average share of green electricity in the Swedish market, as supplier-specific information is not available.

Waste

Metric tons	2022	2021	2020	2019	2018
Finland					
Documents subject to data protection	114	120	106	122	101
Mixed waste	68	72	59	50	58
Hazardous waste	32	27	22	23	19
Cardboard	32	23	28	24	22
Waste paper	10	12	13	13	13
Total	255	254	228	232	212
Sweden					
Hazardous waste	2	N/A	N/A	N/A	N/A
Cardboard and recycling paper	5	N/A	N/A	N/A	N/A
Total	7	N/A	N/A	N/A	N/A
Total waste	262	254	228	232	212

20230822201487



Reporting principles

20230822201488

Sustainability reporting principles

We report on sustainability as part of our annual report. The Sustainability section describes Terveystalo's sustainability efforts and their results. The sustainability report for 2022 is prepared with reference to the GRI Standards. The Statement of Non-Financial Information as required by the Accounting Act is included in the Report of the Board of Directors found in the Financials section of the Annual Report.

Our reporting meets the requirements of the EU Directive regarding the disclosure of non-financial and diversity information as well as the Finnish accounting legislation. The required non-financial information is disclosed in the Corporate Governance Statement and the Report of the Board of Directors.

In our sustainability reporting, we focus on the sustainability themes and aspects that are the most material for our operations in accordance with our sustainability program. The material aspects of sustainability were defined in the materiality analysis we conducted in 2019. In addition to materiality, we have aimed to take into account the other reporting principles of the GRI Standards in our reporting. In 2023, we will conduct a new materiality analysis, which corresponds to the new GRI standards and the EU's sustainability reporting directive.

Terveystalo is committed to complying with the ten principles of the UN Global Compact (UNGC) initiative regarding human rights, labour rights, the environment and anti-corruption. This report is a Communication on Progress (COP) in accordance with the initiative. The reported Global Compact principles are listed in the GRI Content Index.

Our sustainability reporting covers the reporting period 1 January–31 December, 2022. The Annual Report is available in Finnish and English. The report for 2021 was published in February 2022.

Scope of reporting and assurance

In addition to our operations, our Code of Conduct and operating principles also apply to the independent practitioners working at Terveystalo. In addition, we require our suppliers to approve the Supplier Code of Conduct. Unless otherwise stated, this report does not cover other aspects of our outsourcing business, non-integrated acquired entities, independent subsidiaries or suppliers. This report describes our progress in our key objectives and commitments related to our most material sustainability themes.

Unless otherwise stated, the performance data given in this report covers the operations that have been completely integrated into Terveystalo and are an integral part of Terveystalo's network. The sections on the personnel and environment cover the personnel and operations of Terveystalo, excluding non-integrated acquired entities and independent subsidiaries. Our emissions reporting complies with the CHG requirements.

The report has not been externally verified.

20230822201489

Sustainability themes and material topics

The reported topics have been selected based on materiality.

Sustainability themes/ priorities	Material GRI topics and Terveystalo's own material sustainability topics	GRI topic/standard	GRI indicator or Terveystalo's own indicator
Good health and well-being	The quality and effectiveness of care	Own topic: Quality index: high clinical and experienced quality, good availability of care and preventive care	Use of the WHO Surgical Safety Checklist in surgical operations
	Availability of care		Prescriptions for drugs affecting the central nervous system in relation to visits to a physician
	Ensuring patient safety		Duration of sickness absence issued on the day of the operation (median),
			Repair of the rotator cuff and the anterior cruciate ligament
	Promoting the well-being of customers and preventing illnesses		Percentage of preventive work of occupational health appointments
	High-quality service		Days until the next available appointment, clinics (T3)
			NPS, net promoter score for appointments
			eNPS, employee Net Promoter Score
			Quality index % total
			Days until the next available appointment T3, public services
			Reimbursed patient claims / appointments with a physician
			Near misses/hazardous incidents
	Development of new service innovations and operating methods		No indicator defined
Ethical business	Prevention of corruption and bribery	GRI 205: Anti-corruption (2016)	205-2 Communication and training about anti-corruption policies and procedures
			205-3 Total number and nature of confirmed incidents of corruption
	Compliance	Own topic: Compliance	Own indicator: Employees who have completed Compliance training
			102-16 Values, principles, standards and norms of behavior
			102-17 Mechanisms for advice and concerns about ethics
	Ensuring data protection and information security	GRI 418: Customer privacy protection (2016)	418-1 Substantiated complaints received concerning breaches of customer privacy and loss of customer data
	Respecting human rights	GRI 412: Human Rights Assessment (2016)	412-2 Employee training on human rights policies or procedures
	Responsible marketing		
	Responsible use of artificial intelligence	GRI 418: Customer privacy protection (2016)	418-1 Substantiated complaints received concerning breaches of customer privacy and loss of customer data
	Compliance with fair competition		No indicator defined

202308220149O

Sustainability themes/ priorities	Material GRI topics and Terveystalo's own material sustainability topics	GRI topic/standard	GRI indicator or Terveystalo's own indicator
Responsible work	Employee well-being at work	Own topic: Employer recommended by the personnel	Own indicator: eNPS, employee Net Promoter Score
			Own indicator: Sickness absences
		GRI 401: Employment (2016)	401-1 New employee hires and employee turnover
	Ensuring occupational safety	GRI 403: Occupational health and safety (2018)	403-1 Occupational health and safety management system
			403-2 Hazard identification, risk assessment and incident investigation
			403-3 Occupational health services
			403-4 Worker participation, consultation and communication on occupational health and safety
			403-6 Promotion of worker health
			403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
			403-8 Workers covered by an occupational health and safety management system
			403-9 Work-related injuries
	Employee diversity	GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees
	Personnel development	GRI 404: Training and education (2016)	404-2 Programs for upgrading employee skills and transition assistance programs
			404-3 Percentage of employees receiving regular performance and career development reviews

Sustainability themes/ priorities	Material GRI topics and Terveystalo's own material sustainability topics	GRI topic/standard	GRI indicator or Terveystalo's own indicator
Sustainable economic growth	Responsible tax policy and tax payment	GRI 207: Tax (2019)	207-1 Approach to tax
			207-4 Country-by-country reporting
		Own topic: Tax footprint	Own indicator: Taxes paid
	Creation of economic value added for society and shareholders	GRI 201: Economic performance (2016)	201-1 Direct economic value generated and distributed
			Own indicator: Revenue growth
	Responsible purchasing practices and the degree of domestic purchasing	GRI 414: Supplier social assessment	414-1 New suppliers that were screened using social criteria
		GRI 308: Supplier environmental assessment	308-1 New suppliers that were screened using environmental criteria
	Job creation nationwide		Own indicator: Employee benefit expenses

20230822201491

Sustainability themes/ priorities	Material GRI topics and Terveystalo's own material sustainability topics	GRI topic/standard	GRI indicator or Terveystalo's own indicator
Sustainable consumption and climate action	Reducing the carbon footprint	GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions
			305-2 Energy indirect (Scope 2) GHG emissions
			305-3 Other indirect (Scope 3) GHG emissions
			305-4 GHG emissions intensity
			Own indicator: Share of green electricity of all purchased electricity
	Material efficiency and waste recycling	Own topic: Minimization and recovery of waste	Own indicator: Mixed waste intensity
			Own indicator: The recovery rate of waste generated at Terveystalo units, %
			Own indicator: The recycling rate of waste generated at Terveystalo units, %

Contact us

We hope that our readers find this report interesting and informative, and we welcome feedback and questions.

For more information, please contact:
Kati Kaksonen
Vice President, Corporate Communications, IR & CR
Tel. +358 10 345 2034
kati.kaksonen@terveystalo.com

2023082201492

GRI-index

GRI Standards disclosure		Location	Comments
GRI 2: General disclosures (2021)			
Organizational profile			
2-1	Organizational details	Terveystalo in brief p. 3, https://www.terveystalo.com/en/company	
2-2	Entities included in the organization's sustainability reporting	Reporting principles p. 64	
2-3	Reporting period, frequency and contact point	Reporting principles p. 64, 67	
2-4	Restatements of information	Reporting principles p. 64	
2-5	External assurance	Reporting principles p. 64	
Activities and workers			
2-6	Activities, value chain and other business relationships	Terveystalo in brief p. 3, Terveystalo's addressable markets p. 9–11, Ethical business p. 42–44	
2-7	Employees	Responsible work p. 46, 52	
2-8	Workers who are not employees	Responsible work p. 46, 48, 50, 52	
Governance			
2-9	Governance structure and composition	Sustainability management p. 29, Corporate government statement p. 73–79	
2-10	Nomination and selection of the highest governance body	Corporate government statement p. 73–74, 77–78	
2-11	Chair of the highest governance body	Corporate government statement p. 74, 76	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management p. 29, Corporate government statement p. 77, 83	
2-13	Delegation of responsibility for managing impacts	Sustainability management p. 29	
2-14	Role of the highest governance body in sustainability reporting	Sustainability management p. 29	
2-15	Conflicts of interest	Ethical business p. 43–44, Terveystalo remuneration policy for governing bodies p. 87	
2-18	Evaluation of the performance of the highest governance body	Corporate governance statement p. 78	
2-19	Remuneration policies	Terveystalo remuneration policy for governing bodies p. 87–91	Responsibility related matters are being handled by the Board of Directors.
2-20	Process to determine remuneration	Terveystalo remuneration policy for governing bodies p. 87–91	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	CEO's review p. 6	
2-23	Policy commitments	Sustainability management p. 26–28, Ethical business p. 42–44, Responsible work p. 49–51, Sustainable economic growth p. 54, Sustainable consumption and climate action p. 58–59, Corporate governance statement p. 84	
2-24	Embedding policy commitments	Sustainability management p. 26–28, Ethical business p. 43–44, Responsible work p. 47–49, Sustainable consumption and climate action p. 58–59	
2-25	Processes to remediate negative impacts	Ethical business p. 43–45, Good health and well-being p. 35, Responsible work p. 47, Sustainable consumption and climate action p. 59	
2-26	Mechanisms for seeking advice and raising concerns	Sustainability management p. 26–28, Ethical business p. 43–45	
2-27	Compliance with laws and regulations	Ethical business p. 43–45	

20230822201493

GRI Standards disclosure		Location	Comments
2-28	Membership associations	Terveystalo contributes to the achievement of sustainable development goals p. 25, Stakeholder engagement p. 30	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder engagement p. 30, Sustainable economic growth p. 54	
2-30	Collective bargaining agreements	Terveystalo remuneration policy for governing bodies p. 91	
GRI 3: Material Topics (2021)			
3-1	Process to determine material topics	Materiality analysis as the foundation of our sustainability efforts p. 31	
3-2	List of material topics	Materiality analysis as the foundation of our sustainability efforts p. 31	
3-3	Management of material topics	Sustainability management p. 26–29, Good health and well-being p. 33, Ethical business p. 42, Responsible work p. 46, Sustainable economic growth p. 54, Sustainable consumption and climate action p. 58–59, Corporate governance statement p. 83–84	
Economic standards			
GRI 201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	Sustainable economic growth p. 54–55	
GRI 205: Anti-corruption (2016)			
205-2	Communication and training about anti-corruption policies and procedures	Ethical business p. 43–45	
205-3	Confirmed incidents of corruption and actions taken	Ethical business p. 44–45	

GRI Standards disclosure		Location	Comments
GRI 206: Anti-competitive behavior(2016)			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI-index	No identified cases for 2022.
GRI 207: Tax (2019)			
207-1	Approach to tax	Sustainable economic growth p. 55–57	
207-2	Tax governance, control, and risk management	Sustainable economic growth p. 55–57	
207-3	Stakeholder engagement and management of concerns related to tax	Sustainable economic growth p. 55–57	
207-4	Country-by-country reporting	Sustainable economic growth p. 55–57	
Environmental standards			
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	Sustainable consumption and climate action p. 59–61	
305-2	Energy indirect (Scope 2) GHG emissions	Sustainable consumption and climate action p. 59–61	
305-3	Other indirect (Scope 3) GHG emissions	Sustainable consumption and climate action p. 59–61	
305-4	GHG emissions intensity	Sustainable consumption and climate action p. 59–61	
GRI 306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	Sustainable consumption and climate action p. 61–62	
306-2	Management of significant waste-related impacts	Sustainable consumption and climate action p. 61–62	The property owner handles waste treatment in cases where Terveystalo is not responsible for waste treatment. Otherwise, L&T is our contract partner.
306-3	Waste generated	Sustainable consumption and climate action p. 61–62	

20230822201494

GRI Standards disclosure		Location	Comments
GRI 308: Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	GRI-index	Our Supplier Code of Conduct includes requirements related to environmental responsibility.
Social standards			
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	Responsible work p. 46, 53	
GRI 403: Occupational health and safety (2018)			
403-1	Occupational health and safety management system	Sustainability management p. 27, Responsible work p. 46–48	
403-2	Hazard identification, risk assessment, and incident investigation	Responsible work p. 46–48	
403-3	Occupational health services	Responsible work p. 46–48	
403-4	Worker participation, consultation, and communication on occupational health and safety	Responsible work p. 49–50	
403-5	Worker training on occupational health and safety	Responsible work p. 48–49	
403-6	Promotion of worker health	Responsible work p. 46–49	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsible work p. 47–48	
403-8	Workers covered by an occupational health and safety management system	Responsible work p. 47–49	
403-9	Work-related injuries	Responsible work p. 48, 53	
403-10	Work-related ill health	Responsible work p. 48, 53	
GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	Responsible work p. 48–50	
404-2	Programs for upgrading employee skills and transition assistance programs	Responsible work p. 48–50	
404-3	Percentage of employees receiving regular performance and career development reviews	Responsible work p. 48–50	
GRI 405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	Responsible work p. 50–52	
GRI 414: Supplier social assessment (2016)			
414-1	New suppliers that were screened using social criteria	GRI-index	Our Supplier Code of Conduct includes requirements related to social responsibility.
GRI 417: Marketing and labelling (2016)			
417-3	Incidents of non-compliance concerning marketing communications	GRI-index	No incidents in 2022.
GRI 418: Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI-index	The data protection authority requested clarifications on seven complaints related to privacy protection in 2022.



Corporate Governance

73 Corporate governance statement

87 Terveystalo Remuneration Policy of Governing Bodies

93 Remuneration report

20230822201496



Corporate governance statement

20230822201497

Corporate governance statement

I. Introduction

Governance at Terveystalo Plc (hereinafter referred to as "Terveystalo" or the "Company") is based on applicable laws, the rules and recommendations of Nasdaq Helsinki Ltd (hereinafter referred to as the "Helsinki Stock Exchange"), and the Company's Articles of Association. In addition, the Company follows the Finnish Corporate Governance Code 2020 ("Corporate Governance Code"), issued by the Securities Market Association and available on its website at www.cgfinland.fi. Terveystalo complies with all the recommendations in the Corporate Governance Code with one temporary exception described in more detail in the section regarding the Remuneration Committee. Terveystalo's Corporate Governance Statement has been prepared in accordance with the Corporate Governance Reporting section of the Corporate Governance Code.

This statement has been reviewed and approved by Terveystalo's Audit Committee and Board of Directors, and it has been prepared separately from the Report of the Board of Directors. The statement is available on the Company website at: https://www.terveystalo.com/en/company/investors/corporate-governance/.

II. Descriptions concerning corporate governance

Terveystalo Plc is a Finnish public limited liability company domiciled in Helsinki. The parent company, Terveystalo Plc, and its subsidiaries form the Terveystalo Group (hereinafter referred to as the "Group"). The responsibility for the administration and operations of Terveystalo Group lies with the governing bodies of the parent company, Terveystalo Plc. These governing bodies include the Annual General Meeting, the Board of Directors, and the CEO. The AGM elects the members of the Board of Directors on the basis of the proposal of the Shareholders' Nomination Board consisting of the largest shareholders. The work of the Board of Directors is aided by two committees. The Board elects the committee members from amongst its members. The CEO appointed by the Board manages the operations of Terveystalo Group, assisted by the rest of the Executive Team. The work of the Board of Directors, its committees, the CEO, and the rest of the Executive Team is governed by the Company's corporate governance principles, adopted by the Board of Directors. These principles include the Charters of the Board and its committees, the division of responsibilities between the decision-making bodies, and the principles concerning the arrangement of internal control and risk management. The Company's governance structure is described in the chart on the this page.

Terveystalo's governance structure



20230822201498

Annual General Meeting

The Annual General Meeting is Terveystalo's highest decision-making body. The Annual General Meeting is held annually on a date determined by the Board of Directors, within six (6) months of the end of the financial year.

The Annual General Meeting deals with matters falling within its competence pursuant to the Finnish Limited Liability Companies Act and Terveystalo's Articles of Association, and any possible other matters. An Extraordinary General Meeting is convened when necessary. More detailed information about the Annual General Meeting is provided in Terveystalo's Articles of Association, which can be found on the company website at: https://www.terveystalo.com/en/company/investors/corporate-governance/. The Annual General Meeting for 2022 was held on 7 April 2022. The decisions of each Annual General Meeting can be found on Terveystalo website at: https://www.terveystalo.com/en/company/investors/corporate-governance/annual-general-meeting/.

Shareholders' Nomination Board

In accordance with the decision of the Annual General Meeting, the Shareholders' Nomination Board (hereinafter referred to as the "Nomination Board") annually prepares proposals to the next Annual General Meeting concerning the number of Members on the Board and their election and remuneration. It also identifies candidates for Members of the Board. The Nomination Board consists of the Chair of the Company's Board of Directors and, generally, representatives of the Company's four largest shareholders. If the ownership of the Company's fifth largest shareholder exceeds ten (10) percent of all the shares and votes in the Company, the five largest shareholders shall be represented in the Nomination Board. The composition of the Nomination Board is determined based on the shareholdings on the first bank day in September each calendar year. The Chair of the Board of Directors convenes the first meeting of the Nomination Board. The Nomination Board elects a Chair from amongst its members. Subsequent meetings of the Nomination Board are convened by the elected Chair. If more than half of the members of the Nomination Board are present, they constitute a quorum. The Nomination Board has a written Charter which includes a more detailed description of the election process and the duties of the Nomination Board members as well as the procedures of the Nomination Board's meetings. A description of the main contents of the Charter of the Nomination Board can be found on the Company website at: https://www.terveystalo.com/en/company/investors/corporate-governance/shareholders-nomination-board/.

In accordance with shareholdings on 1 September 2022, Terveystalo's Nomination Board consists of the representatives of the Company's four largest shareholders and the Chair of the Board of Directors. In accordance with the above, the following persons are members of Terveystalo's Nomination Board from 10 September 2022 onwards: Risto Murto (Varma Mutual Pension Insurance Company), Tomas von Rettig (Rettig Group AB), Peter Therman (Hartwall Capital), Timo Ritakallio (Pohjola Vakuutus), and Kari Kauniskangas (Chair of the Board of Directors of Terveystalo Plc). Matts Rosenberg, Rettig Group AB, served as a member of the Nomination Board until 13 June 2022, and Olli Lehtilä, OP Group until 13 September 2022. Tomas von Rettig, Rettig Group AB, was appointed as new member as of 13 June 2022, and Timo Ritakallio, Pohjola Insurance, as of 13 September, 2022.

In its organizing meeting held on 13 September 2022, the Nomination Board re-elected Risto Murto as its Chair. The Shareholders' Nomination Board forwarded its proposals for the Annual General Meeting to Terveystalo's Board of Directors on 16 December 2022. In 2022, the Nomination Board convened six times. The attendance rate of members was 91.7 percent.

Board of Directors

According to Terveystalo's Articles of Association, the Board of Directors has a minimum of five (5) and a maximum of eight (8) ordinary members. The Annual General Meeting of Shareholders elects the members of the Board of Directors. The Board of Directors elects the Chair from among its members. In 2022, the Annual General Meeting elected six members to the Board of Directors. Biographical details are provided on the following page.



Kari Kauniskangas

b. 1962, M.Sc. (Econ.), Finnish citizen. Chairman of the Board of Directors since 2019. Independent of the company and its largest shareholders.

Committee memberships: Chairman of the Remuneration Committee, member of the Shareholders' Nomination Board

Main occupation: Board Professional

Primary working experience: 2008–2017, Fiskars Corporation, President and CEO 1999– 2007 Amer Sports Corporation, multiple executive positions, most recently Senior Vice President, Sales & Distribution and Head of Winter & Outdoor division

Main positions of trust: 2019– Veho Oy AB, Chairman of the Board of Directors, 2013– Veho Oy AB, Member of the Board of Directors, 2022– Ahlström Capital Oyj, Vice Chairman of the Board of Directors

Main past positions of trust: 2020–2022 Ahlström Capital Oyj, Chairman of the Board of Directors, 2018–2019 Raisio Plc, Vice Chairman of the Board of Directors, 2008–2010 Wärtsilä Corporation, Member of the Board of Directors

Shareholding in Terveystalo as of 31 December, 2022: 16,532

20230822201499



Matts Rosenberg

b.1977, Ph.D. (Econ.), Finnish Citizen. Member of the Board of Directors since 2022. Independent of the company, but not of its significant shareholders due to his position as the CEO of Rettig Group.

Committee memberships: Member of the Audit Committee

Main occupation: Rettig Group, CEO

Primary working experience: 2019– Rettig Group, CEO, 2018–2019 Rettig Group, Deputy CEO & Head of Core Investments, 2016–2018 Rettig Group, COO, 2014–2016 Fortaco Group, Deputy CEO & CFO, 2005–2013 IK Partners, Investment Professional

Main positions of trust: 2021– Purmo Group, Vice Chairman of the Board of Directors, 2021– Purmo Group, Chairman of the M&A Committee, 2018– Purmo Group, Member of the Audit Committee

Main past positions of trust: 2016–2021 Purmo Group, Member of the Board of Directors, 2018–2021 Nordkalk Corporation, Chairman of the Board of Directors, 2016–2018 Nordkalk Corporation, Member of the Board of Directors, 2018–2021 Nordkalk Corporation, Member of the Audit Committee, 2020–2021 Alandia Försäkring Abp, Chairman of the Board of Directors, 2020–2021 Alandia Försäkring Abp, Chairman of the Solvency & Investment Committee, 2017–2020 Alandia Försäkring Abp, Deputy member of the Board of Directors

Shareholding in Terveystalo as of 31 December, 2022: 11,366



Carola Lemne

b.1958, Licensed physician, M.D. and associate professor, Karolinska Institutet, Swedish citizen. Member of the Board of Directors since 2022. Independent of the company and its largest shareholders.

Committee memberships: Member of the Remuneration Committee

Main occupation: Board Professional

Primary working experience: 1998– Karolinska Institutet, Associate professor, 2014–2018 Confederation of Swedish Enterprise, Director General, 2008–2014 Praktikertjänst AB, CEO and President, 2000–2007 Danderyds University Hospital, CEO, 1993–2000 Pharmacia Corporation, Multiple managerial positions, most recently Vice President, Clinical Development and Regulatory Affairs Strategy

Main positions of trust: 2022– Swedish Heart Lung Foundation, Member of the Board of Directors, 2017– Arjo AB, Non-Executive Director, 2019– Junior Achievement Sweden, Chairman of the Board of Directors, 2019– IRLAB AB, Vice Chairman of the Board of Directors

Main past positions of trust: 2019–2022 ArtClinic AB, Chairman of the Board of Directors, 2019–2022 International English School AB, Chairman of the Board of Directors, 2018–2019, Alecta AB, Vice Chairman of the Board of Directors, 2015–2018 AFA Försäkringar, Member of the Board of Directors, 2013–2017 Uppsala University, Chancellor, 2010–2014 Investor, Independent Director, 2009–2011 Meda, Member of the Board of Directors, 2008–2018 Confederation of Swedish Enterprise, Member of the Board of Directors, 2004–2009 Apoteket, Member of the Board of Directors, 2004–2009 Strategic Research Foundation, Member of the Board of Directors, 2003–2017 Getinge AB, Member of the Board of Directors

Shareholding in Terveystalo as of 31 December, 2022: 2,627



Kristian Pullola

b. 1973, M.Sc (Econ), Finnish Citizen. Member of the Board of Directors since 2021. Independent of the company and its largest shareholders.

Committee memberships: Chairman of the Audit Committee

Main occupation: CFO, Finnair Oyj

Primary work experience: 2022– CFO, Finnair Oyj, 2017–2020 Nokia Corporation, Executive Vice President and CFO 2006–2016 multiple executive and managerial positions in finance and treasury at Nokia Corporation, most recently Senior Vice President, Corporate Controller

Main positions of trust: 2020– Antilooppi real estate investment company, Chairman of the Board of Directors, 2021– Kemira Oyj, Member of the Board of Directors, 2021– Eduhouse Oy, Chairman of the Board of Directors

Main past positions of trust: 2010–2020 Ilmarinen Mutual Pension Insurance Company, Member of the Board of Directors and Chairman of the Audit Committee

Shareholding in Terveystalo as of 31 December, 2022: 5,075



Katri Viippola

b. 1976, Executive MBA, Master of Arts, Finnish citizen. Member of the Board of Directors since 2018. Independent of the company.

Committee memberships: Member of the Remuneration Committee and the Audit Committee

Main occupation: 2016– Varma Mutual Pension Insurance Company, Senior Vice President, People, Communications and Development Relevant work history: 2013–2015 Keva, HR and Administrative Director, HR Director, 2008–2013 Yle (Finnish Broadcasting Company), Head of Personnel Development, HR Manager,HR Consultant, 2002– 2008 Yle, Yle News and Aamu-tv morning show, Journalist and News Anchor

Key positions of trust: The Finnish Broadcasting Company Yle, Vice Chairman of the Board, Economy and Youth TAT, Member of the Board of Directors

Past key positions of trust: -

Shareholding in Terveystalo as of 31 December, 2022: 8,954

20230822201500

Independence of the Board of Directors

According to the Board's assessment, all the members of the Board of Directors are independent of the Company. Kari Kauniskangas, Carola Lemne and Kristian Pullola are in addition independent of the major shareholders of the Company. According to the Board of Directors' assessment, the following members of the Board are not independent of the major shareholders of the Company due to their main occupations: Katri Viippola (Varma Mutual Pension Insurance Company, SVP, HR and Communications) and Matts Rosenberg (Chief Executive Officer, Rettig Group Oy Ab).

Changes to the Board of Directors

In accordance with the decision of the Annual General Meeting of 2021, Kari Kauniskangas (Chair), Dag Andersson, Åse Aulie Michelet, Niko Mokkila Katri Viippola, Tomas von Rettig and Kristian Pullola were members of the Board of Directors until 7 April 2022. Dag Andersson served as a member of the Board of Directors until he suddenly passed away in fall 2022, with the said change to the Board of Directors having been registered on 10 October 2022.

Information presented as per 7 April 2022:

Dag Andersson

b. 1961, BA (Hons) Stockholm School of Economics, MBA Insead, Swedish citizen. Member of the Board of Directors since 2019. Independent of the company and its largest shareholders.

Committee memberships: Member of the Remuneration Committee

Main occupation: President and CEO of XVIVO Perfusion AB

Primary working experience: 2008–2018 Diaverum AB (formerly Gambro Health Care), President and CEO, 1998–2007 Mölnlycke Health Care AB, multiple executive positions, most recently President of the Surgical Division

Main positions of trust: Chairman of the Board of Directors of GHP International

Main past positions of trust: 2018–2019 Diaverum Arabia, Chairman of the Board of Directors, 2009–2011, Terveystalo, Member of the Board of Directors, 2015–2020 Nolato, Member of the Board of Directors, 2018–2020 GHP AB, Member of the Board of Directors

Åse Aulie Michelet

b. 1952, M. Sc. Pharm. Norwegian citizen. Member of the Board of Directors since 2016. Independent of the company and its largest shareholders.

Committees: Member of the Remuneration Committee

Main occupation: Board Professional

Relevant work history: Managing Director of Teres Medical Group AS, Managing Director of Marine Harvest ASA and Senior Management at GE Healthcare

Key positions of trust: Chairman of the Board of Spin Chip Diagnostics AS, Csam Health Group AS and BI Norwegian Business School, Member of the Board of Directors of Odfjell SE

Past key positions of trust: Chairman of the Board of Directors of Photocure ASA, Member of the Board of Directors of Royal Greenland AS, Cermaq ASA, Norske Skog ASA, Orkla ASA, and Yara ASA

Niko Mokkila

b. 1979, M.Sc. (Tech.), M.Sc. (Econ.), Finnish citizen. Member of the Board of Directors since 2020. Independent of the company.

Committee memberships: Member of the Audit Committee

Main occupation: Managing Director, Head of Investments, Hartwall Capital Oy Ab

Relevant work history: 2007–2019, Altor Equity Partners, multiple positions, most recently Director, 2005–2007, Merrill Lynch, Analyst

Key positions of trust: 2021 - Duell Yhtiöt Oy, Member of the Board of Directors, 2020–Konecranes Plc, Member of the Board of Directors, 2019– Remeo Oy, Member of the Board of Directors, 2019– LeaseGreen Group Oy, Chairman of the Board of Directors

Past key positions of trust: 2016–2021 Realia Group Oy, Member of the Board of Directors, 2018–2019 Trioplast Industrier AB, Member of the Board of Directors

Tomas von Rettig

b. 1980, BBA (Bachelor of Business Administration), CEFA (Certified European Financial Analyst). Finnish citizen. Vice Chairman of the Board of Directors since 2018. Independent of the company.

Committee memberships: Member of the Audit Committee

Main occupation: 2019– Rettig Group Oy AB, Chairman of the Board of Directors

Relevant work history: 2016–2019 Rettig Group Oy Ab, President and CEO, 2008–2016 several management positions at Rettig Group Oy Ab, 2006–2008 Skandinaviska Enskilda Banken Ab

Key positions of trust: Purmo Group Oy, Chairman of the Board Directors, EQ Plc, Member of the Board Directors

Past key positions of trust: Nordkalk Oy, Bore Oy, Roof Productions Oy, Chairman of the Board of Directors, Finlayson Oy, Member of the Board of Directors

20230822201501

Diversity of the Board of Directors

The Company's principles concerning the diversity of the Board of Directors came into effect on 27 September 2017. The Board of Directors updated the diversity policy on 10 February 2021. The Company regards the diversity of the Board of Directors as a material factor, which supports the Company's business and its development as well as the achievement of the Company's strategic targets. The work of the Board of Directors requires an understanding of the differences in cultures, values, and business practices. Diversity is assessed from different perspectives, including age, gender, education, and professional background. Both genders shall be represented on the Board of Directors. In planning the composition of the Board of Directors, the Nomination Board considers the composition of the Board from the perspective of the Company's current and future business needs, taking into account the diversity of the Board. In 2022, the Company's Board of Directors met the diversity criteria. The age span of the Board members is 45–64 years. Two of the Board members are women and three are men.

Description of the work of the Board of Directors

The Board of Directors has adopted a written Charter of the Board on 23 January 2018 and last updated it on 10 February 2021. It supplements the provisions of the Articles of Association and the applicable laws and regulations. The Charter of the Board of Directors describes the Board's composition, election process of the directors reporting directly to the CEO, responsibilities of the Board, meeting arrangements, and Terveystalo's executive management's reporting to the Board of Directors. In principle, the CEO attends Board meetings.

The Chief Financial Officer (CFO), General Counsel, and other members of the Executive Team attend Board meetings upon invitation by the Board of Directors. The Board of Directors has general competence to decide and to act in matters that do not fall within the competence of the General Meeting or the CEO's general authority under law or the Company's Articles of Association. The Board of Directors is responsible for the Company's governance and the appropriate arrangement of its operations. In addition, the Board of Directors is responsible for ensuring appropriate supervision of the Company's accounting and asset management. The Board of Directors decides on matters of principle and on any issues that could have broad-ranging implications for the Company. It decides on major corporate plans and transactions. The Board of Directors also establishes limits for capital expenditure, investments, divestments, and financial commitments. The Board of Directors' responsibilities also include reviewing and approving the strategic objectives and strategic plans of the Company and its various business functions as well as monitoring their implementation. The Board of Directors also reviews and approves the Company's financial targets. In addition, the Board of Directors monitors and assesses the Company's financial reporting system, approves the Company's financial reports, and monitors the Company's external audit process. It also ensures that the Company has defined the operating principles of internal control, internal auditing, and risk management, and monitors compliance with these principles. In all situations, the Board of Directors shall act in the best interest of the Company and its shareholders. The Board of Directors appoints and dismisses the CEO, supervises the CEO's actions, and approves the CEO's service contract. It also approves the CEO's remuneration and other benefits upon the recommendation of the Remuneration Committee, within the framework of the Remuneration Policy presented to the Annual General Meeting. Upon the proposal of the CEO, the Board of Directors appoints the rest of the Executive Team reporting directly to the CEO and approves their service contracts and remuneration based on the recommendation of the Remuneration Committee. In addition, the CEO shall consult the Chair of the Board of Directors on the dismissal of members of the Executive Team reporting directly to the CEO. The number of terms or the age of Board members has not been limited. A description of the main contents of the Charter of the Board of Directors can be found at: https://www.terveystalo.com/en/company/investors/corporate-governance/board-of-directors/.

The Board of Directors may establish committees to support the Board with the preparation and performance of its duties and responsibilities. The Board of Directors determines the size and composition of such committees and approves their charters. In 2022, the Board of Directors convened 16 times. The average attendance rate at Board meetings was approx. 97 percent. The attendance rate of each member is shown in a separate table under Attendance of Board members at Board and Committee meetings in 2022.

Committees of the Board of Directors

The Company's Board of Directors has established two committees to improve the efficacy of the work of the Board: the Audit Committee and the Remuneration Committee.

20230822015O2

Audit Committee

The Audit Committee carries out its responsibilities under its Charter adopted by the Board of Directors on 23 January 2018 and last updated on 10 February 2021. The Audit Committee assists the Board of Directors in performing and monitoring its supervisory duties related to the financial reporting process and auditing. In addition, the Audit Committee assists the Board of Directors in supervising matters related to financial reporting, internal control, internal auditing, and risk management. The Audit Committee monitors and assesses the financial reporting system, the quality and integrity of the financial statements and other financial reports, and the Company's financial performance. In addition, the Audit Committee monitors and assesses the statutory audit of the financial statements, consolidated financial statements, and the annual, half-year, and interim reports. The Audit Committee also monitors and assesses the efficiency of the Company's internal control, internal auditing, and risk management systems and assesses the performance of internal auditing. Furthermore, the Audit Committee evaluates the qualifications and independence of the external auditor and, in particular, the provision of non-audit services to the Company, prepares the proposal for the election of the external auditor, and monitors compliance with laws and regulations. The Audit Committee prepares the proposal for the remuneration and election or re-election of the external auditor and submits its recommendation for the appointment of the external auditor to the Board of Directors. The Audit Committee monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and arm's-length terms. In addition, the Audit Committee shall ensure that the Board of Directors is aware of matters which may significantly impact the Company's financial condition or business operations. A description of the main contents of the Charter of the Audit Committee can be found at: https://www.terveystalo.com/en/company/investors/corporate-governance/board-of-directors/.

The Audit Committee consists of at least three members appointed by the Board of Directors. The Audit Committee has a Chair, elected by the Board of Directors. The members of the Audit Committee must meet the expertise and independence criteria and other criteria applicable to Audit Committee members of publicly listed companies in Finland. These provide, for example, that the majority of the Audit Committee members shall be independent of the Company, and at least one member shall be independent of the major shareholders of the Company.

Kristian Pullola served as Chair of the Audit Committee, and Niko Mokkila and Tomas Von Rettig served as Committee members until 7 April 2022. As of 7 April 2022, the Audit Committee members have comprised Katri Viippola and Matts Rosenberg, as well as Kristian Pullola, who continued as the Chair. The Audit Committee convened six times in the financial year 2022. The average attendance rate of the Committee members was 100 percent. The attendance rate of each member is shown in a separate table under Attendance of Board members at Board and Committee meetings in 2022.

Remuneration Committee

The Remuneration Committee carries out its responsibilities under its Charter adopted by the Board of Directors. The Charter of the Remuneration Committee was adopted on 23 January 2018 and last updated on 10 February 2021. The Board's Remuneration Committee prepares Terveystalo's Remuneration Policy for Governing Bodies and Remuneration Report to the Company's management. The Remuneration Committee prepares the appointment of the CEO of the Company and the rest of the senior management team. It also assists the Board of Directors with any major management reorganizations based on the preparation and proposals by the CEO. The Remuneration Committee assists the Board of Directors with the evaluation and remuneration of the CEO and the rest of the Executive Team reporting directly to the CEO, oversees the Company's remuneration policies, schemes, and plans, as well as reviews appropriate succession planning procedures for the Executive Team. A description of the main contents of the Charter of the Remuneration Committee can be found at: https://www.terveystalo.com/en/company/investors/corporate-governance/board-of-directors/.

The Remuneration Committee consists of a minimum of three members elected by the Board of Directors from among its members. The members of the Remuneration Committee must meet the independence criteria applicable to such committee members of publicly listed companies in Finland, including that the majority of the members of the committee must be independent of the Company. Remuneration Committee members must possess the expertise and experience required for the performance of the duties and responsibilities of the Remuneration Committee. Desirable qualifications for members of the Remuneration Committee include experience in business management, corporate governance, human resources management, and personnel and executive remuneration.

The Remuneration Committee establishes its own schedule and meets as frequently as necessary to carry out its responsibilities under its Charter, and in any event at least twice a year. The composition of the Remuneration Committee was until 7 April, 2022 as follows: Kari Kauniskangas as the Chair and Dag Andersson, Åse Aulie Michelet and Katri Viippola as members. As of 7 April, 2022 Kari Kauniskangas continued as the Chair of the Committee and Dag Andersson as member, while Carola Lemne started as a new member. Dag Andersson served as member of the Committee until his sudden passing away in fall 2022, followed by Katri Viippola's appointment as his successor as of 14 October 2022. Due to the sudden passing of Remuneration Committee member Dag Andersson, the Committee temporarily consisted of two members during a period of approximately three weeks in fall 2022. Due to the sudden change of circumstances and for a limited time, Terveystalo departed from Corporate Governance Code Recommendation 15 regarding the minimum number of Committee members. Katri Viippola was elected as the third member of the Remuneration Committee by the Board of Directors on 14 October 2022, following which Terveystalo complied with said recommendation of the Governance Code again.

The Remuneration Committee convened seven times during the financial year. The average attendance rate of the Committee members was 96 percent. The attendance rate of each member is shown in a separate table under Attendance of Board members at Board and Committee meetings in 2022.

20230822015O3

Attendance of Board Members at Board and Committee Meetings in 2022

Name	Attendance at Board meetings*	Attendance at Audit Committee meetings*	Attendance at Remuneration Committee meetings*
Kari Kauniskangas	16/16		7/7
Matts Rosenberg	11/11	5/5	
Dag Andersson	11/12		4/5
Carola Lemne	9/11		6/6
Kristian Pullola	16/16	6/6	
Katri Viippola	16/16	5/5	3/3
Members of the Board of Directors until 7 April 2022:			
Åse Aulie Michelet	5/5		1/1
Niko Mokkila	5/5	1/1	
Tomas von Rettig	5/5	1/1	

* Attendance rates cover meetings held during each member's term of office.

Chief Executive Officer

The CEO is responsible for the day-to-day management of the company and for implementing the Company strategy in accordance with the instructions and orders issued by the Board of Directors. The CEO undertakes the execution of measures approved by the Board of Directors and oversees preparations for strategically important measures. The CEO ensures that the management of the Company is adequately arranged, and that the Company's accounting complies with the applicable legislation. The CEO also ensures the appropriate arrangement of the Company's administration and asset management. Ville Iho has served as the CEO for Terveystalo since late 2019. Biographical details of the CEO are provided below under Group Management.

Group Executive Team and management system

The Company's CEO serves as the Chair of the Executive Team. Until 31 October 2022, the Executive Team also included the Chief Medical Officer and the Officers and Senior Vice Presidents responsible for digitalization, finances, HR, legal, as well as the various business lines and the clinic network.

On October 14 2022, Terveystalo announced changes in its operating model and organizational structure to strengthen long-term value creation, customer focus and the execution of the profit improvement program announced on 14 October 2022. The planned changes took effect on 1 November 2022, after which the Executive Team has comprised CEO, Chief Medical Officer, the Officers and Senior Vice Presidents responsible for digitalization, portfolio businesses, finances and HR as well as the Chief Commercial Officer and Chief Operating Officer.

The share holdings of the members of the Executive Team and their controlled entities on 31 December 2022 are presented below.

20230822201504



Ville Iho

President and CEO

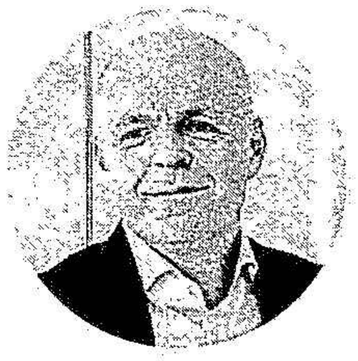
Born 1969, M.Sc. (engineering), Finnish citizen. President and Chief Executive Officer from 6 December 2019.

Relevant work history:

CEO of Nurminen Logistics Plc, multiple managerial positions at Finnair, most recently as COO, Deputy CEO, and acting CEO

Key positions of trust:
The Finnish Association of Private Care Providers, Chairman of the Board of Directors, Confederation of Finnish Industries (EK), Member of the Executive Committee and of the Labor Committee

Shareholding in Terveystalo as of 31 December, 2022:
5,000



Petri Bono

Chief Medical Officer

Born 1970, M.D., specialist in oncology, adjunct professor. Finnish citizen. Chief Medical Officer and member of the Terveystalo Executive Team since 2019.

Relevant work history:
Hospital District of Helsinki and Uusimaa (HUS), Deputy Chief Medical Officer, Helsinki University Hospital (HUCH), Chief Medical Officer, HUS Comprehensive Cancer Center, Director

Key positions of trust:
Association of Finnish Private Healthcare Providers, Vice Chairman of the Board of Directors, Instru Science Foundation, Chairman of the Board of Directors, Finnish Medical Association, Member of the Quality Council, TILT therapeutics, Oncorena and Faron Pharmaceuticals, member of the Scientific Advisory Board

Past positions of trust:
Member of the Board of Directors at HUS Kiinteistöt Oy and HYKS Instituutti Oy, Vice Chairman of the Board of Directors at Orion Research Foundation

Shareholding in Terveystalo as of 31 December, 2022:
7,587



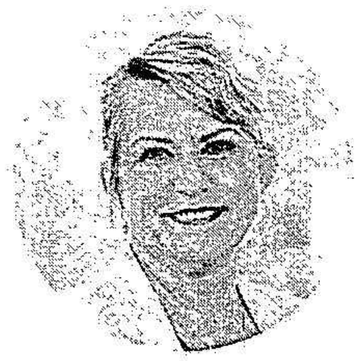
Juuso Pajunen

Chief Financial Officer

Born 1981, MSc (Econ), Finnish citizen. Chief Financial Officer and Member of the Executive Team since 28 Nov 2022.

Relevant work history:
CFO Afry AB, CFO Pöyry Oyj, Pöyry Group, multiple senior financial positions

Shareholding in Terveystalo as of 31 December, 2022:
12,000



Siina Saksi

Chief Operating Officer, Healthcare Services

Born 1966, MSc (Econ), EMBA, Finnish citizen. Chief Operating Officer, Healthcare Services since 1 November 2022 and Member of the Executive Team since 2016.

Relevant work history:
Chief Operating Officer, Clinic Network, Business Director, Western and Central Finland at Terveystalo, Senior Vice President, HR Specialist Sales at Pohjola Insurance Ltd, Country Manager of Tryg Finland at Tryg Forsikring A/S, Finnish Branch, and a member of Tryg's Sweden-Finland Executive team at Tryg A/S, several managerial positions at Tryg A/S, If P&C Insurance Company Ltd, Merita Bank Plc and Kansallis-Osake-Pankki

Shareholding in Terveystalo as of 31 December, 2022:
60,380

20230822201505



Minttu Sinisalo

Senior Vice President, Human Resources

Born 1980, MSc (Econ), Finnish citizen. SVP HR and member of the Executive Team since 2020.

Relevant work history:

Multiple HR leadership positions at Finnair, most recently VP, People and Culture at Finnair Operations business unit, August Associates HR manager and management consultant

Key positions of trust:

Hakonen Solutions Oy, Member of the Board of Directors

Past key positions of trust:

A-Talent Recruiting Oy, Member of the Board of Directors, Finnair Pension Fund Board member and Chairman of the Board

Shareholding in Terveystalo as of 31 December, 2022: 0



Kati Sulin

Senior Vice President, Digital Business

Born 1974, MSc (Econ), Finnish citizen. SVP, Digital Business and Member of the Executive Team since 1 Sep 2022.

Relevant work history:

Managing Director of Ifolor. Before that CDO, VP Brand Development, Marketing & Digital Services of DNA. Earlier managerial positions at Sanoma Group, Fazer and Hill & Knowlton

Past key positions of trust:

Member of the Board of Directors of Apetit Plc, Witted Megacorp Plc, Viestimedia and LocalTapiola Mutual Life Insurance

Shareholding in Terveystalo as of 31 December, 2022: 0



Mikko Tainio

Senior Vice President, Portfolio Businesses

Born 1979, M.Sc (Econ), Finnish citizen. Senior Vice President, Portfolio Businesses since 1 November 2022 and Member of the Executive Team since 2020.

Relevant work history:

Managing Director at Finnair Cargo Oy and before that several managerial positions at Finnair Plc

Past key positions of trust:

Member of the logistics committee of Confederation of Finnish Industries EK

Shareholding in Terveystalo as of 31 December, 2022: 518



Marja-Leena Tuomola

Chief Commercial Officer, Healthcare Services

Born 1962, LL.M., eMBA, Finnish citizen. Chief Commercial Officer, Healthcare Services since 1 November 2022 and Member of the Executive Team since 2021.

Relevant work history:

President & COO Schibsted Finland (formerly Sanoma Digital Finland), previously held several management positions in the Sanoma Group, including as SVP Business & Digital Operations Development

Key positions of trust:

Suomi Broadcast Networks Holdings Oy, Member of the Board of Directors

Shareholding in Terveystalo as of 31 December, 2022: 1,000

20230822201506

The current information on the Executive Team can be found from the Company's website: https://www.terveystalo.com/en/company/investors/corporate-governance/ceo-and-executive-team/.

The Executive Team meets once or twice a month or as needed. It assists the CEO with tasks such as the preparation and execution of the Company strategy, business plans, matters of principle, and any other important matters. In addition, the rest of the Executive Team assists the CEO in ensuring the flow of information and working internal cooperation. The Company's Board of Directors decides on the nomination and remuneration of Executive Team members.

During 2022, the Group Executive Team also comprised Petri Keksi and Juha Juosila until June 2022, Ilkka Laurila until July 2022, and Veera Siivonen until October 2022. Ville Salmi was interim SVP of Public Partnerships and a member of the Executive Team as of 1 August 2022 until 31 October 2022. Elina Saviharju was a member of the Group Executive Team until 31 October 2022 and continues in her role as General Counsel of Terveystalo also thereafter.

Changes in the Group Executive Team

Juha Juosila
Chief Digital Officer

Born 1972, MSc (Econ), Finnish citizen. Chief Digital Officer and Member of the Executive Team from 2016 until June 2022

Relevant work history: Director of Business Development and Strategy of Sanoma Pro Ltd, Chief Marketing and Technology Officer of Realia Group Oy, several managerial positions at MTV Sisällöt Oy (MTV 3) and Sonera Plc

Past key positions of trust: Member of the Board of Directors of Realia Isännöinti Oy, Huoneistokeskus Oy, Huoneistomarkkinointi Oy, Realia Management Oy, SKV Kiinteistönvälitys Oy, Sentraali Oy and Jokakoti Oy (currently Oikotie Asunnot Oy), a deputy Member of the Board of Directors of Oy Suomen Uutisradio Ab

Petri Keksi
Senior Vice President, Growth businesses

b. 1974, M.Sc (Econ), Finnish Citizen. SVP, Growth businesses and Member of the Executive Team from 2021 to June 2022

Relevant work history: Several management positions at Terveystalo since 2009, most recently as Business Director for Oral Health, previously Director of M&A

Ilkka Laurila
CFO

Born 1977, MSc (Econ), MSc (Forestry), Finnish citizen. Chief Financial Officer and Member of the Executive Team from 2015 to June 2022

Relevant work history: Terveystalo Head of Treasury and Finance and Head of Procurement, Associate Director of Rahoituksen neuvontapalvelut Inspira Oy, managerial positions at Ernst & Young Oy

Key positions of trust: Confederation of Finnish Industries (EK), Member of the Economy and Tax Committee, Hurtti-Paino Oy, Member of the Board of Directors. Since 21 January 2021, member of the Board of Directors of Musti Group Plc

Elina Saviharju
Senior Vice President, Legal

Born 1981, LL.B, LL.M (Harvard), Finnish citizen. Senior Vice President, Legal and member of the Terveystalo Executive Team from 11 May 2020 until 31 October 2022.

Relevant work history: Senior Associate at Avance Attorneys involved, inter alia, in healthcare M&A transactions as well as in intellectual property and regulatory issues related to healthcare services. Life Sciences IP Litigation Associate, Paul Hastings LLP (New York City) and Technology Associate, Roschier Attorneys

Veera Siivonen
Senior Vice President, Consumer business

Born 1980, M.Sc. Tech, Industrial Engineering, Finnish citizen. Senior Vice President Marketing and Communications since 24 April 2022 and Senior Vice President, Consumer business 1 January 2021. Member of the Terveystalo Executive Team from 24 April 2020 until 31 October 2022

Relevant work history: SVP, Marketing and Communications in 2020. Several leading positions in Sanoma Corporation, as, inter alia Vice President, Portfolio Development and Marketing of Sanoma News & Feature and Marketing Director and Head of Strategy and Business Development for Helsingin Sanomat. Business manager in Blyk Services Oy and multiple international managerial positions in Nokia Mobile Phones

20230822201507

Subsidiaries – operative business

Group Organisation

Terveystalo PLC
The parent company of the Group

Terveystalo Healthcare Holding Oy
Financing

Terveystalo Healthcare Oy
Group's centralised procurement

Suomen Terveystalo Oy and other operative companies
The operative business

The CEO, CFO, and General Counsel usually serve as members of the subsidiaries' Board of Directors. From the perspective of business operations, the Group subsidiaries operate in accordance with the Group's management system. The Group's operative business activities are mainly carried out by Suomen Terveystalo Oy, Terveystalo Julkiset Palvelut Oy and Terveystalo Kuntaturva Oy in Finland and by Feelgood Företagshälsovård AB in Sweden. Terveystalo Healthcare Oy is the Group's purchasing company.

III. Descriptions of internal control procedures and the main features of risk management systems

Risk management

Risk management is part of Terveystalo's management system. The Company applies a risk management policy adopted by the Board of Directors. The purpose of risk management is to ensure fulfilment of the customer promise, patient and occupational safety, high quality of the operations, financial performance, business continuity, a good public image of the Company, and corporate social responsibility.

Risk management is an integral part of the planning processes as well as the monitoring and reporting routines in Terveystalo Group. It is implemented in the day-to-day management and activities at all levels of the organization. Risk management must be consistent and commensurable. It is important to understand the causes and consequences of risks and to ensure that the risk management measures are correct and properly targeted.

The objectives of risk management include, among others:

- Ensuring business continuity
- Ensuring the achievement of strategic and operative objectives
- Managing risks associated with financial transactions
- Supporting decision-making
- Ensuring top quality care and patient safety
- Ensuring employees' expertise and occupational safety
- Avoiding operational risks and risks of damage and minimizing damage if a risk is realized
- Ensuring data security, data protection, and environmental responsibility
- Improving risk awareness within the organization
- Identifying opportunities associated with risk-taking, improving risk tolerance
- Identifying development opportunities within the operations
- Gaining the trust of external and internal stakeholders

Terveystalo strives to proactively identify, analyse and manage major risks. Risk management is an integral part of management. It contributes to strategic development, helps managers make informed choices, puts measures in an order of priority, takes into account opportunities, uncertainties, and their effects, and distinguishes between alternative approaches.

The Board of Directors is responsible for risk management and its adequacy and adopts the risk management policy. The CEO is responsible for organizing risk management in the Group. The rest of the Executive Team support the CEO in implementing risk management, monitoring operational risks, assessing risks, and implementing measures related to risks.

Risk management process

Risks are assessed on all levels of Terveystalo Group's organization. Terveystalo identifies risks using, for example, performance indicators, market statistics, effectiveness data, customer feedback, register data, inspection reports and inquiries from the authorities, occupational safety risk surveys, incident information, results of internal audits and audits, and competitor information. Terveystalo's risk management is assessed annually in internal and external audits of the ISO 9001: 2015 quality system, the ISO 14001: 2015 environmental system and the ISO 13485 quality system for application development.

Internal control

In its operations, the Company applies a risk management and internal control policy, adopted by the Board of Directors. The objectives of internal control related to the financial reporting process are to ensure that Terveystalo's financial reporting is reliable; that interim reports and financial statements are prepared in accordance with the accounting principles and policies applied by Terveystalo and give essentially correct information of the Company's finances; and that the regulations and principles of operation are complied with. Internal control is based on

Terveystalo's risk management system, business culture, and respective practices. The Company values, Code of Conduct, and Group policies and principles, such as the risk management and internal control policy, financial policy, procurement policy, credit policy, disclosure policy, and approval authorizations, guide the internal control. The purpose of internal control and compliance is to ensure compliance with policies, procedures and corporate governance principles throughout the Group and the accuracy of financial reporting. It aims to create a uniform control environment by applying appropriate internal control principles in the various business processes. Terveystalo uses WhistleB, a reporting channel open for everyone. This channel enables anonymous reporting of observed or suspected misconduct at: www.report.whistleb.com/terveystalo.

Generally, financial reporting-related policies are owned by the Chief Financial Officer. Internal control is carried out by the Board of Directors, Audit Committee, operational management and, in respect of the financial reporting process, the employees in financial administration. Terveystalo's Board of Directors bears overall responsibility for internal control and risk management in the Company. The Board of Directors has delegated the practical implementation of an efficient control environment and control measures related to the reliability of financial reporting to the CEO. The Chief Financial Officer is responsible for the control environment of financial reporting. The CFO acts as the owner of reporting risks, reporting to the Audit Committee and the Board of Directors on risk management and internal control. Control involves various measures, such as the revision of financial reports, the balancing of accounts, subledgers, and system transfers, logical analyses of reported figures, and reference analyses of forecasts and realizations. Monitoring of monthly performance in relation to the specified targets is an essential factor. These control measures are carried out at different organizational levels.

IV. Other information provided in the statement

Internal audit

The primary objective of internal audit is to support the Board of Directors, other corporate bodies, and the management in performing their control duties. The Company has outsourced internal audit to be carried out by authorized public accountants. On the basis of a report drafted by the authorized public accountants, the Company adopts a plan of appropriate measures and monitors the fulfilment of that plan. The internal audit function reports to the Audit Committee on the audits carried out in accordance with its annual audit plan. The report will be brought before the Board of Directors if deemed necessary by the Audit Committee.

The key principles applied in the Company's internal audit are the principles of independence, objectivity and confidentiality. The purpose of internal audit is to produce impartial and independent information for the Board of Directors and the management. Internal audit focuses, in particular, on issues that are important both in the long and short term from the perspective of strategy, business, and operations. When preparing the audit plan and establishing the scope and focus areas of internal audit, the following matters are typically considered: business-driven internal audit, internal audit relating to the Company's risks and strategy execution, and internal audit focusing on Corporate Governance and Compliance. The planning and risk assessment process of internal audit also includes reviewing the annual plans and work results of the other second line of defence players. In 2022, audits were conducted on the pricing processes as well as on invoicing process. Terveystalo's quality system has been certified in accordance with the ISO 9001:2015 standard. Compliance is assessed regularly through internal audits and audits conducted by an external accredited party. The Company's internal quality function ensures that the organization complies with the quality standards in accordance with the certificate.

Related party transactions

To identify related party transactions, the Company keeps a record of the individuals and legal persons falling amongst its related parties. According to the Company's definition, related parties include the Group companies, members of the Board of Directors, the CEO and the rest of the Executive Team, including close family members of the aforementioned as well as entities in which the aforementioned have control, joint control, or significant influence. In agreements and other legal acts between the Company and its related parties, the ordinary course of business of the Company and market conditions shall be followed. If a transaction with the Company's related parties was not part of the ordinary course of business of the Company or if it deviated from arm's-length terms, the decision on entering such related party transaction should be made by the Company's Board of Directors. With regard to agreements or other legal acts between the Company and its related parties, provisions on conflicts of interest shall be observed, as applicable, and the persons connected to the related party in question shall not participate in the decision-making process regarding the related party transaction.

The Company has documented guidelines to identify related party transactions as well as procedures to notify the Company thereof and to handle such transactions. The Company's financial administration monitors related party transactions as part of the Company's normal reporting and control procedures and submits regular reports on related party transactions to the Audit Committee. The Audit Committee monitors and evaluates transactions between the Company and its related parties to ensure that they are in the ordinary course of business and at arm's length. Material transactions between the Company and its related parties are presented annually in Notes to the Consolidated Financial Statements.

Main procedures of insider management

Terveystalo complies with the EU Market Abuse Regulation (MAR), the Finnish Securities Markets Act, the guidelines and regulations issued by the European Securities and Markets Authority (ESMA) and the Finnish Financial Supervisory Authority (FIN-FSA), and the Guidelines for Insiders published by Nasdaq Helsinki Oy. The insider

20230822201509

policy adopted by the Company's Board of Directors supplements the applicable insider regulation and specifies the procedures of the Company's insider management.

The Company has identified persons in charge of insider management tasks and their substitutes. The Company does not have a permanent, company-specific insider list. Instead, it has project-specific insider lists. In accordance with MAR, the Company has specified the members of the Board of Directors, the CEO, the CFO, and the General Counsel as executives, as well as the SVPs of business lines with profit and loss responsibility. The executives must specify the persons and legal persons closely associated with them and disclose them to Terveystalo as their related parties. Terveystalo's executives and their related parties must report to the Company and FIN-FSA their transactions with Terveystalo's financial instruments that exceed the limit specified by FIN-FSA for a calendar year (EUR 5,000). In order for Terveystalo to monitor compliance with the above notification obligation, Terveystalo has recommended that executives and their related parties unofficially report all transactions with Terveystalo's financial instruments to the Company, regardless of whether the abovementioned threshold is met or not. Terveystalo publishes all executive transactions officially reported to the Company in a stock exchange release. The executives and persons involved in the preparation of the Company's financial reviews, i.e. those who participate in the preparation or publication of interim reports and annual financial statements/financial statement releases shall not, directly or indirectly, carry out transactions with the Company's financial instruments themselves or on behalf of a third party, or advise anyone to do so, during a silent period of 30 calendar days preceding the publication of the Company's each interim report and annual financial statements release and on the date of publication of such a report.

Auditor

The Company's auditor in 2022 was Authorised Public Accountants KPMG Oy Ab. APA Henrik Holmbom, elected by the Annual General Meeting 2020, and re-elected by the Annual General Meeting 2021, served as the auditor in charge. Auditor's fees in 2022 for statutory audit totalled approx. EUR 388,000 and fees for other services totalled approx. EUR 52,300. Auditor's fees are presented without VAT.

202308220151 0

Terveystalo Remuneration Policy for Governing Bodies



20230822201511

Terveystalo Remuneration Policy of Governing Bodies

I. Introduction

This Remuneration Policy of Terveystalo Plc is the Policy referred to in reporting requirements of the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association on November 1, 2019. This policy presents the governance and principles of remuneration for governing bodies at Terveystalo Group. This policy has been approved by the Board of Directors of Terveystalo Plc, and presented to the Annual General Meeting in the spring 2022.

Remuneration at Terveystalo is based on the principles of performance, fairness and competitiveness. These remuneration principles apply to all Terveystalo employees and the purpose is to ensure that Terveystalo as an employer attracts motivated and competent professionals. Remuneration shall support the achievement of Terveystalo's strategic goals, align management's priorities with the interests of Terveystalo's shareholders, encourage behaviour consistent with Terveystalo's values, and reward excellent performance.

The Company's compensation philosophy is based on the underlying principle of shareholder value creation. The incentives are aligned with the Company's business strategy. The objective is to reward concrete achievements in implementing the company's strategy and in achieving its business targets. The Company's compensation structures are designed to be competitive in the relevant market. According to the pay for performance principle, incentive plans place emphasis on performance to ensure that management achieves its goals.

Remuneration is designed to attract and retain the desired talent and to motivate the employees to deliver the strategy and to maximize shareholder value creation. The targets and rewards in the incentive systems are balanced between long-term value creation and efficient achievement of short-term goals.

This policy describes the principles and governance of the remuneration paid to the Company's Board of Directors and to the CEO of Terveystalo. In the event that a Deputy was appointed to the CEO position, the same principles would apply to the Deputy CEO.

The Board of Directors may make minor amendments to the remuneration arrangements regarding the CEO described in the policy for regulatory, exchange control, tax or administrative purposes or to take account of changes in the legislation.

II. Description of the decision-making process

The Shareholders' Nomination Board reviews and prepares the remuneration principles for the members of the Board of Directors, defined in this policy. The Shareholders' Nomination Board also prepares its proposal for the remuneration of the members of the Board of Directors annually. The proposal shall be based on the principles defined in this policy. The AGM makes the final decision on the Board of Directors' remuneration. According to the decision of the AGM, the Chairman of the Board of Directors is a member of the Shareholders' Nomination Board, as his/her role in providing insight regarding the Board of Directors' work and composition is crucial.

The Board of Directors reviews and approves the remuneration principles for the CEO defined in this policy based on preparatory work carried out by the Board of Directors' Remuneration Committee. The Board of Directors also decides on the salary, incentive schemes and associated targets of the CEO based on preparatory work carried out by the Board of Directors' Remuneration Committee. All share-based incentive schemes are decided by the Board of Directors based on the preparatory work of the Remuneration Committee.

The CEO normally participates in the Remuneration Committee's meetings, except for matters relating to the service terms and remuneration of the CEO.

The governance principles in decision-making on remuneration in the Company follow principles aimed at ensuring the prevention of and the management of conflicts of interest. The underlying principle is that the corporate organ which elects the respective corporate organ also decides on its remuneration. The Company observes the rules set in its Code of Conduct, the Finnish Companies Act and the Finnish Corporate Governance Code, which stipulate governance procedures and rules for the avoidance of conflicts of interest. The decision-making process described above aims at guaranteeing that the decisions are fair and unbiased.

202308220151 2

III. Description of the remuneration of the Board of Directors

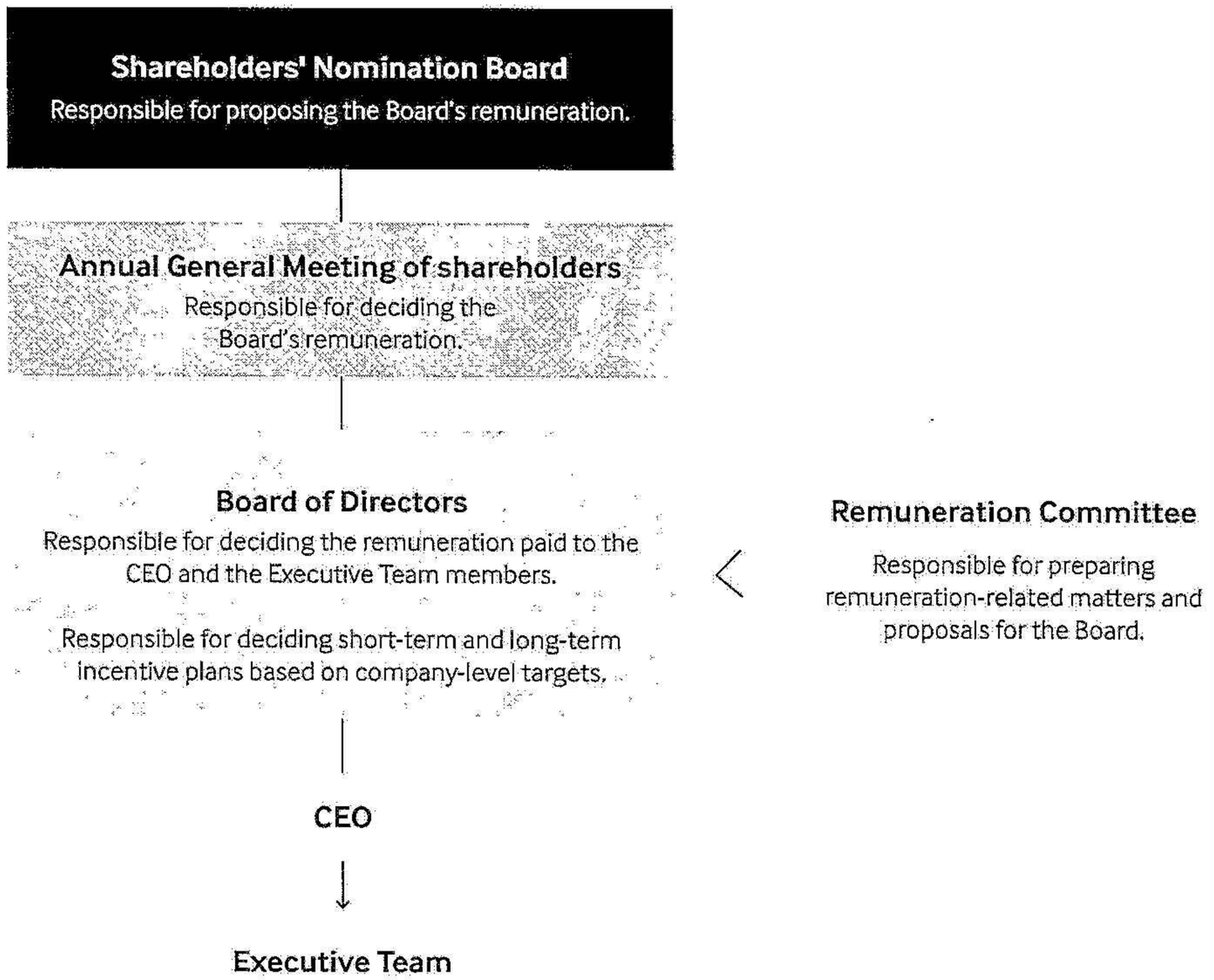
The purpose of the Board remuneration is to ensure that Terveystalo has a Board consisting of highly competent professionals representing a diverse and relevant mix of skills, capabilities and experience. The Board of Directors' remuneration shall be transparent, reasonable and comparable to market levels. The Board of Directors' remuneration is designed to align the Board's interests with those of all shareholders.

The Shareholders' Nomination Board prepares and presents its proposal on the remuneration of the members of the Board of Directors to the AGM. The proposal should take into account the relevant market level and the time and effort required from the members of the Board of Directors, as well as additional responsibilities assigned to the members, such as chairmanship of the Board of Directors or its Committees.

Remuneration of the Board of Directors

Remuneration element	Purpose and link to strategy	Description
Annual remuneration	The annual remuneration should be sufficient to attract, retain and motivate high-performing individuals.	The Shareholders' Nomination Board prepares and presents its proposal on the remuneration of the members of the Board of Directors to the AGM based on what the AGM decides on the Board's remuneration annually. The proposal should take into account the relevant market level and the time and effort required from the members of the Board of Directors, as well as additional responsibilities assigned to the members, such as chairmanship of the Board of Directors or its Committees. The annual remuneration is paid as a combination of Terveystalo shares and cash or fully in cash.
Meeting fees	The meeting fees are intended to link part of the remuneration to the time and effort required from the members of the Board of Directors in respect of the meetings.	Meeting fees are paid in cash.
Travel expenses	Intended to reimburse the members of the Board of Directors for reasonable costs and expenses related to their work.	The members of the Board are entitled to reimbursement for reasonable travel expenses related to their work.

Decision-making procedure



20230822015l3

IV. Description of the remuneration of the CEO

Terveystalo's approach to the remuneration of the CEO is that the remuneration should align the interest of the CEO with those of the company's shareholders. Terveystalo uses various remuneration elements to attract, motivate and retain high performing individuals with the right skills, capabilities and mindset. Performance correlates with reward level, and this promotes sustained high performance and focus to business targets and strategy execution. The remuneration structure and level should be comparable to the relevant national and industry benchmarks. The CEO is encouraged to accumulate and maintain a personal shareholding in Terveystalo.

Remuneration components, grounds for determining variable remuneration components and proportional shares of overall remuneration

The remuneration of the CEO is defined to be competitive with a significant part of the remuneration being performance-based.

CEO fixed remuneration

Remuneration element	Purpose and link to strategy	Description
Base salary	Base salary provides a core compensation for the role and attracts, retains and motivates high-calibre individuals.	Base salary is set by the Board of Directors, taking into account a number of factors, such as: • recognition of the value of an individual's personal performance and contribution to the business • individual's skills and experience • internal salary levels • external market conditions Base salary is reviewed annually.
Benefits and insurance coverage	Insurance coverages and other benefits that are in line with local market practices attract and retain high-calibre individuals.	Taxable fringe benefits, standard Terveystalo personnel benefits, and other benefits are included in the base salary. Insurances include leisure time accident insurance, travel insurance and management liability insurance. The Board of Directors has a possibility to decide on a supplementary defined contribution pension in line with local market practices. In such a case the maximum annual pension contribution may not exceed 20 percent of the annual base salary.

20230822201514

CEO variable remuneration

Up-to-date descriptions of ongoing incentive plans are published on the Terveystalo website, at www.terveystalo.com.

Remuneration element	Purpose and link to strategy	Description
Short-term incentives (STI)	The STI is aimed at driving short-term (annual) performance against specific Group targets and individual objectives based on key strategic priorities for the year.	Performance is measured over a one-year period and potential rewards are paid in the following year. The terms of the Short-Term Incentive plan are described on the company website. **Performance criteria:** • Performance criteria are set annually by the Board based on the key priorities for the financial year. Criteria may include both financial and non-financial criteria. Reaching the maximum level requires exceptional performance. • Following the end of the performance period, the Board of Directors confirms the achievement of the criteria and determines the amount of the payout. **Incentive opportunity:** • Incentive opportunity at the maximum level of performance may not exceed 120 percent of the annual base salary.
Long-term incentives (LTI)	LTI is aimed at driving long-term performance against specific group targets, as well as committing the CEO to the company and aligning the CEO's interests with the interests of the shareholders.	The terms and conditions for each Long-Term Incentive plan are decided by the Board of Directors. The terms of ongoing Long-Term Incentive plans are described on the company website. **Performance criteria:** • Performance criteria for each plan are set by the Board of Directors based on the key priorities for the performance period. Reaching the maximum level requires exceptional performance. • Following the end of the performance period the Board of Directors confirms the achievement of the criteria and determines the amount of the payout. • The LTI performance period shall, as a rule, be no fewer than three years. Performance criteria for each plan are set by the Board of Directors based on the key priorities for and within the performance period. **Discretion and claw-back:** • The Board of Directors is entitled, subject to a particularly weighty reason, to change or cancel the incentive payout or to postpone its payment, and, in exceptional cases, such as intentional misstatement of financials underlying the measures, to recover rewards paid prior to said misconduct. **Incentive opportunity:** • The Board of Directors decides on LTI allocation on an individual level. • At the maximum level, the amount of incentives paid in the same year may not exceed, at grant, 220 percent of the annual base salary.

20230822201515

Proportion of remuneration elements

The remuneration of the CEO is defined to be competitive with a significant part of the remuneration being performance-based. The incentive opportunity at the maximum level performance of STI is 120 percent of the annual base salary. For the LTI, the amount of incentives paid in the same year may not exceed, at grant, 220 percent of the annual base salary.

Other key terms applicable to the service contract

Share ownership requirement

To encourage building a meaningful shareholding in Terveystalo, the CEO is expected to retain at least 50 percent of the net shares received based on the LTI plans until his/her share ownership in Terveystalo corresponds to at least his/her annual gross base salary.

Termination of the service contract and severance pay

Regarding the termination of the service contract and severance pay of the CEO, the agreement may be terminated by both parties by giving six (6) months' notice. Should the Company terminate the agreement, the Company is required to pay an additional severance pay, equivalent to 12 months' base salary.

Supplementary information

As a benchmarking approach, the Remuneration Committee reviews market benchmark data from Finnish and, where necessary, international healthcare companies of a similar size and complexity to Terveystalo when setting total remuneration packages for the CEO. This is used more as a guide than a direct determinant of pay levels. Other factors considered include each individual's role and experience, as well as Company performance and personal performance.

Terms for deferral and possible clawback of remuneration

Clawback provisions apply to LTI and STI plan awards in exceptional circumstances. The Board of Directors is entitled, subject to a particularly weighty reason, to change or cancel the incentive payout or to postpone its payment, and, in exceptional cases, such as intentional misstatement of financials underlying the measures, to recover rewards paid prior to said misconduct.

Previously agreed or granted awards

The Board reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments), notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed prior to the presentation of this Policy to the AGM.

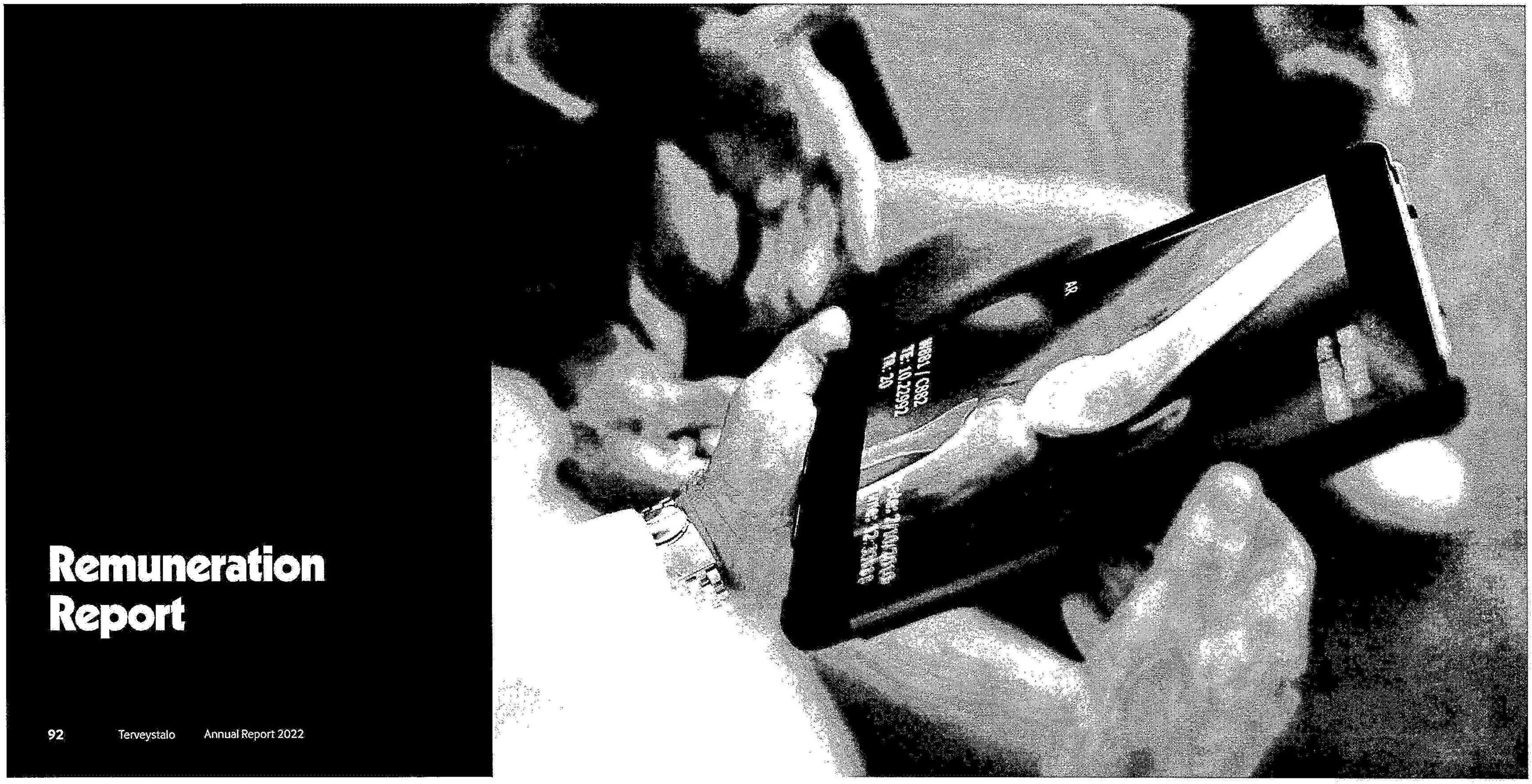
V. Temporary deviation

The Board of Directors may temporarily deviate from any sections of the Policy and from any contents of the Policy based on its full discretion in any of the circumstances and on any of the grounds described below:

- a structural change (change in the Company's corporate, group, business or organizational structure or a material change in its ownership structure),
- a personnel change (such as changes in the Board of Directors or in the top management of the Company or a need to recruit a new CEO or Deputy to the CEO),
- other exceptional or unexpected event or change or materially changed circumstances in the Company or in its business or operating environment or a material change in the Company's strategy or business plan,
- material change in the Company's financial position or outlook,
- regulatory or judicial changes, changes in governmental or administrative orders or in taxation or taxation practice, or
- other change or circumstances not specified above if the Board of Directors, after careful consideration, deems that a deviation is necessary or advisable in order to safeguard the Company's long-term interests or sustainability such as, without limitation, in order to ensure the continuity of the Company's management.

The procedure to be followed in the deviation from this Policy shall be the same as the decision-making procedure for the implementation of this Policy described elsewhere in this policy. If the deviation concerns Board remuneration, the decision-making may involve an annual or extraordinary shareholder meeting as applicable in the individual circumstances. The deviation and its grounds shall be reported in the next annual remuneration Report and presented to the next AGM as part thereof.

20230822015516



Remuneration Report

20230822201517

Remuneration Report

Terveystalo's remuneration principles are based on performance, fairness and competitiveness. Remuneration supports the achievement of Terveystalo's strategic goals and the long-term financial success of the Company. The remuneration policy and the decision-making process is described in more detail in the Remuneration Policy for Governing Bodies. In the Annual General Meeting 2022, a clear majority of the votes were given in favour of approving the Remuneration Report 2021 and as no further aspects were presented, the Remuneration Report 2022 is mainly the same.

Terveystalo's revenue has improved steadily over the last five years, excluding the exceptional year 2020. During 2022, revenue's improvement continued, but profitability did not reach its targets. The weakening of the profitability will be visible in renumeration paid in the beginning of 2023, but does not affect paid remuneration in 2022.

Remuneration development 2018–2022

Total remuneration, EUR[1] (rounded to the nearest thousand)	2018	2019	2020	2021	2022
Chair of the Board	102,000	91,000	101,000	102,000	102,000
Vice Chair of the Board	54,000	62,000	67,000	69,000	59,000
Other members of the Board, on average	50,000	53,000	57,000	56,000	57,000
CEO	910,000	938,000	367,000	640,000	834,000
Salary development of average employees[2]	55,000	62,000	62,000	62,000	68,000

[1] Total remuneration includes other financial benefits and meeting fees for Board members, and short- and long-term incentives for the CEO in addition to fixed annual fee/salary.

[2] The salary development of average employees has been calculated by dividing the personnel costs for each year (excluding other social security costs) by the average number of personnel.

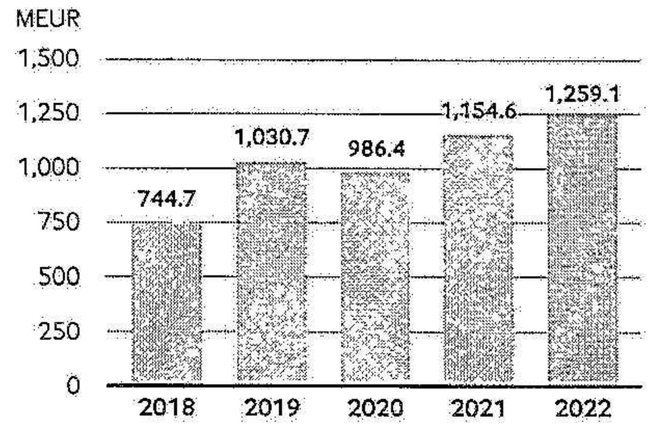
The remuneration level of the Board of Directors was reviewed and determined to correspond to the market level by the decision of the AGM in 2020 and in 2022.

In accordance with the Remuneration Policy, remuneration of the CEO is strongly based on performance, and a significant share of the overall remuneration of the CEO consists of short-term and long-term incentives. The targets of the incentive schemes are directly linked to the Company performance, and the Company's positive financial development is reflected in the remuneration of the CEO in 2018 and 2019. A CEO change took place at the end of 2019, and in 2020, remuneration of the CEO exceptionally only consisted of the base salary. In 2021, the CEO's remuneration includes short-term incentives for the year 2020. As a part of the Company's mitigation measures due to the corona epidemic, the CEO's short-term incentive earning opportunity was also restricted to 50% of the normal level.

The average salary development of employees has shown a rising trend. The larger increase in 2022 salary development originates mainly from the corporate acquisitions made during the past two years. Approximately 65% of the personnel is covered by collective agreements, and the general increases determined in the collective agreements guide the salary development of this personnel group.

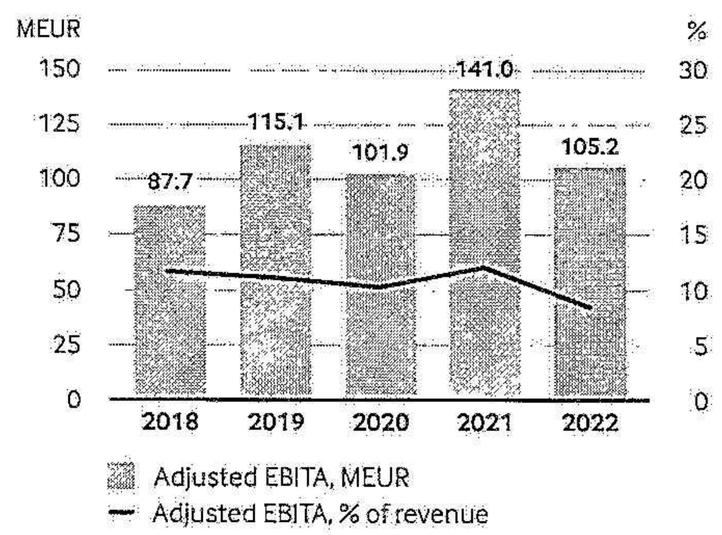
Revenue

Target of at least 5% growth annually



Adjusted EBITA and EBITA-%

Target 12–13% of revenue



202308220151 8

Remuneration of the Board of Directors for the financial year 2022

Terveystalo's Annual General Meeting, held on 7 April, 2022, resolved in accordance with the proposal of the Shareholders' Nomination Board that the Chair of the Board of Directors be paid an annual remuneration of EUR 87,500, the Vice Chair an annual remuneration of EUR 52,000, the members an annual remuneration of EUR 41,500, and the Chair of the Audit Committee EUR 52,000. In addition, an attendance fee of EUR 650 will be paid for members of the Board of Directors and Committee members residing in Finland, EUR 1,350 for members residing elsewhere in Europe, and EUR 2,700 for members residing outside of Europe for each Board and Committee meeting that they attend. For Board and Committee meetings that are held by telephone or other electronic means, the attendance fee is EUR 650. Travel costs are reimbursed based on the company's travel policy.

The annual remuneration of the Board is paid as a combination of company shares (40%) and cash (60%). The Company will reimburse the transaction costs and capital transfer tax related to trading. Attendance fees are paid in cash. In 2022, an exception in paying the annual fee for Dag Andersson was made. Due to Andersson's death, paying the annual remuneration partly in shares was not possible for the company, and therefore the annual fee is paid fully in cash.

The following table presents the remuneration paid to the Board of Directors during the financial year 2022:

Name	Annual fee, total, EUR[1]	Annual fee in shares, EUR	Annual fee in cash, EUR	Other financial benefits, EUR[2]	Meeting fees of the board of directors and board's committees, EUR	In total, EUR
Kari Kauniskangas	87,500	34,997	52,503	560	14,150	102,210
Katri Viippola	41,500	16,595	24,905	266	12,750	54,516
Dag Andersson [3]	41,500	-	41,500	-	18,950	60,450
Kristian Pullola	52,000	20,796	31,204	333	12,750	65,083
As members of the Board from 7 April, 2022:						
Carola Lemne	41,500	16,595	24,905	266	7,300	49,066
Matts Rosenberg	52,000	20,796	31,204	333	6,500	58,833
As members of the Board until 7 April, 2022:						
Åse Aulie Michelet	-	-	-	-	8,275	8,275
Tomas von Rettig	-	-	-	-	8,275	8,275
Niko Mokkila	-	-	-	-	6,250	6,250

[1] Total annual compensation consists of stock award (40%) and cash compensation (60%).
[2] Other financial benefits include transfer tax fees for the annual fees paid in shares.
[3] Dag Andersson served as member of the Board of Directors until he suddenly passed away in fall 2022, with said change to the Board of Directors having been registered to the Trade Register on 10 October 2022.

Remuneration of the CEO for the financial year 2022

The following table presents the remuneration paid to the CEO during the financial year 2022:

Name	Fixed annual salary (including taxable benefits), eur	Short-term incentives, eur	Remuneration based on long-term incentive schemes, eur	In total, eur
Ville Iho, CEO	400,000	434,000	-	834,000

In 2022, the CEO's compensation consisted of the fixed annual salary and the short-term incentive paid for 2021, corresponding to 108 percent of the fixed annual salary. The 2021 short-term incentives were based on Adjusted EBITA, revenue, NPS score, productivity, eNPS score and employee turnover.

In the performance period 2022, the short-term incentives were based on the following indicators: Adjusted EBITA, revenue and eNPS score. Based on the short-term incentive program, the CEO will receive a payment of EUR 105 000 in the spring of 2023, which corresponds to 33% of the target earnings.

202308220151519

Remuneration based on long-term incentive schemes, EUR (the President and CEO Ville Iho):

Long-term incentive plan	Grant date	Earning opportunity (maximum number of shares granted)*	Pay-out year (subject to the achievement of performance targets)
Bridge Plan 2021–2022	April 28, 2021	58,600	2023
Performance Share Plan (PSP) 2021–2023	April 28, 2021	88,000	2024
Performance Share Plan (PSP) 2022–2024	February 9, 2022	75,086	2025

In the performance periods 2021–2022 and 2021–2023, the performance criteria for the share-based long-term incentive schemes were based on the Total Shareholder Return (TSR) as well as digital footprint, which consists of productivity and digital sales indicators.

In the performance period 2022–2024, the performance criteria for the share-based long-term Incentive schemes were based on the absolute and relative Total Shareholder Return (TSR).

More information on share-based payment schemes can be found in financial statements as well as on the company website.

20230822201520



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

20230822201521

Contents

98 **Report of the Board of Directors**

125 **Consolidated financial statements, IFRS**

125 Consolidated statement of comprehensive income
126 Consolidated statement of financial position
127 Consolidated statement of cash flows
128 Consolidated statement of changes in equity
129 1. Corporate information
129 2. Accounting policies for the consolidated financial statements
129 2.1 Basis of preparation
129 2.2 Application of new and amended IFRSs and new IFRIC agenda decisions
131 2.3 Critical accounting estimates and judgments
131 2.4 Principles of consolidation
132 2.5 Foreign currency transactions
133 2.6 Property, plant and equipment
133 2.7 Investment properties
133 2.8 Goodwill and other intangible assets
134 2.9 Impairment
134 2.10 Leases
135 2.11 Financial assets and liabilities
136 2.12 Inventories
136 2.13 Employee benefits
136 2.14 Provisions and contingent liabilities
137 2.15 Revenue recognition
137 2.16 Segment information
137 2.17 Government grants
137 2.18 Operating profit
137 2.19 Earnings per share
138 2.20 Income taxes
138 3. Business combinations
142 4. Revenue
143 5. Segment information
144 6. Other operating income
144 7. Material and services
144 8. Employee benefit expenses
145 9. Depreciation, amortization and impairment
145 10. Other operating expenses
146 11. Financial income and expenses
146 12. Taxes
146 12.1 Income taxes
146 12.2 Deferred tax assets and liabilities
147 13. Earnings per share
148 14. Property, plant and equipment
149 14.1 Right-of-use assets
149 14.2 Lease liabilities
150 15. Intangible assets
151 15.1 Development expenditure
151 16. Impairment testing of cash-generating units including goodwill
153 17. Investment properties
153 18. Associated companies
154 19. Share-based payments
156 20. Financial assets and liabilities – carrying amount, fair value and fair value hierarchy
157 21. Financial risks
157 21.1 Financial risk management
157 21.2 Interest rate risk currency risk
157 21.3 Credit risk
157 21.4 Liquidity risk
158 21.5 Capital management
158 22. Trade and other receivables and contract assets
159 23. Cash and cash equivalents
160 24. Share capital and invested non-restricted equity reserve
161 25. Financial liabilities
161 26. Trade and other payables
162 27. Provisions
162 28. Defined benefit plans
163 29. Collateral and contingent liabilities
163 30. Related party transactions
165 31. Group companies
166 31.1 Changes in the Group structure
167 32. Group's key financial ratios
168 33. Calculation of financial ratios and alternative performance measures
170 34. Reconciliation of alternative performance measures
172 35. Subsequent events

173 **Parent company's financial statements, FAS**

173 Parent company's statement of income
173 Parent company's statement of financial position
174 Parent company's statement of cash flows
175 Accounting policies of parent company's financial statements
175 Measurement and recognition principles and methods
175 Property, plant and equipment, and depreciation
176 Notes to the parent company's financial statements

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

180 Auditor's Report
184 Information for shareholders
186 Contact information

20230822201522

Report of the Board of Directors 2022

Operating environment

Target markets

Demand for health services was strong in Terveystalo's target markets throughout the year. Nevertheless, the growth was tempered by the lack of supply, which was also impacted by higher sickness absences compared to the comparison period. In Finland, the demand was more focused on short care pathways. The demand for diagnostics and other services related to COVID-19 decreased significantly from the comparison period due to a decline in COVID testing. In Sweden, the demand for occupational health services and particularly for consultation for organizational management and harmful use was growing. The growth of demand for digital services and remote appointments continued to be strong. The demand for mental health services and preventive well-being services continued to grow.

A tight labor market and high inflation create growing pressure on operating costs, including wages. The employment situation is strong, but significant changes can affect the demand for occupational health services. The long-term growth prospects are good for Terveystalo's addressable markets in Finland and Sweden; the underlying demand is strong, and we are well-positioned to drive growth going forward, supported by our strong market position and reputation among industry professionals of being a preferred employer.

The impacts of inflation

High inflation can be seen as upward pressure on prices in all procurement categories, and Terveystalo has actively negotiated with its suppliers to limit the impact of inflation on costs. The rising price of electricity has a negative impact on operational costs. Due to component shortages, delivery times have become longer in certain categories of products and materials, such as healthcare equipment.

Skill shortages, a tight labor market, and high inflation put pressure also on wages. The private healthcare sector concluded a two-year, moderate salary agreement for the period 1 May 2022 to 30 April 2024. The first wage increase of 2.0 percent took effect on October 1, 2022. The wage increases in 2023 will be decided according to the wage increases in the reference sectors and the salary increase is at least 1.9 percent.

Commercial initiatives have been and will be undertaken to mitigate the effect of inflation as a part of Terveystalo's profit improvement program. The effects are visible in stages from the fourth quarter of 2022 onwards.

The treatment queues, social and healthcare reform, and changes in the regulation

The contraction of non-urgent care in the private and public healthcare sectors during COVID-19 restrictions has resulted in a significant treatment gap in other illnesses. According to the Finnish Institute for Health and Welfare (THL), over 150,000 patients were waiting for access to non-urgent specialized care at the end of August 2022. Of those waiting for treatment, over 20,000 (9,500) had been waiting for more than six months. The average waiting time for non-urgent care was 65 days in August 2022. The treatment queues continued to lengthen also in Sweden. In November 2022, close to 150,000 people in Sweden were waiting for surgery or a procedure (www.skr.se).

Under the social and healthcare reform, the responsibility for the organization of social and healthcare services will be transferred to the 21 well-being services counties and the City of Helsinki. The well-being services county councils, elected in January 2022, will decide on the well-being services county and service strategies, the principles of the service network, the service level of emergency services, the budget and financial planning of the well-being services county, and the appointment of members to governing bodies. The term of office of the county council is four years, commencing on March 1, 2022. In 2022, the new well-being services county councils have focused on administrative organization. Decisions on new material service procurements from the private sector are expected in the first half of 2023 at the earliest.

As a result of the social welfare and healthcare reform, some of Terveystalo's outsourcing agreements for public services will need to be renegotiated so that the new contractual terms will enter into force at the beginning of 2026 at the latest. Furthermore, there will be restrictions on the subcontracting practices for public services produced as outsourced services, but these are not expected to have a significant impact on Terveystalo. The dismantling of the queues for non-urgent care in the public sector will require more extensive use of private healthcare services in the aftercare of the pandemic.

20230822201523

Cuts to Kela reimbursements for private healthcare took effect on 1 January 2023. The changes are estimated to impact the demand for general practitioners' and gynecologists' appointments and imaging services. As consumers' general purchasing power weakens, the changes can also affect the use of other services. Cutting Kela reimbursements from private healthcare will most likely lengthen the queues in public healthcare, make it more difficult to dismantle long treatment queues, increase the costs of the public sector, and make the work of newly established well-being services counties more difficult.

The impacts of the war in Ukraine

The indirect impacts of the war in Ukraine on Terveystalo are assessed to be minimal, as Terveystalo does not have business operations in, or with, countries that are subject to sanctions. Indirect impacts arise from supply chain disruptions, high inflation, and potential disruptions in the financial markets. The indirect economic impacts are already 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.

Market outlook

- Demand for health services continues to be strong. However, demand is focused on short care pathways and services, the growth of which is limited by supply. A tight labor market and high inflation create growing pressure on operating costs, including wages.
- The demand for Covid-19 related services is expected to decrease and the demand for digital services to continue to be strong.
- Significant employment and consumer confidence changes may be reflected in demand.

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

Financial targets

Terveystalo's financial targets are:

- Annual revenue growth of at least 5 percent through organic growth and acquisitions
- Adjusted EBITA margin of at least 12–13 percent in the medium to long term
- Net debt/adjusted EBITDA ratio 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 take into account Terveystalo's long-term development potential and financial position.

20230822201524

Key figures

Terveystalo Group, EUR mill.	2022	2021	2020
Revenue	1,259.1	1,154.6	986.4
Adjusted EBITDA, *[1]	178.0	206.1	162.8
Adjusted EBITDA, %*[1]	14.1	17.8	16.5
EBITDA[1]	168.8	201.8	158.3
EBITDA, %[1]	13.4	17.5	16.1
Adjusted EBITA *[1]	105.2	141	101.9
Adjusted EBITA, %*[1]	8.4	12.2	10.3
EBITA[1]	95.9	136.7	97.4
EBITA, %[1]	7.6	11.8	9.9
Adjusted operating profit (EBIT)*[1]	73.4	114.4	71.6
Adjusted operating profit (EBIT), %*[1]	5.8	9.9	7.3
Operating profit (EBIT)	33.9	110.1	67.2
Operating profit (EBIT), %	2.7	9.5	6.8
Return on equity (ROE), %[1]	4.1	13.6	8.2
Equity ratio, %[1]	40.2	42.2	42.1
Earnings per share (€)	0.19	0.63	0.36
Net debt	566.6	519	490.9
Gearing, %[1]	95.7	85.2	85.9
Net debt/Adjusted EBITDA[1]	3.2	2.5	3.0
Total assets	1,479.4	1,448.6	1,361.0
Average personnel FTE	6,552	5,643	4,900
Personnel (end of period)	10,933	9,805	8,253

Terveystalo Group, EUR mill.	2022	2021	2020
Private practitioners (end of period)	5,928	5,754	5,057
Adjusted EBITDA, excluding IFRS 16*[1]	122.2	156.9	118
Net debt, excluding IFRS 16	386.8	340.6	312.4
Net debt/Adjusted EBITDA, excluding IFRS 16*[1]	3.2	2.2	2.6

* Adjustments are material items outside the ordinary course of business, and these relate to acquisition-related expenses, restructuring-related expenses, gain / losses on sale of assets (net), 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 with significant additional information related to the company's results of operations, financial position and cash flows. These should not be considered in isolation or as a substitute to the measures under IFRS.
The calculation formulas and principles for the key figures are presented in the Financial Statements.

Share related key figures

	2022	2021	2020
Equity per share, EUR	4.7	4.8	4.5
Earnings per share (€)	0.19	0.63	0.36
Dividend per share, EUR	0.28	0.28	0.26
Dividend payout ratio, %	145.0	44.3	72.3

20230822201525

Revenue

Revenue for 2022 increased by 9.0 percent year-on-year and amounted to EUR 1,259.1 (1,154.6) million. The revenue in Finland increased by 4.3 percent. Acquisitions during the financial year 2022 increased revenue by approximately 18.3 million euros. The revenue of the Sweden and others segment came to EUR 92.8 (36.9) million. The Swedish operations have been consolidated into Terveystalo's reporting as of 1 July 2021.

Revenue from corporate customers increased by 6.2 percent. Revenue from preventive occupational health services as well as acute infection and other illness-related appointments increased year-on-year. Revenue from private customers increased by 1.9 percent. Shorter care chains and appointments were emphasized in the sales mix. There was strong growth in revenue from insurance companies. Revenue from public sector customers increased by 4.1 percent. Revenue from service sales and occupational healthcare to public sector customers increased by 9.8 percent mainly due to the occupational health business that increased through acquisitions and new agreements. Revenue from staffing services grew by 2.4 percent with demand being strong, but the shortage of physicians restricted the growth. Revenue from the outsourcing business increased by 0.9 percent, mainly driven by the child welfare services business.

The demand for general practitioners' appointments was at a high level throughout the year, but the growth of revenue was restricted by the limited supply of physicians. Appointments relating to various acute infections and ear, nose, and throat diseases grew substantially year-on-year. Visits to laboratory services decreased substantially year-on-year as COVID testing decreased. A total of approximately 335,000 (500,000) COVID-19 tests were performed during the fourth quarter, a decrease of 33 percent year-on-year[1)]. During the year, acute medical care and general practitioner services were emphasized in the sales mix. These involve fewer laboratory and diagnostic services than specialist medical services with longer care chains. Revenue from surgical operations grew substantially year-on-year. Revenue from imaging services grew slightly year-on-year. Demand for well-being services remained strong, with revenue increasing by 9 percent to EUR 117.1 (107.9) million. The number of digital appointments[2)] grew by 29 percent to approximately 1.4 (1.0) million appointments. There were 253 (253) working days in 2022.

[1)] Excludes sample collection services
[2)] Does not include the digital appointments of the Sweden and others segment.

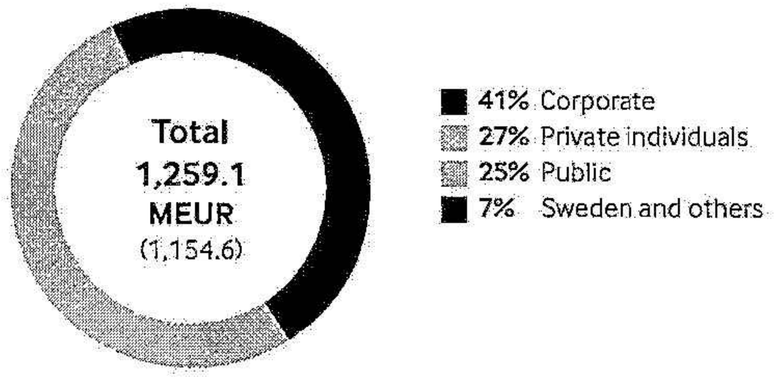
Revenue breakdown

MEUR	2022	2021	Change, %
Corporate customers	511.7	481.7	6.2
Private customers	339.4	333.2	1.9
Public sector customers	315.2	302.8	4.1
Outsourcing	122.2	121.1	0.9
Staffing services	89.8	87.6	2.4
Service sales, occupational health, and others	103.3	94.0	9.8
Finland in total	**1,166.2**	**1,117.7**	**4.3**
Sweden and others*	**92.8**	**36.9**	**151.3**
Total	**1,259.1**	**1,154.6**	**9.0**

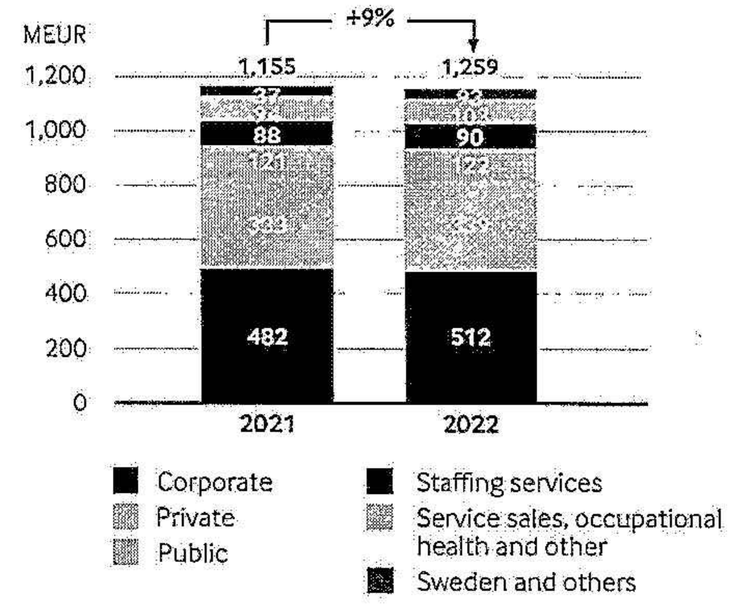
*Consists of the Group's business operations in Sweden, Estonia, and the Netherlands. Feelgood (Sweden) was consolidated on 1 July 2021. Estonia and the Netherlands did not have a significant effect on revenue during the reporting period.

Revenue breakdown

% of total revenue 2022



Revenue breakdown 2021 and 2022



20230822201526

Revenue breakdown

Corporate customers

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health customers, excluding municipal occupational healthcare customers, which are included in the public sector customer group. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational health services in Finland in terms of revenue and the number of end users. Terveystalo provides occupational healthcare services for over 27,000 companies in Finland, which have approximately 670,000 occupational health customers.

Revenue from corporate customers for 2022 increased by 6.2 percent and amounted to EUR 511.7 (481.7) million. Revenue from preventive occupational health services[1] as well as acute infection and other illness-related appointments increased year-on-year. The revenue from laboratory services declined substantially year-on-year as COVID-19 testing decreased. Approximately 265,000 (350,000) COVID-19 tests were performed for corporate customers during the year, a decrease of 25 percent year-on-year. The average prices of tests decreased year-on-year. The revenue from surgical operations and imaging services grew year-on-year. The revenue for well-being services[2] increased by approximately 10 percent year-on-year. The growth continued to be the strongest in mental well-being services. Digital occupational health appointments grew by 39 percent year-on-year and exceeded 1,100,000 (793,000) appointments. The number of end customers in occupational healthcare increased year-on-year.

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

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

Private customers

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

Revenue from private sector customers for 2022 increased by 1.9 percent year-on-year and amounted to EUR 339.4 (333.2) million. The number of appointments grew year-on-year. Short care chains, acute medical care, and general practitioner services were emphasized in the sales mix during the year. The growth of revenue was restricted by limited supply. Appointments relating to various acute infections and ear, nose, and throat diseases grew year-on-year. The revenue from specialist medical services in fields such as orthopedics, gynecology, and dermatology grew year-on-year. The revenue from laboratory services declined substantially year-on-year as COVID-19 testing decreased. Approximately 23,000 (86,000) COVID-19 tests were performed for private customers during the year, a decrease of 73 percent year-on-year. The revenue from imaging services was flat year-on-year. The revenue from surgical operations grew substantially year-on-year due to strong revenue from insurance companies. The revenue from well-being services, such as mental well-being and physical therapy services, grew by 5 percent year-on-year. Demand for oral health services returned to growth during the second half of the year and revenue grew slightly year-on-year. The number of digital appointments decreased by 22 percent year-on-year and was approximately 84,000 (108,000).

Public sector customers

Terveystalo's s public sector customer group consists of Finnish public sector organizations. Terveystalo's broad nationwide platform, digital offering, good reputation, and established brand, as well as its thorough expertise and experience in healthcare services throughout the chain of care, make Terveystalo an attractive partner for the public sector. The services offered to public sector customers include full and partial outsourcing, healthcare staffing services, specialized care services, other healthcare services as well as occupational health services for municipalities, municipal federations, and hospital districts. Occupational health services covered approximately 90,000 persons.

20230822201527

Revenue from public sector customers for 2022 increased by 4.1 percent year-on-year and amounted to EUR 315.2 (302.8) million.

Revenue from the outsourcing business increased by 0.9 percent to EUR 122.2 (121.1) million. The revenue growth came mainly from the child welfare services business.

Revenue from staffing services increased by 2.4 percent to EUR 89.8 (87.6) million. The demand for staffing services remained strong, but the growth of revenue was restricted by the limited supply of physicians. The demand for nurse staffing services also remained strong, even though the demand for services related to COVID-19 decreased.

Revenue from service sales, as well as services provided for municipal occupational health customers and other public sector customers, increased by 9.8 percent to EUR 103.3 (94.0) million mainly due to the occupational health business that increased through acquisitions and new agreements. Sales of COVID-19-related services decreased year-on-year. Approximately 49,000 (65,000) COVID-19 tests[1)] were performed for public sector customers during the year, a decrease of 26 percent year-on-year. In addition to testing, Terveystalo served as a partner to public healthcare services in sample collection. Digital appointments grew by 38 percent to almost 184,000 (133,000) appointments. Revenue from well-being services grew by 11 percent year-on-year.

[1)] Excludes sample collection services

Sweden and others

In 2021, Terveystalo expanded its operations to the Swedish market by acquiring Feelgood and becoming one of the leading occupational health operators in Sweden. Terveystalo has approximately 780 employees in Sweden, serving customers digitally and in person at approximately 155 locations. The company provides occupational health, management development, and substance abuse prevention services as well as digital private healthcare and well-being services. Terveystalo serves approximately 8,300 corporate customers in Sweden and has approximately 1.2 million employees covered by occupational health. In addition to Sweden, Terveystalo operates on a small scale in Estonia and the Netherlands.

The external revenue of the Sweden and others segment for 2022 amounted to EUR 92.8 (36.9) million.

Demand continued to be strong, particularly in consultation for organizational management and harmful use. Revenue increased mainly because of acquisitions.

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

Financial performance

The Group's 2022 adjusted operating profit before interest, taxes, amortization, and impairment losses (EBITA) decreased by 25.4 percent to EUR 105.2 (141.0) million, representing 8.4 percent (12.2) of revenue. Profitability was reduced year-on-year due to the decline in COVID testing, change in the sales mix towards a larger share of appointments, and increased costs. Material expenses and service purchases increased by 7.5 percent year-on-year and amounted to EUR 525.7 (488.9) million. Employee benefit expenses increased by 20.3 percent year-on-year and amounted to EUR 455.0 (378.2)
million. Expenses were increased by personnel costs attributable to acquisitions (including Feelgood). Personnel expenses also increased due to substantially higher sickness absences compared to the comparison period, recruitment, and an increase in appointment visits, as well as salary increases. Other operating expenses increased by 25.9 percent to EUR 112.3 (89.2) million mainly due to acquisitions (including Feelgood), and higher costs related to IT, marketing, M&A, and premises.

Adjusted EBITDA decreased by 13.6 percent year-on-year to EUR 178.0 (206.1) million.

The adjusted operating profit (EBIT) amounted to EUR 73.4 (114.4) million. Operating profit (EBIT) came to EUR 33.9 (110.1) million. Operating profit (EBIT) was significantly impacted by an approximately EUR 29 million impairment loss relating to other intangible assets. Terveystalo is modernizing its basic IT systems in stages. The basic IT system development project portfolio contains several sub-projects in different stages of readiness, some of which were decided to be suspended. These projects are not expected to go into production, as earlier planned and related impairment was considered necessary. Other intangible assets capitalized in the balance sheet relating to these projects have been impaired. The impairment loss has no effect on the company's cash flow or adjusted operating profit (EBIT).

Net financial expenses decreased to EUR 2.9 (9.0) million mainly due to an increase in the fair value of interest rate hedges. Profit before tax was EUR 30.9 (100.7) million. Income tax expenses amounted to EUR 6.5 (20.3) million. Profit for the period was EUR 24.4 (80.4) million, and earnings per share were EUR 0.19 (0.63).

Cash flow from operating activities decreased to EUR 140.9 (195.2) million. Lower profit, decrease in accounts payable and other working capital-related payables and higher taxes paid had a negative effect on the cash flow from operating activities while the change in trade receivables had a positive effect.

Cash flow from investing activities was EUR -93.9 (-108.1) million. The difference vs. the comparison period is mainly due to the fewer acquisitions, the effect of which was reduced by an increase in investments in tangible and intangible assets.

Cash flow from financing activities amounted to EUR -44.6 (-126.1) million. The change from the comparison period was mainly due to the differences in withdrawals and repayments of long-term and short-term loans, related to e.g. the loan withdrawn from The Nordic Investment Bank (NIB), as well as acquisitions of non-controlling interests and own shares during the comparison period.

20230822015528

The Sweden and others segment's 2022 adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) amounted to EUR 2.8 (0.8) million, representing 3.0 (2.1) percent of revenue. Revenue growth improved profitability, while costs related to professional resources and other activities, increased by inflation and rapid growth, had a negative impact on profitability.

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the financial period amounted to EUR 40.2 (38.1) million. The total assets of the Group amounted to EUR 1,479.4 (1,448.6) million.

Equity attributable to owners of the parent company totalled EUR 592.0 (608.9) million. The decrease was mainly due to the payment of dividends. The dividends paid by Terveystalo for the 2021 financial period totalled EUR 0.28 per share (or approximately EUR 35.4 million), and they were paid in two equal tranches on 20 April 2022 and 19 October 2022. Gearing (including lease liabilities) was 95.7 (85.2) percent and net debt amounted to EUR 566.6 (519.0) million.

The average maturity of Terveystalo's loans was 2.3 (2.0) years, and the average interest rate was 1.2 (1.0) percent at the end of 2022. During the financial period, the company fulfilled the covenant requirement included in its financing agreements reflecting relative indebtedness.

During the third quarter, the company signed an agreement for a long-term loan of EUR 120 million. The loan has been drawn and the company's short-term loan of EUR 70 million has been repaid during the fourth quarter. The loan is a bullet loan with a three-year maturity.

During the second quarter, The Nordic Investment Bank (NIB) and Terveystalo agreed on a long-term loan of EUR 50 million for financing the company's investments in its digital healthcare services and applications during 2022–2025. The loan has been drawn in full by the end of the review period.

During the first quarter, the company signed an agreement for a EUR 100 million domestic commercial paper program and issued its first commercial papers under the program. During the second quarter, the company expanded the program to a EUR 200 million multi-bank program. Under the program, the company may issue commercial papers with a maturity of less than one year. During the first quarter, the company also signed a financing agreement that includes a credit facility of EUR 40 million and an uncommitted credit facility of EUR 80 million.

At the end of the financial period, the unused part of credit based on financing agreements and bank accounts with a credit facility amounted to EUR 99.6 (55.5) million.

Return on equity for the financial period was 4.1 (13.6) percent. The equity ratio was 40.2 (42.1) percent.

Seasonal variation and the impact of the number of business days

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

Investments and acquisitions

Net investments* in January–December 2022, including M&A, amounted to EUR 94.1 (125.4) million. The Group's net capital expenditure, excluding M&A, amounted to EUR 60.0 (42.6) million. The investments consisted mainly of investments in digital application and service development, IT system projects, medical equipment, and the network. The relative share of intangible investments in gross investments decreased year-on-year.

Terveystalo made several acquisitions to complement its business portfolio during 2022 by acquiring Vantaan Työterveys Oy, Suomen Fysiogeriatria Oy and its subsidiaries (physiotherapy and occupational therapy), Lapin Liikuntaklinikka Oy (physiotherapy), OMT-Klinikka Kokkola Oy (physiotherapy), Into Terveys Oy (physiotherapy), Kunnon Syke Oy (physiotherapy) and FysioProfessionals Oy's operations (physiotherapy), Hammasrasti's operations (oral health), Ludus Oy Tutkimus- ja Kuntoutuspalvelut (rehabilitation), Hymyn paikka Oy's operations (oral health), Saimaan Urheilufysioterapia Oy (physiotherapy) and Somia Reality Oy (chat and video connection solutions) in Finland. In Sweden, Feelgood acquired Länshälsan Uppsala AB (occupational health), Nämndemansgården AB and its subsidiaries (addiction treatment), and Jobbhälsan i Norr AB:n (occupational health).

* 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.

Development expenses

Capitalized development expenses in 2022 were EUR 16.4 (9.7) million and were included in other intangible assets.

20230822201529

Personnel

The number of Terveystalo's employed staff on 31 December 2022 was 10,933 (9,805). In addition to acquisitions, the number of personnel was increased through the recruitment of various healthcare professionals. In FTEs, the average number of personnel was 6,552 (5,643). The number of private practitioners was 5,928 (5,754).

Personnel	2022	2021	Change, %
Average personnel, (FTEs*)			
Finland	5,865	5,338	9.9
Sweden and others	687	305	125.2
Total	**6,552**	**5,643**	**16.1**
Personnel (end of period)			
Finland	10,100	9,131	10.6
Sweden and others	833	674	23.6
Total	**10,933**	**9,805**	**11.5**
Private practitioners (end of period)			
Finland	5,822	5,644	3.2
Sweden and others	106	110	-3.6
Total	**5,928**	**5,754**	**3.0**

Profit improvement program and change in operating model

Terveystalo announced on 14 October 2022 that it strengthens the implementation of its growth strategy by launching a program to speed up the achievement of strategic and financial goals. The program consists of strategic and operational initiatives to increase revenue and improve profitability in line with the company's financial targets. Terveystalo's financial targets are intact: The company is aiming for at least 5 percent revenue growth and an adjusted EBITA margin of 12–13 percent.

To strengthen long-term value creation, the focus on high medical quality, and the execution of the program, Terveystalo has changed its operating model and organizational structure. The implemented changes clarify roles and responsibilities, strengthen the independent and efficient management of separate businesses, and strengthen the implementation of intact care pathways and high-quality care.

The new organization came into force at the beginning of 2023, and it consists of three business areas: Healthcare Services, Portfolio Businesses, and Swedish business. In Healthcare Services, Terveystalo targets high profitability and growth exceeding the market growth. In Portfolio Businesses, the company aims for independent value creation. In Sweden, Terveystalo seeks strong, profitable growth in the medium term.

Program content and goals

The program aims for an inflation-adjusted, annualized (run-rate) EBITA improvement of at least 50 million euros by the end of 2024. Most of the targeted benefits are estimated to be realized already in 2023.

The costs related to the program are estimated to be 25-30 million euros. The costs are related to restructuring and advisory fees. Advisory fees are tied to the results achieved by the program. The costs of the program are treated as items affecting comparability.

The measures implemented by the end of 2022 are estimated to have an annual run-rate impact on the profitability of around 11 million euros. The costs of the program treated as items affecting comparability were 4.9 million euros.

Related party information

Terveystalo Plc has provided a guarantee for the subsidiaries' financial institution loans.

20230822201530

Statement of non-financial information

Terveystalo is the largest private health care service provider in Finland in terms of revenue and network. Terveystalo is also a leading occupational health provider in the Nordic region. The company offers a wide variety of primary health care, specialized care, and well-being services for corporate and private customers and the public sector. Terveystalo's digital services are available 24/7, regardless of time and place. Health and well-being services are also provided by Terveystalo's over 370 clinics across Finland. In Sweden, Terveystalo offers occupational health services at 155 clinics. Terveystalo employs in total more than 16,800 health and well-being professionals. Terveystalo is listed on the Helsinki Stock Exchange and has predominantly Finnish ownership. In 2022, Terveystalo had 1.3 million individual customers in Finland and some 8.5 million customer visits were made, of which a quarter took place in remote channels.

Terveystalo reports on its sustainability work as part of the Annual Report. This section summarizes the key themes, targets and results.

Terveystalo's sustainability efforts are guided by the company Code of Conduct, values, and strategic goals as well as the sustainability themes that are essential to Terveystalo stakeholders. The results of Terveystalo's sustainability efforts are monitored regularly. Terveystalo is committed to promoting the principles of the UN Global Compact initiative and sustainable development goals. The company respects all internationally recognized human rights.

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 sought to be 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 health and well-being services are growing. The main risks are related to the availability of health care professionals and thus the access to care. The aim is to mitigate these risks by, among other things, automating routine tasks, utilizing technology, and allocating resources according to the need for care. In addition, the company continues to strive to strengthen its position as the most attractive workplace in the industry by developing, among other things, multi-professional cooperation, and leadership.

The table below is a summary of the key aspects, targets, and achievements of Terveystalo's sustainability efforts in its Finnish operations in 2022.

20230822015531

Targets and achievements

Good health and well-being

Area	Target	Indicator	Target	2022	2021	2020	SDG
Quality index: High clinical and experienced quality, access to care and preventive care	Use of the WHO Surgical Safety Checklist in over 99% of surgical operations	Use of the WHO Surgical Safety Checklist in surgical operations	>99%	98.9%	99.8%	97.8%	3
	Prescriptions for drugs affecting the central nervous system in relation to visits to a physician below 3.5%	Prescriptions for drugs affecting the central nervous system in relation to visits to a physician	<3.5%	4.0%	4.3%	4.6%	
	Duration of sickness absence issued on the day of the operation (median), repair of the rotator cuff and the anterior cruciate ligament <28 days	Duration of sickness absence issued on the day of the operation (median), repair of the rotator cuff and the anterior cruciate ligament	<28	30	32	36	
	Percentage of preventive work of occupational health appointments over 60%	Percentage of preventive work of occupational health appointments	>60%	69.6%	70.2%	67.8%	
	Days until next available appointment, clinics (T3) below 1.00	T3, i.e. the third available appointment	<1.00	1.93	1.61	1.17	
	Appointment NPS over 74	Appointment NPS	>74	82.7	83.0	82.8	
	eNPS at least 31 by 2025	eNPS	>31	29	32	18	
	Quality index total	Quality index, %	100	92.2	94.6	94.2	
Access to care, public services	Days until next available appointment (T3) public services < 7 for a physician, < 1 for a nurse	T3, i.e. the third available appointment with a physician	<7	12.0	6.5	5.6	
		T3, i.e. the third available appointment with a nurse	<1	2	1	1	
Patient safety		Reimbursed patient claims / appointments with a physician		0.0016%	0.0019%	0.0021%	
		Near misses/hazardous incidents		56.9%	50.0%	57.0%	

The figures include Terveystalo's operations in Finland.

20230822201532

Ethical business

Area	Target	Indicator	Target	2022	2021	2020	SDG
Employees who have completed orientation training on the Code of Conduct and correct action	100% of our employees have completed the training	Percentage of employees who have completed the training relative to all employees[1)]	100%	69.2%	66.0%	52.3%	16
Suppliers who have approved the Supplier Code of Conduct	100% of our suppliers have approved the Supplier Code of Conduct	Percentage of suppliers who have approved the Supplier Code of Conduct relative to all suppliers (of suppliers representing 80% of total purchases)	100%	80%	80%	80%	

[1)] The training periods have been of different lengths. The figures for 2022 also include performances during the second half of 2021, which is why the figures are not fully comparable.
The figures include Terveystalo's operations in Finland.

Responsible work

Area	Target	Indicator	Target	2022	2021	2020	SDG
Occupational safety	Accident rate below the sector average	Accident rate	< 34 (sector average)	15	20	25	8
Personnel's well-being	Reducing sickness absences	Sickness absences	-	5.2%	4.4%	3.8%	
Employer recommended by the personnel	Improving the employee promoter score	eNPS	31 by 2025	29	32	18	

The figures include Terveystalo's operations in Finland.

Sustainable economic growth

Area	Target	Indicator	Target	2022	2021	2020	SDG
Tax footprint	We openly disclose our tax footprint annually	Tax footprint, EUR million	-	235.7	191.0	152.3	8
Revenue growth	Minimum annual growth 5%	Revenue growth, %	5 %	9.0%	17.1%	-4.3%	
The people we employ	We create jobs	Employee benefit expenses, EUR million	-	455.0	378.2	310.2	

20230822201533

Sustainable consumption and climate action

Area	Target	Indicator	Target	2022	2021	2020	SDG
Reducing the carbon footprint	Zero emissions from own operations in 2030.[1] Between 2023 and 2030, we will compensate for any remaining greenhouse gas emissions by investing in certified carbon dioxide emission compensation projects.	Reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions compared to 2018 (6,316.8 tCO_2)	-100% by 2030	-61%	-89%	-66%	13
	We will 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	-80% by 2025	2,476.3	664.0	2,165.4	
Energy consumption	We will purchase 100% green electricity by 2025[2]	Share of green electricity of all purchased electricity, %	100% by 2025	50%	89%	62%	
Waste recovery[4]	We will minimize waste in all of our operations and forward all waste to be recovered	The recovery rate of waste generated at Terveystalo units, %[3]	100% by 2025	100%	100%	99%	12
		The recycling rate of waste generated at Terveystalo units, %[3]	100% by 2025	67%	64%	61%	
		Mixed waste intensity (mixed waste [metric tons] relative to total revenue [100 million])	Annual reduction	5.8	6.4	6.0	

[1] Between 2023 and 2030, we will compensate for any remaining greenhouse gas emissions by investing in certified carbon dioxide emission compensation projects. Our aim is to eventually discontinue compensation measures and to achieve zero emissions in our own operations by 2030. In 2022 emissions were not compensated due to cost savings. The calculation of Scope 2 emissions is market-based. The exceptional electricity market disturbances forced Terveystalo to change its electricity supplier in the middle of the year, and because of the high market price of electricity, no green electricity was purchased for the rest of the year. The calculation of the market-based figure is based on the emission factor of the electricity purchased by Terveystalo in Finland, while the location-based figure is calculated according to a factor based on the source distribution of local energy production. The amount of green electricity from the electricity purchased in Sweden has been calculated according to the average share of green electricity in the Swedish market, since supplier-specific information is not available. The energy consumption and carbon footprint figures for 2022 also include operations in Sweden. Comparison years only include Finland.

[2] In the units where we purchase electricity ourselves.

[3] Excludes waste fractions, such as hazardous waste, that cannot be recycled or recovered under any circumstances.

[4] Includes Terveystalo's operations in Finland.

20230822015534

Good health and well-being

Quality is an inseparable part of Terveystalo's corporate responsibility. The entire Terveystalo staff is responsible for ensuring that our customers receive appropriate, effective, and safe high-quality care. The cornerstones of Terveystalo's quality assurance system are patient safety and the national legislation governing the industry. Quality comprises clinical, operational, customer, and professional experienced quality. Our quality assurance system is a management system that provides a framework for managing quality and effectiveness at all levels of the organization.

The strategic priority areas, joint processes, and measurability guide towards consistent high quality. Continuous improvement of operations is an essential part of our quality efforts. The quality work aims to ensure the availability of our services, safeguard and improve patient safety, provide an excellent and constantly improving customer experience, implement data protection and information security, comply with recommendations, and develop the effectiveness of treatment. The quality steering group monitors the achievement of the quality objectives quarterly using quality indicators.

Patient safety is the foundation for quality in health care

Clinical quality is a key element of Terveystalo's quality efforts that is continuously monitored and developed. Clinical quality refers to the patient receiving the right treatment at the right time and in the right manner, and that treatment has no avoidable adverse effects. Service quality, safety, customer orientation, and productivity are ensured through consistent operating methods, the continuous training of experts as well as modern premises and technology. Patient safety is managed by monitoring the number of procedures and clinic-specific post-surgery infections, hazardous events, official requests for clarifications, and the decisions of the Patient Insurance Center, among other measures. Terveystalo ensures the safety and effectiveness of the provided pharmacotherapy through medication plans, operating guidelines, and a basic range of drugs. In 2022 reimbursed patient claims / appointments with a physician were 0.0016 (0.0019) percent and near misses/hazardous incidents were 56.9 (50.0) percent.

Each year, the themes, priorities, and strategy of patient safety at Terveystalo are chosen by the Group's patient safety team and confirmed by the quality steering group. In 2022, the patient safety themes were unacknowledged laboratory results, drug maintenance permits and drug treatment plans, faster identification, and notification of hazardous incidents, and sharing information on the handling of and actions related to hazardous incidents.

The clear structures and strategy of patient safety are aimed at effective cooperation to improve patient safety within clinics, throughout the organization, with the supervisory authorities, and particularly in practical work with patients.

A good patient safety culture means an open atmosphere in which employees can highlight any shortcomings or hazards (near misses/hazardous incidents) they observe in their work treating patients, without fear of sanctions or blame. Shortcomings and hazardous incidents are addressed openly and carefully to ensure that the issue does not reoccur. In 2022, Terveystalo launched a new patient and customer safety online course. The course is mandatory for all employees working with patient care and persons in positions with responsibility for patient safety. The course is also recommended for private practitioners working in Terveystalo.

The quality index measures clinical and experienced quality

Terveystalo continuously develops its services, the quality, and effectiveness of provided care, and the service experience of customers. Clinical, experienced, and process results are measured based on international best practices. Terveystalo uses a quality index that consists of four components: high clinical quality, availability of care, preventive care, and experienced quality from the professional's perspective and the patient's perspective. Terveystalo's quality index is comprised of seven key indicators: use of the WHO Surgical Safety Checklist in surgical operations, prescriptions for drugs affecting the central nervous system relative to the number of physician's appointments, duration of sickness absence issued on the day of operation for repair of the rotator cuff and the anterior cruciate ligament, percentage of preventive work of occupational health appointments, availability of care as measured by T3 (the third available appointment), Net Promoter Score (NPS) for appointments, employee Net Promoter Score (eNPS).

In 2022, Terveystalo continued to develop the quality and effectiveness of the reporting. Terveystalo publishes a set of quality indicators, which is updated continuously on the company's website.

Use of the WHO Surgical Safety Checklist in surgical operations

Terveystalo performs surgeries in its network of 18 hospitals. The WHO Surgical Safety Checklist is systematically applied before the start of each procedure. It is a standard list of questions to check safety issues relevant for the operation. In 2022, the WHO Surgical Safety Checklist was used in 98.9 (99.8) percent of the operations performed.

20230822201535

Prescriptions for drugs affecting the central nervous system relative to the number of physician's appointments

When used appropriately, drugs affecting the central nervous system are effective and necessary. However, because of their adverse effects, their use requires careful discretion by a physician. Terveystalo has a special project aimed at promoting the safe use of drugs affecting the central nervous system according to clinical guidelines in patient care. To harmonize prescription practices, detailed guidelines for prescribing drugs affecting the central nervous system have been prepared based on legislation, Current Care Guidelines, Smart to Avoid Recommendations, guidelines issued by the National Supervisory Authority for Welfare and Health, and operating models proven in clinical work. In 2022, at Terveystalo clinics prescriptions for drugs affecting the central nervous system were written for 4.0 (4.3) percent of visits to a physician.

Duration of sickness absence issued on the day of operation for repair of the rotator cuff and the anterior cruciate ligament

Terveystalo's surgical operations aim to provide swift high-quality care pursuant to care criteria to quickly restore the patient's functional capacity and ability to work. Terveystalo systematically develops the treatment chain for its surgery patients. The aim is to enable faster recovery and return to work. Correctly prepared surgery implemented without delay as well as a plan for early rehabilitation and return to work play a key role in this. The average length of sickness absence issued on the day of operation for surgical repair of the rotator cuff and the anterior cruciate ligament was 30 (32) days in 2022.

Percentage of preventive work of occupational health appointments

Work not carried out is expensive for Finnish companies. Therefore, it pays to invest in work ability management through preventive measures. Effective work ability management requires that organizations know what kinds of risks to work ability they manage. To support management, Terveystalo surveys the organisation's health and work ability risks through targeted health examinations. As part of occupational health examinations, an electronic, scientifically validated health survey is always carried out as a self-assessment of employees. Based on the survey, possible risks related to health and work ability can be identified. With the survey, measures can be targeted particularly to those with significant risks. In 2022, preventive work accounted for 69.6 (70.2) percent of Terveystalo's occupational health check-ups.

Availability of care as measured by T3 (the third available appointment), clinics

Terveystalo continuously develops the availability of care by managing the balance between supply and demand as well as by developing digital services and the work of professionals. The availability of care is measured by the T3 indicator, which is the number of days until the third available non-urgent appointment at Terveystalo clinics. The T3 indicator for appointments with a physician was 1.93 (1.61) in 2022. In addition to physical appointments, the availability of care is enhanced by digital general practitioner appointments available 24/7, with an average waiting time of seconds. In addition, digital mental well-being services also lower the threshold for seeking treatment.

Net Promoter Score (NPS) for appointments

Terveystalo aims to stand out by providing an excellent experience in all customer encounters. The company develops its services by listening to customers and utilizing technology. NPS (Net Promoter Score) is used as the most important indicator of customer satisfaction. Terveystalo collects feedback with SMS and browser-based surveys and is continuously adding NPS measurements at new customer encounter points. In 2022, the NPS for Terveystalo's appointments was 82.7 (83.0). The NPS for hospital services remained at a high level of 95.1 (94.7). In 2022, the collection of personal customer feedback was started in addition to unit-specific feedback.

Employee Net Promoter Score (eNPS)

Terveystalo aims to be the most attractive workplace for 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 employee 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 employees and private practitioners who would recommend Terveystalo as a workplace to others. In the 2022 professional survey, the eNPS recommendation index was 29 (32). Among the strengths of Terveystalo are the activities of work communities and cooperation in teams, as well as the work of immediate supervisors. In the development of professional experience, the aim is to nurture these identified strengths. The aim is to have an eNPS recommendation index of 31 by 2025.

20230822201536

Terveystalo's care pathways support the customer's self-care

Science-based care guidance is developed at Terveystalo with the help of common care pathways. Care pathways are defined by Terveystalo as ways of treating the disease or condition for which the customer has sought treatment based on the Current Care Guidelines and other generally accepted treatment guidelines.

The aim is to support professionals and customers in designing and implementing more effective care by making the choices in accordance with the care pathway easy in everyday life. Care pathways support the customer's self-care and care progress. The first care pathways defined by Terveystalo were introduced in 2021. At the end of 2022, there were care pathways for the treatment of non-specific lower back pain, depression and anxiety, insomnia, reflux, vitreous detachment, and children's lower respiratory tract infection, and a total of 360,000 care pathways were activated in the Terveystalo app.

Excellent availability of primary health services

Fast and timely access to care is one of the biggest challenges of Finnish primary health care. Terveystalo has developed health centres' operating models over the longer term to ensure easy access to care. The goal is a health centre with no queues, one that maintains a high level of clinical quality while delivering a good customer and employee experience.

Terveystalo's expertise includes all the service areas of public primary health care: health centre services, services for families with children and the elderly, oral health services, and services for adults and special interest groups. Terveystalo has systematically improved the access to care and the quality of care and regularly monitors operational data at the health centres where services are provided by Terveystalo.

Terveystalo produced the health centre services of 16 municipal health centres in 2022. In 2022, the average T3 time (the third available appointment) describing the availability of non-urgent appointments to a physician in our health centres was 12.0 (6.5) days and the T3 time to a nurse was 2.0 (1.0) days. The target is less than 7 days to see a physician and less than 1 day to see a nurse. The availability of care was excellent nationwide at our health centres throughout the year. Queues for oral health care have also remained at a good level in Terveystalo's 12 outsourced dental clinics. The average T3 time for non-urgent dentist appointments was 35 (35) days. NPS, which measures the customer satisfaction of health centres, was 80 (80).

Ethical business

Values and ethics are emphasized in Terveystalo's work through the requirements of the sector. Terveystalo's business is guided by legislation governing the sector and private health care services as well as the requirements set by authorities. The work of healthcare professionals is also guided by the ethical standards of professional groups. In addition, Terveystalo's own Code of Conduct provides an overarching guideline that is shared by everyone at Terveystalo. The Code of Conduct addresses a wide range of topics, including anti-corruption and bribery, compliance with fair competition and environmental requirements, privacy protection, patient safety, employee equality, non-discrimination, and freedom of association.

Training to comply with the Code of Conduct and ethical requirements

Terveystalo constantly develops its compliance program and the related processes and controls, so that they respond to changes in our operating environment. During 2022, Terveystalo also strengthened its compliance resources. Terveystalo has online training on ethical guidelines for everyone at the company. There are separate online training courses tailored for those in administrative work and clinical work, taking into account their different operating environments. The online training was last updated in the fall of 2021, and it is mandatory for all Terveystalo employees. Terveystalo is currently renewing the training package by, among other things, improving the user experience of the learning platform and the interactivity of the training, as well as tailoring the contents in a targeted manner. The new compliance training is planned to be introduced during 2023. The purpose of the courses is to build an understanding of why compliance and ethical responsibility are important and how they are related to the day-to-day actions and decisions of everyone at Terveystalo. A further goal of the training is to create a better understanding of key compliance themes related to ethics, including fair competition, the avoidance of conflicts of interest, the prevention of bribery, data protection, and reporting misconduct, as well as to further develop our compliance culture. In 2022, 9,031 Terveystalo employees (6,993 salaried employees, 2,038 private practitioners) completed the training and received a passing grade. The goal is that 100 percent of employees complete the Code of Conduct training.

20230822201537

Anti-corruption and anti-bribery

In the area of anti-corruption and anti-bribery, Terveystalo complies with the law and other applicable regulations. Terveystalo is also committed to the UN Global Compact initiative and its anti-corruption principles. Terveystalo's operations are also guided by the company's Code of Conduct. The prevention of corruption is included in Terveystalo's Code of Conduct, which addresses the giving and accepting of gifts and hospitality, sponsorships, accepting and making donations, understanding and avoiding conflicts of interest as well as the rules pertaining to lobbying. At Terveystalo, gifts or other benefits that could affect business decisions or have considerable personal or financial value are not offered, given, requested, or accepted. Terveystalo does not make financial contributions to political parties or fund the election campaigns of individual candidates. No incidents of corruption were reported in 2022. Terveystalo continues to develop its anti-corruption and anti-bribery compliance program and related processes to reflect the changes that have occurred in our environment. Terveystalo also works to ensure compliance with sanctions laws and regulations. In 2022, Terveystalo introduced new controls that support third-party risk management.

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 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 Organization (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 suppliers are also expected to comply with these principles and respect internationally recognized human rights. Principles related to human rights are included in Terveystalo's Code of Conduct and Supplier Code of Conduct.

The responsibility of suppliers is ensured by the Supplier Code of Conduct

Each year, Terveystalo buys services, materials, and supplies for its clinics from approximately 4,000 suppliers. Consequently, the network of service providers and suppliers of goods – and good supplier cooperation – play a key role in our operations. Terveystalo wants contractual service providers and suppliers of goods to be aware of Terveystalo's significant role in society. Terveystalo also wants suppliers to commit to taking responsibility for the economic, social, and environmental impacts of their operations. To ensure the responsible conduct of suppliers, contractual suppliers and suppliers participating in tendering processes have to approve the 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. At the end of 2022, 80 (80) percent of suppliers representing 80 percent of Terveystalo's total procurement volume had approved the Supplier Code of Conduct.

Ensuring data protection and information security for patients

Privacy protection is a core value for Terveystalo. At Terveystalo, everyone's privacy is respected. Special attention is paid to the appropriate and legally compliant processing of personal data. The company provides its personnel with training and instructions on the processing of personal data and emphasizes the particular confidentiality and protection of patient data. The realization of data protection is the responsibility of everyone who works for Terveystalo.

The digitalization of health care presents significant opportunities for improving the availability and effectiveness of care as well as the early identification of risks. Terveystalo has made significant investments in the development of digital services and tools. As digital services increase in importance and change the industry, the requirements concerning data protection and information security increase accordingly.

Terveystalo stores patient information in information security-certified patient information systems. Terveystalo's patient information systems used in Finland are category A systems and they have undergone information security certification in accordance with the regulations related to providing Kanta services. In addition, Terveystalo's data protection and information security are regularly audited internally and by a third party according to the ISO 9001:2015 certification.

Terveystalo applies the appropriate physical, technical, and administrative protection measures to protect data from misuse. These measures include, among others, control and filtering of network traffic, use of encryption techniques and safe data centres, appropriate access control, controlled granting of access rights and supervision of their use, giving instructions to staff participating in personal data processing and risk management related to the planning, implementation, and maintenance of our 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.

202308220153S

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. To manage these risks, the company offers diverse career and development opportunities in a wide range of jobs and supports the well-being and work performance of its professionals. The objective is to be the most attractive employer in the industry for physicians as well as other professionals. Equality, fairness, and non-discrimination are important principles that Terveystalo is committed to observing.

At the end of 2022, Terveystalo's Finnish operations employed 10,100 (9,131) employees and 5,822 (5,644) independent private practitioners. In 2021, Terveystalo expanded to Sweden with the acquisition of Feelgood, a local occupational health operator. In Sweden, Terveystalo employed 833 (674) employees and 106 (110) private practitioners at the end of 2022.

Terveystalo's goal is to be the best and most attractive employer in our industry. Terveystalo has worked systematically towards this goal for several years, and studies show that Terveystalo is the most popular employer in the industry in Finland among professionals in the field. One of the key indicators of well-being and coping at work in Terveystalo is the employee Net Promoter Score (eNPS) (which also includes private practitioners). The eNPS figure indicates the proportion of our employees and private practitioners who would recommend Terveystalo as a workplace to others. In the 2022 professional survey, the eNPS recommendation index was 29 (32). Among the strengths of Terveystalo are the activities of work communities and cooperation in teams, as well as the work of immediate supervisors. In the development of professional experience, the aim is to nurture these identified strengths. Terveystalo's target is to have an eNPS recommendation index of 31 by 2025.

The health and safety of employees

Permanent and fixed-term employees are covered by statutory insurance with respect to workplace accidents and occupational diseases. In addition to observing the statutory requirements, Terveystalo provides a comprehensive range of primary healthcare, specialized healthcare, and well-being services to employees, such as direct access to physiotherapy and digital services to support mental well-being. Low-threshold services to support mental well-being provide employees with the opportunity to confidentially discuss anything they might have on their minds. Brief psychotherapy is also included in Terveystalo's occupational health services. Terveystalo aims to recognize challenges related to work ability and occupational health at an early stage and seek solutions to these challenges through effective cooperation with occupational health services. Terveystalo Occupational Healthcare provides occupational health services for personnel throughout Finland. Terveystalo Occupational Healthcare holds the ISO 9001:2015 Quality System Certificate awarded by Labquality Oy. All of our employed staff in Finland are covered by statutory pension security and parental leave benefits.

During the COVID-19 pandemic, occupational health has invested heavily in upholding the personnel's work ability and medical care in a state of emergency. Sickness absences of personnel increased from the previous year, and the sickness absence percentage in Finland was 5.2 (4.4) percent of hours worked. In Sweden, the corresponding figure was 5.5 (4.0).

There were no fatal accidents or accidents leading to serious injuries at Terveystalo in 2022. Terveystalo's accident frequency in Finland was 15 (20) in 2022, which is clearly below the average in the health care industry (34).

Competence development

The systematic and business-driven development of our personnel is especially important for Terveystalo's future success. Smooth work and appropriate, responsible supervisory work ensure the personnel's well-being, which in turn benefits customers through better care and a positive customer experience. Terveystalo provides professional training and opportunities for learning on the job. Terveystalo has invested particularly in the development of leadership and supervisory work as well as supporting on-the-job self-study by increasing online learning, for example.

The growth of digital health has been strong in recent years. Terveystalo has invested in training its personnel in the use of digital tools and channels, as well as their use in customer work. Terveystalo provides training for physicians and nurses in the use of different types of remote services.

In 2022, Terveystalo continued the development project aimed at streamlining the work of occupational health nurses and strengthening well-being at work. New operating models were implemented, which support a consistent quality of service for the customers and strengthen work management and job satisfaction. According to the results of the professional survey, occupational health nurses' coping at work has improved thanks to the new operating models.

In addition, training courses aimed at different professions and supporting professional development were organized during the year. Terveystalo also trained its personnel on data protection and security, as well as on operations in compliance with requirements and ethical guidelines. In 2022, the company organized training in Finland for a total of 69,733 (79,847) hours, which corresponds to 7.0 (8.7) hours per employee.

In addition to internal training, Terveystalo engages in research and education cooperation with several universities and promotes youth employment with trainee programs.

20230822201539

Promoting diversity, equality, and non-discrimination

Terveystalo observes the principles of equality, fairness, and non-discrimination. At Terveystalo no one is discriminated based on race, age, ethnic or national origin, nationality, language, religion, belief, opinions, health status, disability, sexual orientation, or other personal reasons or circumstances. In recruitment, Terveystalo focuses on the person's professional competence, the ability to take responsibility, and the will to improve the company's operations and themselves. To realize these principles, Terveystalo Plc and its subsidiaries in Finland prepare company-specific personnel plans, training plans, equality, and non-discrimination plans, and define targets for improvement.

In accordance with the diversity policy of the Board of Directors, the objective is to have a balanced gender distribution in the Board of Directors. At the end of 2022, two of the five members of the Board of Directors were women. Four of the eight Management Group members were women.

The remuneration of Terveystalo's personnel is based on the principles of performance, equal treatment, and competitiveness. For jobs that fall under collective agreements, such as nurses, the pay categories correspond to the classifications specified in the collective agreements. Pay is also influenced by job-specific responsibility supplements and the employee's years of experience. For senior salaried employees, pay is determined based on the position and the demands of the job as well as other factors, including competence, experience, performance, and results. The company-specific equality plans are focused on the equality of remuneration and are aimed at promoting equal pay. Gender, for example, cannot be a factor that influences pay.

Sustainable economic growth

A responsible business is also financially profitable and sustainable. Terveystalo creates value for customers, society, and shareholders by continuously developing the clinical, operational, and experienced quality of its work, enabling faster access to treatment, reducing sickness absences, and employing, directly and indirectly, more than 16,800 people. Terveystalo is a significant employer, taxpayer, and provider of health services in Finland.

Terveystalo creates economic added value not only for its customers but also for other key stakeholders, such as personnel, private practitioners, material and service suppliers, and society. Terveystalo's most significant cash flows consist of revenue from service sales, purchases from suppliers of goods and services, salaries paid to personnel, fees paid to private practitioners, taxes, investments, and dividends paid to the shareholders.

In 2022, Terveystalo' s revenue and other operating income totalled EUR 1,261.8 (1,158.0) million. The goods, materials and services purchased from suppliers amounted to EUR 525.7 (488.9) million. Salaries and remuneration amounted to EUR 381.5 (315.9) million. Net financial expenses to creditors amounted to EUR 2.9 (9.0) million. Dividends paid to our shareholders in 2022 based on the results of the previous fiscal year amounted to EUR 35.4 (33.1) million. Terveystalo invested a total of EUR 58.5 (42.6) million to business development.

In 2022, Terveystalo' s tax footprint totalled EUR 235.7 (191.0) million. In addition, a total of EUR 340.6 (316.3) million was paid to private practitioners, who pay their individual taxes independently. Private practitioners' taxes are not included in Terveystalo' s own tax footprint.

20230822015540

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 own operations in 2030. The conservation and sustainable use of natural resources in Terveystalo's supply chains are promoted by reducing plastic consumption, recycling waste, increasing the efficiency of material management, and reducing the number of small orders. Medical waste at Terveystalo's units is also being reduced. Digital services enable simultaneously improving access to care and reducing customers' travel times and the emissions generated by travel.

In line with Terveystalo's environmental policy, Terveystalo builds a sustainable relationship with the environment. The environmental policy is guided by Terveystalo's values and strategy, which the management and personnel have undertaken to comply with. Terveystalo operates in line with the principles of sustainable development to reduce and eliminate environmental risks. Terveystalo complies with all applicable laws, regulations, and procedures in place in the industry to ensure patient safety.

Terveystalo's environmental goals are as follows:

- Development of environmental management and awareness at all organizational levels
- Identification, anticipation, and monitoring of direct and indirect environmental impacts
- Reduction of environmental impacts in our day-to-day operations
- Development of practices that promote sustainable development

Adverse environmental impacts are prevented by, for example:

- reducing energy consumption and transitioning to carbon-neutral energy,
- reducing the volume of waste created in our operations and increasing our recycling rate,
- optimizing the life cycle of health care equipment, with due consideration for technological development,
- taking environmental perspectives into account in our travel and car policy,
- developing digital services,
- planning and implementing pharmaceutical services in an up-to-date manner,
- taking environmental perspectives into account in centralized procurement and ensuring efficient inventory management, and
- taking sustainable development and environmental perspectives into account in our network and business premises projects.

Terveystalo's environmental program covers all clinics in Finland and its appropriateness is evaluated in quality management and environmental management system audits. Some of the clinics are ISO 14001:2015 certified. Feelgood, Terveystalo's subsidiary operating in Sweden, also has ISO 14001:2015 Environmental Management System certification.

Terveystalo's goal is to reduce the carbon footprint so that zero emissions in its own operations will be achieved in 2030. Between 2023 and 2030, any remaining greenhouse gas emissions will be compensated by investing in certified CO_2 emission compensation projects. The aim is to eventually discontinue compensation measures and to achieve zero emissions in its own operations by 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 target is for green electricity to account for 100 percent of the electricity purchased for Terveystalo's operations. The recycling and recovery of waste is another key theme in Terveystalo's environmental responsibility, with the goal being to minimize waste in all operations. The indicators used for this are the mixed waste intensity and the recovery rate and recycling rate of waste generated at Terveystalo's units.

In 2022, Terveystalo's carbon footprint from Scope 1 and Scope 2 emissions (market-based) in Finland totalled 2,334.1 (644.0) metric tons of carbon dioxide equivalent (tCO_2e). Scope 2 emissions (market-based) from purchased electricity quadrupled from the previous year. This was due to the exceptional electricity market disturbances, which forced Terveystalo to change its electricity supplier in the middle of the year, and because of the high market price of electricity, no green electricity could be purchased for the rest of the year. In Sweden, Scope 1 and 2 emissions from Feelgood's operations totalled 142.2 tCO_2e. Terveystalo's carbon footprint consists mainly of the production of the electricity consumed by properties, emissions generated by transport and travel as well as the waste generated in hospitals and clinics. The emissions generated by Terveystalo's operations are reduced, for example, by increasingly transitioning to green electricity and prioritizing low-emission vehicles.

20230822201541

Emissions

Terveystalo reports the direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions arising from our operations – and part of our indirect Scope 3 emissions – in accordance with the GHG standard. The emissions from Swedish operations are reported for the first time for the year 2022.

Scope 1

As the company 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 company's fleet of cars and the trucks used for imaging operations. The emissions arising from own driving and driving under the company's direct control are calculated based on fuel consumption. In 2022, Scope 1 CO_2 emissions in Finland totalled 134,5 (245.5) metric tons of carbon dioxide equivalent (tCO_2e). In Sweden, Scope 1 emissions totalled 39,9 tCO_2e.

Scope 2

Indirect Scope 2 greenhouse gas emissions arise from the production of electricity purchased by Terveystalo and the production of district heating consumed at properties controlled by Terveystalo. In 2022, electricity purchases for properties controlled by Terveystalo totalled 15,841 (14,159) MWh. Since January 2020, the company's electricity portfolio (electricity purchased for properties) has been zero-CO_2 green electricity. Zero-CO_2 electricity purchased for 2022 in Finland totalled 7,730.4 (12,696) MWh, representing approximately 49 (89) percent of the company's electricity consumption in Finland. The remainder, 8,111 (1,499) MWh, corresponds to 2,199.6 (418.5) metric tons of CO_2 equivalent (tCO_2e, market-based). The exceptional electricity market disturbances forced Terveystalo to change its electricity supplier in the middle of the year, and because of the high market price of electricity, no green electricity was purchased for the rest of the year. In Sweden, electricity purchases for properties controlled by Feelgood totalled 1,328 MWh, of which 67 percent was zero-CO_2 green electricity. As regards energy consumption, our target is for green electricity to account for 100 percent of the electricity we purchase

Scope 3

For indirect Scope 3 emissions, Terveystalo reports emissions arising from work-related travel by employees and waste created by the company's operations.

At Terveystalo, unnecessary work-related travel is aimed to be avoided by encouraging the use of remote meetings whenever possible. In 2022, Terveystalo's personnel in Finland flew a total of 0.7 (0.3) million kilometres in work-related travel, equalling 84.1 39.9) tCO_2e. Regarding reimbursable work-related travel, Terveystalo's personnel in Finland travelled a total of 2.6 (1.9) million kilometres, equalling 440.8 (322.1) tCO_2e. Terveystalo encourage our personnel to choose low-emissions vehicles as company cars. The average emissions of the company cars used by the Group in Finland amount to 72 (92) g CO_2e/km. In Sweden, personnel is encouraged to use trains instead of flying and to favour remote meetings when possible. Terveystalo's personnel in Sweden flew a total of 0.31 million kilometres, resulting in emissions of 45.1 tCO_2e. A total of 262.6 tCO_2e were emitted from all the work-related trips of the Swedish personnel.

The indirect emissions arising from waste in Finland totalled 41.7 (36.6) tCO_2e in 2022. In Sweden, emissions from waste are very low since the amount of waste generated from operations is small and is mainly generated in offices. The emissions arising from waste in Sweden totalled 2.1 tCO_2e.

Terveystalo's CO_2 emissions intensity is low due to the nature of the Group's operations. In 2022, Terveystalo's emissions intensity (Scope 1 and Scope 2, market-based) relative to revenue amounted to 1.8 (0.6) gCO_2e/EUR. Relative to the number of employees, the emissions intensity was 0.4 (0.12) tCO_2e. Figures for 2022 also include operations in Sweden.

Waste

Terveystalo's goal is to minimize mixed waste in all operations and forward as large a share of the waste as possible to be recovered. The indicators used for this are the mixed waste intensity and the recovery rate and recycling rate of waste generated at Terveystalo's units. In 2022, the mixed waste intensity of Finnish operations was 5.8 (6.4), the recovery rate of waste 100 percent and the recycling rate of waste 67 percent.

According to the company's assessment, there are no significant risks associated with environmental aspects due to the nature of the company's operations.

202308220154Z

EU taxonomy

The EU taxonomy is a classification system for sustainable finance that seeks to establish 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 sustainable from climate perspective. 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 mitigating and adapting to climate change. 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 and their NACE codes. Only one of Terveystalo' s businesses is classified in taxonomy (12.1 Residential care activities, NACE code Q87).

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 goals.

As a result of the assessment, it has been found that 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 net sales, operating costs, and investments. According to the company's estimate, 1 percent of Terveystalo's revenue, operating costs and investments are eligible with the current taxonomy and 99 percent are non-eligible. Furthermore, 0 percent of Terveystalo's revenue, operating costs and investments are taxonomy-aligned, and 100 percent are non-taxonomy-aligned.

Terveystalo strives to minimize the environmental impact of its operations and to promote the digitalisation of health care, but these measures are not included in the current taxonomy. Terveystalo's environmental sustainability is described in the Sustainability section of Annual Report and in the Board of Directors' report.

Share of revenue, OPEX and CAPEX from services associated with Taxonomy eligible and aligned activities 2022

A. Taxonomy eligible economic activities	Code	Absolute revenue, MEUR	Share of revenue, %	Absolute CAPEX, MEUR	Share of CAPEX, %	Absolute OPEX, MEUR	Share of OPEX, %
A.1 Environmentally sustainable (taxonomy aligned) activities							
-		0	0%	0	0%	0	0%
A.2 Taxonomy eligible, but not environmentally sustainable (other than taxonomy aligned) activities							
Residential care activities/Child welfare	12.1	11	1%	1	1%	10	1%
Total A1+A2		11	%	1	1%	10	1%

B. Taxonomy non-eligible economic activities	Absolute revenue, MEUR	Share of revenue, %	Absolute CAPEX, MEUR	Share of CAPEX, %	Absolute OPEX, MEUR	Share of OPEX, %
Taxonomy non-eligible economic activities	1,248	99%	57	99%	1,083	99%
Total A+B	1,259	100%	58	100%	1,093	100%

2023082201543

Shares, shareholders, and Board authorizations

At the end of 2022, Terveystalo's market value was EUR 794 (1,516) million and the closing price was EUR 6.25 (11.84). In 2022, the highest price of Terveystalo's share on Nasdaq Helsinki Ltd was EUR 11.94 (12.56), the lowest price was EUR 6.06 (10.10), and the average price was EUR 9.41 (11.34). A total of 29.5 (32.0) million shares were traded in 2022. At the end of the reporting period, the number of Terveystalo shares registered in the Trade Register was 127,036,531 (128,036,531). The following tables list the largest shareholders, distribution of ownership, and owner groups.

The largest registered shareholders on 31 December 2022

Name	Number of shares	% of shares	Votes	% of votes
Varma Mutual Pension Insurance Company	22,151,945	17.44	22,151,945	17.44
Rettig Group AB	21,153,191	16.65	21,153,191	16.65
Pohjola Insurance Ltd	10,530,332	8.29	10,530,332	8.29
Hartwall Capital	8,231,690	6.48	8,231,690	6.48
OP Life Assurance Company Ltd	7,136,652	5.62	7,136,652	5.62
Ilmarinen Mutual Pension Insurance Company	5,736,817	4.52	5,736,817	4.52
Elo Mutual Pension Insurance Company	2,834,734	2.23	2,834,734	2.23
Local Tapiola Mutual Insurance Company	2,600,000	2.05	2,600,000	2.05
Åbo Akademi University Foundation	1,816,242	1.43	1,816,242	1.43
The State Pension Fund of Finland	1,300,000	1.02	1,300,000	1.02
Ten largest in total	**83,491,603**	**65.72**	**83,491,603**	**65.72**

The list is based on the register of shareholdings maintained by Euroclear, and it does not include nominee-registered shares.
According to its own notification and its custodian's notification, **Lannebo Fonder** owns in total 2.74 (3.34) percent of all shares.

Distribution of ownership 31 December 2022

Number of shares	Number of shareholders	% of shareholders	Number of securities	% of securities	Number of votes	% of votes
1-100	14,173	45.81	660,697	0.52	660,697	0.52
101-500	11,739	37.94	2,969,880	2.34	2,969,880	2.34
501-1,000	2,670	8.63	2,066,923	1.63	2,066,923	1.63
1,001-5,000	1,909	6.17	3,970,022	3.13	3,970,022	3.13
5,001-10,000	199	0.64	1,432,937	1.13	1,432,937	1.13
10,001-50,000	171	0.55	3,793,301	2.99	3,793,301	2.99
50,001-100,000	25	0.08	1,914,641	1.51	1,914,641	1.51
100,001-500,000	33	0.11	7,715,245	6.07	7,715,245	6.07
500,001-	19	0.06	102,512,885	80.70	102,512,885	80.70
Total	30,938	100.00	127,036,531	100.00	127,036,531	100.00
of which nominee-registered	12	0.04	13,244,454	10.43	13,244,454	10.43
Non-transferred, total	0		0	0	0	0
In general account			0	0	0	0
In special accounts, total			0	0	0	0
Total issued			127,036,531	100.00	127,036,531	100.00

20230822015 44

Shareholder groups, 31 December 2022

Shareholders by sector	Number of shares	% of shares
Households	12,416,744	10.91
Public entities	32,304,419	28.39
Financial and insurance institutions	28,261,793	24.84
Companies	16,328,943	14.35
Non-profit institutions	3,256,792	2.86
Foreign owners	21,223,386	18.65
Total	113,792,077	100.00
Of which nominee-registered	13,244,454	10.43

Management shareholding, 31 December 2022

Name	Position	Number of shares	% of shares	of votes %
Kari Kauniskangas	Chairman of the Board of Directors	16,532	0.01%	0.01%
Matts Rosenberg	Member of the Board of Directors	11,366	0.01%	0.01%
Carola Lemne	Member of the Board of Directors	2,627	0.00%	0.00%
Kristian Pullola	Member of the Board of Directors	5,075	0.00%	0.00%
Katri Viippola	Member of the Board of Directors	8,954	0.01%	0.01%
Ville Iho	President and CEO	5,000	0.00%	0.00%
Juuso Pajunen	Chief Financial Officer	12,000	0.01%	0.01%
Petri Bono	Chief Medical Officer	7,587	0.01%	0.01%
Siina Saksi	Chief Operating Officer, Healthcare Services	60,380	0.05%	0.05%
Marja-Leena Tuomola	Chief Commercial Officer, Healthcare Services	1,000	0.00%	0.00%
Kati Sulin	Senior Vice President, Digital Business	0	0.00%	0.00%
Mikko Tainio	Senior Vice President, Portfolio Businesses	518	0.00%	0.00%
Minttu Sinisalo	Senior Vice President, Human Resources	0	0.00%	0.00%
Management shareholding in total		131,039	0.10%	0.10%
Number of shares total		127,036,531	100%	100%

Notifications of major shareholdings

In 2022, Terveystalo Plc did not receive any notifications pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act.

20230822201545

The Board's authorizations

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

The Board has also been authorized to resolve the issuance of shares and special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act. Authorizations were not used during the financial period.

Dividend Policy and distribution of profits for 2022 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 2022, earnings per share were EUR 0.19 (0.63).

The parent company's distributable funds totalled EUR 530.8 (542.6) million, of which EUR 23.7 (43.8) million is profit for the financial year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.28 (0.28) per share totalling EUR 35.4 (35.4) million be paid based on the balance sheet adopted for the financial year ended 31 December 2022. The dividend would be paid in two installments as follows:

The first dividend installment of EUR 0.14 per share would be paid to the shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the first dividend installment on 27 March 2023. The Board of Directors proposes that the first dividend installment would be paid on 3 April 2023.

The second dividend installment of EUR 0.14 per share would be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the second dividend installment on 2 October 2023. The Board of Directors proposes that the second dividend installment would be paid on 9 October 2023. 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 2022 and the first Board meeting

The Annual General Meeting of Terveystalo Plc was held on 7 April 2022 in Helsinki, Finland. The Annual General Meeting adopted the financial statements for the financial year 2021 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting approved the remuneration report for governing bodies and decided to support the amended remuneration policy for governing bodies which was presented to the Annual General Meeting.

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.28 per share (totalling approximately EUR 35.6 million with the current number of shares) be paid based on the balance sheet adopted for the financial year ended 31 December 2021. The dividend was paid in two installments as follows. The first dividend installment of EUR 0.14 per share was 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 11 April 2022.

The first dividend installment was paid on 20 April 2022. The second dividend installment of EUR 0.14 per share was 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 10 October 2022. The second dividend installment was paid on 19 October 2022. The Annual General Meeting also authorized 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.

TThe number of members of the Board of Directors was confirmed to be six (6). Dag Andersson, Kari Kauniskangas, Kristian Pullola and Katri Viippola were re-elected as members of the Board and Carola Lemne and Matts Rosenberg were elected as new members of the Board for a term that ends at the end of the Annual General Meeting 2023.

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

As proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of the Company's own shares using the unrestricted equity of the Company. The authorization covers a maximum of 12,803,653 shares, which corresponds to approximately 10 percent of all shares in the Company. In addition, as proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act. The authorization covers a maximum of 12,803,653 shares, which corresponds to approximately 10 percent of all shares in the Company. These authorizations are effective until the end of the next Annual General Meeting, however no longer than until 30 June 2023.

20230822201546

As proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to decide on donations in a total maximum of EUR 150,000 for charitable or corresponding purposes. In addition, the Annual General Meeting resolved to authorize the Board of Directors to decide on the donation recipients, purposes of use, and other terms of the donations. The authorization will remain effective until the end of the next Annual General Meeting 2023, however no longer than for a period of 18 months from the date of the resolution of the Annual General Meeting.

The new Board elected Kari Kauniskangas as Chairman of the Board and Matts Rosenberg as Vice Chairman of the Board. Kristian Pullola was elected Chairman of the Audit Committee and Matts Rosenberg and Katri Viippola were elected members. Kari Kauniskangas was elected Chairman of the Remuneration Committee and Dag Andersson and Carola Lemne were elected members of the Committee.

Change in the Board of Directors and Remuneration Committee

On 14 October, 2022, Terveystalo Oyj's Board of Directors elected Katri Viippola as a new member of the Remuneration Committee to replace Dag Andersson, who passed away suddenly in September. Katri Viippola is independent of the company. The Remuneration Committee is chaired by Kari Kauniskangas and Carola Lemne is the other member.

Information on the compliance with the Corporate Governance Code can be found in the Corporate Governance Statement.

Change in the charter and composition of Terveystalo's Shareholders' Nomination Board

At its meeting held on 13 June 2022, the Shareholders' Nomination Board of Terveystalo Plc made a technical amendment to its charter. From now on, a shareholder entitled to appoint a member to the Nomination Board is entitled to change his or her representative on the Nomination Board even after the publication of the Nomination Board's proposals to the Annual General Meeting. The key parts of the Nomination Board's charter are available at: https://www.terveystalo.com/en/company/investors/corporate-governance/shareholders-nomination-board/. Rettig Group announced that it will appoint Tomas von Rettig as its representative on the Nomination Board as of 13 June 2022. Prior to the change, Rettig Group was represented by Matts Rosenberg.

The composition of the Shareholders' Nomination Board of Terveystalo Plc included, after the change of the Board's term of office on 13 September 2022, Risto Murto from Varma Mutual Pension Insurance Company, Tomas von Rettig from Rettig Group, Timo Ritakallio from Pohjola Insurance and Peter Therman from Hartwall Capital, as well as Kari Kauniskangas, Chairman of the Board of Directors of Terveystalo Plc. The Nomination Board is chaired by Risto Murto.

Changes in Terveystalo's Executive Team and operating model

Terveystalo announced on 14 October 2022 that it strengthens long-term value creation, customer focus, and the execution of the profit improvement program announced on 14 October 2022, Terveystalo is planning to change its operating model and organizational structure. The changes clarify roles and responsibilities, strengthen the independent and efficient management of separate businesses, and strengthen the implementation of intact care pathways and high-quality care. The new organization came into force at the beginning of 2023 and it consists of three business areas: Healthcare Services, Portfolio Businesses, and Swedish business.

Changes in Terveystalo's Executive Team

With the new operating model and organizational changes, the responsibilities of the members of the management team changed as follows:

- Siina Saksi, Chief Operating Officer, Healthcare Services
  The organization is responsible for the operational functions of Healthcare Services.
- Marja-Leena Tuomola, Chief Commercial Officer, Healthcare Services
  The organization is responsible for the commercial operations of Healthcare Services in all customer segments.
- Mikko Tainio, Senior Vice President, Portfolio Businesses
  Portfolio Businesses include outsourcing, staffing, digital services for the public sector, oral health, rehabilitation, child protection as well as massage services and training. The change strengthens the independent development and management of these businesses.

In addition to the above-mentioned executives, Terveystalo's new Executive team includes Chief Medical Officer Petri Bono, Chief Financial Officer Juuso Pajunen (started 28 November 2022), Senior Vice President, Digital Business Kati Sulin, and Senior Vice President, People, and Careers Minttu Sinisalo. All the above report to CEO Ville Iho. Elina Saviharju continues in her role as the General Counsel of Terveystalo.

In the new operating model, the role of the consumer business changes, and Veera Siivonen, Senior Vice President, Consumer Business decided to leave the company after a very successful and productive career in the company.

Terveystalo will change the structure of its financial reporting in accordance with the new operating model and will publish the comparison data of the new segments for 2022 before publishing the results of the first quarter of 2023.

20230822015547

Corporate governance

Terveystalo Plc's Corporate Governance Statement, Remuneration Policy, and Remuneration Report for 2022 have been published as separate documents from the Board of Directors' Report and as part of the Annual report on pages 71-95, and are also available on the company's website.

Activities following the end of the reporting period

Terveystalo Plc's Board of Directors has approved a new performance period covering years 2023–2025 of the long-term share-based incentive plan for key personnel

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

Performance Period 2023–2025 of the Performance Share Plan (PSP)

During the performance period 2023–2025, the performance indicators on the basis of which share rewards may be paid are absolute Total Shareholder Return (TSR) and relative TSR (compared to the OMX HKI benchmark CAP GI index).

Terveystalo's Board of Directors confirms the total amount of shares earned after the end of the performance period. The share rewards that may be paid based on the 2023–2025 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 tax-like payments to the recipient are deducted from the share reward, after which the remaining net amount is paid to the participants in shares.

No more than approximately 70 people selected by the Board are eligible to participate in the program, including members of Terveystalo's Executive Team.

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

Performance Period 2023-2025 of the Restricted Share Plan (RSP)

The purpose of the Restricted Share Plan is to act 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, organizations, responsibilities, and practices for risk management. The management of financial risks complies with the Group's financing policy approved by Terveystalo's 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.

- 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 favorable terms, and the integration of acquisition targets is not necessarily realized as planned.

202308220154S

- 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.
- 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 and claims for damages and endanger reputation.
- The COVID-19 pandemic and other potential pandemics or epidemics and related restrictive measures may adversely affect the business operations of Terveystalo through, among other things, demand for certain healthcare services and challenges in 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; aging 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.

Annual General Meeting 2023

Terveystalo Plc's Annual General Meeting (AGM) is planned to be held on Thursday 23 March 2023.

Capital Markets Day 2023

Terveystalo will arrange Capital Markets Day on 10 May 2023 in Helsinki.

Terveystalo Plc
Board of Directors

20230822015549

Consolidated financial statements, IFRS

Consolidated statement of comprehensive income

EUR mill.	Note	1.1.–31.12.2022	1.1.–31.12.2021
Revenue	4, 5	1,259.1	1,154.6
Other operating income	6	2.7	3.4
Materials and services	7	-525.7	-488.9
Employee benefit expenses	8	-455.0	-378.2
Depreciation, amortization and impairment losses	9	-134.9	-91.7
Other operating expenses	10	-112.3	-89.2
Operating profit		33.9	110.1
Financial income	11	7.5	0.8
Financial expenses	11	-10.4	-9.9
Net finance expenses		-2.9	-9.0
Share of results in associated companies		-0.1	-0.3
Profit before taxes		30.9	100.7
Income tax expense	12	-6.5	-20.3
Profit for the period		24.4	80.4
Profit attributable to			
Owners of the parent company		24.4	80.5
Non-controlling interests		0.0	0.0

EUR mill.	Note	1.1.–31.12.2022	1.1.–31.12.2021
Other comprehensive adjustments			
Items that may be reclassified to profit or loss			
Translation differences from foreign operations		-5.3	-0.8
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	28	0.2	0.1
Other comprehensive income for the period, net of tax		-5.1	-0.6
Total comprehensive income		19.3	79.8
Total comprehensive income attributable to:			
Owners of the parent company		19.3	79.8
Non-controlling interest		0.0	0.0
Earnings per share for profit attributable to the shareholders of the parent company, in euro			
Basic earnings per share	13	0.19	0.63
Diluted earnings per share	13	0.19	0.63

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

2023082201550

Consolidated statement of financial position

EUR mill.	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment	14	82.0	72.0
Right-of-use assets	14	173.9	172.5
Goodwill	15, 16	879.5	848.6
Other intangible assets	15	145.2	175.2
Investment properties	17	0.5	0.5
Investments in associates	18	0.0	0.6
Loan receivables	20	0.3	0.1
Deferred tax assets	12	7.7	5.4
Other non-current assets	20	0.8	0.8
Total non-current assets		**1,289.8**	**1,275.8**
Current assets			
Inventories		6.6	6.4
Trade and other receivables	22	142.9	128.3
Cash and cash equivalents	23	40.2	38.1
Total current assets		**189.7**	**172.8**
TOTAL ASSETS		**1,479.4**	**1,448.6**

EUR mill.	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		0.1	0.1
Invested non-restricted equity reserve		492.8	492.8
Treasury shares		-15.8	-18.0
Retained earnings		114.9	134.0
Equity attributable to equity holders of the Company total		592.0	608.9
Non-controlling interest		0.0	0.0
TOTAL EQUITY		**592.0**	**608.9**
Non-current liabilities			
Non-current financial liabilities	20, 21, 25	383.1	257.9
Non-current lease liabilities	14, 21, 25	133.2	131.4
Deferred tax liabilities	12	29.5	28.5
Provisions	27	8.3	8.5
Other liabilities		16.2	15.6
Total non-current liabilities		**570.3**	**441.9**
Current liabilities			
Current financial liabilities	20, 21, 25	44.2	120.9
Current lease liabilities	14, 21, 25	46.5	47.1
Current tax liabilities		0.0	13.3
Provisions	27	3.2	2.5
Trade and other payables	26	223.2	214.1
Total current liabilities		**317.1**	**397.9**
TOTAL LIABILITIES		**887.4**	**839.7**
Total equity and liabilities		**1,479.4**	**1,448.6**

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

20230822201551

Consolidated statement of cash flows

EUR mill.	Note	1.1.–31.12.2022	1.1.–31.12.2021
Cash flows from operating activities			
Profit before income taxes		30.9	100.7
Adjustments for			
Non-cash transactions			
Depreciation, amortization and impairment losses	9	134.9	91.7
Change in provisions	27	0.5	0.9
Other non-cash transactions		-4.1	1.3
Gains and Losses on sale of property, plant, equipment and other changes		-0.3	-0.1
Net finance expenses	11	2.9	9.0
Changes in working capital			
Trade and other receivables		1.6	-17.0
Inventories		-0.2	0.6
Trade and other payables		0.4	28.4
Interests received		0.3	0.3
Income taxes paid		-26.0	-20.7
Net cash from operating activities		**140.9**	**195.2**

EUR mill.	Note	1.1.–31.12.2022	1.1.–31.12.2021
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	3	-34.9	-65.3
Acquisition of property, plant and equipment		-30.2	-21.0
Acquisition of intangible assets		-29.0	-22.1
Proceeds from the disposal of associates		0.1	-
Proceeds from sale of financial assets		-	0.0
Acquisition of business operations, net of cash acquired	3	-0.7	-0.1
Proceeds from sale of property, plant and equipment		0.7	0.5
Dividends received		0.0	0.0
Net cash from investing activities		**-93.9**	**-108.0**
Cash flows from financing activities			
Acquisition of non-controlling interests	3	-0.0	-12.7
Acquisition of treasury shares	24	-	-11.3
Proceeds from non-current borrowings	25	169.5	-
Repayment of non-current borrowings	25	-40.0	-41.9
Proceeds from current borrowings	25	41.0	77.0
Repayment of current borrowings	25	-116.7	-46.5
Payment of lease liabilities	25	-49.3	-42.4
Payment of hire purchase liabilities	25	-5.3	-5.9
Interests and other financial expenses paid		-8.4	-9.3
Dividends paid		-35.4	-33.1
Net cash from financing activities		**-44.6**	**-126.1**
Net change in cash and cash equivalents		**2.3**	**-39.0**
Cash and cash equivalents at 1 January		38.1	77.1
Exchange rate differences		-0.3	-0.1
Cash and cash equivalents at 31 December		40.2	38.1

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

20230822201552

Consolidated statement of changes in equity

EUR mill.	Equity attributable to owners of the parent company: Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 Jan 2022	0.1	492.8	-18.0	134.0	608.9	0.0	608.9
Comprehensive income							
Profit for the period	-	-	-	24.4	24.4	0.0	24.4
Other comprehensive income	-	-	-	-5.1	-5.1	-	-5.1
Transactions with owners							
Share-based payments	-	-	2.2	-3.0	-0.8	-	-0.8
Dividends	-	-	-	-35.4	-35.4	-	-35.4
Transactions with non-controlling interests							
Transactions with non-controlling interest	-	-	-	-	-	0.0	0.0
Equity 31 Dec 2022	**0.1**	**492.8**	**-15.8**	**114.9**	**592.0**	**0.0**	**592.0**

Accumulated translation differences on 31 December 2022 were EUR -5,3 million.

EUR mill.	Equity attributable to owners of the parent company: Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 Jan 2021	0.1	492.8	-6.7	85.3	571.4	0.0	571.4
Comprehensive income							
Profit for the period	-	-	-	80.5	80.5	0.0	80.4
Other comprehensive income				-0.6	-0.6	-	-0.6
Transactions with owners							
Acquisition of treasury shares	-	-	-11.3	-	-11.3	-	-11.3
Share-based payments	-	-	-	1.9	1.9	-	1.9
Dividends	-	-	-	-33.1	-33.1	-	-33.1
Transactions with non-controlling interests							
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	12.8	12.8
Transactions with non-controlling interest	-	-	-	0.1	0.1	-12.8	-12.7
Equity 31 Dec 2021	**0.1**	**492.8**	**-18.0**	**134.0**	**608.9**	**0**	**608.9**

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

20230822015S3

1. Corporate information

Terveystalo Plc is a Finnish public limited liability company organized 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 33 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. 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 9 February 2023, 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 2022. 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 euro 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. Key figures have been calculated using exact figures.

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

New and amended standards applied in the financial year 2022

The Group has applied as from 1 January 2022 the following new and amended standards that have come into effect:

Amendments to IAS 37 – Onerous Contracts

When an onerous contract is accounted for based on the costs of fulfilling the contract, the amendments clarify that these costs comprise both the incremental costs and an allocation of other direct costs. The impacts of the amendments on Terveystalo's consolidated financial statements have not been significant.

Annual Improvements to IFRS Standards 2018–2020

IFRS 9: The amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

IFRS 1: The amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter later than its parent.

IFRS 16: The amendment removes the illustration of payments from the lessor relating to leasehold improvements. The example was not clear as to why such payments are not a lease incentive.

IAS 41: The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

The annual improvements have no impacts on Terveystalo's consolidated financial statements.

Amendments to IAS 16 – Proceeds before Intended

Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items. The amendments have no impacts on Terveystalo's consolidated financial statements.

20230822201554

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendment updates a reference in IFRS 3 and made further amendments to avoid unintended consequences of updating the reference. The impacts of the amendments on Terveystalo's consolidated financial statements have not been significant.

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

* = not yet endorsed for use by the European Union as of 31 December 2022.

IFRS 17 Insurance Contracts
(to be applied from 1 January 2023)

The new standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. This standard replaces the IFRS 4 standard. The impact of the standard on Terveystalo's consolidated financial statements is not expected to be significant.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current*
(effective for financial years beginning on or after 1 January 2023, early application is permitted)

The amendments are to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. The impacts of the amendments on Terveystalo's consolidated financial statements are not expected to be significant.

Amendments to IAS 1 – Disclosure of Accounting Policies
(effective for financial years beginning on or after 1 January 2023, early application is permitted)

The amendments clarify the application of materiality to disclosure of accounting policies to help companies provide useful accounting policy disclosures. The impacts of the amendments on Terveystalo's consolidated financial statements are not expected to be significant.

Amendments to IAS 8 – Definition of Accounting Estimates
(effective for financial years beginning on or after 1 January 2023, early application is permitted)

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. The impacts of the amendments on Terveystalo's consolidated financial statements are not expected to be significant.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
(effective for financial years beginning on or after 1 January 2023, early application is permitted)

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. The impacts of the amendments on Terveystalo's consolidated financial statements are not expected to be significant.

Amendments to IFRS 17 – Comparative Information
(effective for financial years beginning on or after 1 January 2023)

Amendment to IFRS 17 to alleviate mismatches in comparative information arising from the different transition requirements of IFRS 9 and IFRS 17. The impacts of the amendments on Terveystalo's consolidated financial statements are not expected to be significant.

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 amendments address the conflict between the existing guidance on consolidation and equity accounting and require the full gain to be recognised when the assets transferred meet the definition of a 'business' under IFRS 3 Business Combinations.

20230822201555

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 at 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 realized 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 realization 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 recognized in the period when the estimate or assumption is revised, and in the future periods if the change affects the subsequent periods.

The critical issues requiring management's judgement are presented below:

Intangible assets in connection with business combinations

IFRS 3 requires the acquirer to recognize intangible assets separately from goodwill, if certain criteria are met. Recognizing 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.

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 recognized as long-term lease contracts.

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.

Provisions

The most significant provisions in the statement of financial position relate mainly to loss-making contracts as well as retirement obligations related to some leased premises. Management makes estimates mainly concerning the total loss of the loss-making contracts.

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.

2023082201556

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 recognized as an expense as incurred. Transactions treated separately from the acquisition are recognized 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 recognized 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 recognized 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 recognized in profit or loss.

Intra-group transactions, receivables, liabilities and unrealized 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 recognized 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.

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 recognized 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 recognized 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.

Unrealized 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 recognized 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 recognized amounts in other comprehensive income and the value of the investment in the consolidated financial statements are recognized 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 recognized 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 recognized in other comprehensive income

20230822201557

2.6 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is recognized 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
Buildings	10–40 years
Machinery and equipment	2–7 years
Improvements to office premises	2–10 years
Right-of-use assets	1–16 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.

Right-of-use assets are depreciated over the shorter of the useful life or lease term. If the use of call option is certain, right-of-use asset is depreciated over the useful life.

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 capitalizes 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.

Other intangible assets

Other 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 recognized 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.

Other 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.

20230822015S8

Amortisation periods used for intangible assets are as follows:

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

Research and development

Research expenditure are recognized as an expense as incurred in the statement of income. Development expenditure are capitalized as intangible assets when certain capitalization criteria are met. Development expenditure that do not qualify for the capitalization are recognized as an expense. The estimated useful lives of capitalized 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 operating segments, 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 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 recognized when the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized 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 amortization, is reassessed when an impairment loss is recognized. The impairment loss recognized 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 recognized. Impairment loss recognized 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 recognizes 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 recognizes 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 judgement, 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 recognize 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

2023082201559

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 book value and useful life of a right-of-use asset are reviewed where necessary but at least annually and an impairment loss is recognized 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 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.

Subsequently a lease liability is measured at amortized 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 amortized 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. Realized or unrealized gains and losses arising from changes in fair values are recognized in the statement of income in the period in which they are incurred.

Financial assets at amortized cost consist of trade receivables and other receivables. They are measured at amortized 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 2021 or 2022.

The Financial asset is derecognized 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 amortized cost.

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

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

20230822201560

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 2021 or 2022.

Financial liability is derecognized 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 realizable value. The cost of inventories is determined by using FIFO (first in, first out) method. Net realizable 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, 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 recognized through profit or loss in the reporting period to which they relate.

A defined benefit plan is a pension plan under which the Group itself has the obligation to pay retirement benefits and bears the risk of change in the value of plan liability and assets. The liability recognized 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.

Actuarial gains and losses related to remeasurements of a defined benefit plan are recognized directly in the other comprehensive income. Interest and other expenses related to defined benefit plans are recognized 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 recognized 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 recognized as an increase in equity. The cash-settled share-based incentives are valued at fair value at each reporting date until the settlement date and recognized 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 recognized 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 recognized 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 recognized 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.

20230822201561

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 and child welfare services for public sector as well as 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 recognized 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 recognized 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 recognized 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 recognizing 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 recognized 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 recognizes revenue on a gross basis. Fees related to purchasing these services are recognized in materials and services expenses.

2.16 Segment information

The Group's business in Finland is divided into three regions which are the Group's operating segments: Capital region, Central Units and Regional Units. During 2021, a fourth operating segment, Sweden and other, was formed in the Group due to the acquisition of Feelgood group. The operating segment consists of the Group's operations in Sweden, Estonia and the Netherlands. Monitoring of profitability is primarily based on geographical areas. In addition to the regional structure, the Group functions include finance and administration, HR and legal, IT, communication, marketing and investor relations, business development and digitalization, as well as medical quality and service management. Terveystalo's chief operating decision maker is the CEO.

2.17 Government grants

Government grants are presented in other operating income as far as they do not relate to acquired assets. Grants are recognized 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, amortization and impairments as well as other operating expenses.

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.

20230822201562

2.20 Income taxes

Income taxes primarily include current and deferred taxes. Tax related to items recognized directly in equity or in other comprehensive income is also recognized 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 recognized 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 recognized 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 recognized 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 capitalized customer relationships and trademarks, and to provisions related primarily to loss making contracts.

A deferred tax asset is recognized 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.

3. Business Combinations

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.

20230822201563

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

Consideration transferred

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

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	4.4
Intangible assets	6.0
Property, plant and equipment	1.1
Right-of-use assets	4.4
Deferred tax assets	0.2
Inventories	0.2
Trade and other receivables	5.2
Financial liabilities	-0.5
Lease liabilities	-4.4
Trade and other payables	-6.2
Deferred tax liabilities	-1.1
Interest bearing liabilities	-0.1
Total identifiable net assets acquired	**8.9**
Goodwill	**34.0**

As a result of these business combinations, a preliminary goodwill amounting to EUR 34.0 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 1.0 million of the recognized goodwill is deductible in taxation. Cashflow impact of the acquisitions made during 2022 was EUR 32.9 million.

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 recognized 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.

Business combinations 2021

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

Acquisition of Feelgood Svenska AB group

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

Feelgood is one of Sweden's leading healthcare companies. Feelgood employs approximately 700 employees who serve customers both digitally and physically on 120 locations in Sweden. Feelgood offers services within occupational

20230822015564

healthcare, organization and leadership, substance abuse in the workplace, as well as digital private healthcare and well-being services. Feelgood was listed on Nasdaq Stockholm. The acquisition is Terveystalo's first step in expanding its presence and services to the Swedish market. The deal brings together two industry leading platforms that complement each other in terms of people, service offering and geographical network and provides significant potential for value creation.

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

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

Consideration transferred

EUR mill.	
Purchase price, payable in cash	47.2
Total consideration transferred	**47.2**

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

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

Cash flow impact of the acquisition

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

2023082201565

The non-controlling interest from the acquisition has been recognized at fair value. The fair value of the non-controlling interest was determined based on the consideration of SEK 5.70 offered by Terveystalo Healthcare in the cash offer and the number of shares held by the minority at the acquisition date. After the acquisition date, Terveystalo has acquired the remaining non-controlling interests and reached a 100 percent ownership in Feelgood in December 2021. In 2022, no measurement period adjustments have been made to Feelgood acquisition.

Customer relationships, trademarks and technology-related intangible assets were recognized in the determination of fair values and the combined fair value of these assets was measured at EUR 18.0 million. A deferred tax liability of EUR 3.7 million was recognized for the beforementioned assets. The fair values of customer relationships and trademarks have been determined through the use of an income approach, which requires an estimate or forecast of expected future cash flows. The fair value of technology has been determined using the estimated replacement cost. The acquisition resulted in a goodwill amounting to EUR 41.4 million. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is not deductible for tax purposes.

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

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

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

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

Other acquisitions

- On 28 February 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the therapy service provider Attentio Oy.
- On 28 February 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the dental clinic Espoon Keskuksen Hammaslääkärit Oy.
- On 31 March 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the advanced child welfare service provider Keltaisen Kartanon Kuntoutus Oy.
- On 30 April 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the medical clinic Helsinki Hospital Oy.
- On 31 August 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the therapy service provider Sivupersoona Oy.
- On 31 August 2021 Suomen Terveystalo Oy acquired the business of Fysiopiste Mervi Nivukoski.
- On 1 September 2021 Feelgood Företagshälsovård AB acquired 100 percent of the Swedish occupational health provider Dalarnas Företagshälsa AB.
- On 1 October 2021 Terveystalo Healthcare Oy acquired 100 percent of the shares of the advanced child welfare service provider Hoitokoti Ankkuri Oy and an indirect 100 percent ownership in Ankkurin Huoltamo Oy, Jyväskylän Lastensuojelupalvelut Oy, Terapiatelakka Oy ja Lastensuojelupalvelut Väylä Oy.
- On 29 October Suomen Terveystalo Oy acquired 94 percent of the shares of the medical clinic Medimar Skandinavia Ab. A non-controlling interest of EUR 15 thousand was recognized in the acquisition. The non-controlling interest is measured based on the proportionate share of the acquired identifiable net assets.
- On 30 November Terveystalo Healthcare Oy acquired 100 percent of the shares of the Suomen Hierojakoulut Oy.

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

Consideration transferred

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

20230822015566

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	3.6
Intangible assets	5.5
Property, plant and equipment	0.9
Right-of-use assets	7.2
Inventories	0.2
Trade and other receivables	3.5
Financial liabilities	-0.8
Lease liabilities	-7.2
Trade and other payables	-6.6
Deferred tax liabilities	-1.0
Total identifiable net assets acquired	**5.4**
Goodwill	**26.0**

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

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

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

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

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

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

4. Revenue

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

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health care customers, excluding municipal occupational health care customers. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational healthcare services in Finland in terms of revenue and the number of end-users. Terveystalo provides occupational healthcare services for over 27,000 companies.

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

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

20230822201567

Dissagregation of revenue

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Corporate	**511.7**	**481.7**
Private	**339.4**	**333.2**
Public	**315.2**	**302.8**
Outsourcing	122.2	121.1
Staffing services	89.8	87.6
Service sales, occupational health and others	103.3	94.0
Finland	**1,166.2**	**1,117.7**
Sweden and other*	**92.8**	**36.9**
Total	**1,259.1**	**1,154.6**

* Consists of Group's operations in Sweden, Estonia and the Netherlands. The impact of Estonia and the Netherlands to the revenue of the financial year has not been material.

Timing of satisfying performance obligations

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
At a point in time	1,134.4	1,030.1
Over time	124.6	124.5
Total	**1,259.1**	**1,154.6**

Balances in the statement of financial position

EUR mill.	31 Dec 2022	31 Dec 2021
Contract assets	12.8	15.0
Contract liabilities	10.3	6.1

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

5. Segment information

Terveystalo's operating segments are Capital region, Central units, Regional units and Sweden and other. The Group reports the operating segments in Finland as one reportable segment based on the IFRS 8 aggregation criteria, as the same services are offered in all Finnish regions, customer types are similar, methods used to provide services are similar and the regulatory environment and operational risks are the same. Terveystalo's reportable segments are:

- Finland
- Sweden and other

Segment information

1.1–31.12.2022 EUR mill.	Finland	Sweden and other	Internal eliminations	Total
Revenue				
Revenues from external customers	1,166.2	92.8	-	1,259.1
revenues from transactions with other operating segments of the same entity	0.0	0.2	-0.2	-
Total revenue	**1,166.2**	**93.0**	**-0.2**	**1,259.1**
Adjusted EBITA	102.3	2.8	-	105.2
Depreciations	66.2	6.6	-	72.8

Segment information

1.1–31.12.2021 EUR mill.	Finland	Sweden and other	Internal eliminations	Total
Revenue				
Revenues from external customers	1,117.7	36.9	-	1,154.6
revenues from transactions with other operating segments of the same entity	0.1	0.2	-0.3	-
Total revenue	**1,117.7**	**37.2**	**-0.3**	**1,154.6**
Adjusted EBITA	140.2	0.8	-	141.0
Depreciations	62.3	2.8	-	65.1

20230822201568

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

EUR mill.	1.1–31.12.2022	1.1–31.12.2021
Profit before taxes	30.9	100.7
Share of profits in associated companies	0.1	0.3
Net finance expenses	2.9	9.0
Amortisation and impairment losses	62.0	26.6
Adjustments*	9.2	4.3
Adjusted EBITA	**105.2**	**141.0**

*Addittional information on adjustment is presented in the note 34.

Non-current assets by geographical areas

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

EUR mill.	31 Dec 2022	31 Dec 2021
Finland	1,206.3	1,197.8
Sweden and other	74.8	71.6
Total	**1,281.1**	**1,269.4**

6. Other operating income

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Rental income	1.1	1.2
Gains on sale of property, plant and equipment	0.3	0.2
Other items	1.2	2.1
Total	**2.7**	**3.4**

7. Materials and services

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Purchases of materials	-44.1	-34.8
Change in inventories	0.2	-0.6
External services	-481.8	-453.4
Total	**-525.7**	**-488.9**

8. Employee benefit expenses

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Wages and salaries	-379.5	-314.1
Share-based payments	-2.0	-1.9
Pension expenses - defined contribution plans	-61.0	-50.6
Other social security costs	-12.5	-11.7
Total	**-455.0**	**-378.2**
Number of personnel at the end of the reporting period	10,933	9,805

20230822015569

9. Depreciation, amortization and impairment

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Depreciation and amortization by asset type		
Intangible assets		
Trademarks	-4.5	-4.5
Customer relationships	-4.8	-10.0
Other intangible assets	-20.9	-10.8
Total	**-30.1**	**-25.3**
Property, plant and equipment		
Buildings	-0.0	-0.0
Machinery and equipment	-14.6	-13.6
Improvement to premises	-5.9	-5.5
Total	**-20.5**	**-19.2**
Right-of-use assets	-52.4	-45.9
Investment property	-0.0	-0.0
Depreciation and amortization total	**-103.0**	**-90.3**
Impairment losses by asset groups		
Other intangible assets	-30.5	-0.0
Machinery and equipment	-0.8	0.0
Other property, plant and equipment	-	-0.0
Improvement to premises	-0.2	-0.0
Associated companies	-0.4	-1.2
Impairment total	**-31.9**	**-1.3**
Total depreciation, amortization and impairment losses	**-134.9**	**-91.7**

10. Other operating expenses

Specification of other operating expenses

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
External services	-3.7	-3.0
Operating and maintenance expenses for premises and equipment	-22.6	-19.2
ICT expenses	-39.7	-31.7
Non-statutory personnel expenses	-7.1	-4.8
Leases and charges	-5.1	-4.1
Travel expenses	-6.5	-4.3
Marketing and communication	-8.5	-7.3
Acquisition-related expenses	-1.6	-2.3
Other costs	-17.4	-12.3
Total	**-112.3**	**-89.2**

Auditor's fees

In thousands of EUR	1.1.–31.12.2022	1.1.–31.12.2021
Audit and auditor's statements based on laws and regulations		
Audit, KPMG	-387.9	-302.5
Auditor's statements based on laws and regulations, KPMG	-13.4	-4.6
Total	**-401.4**	**-307.1**
Non audit services		
Tax services, KPMG	-2.8	-2.2
Other services, KPMG	-49.5	-34.5
Total	**-52.3**	**-36.7**
Auditor's fees total	**-453.6**	**-343.8**

Auditor's fees have been presented excluding value-added tax. Non-audit services paid for the parent company's auditor, KPMG Oy Ab, were 52 (37) thousand euros in total.

20230822201570

11. Financial income and expenses

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Interest income on loans and other receivables	0.3	0.3
Dividend income	0.0	0.0
Change in fair value of interest rate derivatives. no hedge accounting	7.1	0.6
Total financial income	**7.5**	**0.8**
Interest expense on loans from financial institutions	-5.9	-5.5
Interest expenses on lease liabilities	-3.9	-3.9
Other financial expenses	-0.5	-0.5
Total financial expenses	**-10.4**	**-9.9**
Net finance expenses	**-2.9**	**-9.0**

12. Taxes

12.1 Income taxes

Income taxes in the statement of income

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Current tax for the reporting year	-8.3	-23.4
Income taxes for previous periods	0.0	-0.0
Change in deferred taxes	1.8	3.1
Total income taxes	**-6.5**	**-20.3**

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

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Profit or loss before taxes	30.9	100.7
Tax using the parent company's tax rate	-6.2	-20.1
Tax rates in foreign jurisdictions	-0.0	0.0
Tax exempt income	0.2	0.2
Non-deductible expenses	-0.5	-0.8
Share of profit in associated companies	-0.0	-0.1
Recognition of previously unrecognized tax losses	0.2	0.1
Tax losses for which no deferred taxes are recognized	-0.2	0.0
Taxes from previous periods	0.0	0.1
Other	0.0	0.3
Total income taxes in the statement of income	**-6.5**	**-20.3**

12.2 Deferred tax assets and liabilities

Deferred tax assets 2022

EUR mill.	1 Jan 2022	Business combinations	Recognized in the statement of income	Translation differences	31 Dec 2022
Provisions	1.5	-	0.1	-	1.6
Tax losses carried forward	0.0	-	1.8	-	1.8
Leases	1.4	0.0	0.0	-0.0	1.4
Interest rate derivatives	0.2	-	0.4	-	0.7
Other temporary differences	2.3	-	-0.2	-0.0	2.1
Total	**5.4**	**0.0**	**2.0**	**-0.0**	**7.7**

20230822015 71

Deferred tax liabilities 2022

EUR mill.	1 Jan 2022	Business combinations	Recognized in the statement of income	Translation differences	31 Dec 2022
Reversal of goodwill amortization	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 recognized.

Deferred tax liabilities 2021

EUR mill.	1 Jan 2021	Business combinations	Recognized in the statement of income	Translation difference	31 Dec 2021
Reversal of goodwill amortization	2.8	-	0.1	-	2.9
Business combinations	22.4	4.2	-3.1	-0.0	23.5
Depreciation difference	0.6	-	0.8	-	1.3
Loan withdrawal expense	0.2	-	-0.1	-	0.1
Interest rate derivatives	-	-	0.1	-	0.1
Other temporary differences	0.1	0.5	0.0	-0.0	0.6
Total	**26.0**	**4.6**	**-2.2**	**-0.0**	**28.5**

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

Deferred tax assets 2021

EUR mill.	1 Jan 2021	Business combinations	Recognized in the statement of income	Translation difference	31 Dec 2021
Provisions	1.4	-	0.2	-	1.5
Leases	1.2	0.0	0.1	-0.0	1.4
Interest rate derivatives	0.2	-	0.0	-	0.2
Other temporary differences	1.6	0.0	0.6	-0.0	2.3
Total	**4.4**	**0.1**	**0.9**	**-0.0**	**5.4**

13. Earnings per share

	1.1.–31.12.2022	1.1.–31.12.2021
Result attributable to the equity holders of the company, EUR mill.	24.4	80.5
Weighted average number of outstanding shares, in thousands	126,508	127,180
Diluted average number of outstanding shares, in thousands	127,037	127,700
Basic earnings per share for result attributable to the equity holders of the company, EUR	0.19	0.63
Diluted earnings per share for result attributable to the equity holders of the company, EUR	0.19	0.63

20230822201572

14. Property. plant and equipment

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 2022	2.1	144.4	55.0	3.0	204.4
Business combination	0.2	0.4	0.5	0.0	1.1
Additions	-	20.0	4.9	6.1	31.0
Disposals	-	-0.4	-	-0.0	-0.4
Translation differences	-0.0	-0.2	-0.0	-0.0	-0.2
Transfers between items	-	1.0	4.0	-4.9	0.1
Acquisition cost 31 Dec 2022	**2.3**	**165.1**	**64.4**	**4.2**	**236.0**
Accumulated depreciation and impairment losses 1 Jan 2022	**-1.1**	**-101.7**	**-29.6**	**-**	**-132.4**
Depreciation	-0.0	-14.6	-5.9	-	-20.6
Impairment losses	-	-0.8	-0.2	-	-1.0
Translation differences	0.0	0.1	0.0	-	0.1
Accumulated depreciation and impairment losses 31 Dec 2022	**-1.2**	**-117.1**	**-35.8**	**-**	**-154.0**
Carrying amount 1 Jan 2022	**1.0**	**42.6**	**25.4**	**2.9**	**72.0**
Carrying amount 31 Dec 2022	**1.2**	**47.9**	**28.7**	**4.2**	**82.0**

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

20230822201573

14.1 Right of-use-assets

2022 EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2022	**278.7**	**41.1**	**319.8**
Business combination	4.4	-	4.4
Additions	54.5	0.8	55.3
Disposals	-4.7	-0.3	-5.0
Translation differences	-1.3	-	-1.3
Acquisition cost 31 Dec 2022	**331.7**	**41.5**	**373.1**
Accumulated depreciation and impairment losses 1 Jan 2022	**-119.0**	**-28.3**	**-147.3**
Depreciation for the reporting period	-48.8	-3.5	-52.3
Translation differences	0.3	0.0	0.3
Accumulated depreciation and impairment losses 31 Dec 2022	**-167.5**	**-31.8**	**-199.3**
Carrying amount 1 Jan 2022	**159.7**	**12.7**	**172.5**
Carrying amount 31 Dec 2022	**164.2**	**9.7**	**173.9**

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

14.2 Lease liabilities

2022 EUR mill.	Premises	Other lease liabilities	Total
Non-current lease liabilities	124.2	9.0	133.2
Current lease liabilities	43.7	2.8	46.5
Total lease liabilities	**167.9**	**11.8**	**179.8**

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

202308220157 4

15. Intangible assets

2022 EUR mill.	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
Acquisition cost 1 Jan 2022	**916.6**	**166.5**	**88.8**	**111.0**	**1,282.9**
Business combination	34.4	2.0	-	4.1	40.4
Additions	-	-	-	26.1	26.1
Reclassifications	-	-	-	-0.1	-0.1
Translation differences	-3.5	-0.7	-0.1	-0.9	-5.2
Acquisition cost 31 Dec 2022	**947.5**	**167.8**	**88.7**	**140.2**	**1,344.2**
Accumulated amortizations and impairment losses 1 Jan 2022	**-68.0**	**-107.4**	**-33.7**	**-50.0**	**-259.1**
Amortization	-	-10.2	-4.8	-15.1	-30.1
Impairment losses*	-	-	-	-30.5	-30.5
Translation differences	-	0.1	0.0	0.1	0.2
Accumulated amortizations and impairment losses 31 Dec 2022	**-68.0**	**-117.5**	**-38.5**	**-95.6**	**-319.6**
Carrying amount 1 Jan 2022	**848.6**	**59.1**	**55.1**	**61.0**	**1,023.8**
Carrying amount 31 Dec 2022	**879.5**	**50.3**	**50.2**	**44.6**	**1,024.7**

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

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

20230822201575

15.1 Development expenditure

Other intangible assets include development expenditure as follows:

2022 EUR mill.	
Acquisition cost 1 Jan 2022	**18.2**
Business combination	0.1
Additions	16.4
Translation differences	-0.2
Acquisition cost 31 Dec 2022	**34.5**
Accumulated amortizations and impairment losses 1 Jan 2022	**-5.2**
Amortization and impairment losses	-7.8
Accumulated amortizations and impairment losses 31 Dec 2022	**-13.0**
Carrying amount 1 Jan 2022	**12.8**
Carrying amount 31 Dec 2022	**21.6**

2021 EUR mill.	
Acquisition cost 1 Jan 2021	**6.4**
Business combination	2.1
Additions	9.7
Acquisition cost 31 Dec 2021	**18.2**
Accumulated amortizations and impairment losses 1 Jan 2021	**-2.9**
Amortization	-2.6
Accumulated amortizations and impairment losses 31 Dec 2021	**-5.5**
Carrying amount 1 Jan 2021	**3.5**
Carrying amount 31 Dec 2021	**12.8**

16. Impairment testing of cash-generating units including goodwill

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

Goodwill arising from business combinations has been allocated to cash-generating units as shown in the table below. Geographical areas consist of units with their own budgets and performance measurement, but they use shared resources and are centrally managed.

31 Dec 2022

EUR mill.	Goodwill	%
Regional units	386.4	43.9%
Capital region	256.7	29.2%
Central units	193.1	22.0%
Sweden and other	43.3	4.9%
Total	**879.5**	**100.0%**

31 Dec 2021

EUR mill.	Goodwill	%
Regional units	385.2	45.4%
Capital region	237.0	27.9%
Central units	184.1	21.7%
Sweden and other	42.3	5.0%
Total	**848.6**	**100.0%**

In financial years 2021 and 2022 there were four cash generating units. The fourth cash generating unit, Sweden and other, was formed in the Group due to the Feelgood acquisition in 2021. 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 2023–2026, including the long-term growth, which have been approved by the management.

20230822201576

The assumptions used in impairment calculations in 2022	Regional units	Capital region	Central units	Sweden and other
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	9.2%	11.9%	11.4%	4.7%
Discount rate (Pre-tax WACC)	8.0%	8.0%	8.0%	6.8%
Discount rate (Post-tax WACC)	6.8%	6.8%	6.8%	5.8%

The assumptions used in impairment calculations in 2021	Regional units	Capital region	Central units	Sweden and other
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	9.7%	11.7%	10.1%	5.4%
Discount rate (Pre-tax WACC)	6.5%	6.5%	6.5%	6.1%
Discount rate (Post-tax WACC)	5.6%	5.6%	5.6%	5.2%

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.

Based on the impairment testing, there is no need for recognition of impairment losses. All cash generating units' value in use exceeded their carrying amount.

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	2022	2021
Terminal period revenue growth rate		
Regional Units	Decrease over 2.4 percentage points	Decrease over 4.1 percentage points
Capital Regions	Decrease over 9.3 percentage points	Decrease over 12.4 percentage points
Central Unit	Decrease over 12.7 percentage points	Decrease over 15.1 percentage points
Sweden and other	Decrease over 4.5 percentage points	Decrease over 3.7 percentage points
Profitability (EBIT%) during the terminal period		
Regional Units	Decrease over 3.3 percentage points	Decrease over 5.6 percentage points
Capital Regions	Decrease over 8.4 percentage points	Decrease over 9.7 percentage points
Central Unit	Decrease over 8.9 percentage points	Decrease over 8.7 percentage points
Sweden and other	Decrease over 2.3 percentage points	Decrease over 2.8 percentage points
Discount rate (Pre-tax WACC)		
Regional Units	Increase over 2.6 percentage points	Increase over 4.4 percentage points
Capital Regions	Increase over 9.0 percentage points	Increase over 10.9 percentage points
Central Unit	Increase over 11.7 percentage points	Increase over 12.8 percentage points
Sweden and other	Increase over 3.9 percentage points	Increase over 3.5 percentage points

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 cash generating units would fall below their carrying amount.

20230822201577

17. Investment properties

Carrying amount of investment properties

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Carrying amount at the beginning of the period	0.5	0.5
Depreciation	-0.0	-0.0
Carrying amount at the end of the period	0.5	0.5

Income and expenses related to investment properties

EUR mill.	1.1.–31.12.2022	1.1.–31.12.2021
Rental income from investment properties	0.1	0.1
Operating expenses for investment properties	-0.0	-0.0
Total	0.1	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

Investment	m2	Value per m2 (In thousands of euro)	
Koy Jyväskylän Väinönkatu 30	1,348	0.4–0.5	556–679

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

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 2022	Domicile	Ownership	Voting rights
Terveyden Tuottajat Oy	Finland	0.0%	48.2%

Summarized financial information on associated companies

EUR mill.	2022	2021
Carrying amount	0.0	0.6
Group's share of total comprehensive income	-0.1	-0.3

20230822201578

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 on a rolling 3-year performance period structure, with a new performance period starting 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. Rewards are conditional on the fulfilment of a three-year service condition and performance conditions tied to financial targets that are set separately. 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. Under the plan, two (2) performance periods 2021-2023 and 2022-2024 have been launched. The impact of the Performance Period 2021-2023 to the result for the period has been EUR 0.9 million and the expected total cost of the plan is EUR 3.4 million. 45 persons are included in the arrangement the Performance Period 2021-2023. The impact of the Performance Period 2022-2024 to the result for the period has been EUR 0.6 million and the expected total cost of the plan is EUR 2.3 million. 63 persons are included in the arrangement for the Performance Period 2022-2024.

Performance Share Plan 2021	2022–2024	2021–2023
Grant date	1 Apr 2022	1 Apr 2021
Maximum number of share awards	683,085	642,000
Outstanding at 1 Jan 2022	-	598,000
Granted share awards during the period	683,085	14,556
Forfeited share awards during the period	105,221	126,000
Exercised share awards during the period	-	-
Outstanding at 31 Dec 2022	577,864	486,556
Fair value of the share award at grant date	9.2	12.6
End of the performance period	28 Feb 2025	29 Feb 2024
End of the vesting period, expected	31 Mar 2025	31 Mar 2024
Vesting conditions	Service condition, total Shareholder Return (TSR)	Service condition, total Shareholder Return (TSR), productivity and digital sales
Exercised	In shares and cash	In shares and cash

Bridge Plan

Bridge Plan is targeted for President and CEO. Rewards are conditional on the fulfilment of a two-year service condition and performance conditions tied to financial targets that are set separately. 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. The plan's impact to the result for the period has been EUR 0.3 million and the expected total cost of the plan is EUR 0.5 million.

Bridge Plan	2021–2022
Grant date	24 May 2021
Maximum number of share awards	58,600
Outstanding at 1 Jan 2022	-
Granted share awards during the period	58,600
Forfeited share awards during the period	-
Exercised share awards during the period	-
Outstanding at 31 Dec 2022	58,600
Fair value of the share award at grant date	14.1
End of the performance period	28 Feb 2023
End of the vesting period, expected	31 Mar 2023
Vesting conditions	Service condition, total Shareholder Return (TSR), productivity and digital sales
Exercised	In shares and cash

2023082201579

Performance Share Plan 2018-2020

Performance Share Plan 2018–2020 is targeted to Terveystalo's key employees. The plan consists of three vesting periods which consists of a one-year performance period and a two-year waiting period. The performance periods are calendar years 2018, 2019 and 2020. Rewards are conditional on the fulfilment of a three-year service condition and performance conditions tied to financial targets that are set separately. 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. No rewards were earned on the basis of the performance periods 2018 and 2020. During the reporting period the shares earned from the performance period 2019 were paid to the participants at the end of a 2-year vesting period. The plan's impact to the result for the period has been EUR 0.3 million. 68 persons were included in the arrangement until the plan end.

Performance Share Plan 2018-2020	2020	2019	2018
Grant date	30 April 2020	27 March 2019	30 Jan 2018
Maximum number of share awards	660,836	943,000	943,000
Outstanding at 1 Jan 2022	-	519,674	-
Granted share awards during the period	-	-	-
Forfeited share awards during the period	-	-	-
Exercised share awards during the period	-	519,674	-
Outstanding at 31 Dec 2022	-	-	-
Fair value of the share award at grant date	8.8	9.0	6.9
End of the performance period	31 Dec 2020	31 Dec 2019	31 Dec 2018
End of the vesting period	Not applicable	8 Mar 2022	Not applicable
Vesting conditions	Service condition, total Shareholder Return (TSR) and profitability		
Exercised	In shares and cash		

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. Two (2) vesting periods have been launched in the plan. At the reporting period end, three (3) persons were included in the arrangement. The impact to the result of the vesting periods 2021-2023 and 2022-2024 has been EUR 0.0 million and the expected total cost of the plan is EUR 0.1 million.

Restricted Share Plan	2022–2024	2021–2023
Grant date	22 Jun 2022	15 Apr 2021
Maximum number of share awards	68,309	64,200
Outstanding at 1 Jan 2022	-	7,000
Granted share awards during the period	3,000	-
Forfeited share awards during the period	-	-
Exercised share awards during the period	-	-
Outstanding at 31 Dec 2022	3,000	7,000
Fair value of the share award at grant date	9.5	11.2
End of the performance period	-	-
End of the vesting period, expected	31 Mar 2025	31 Mar 2024
Vesting conditions	Service condition	Service condition
Exercised	In shares and cash	In shares and cash

20230822201580

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

EUR mill. 31 Dec 2022	Financial assets and liabilities at fair value	Financial assets and liabilities at amortized cost	Carrying amount	Fair value	Fair value hierarchy
Financial assets					
Non-current					
Loan receivables	0.3	-	0.3	0.3	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
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	Level 2
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	
Contingent considerations	5.6	-	5.6	5.6	Level 3
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	Level 3
Interest rate derivatives	3.4	-	3.4	3.4	Level 2
Total	**14.0**	**476.2**	**490.2**	**490.2**	

Financial assets and liabilities classified at fair value hierarchy level 3 consist of unquoted equity investments and contingent considerations from business combinations. The measurement of unquoted equity investments is based on the managements estimate of future cash flows arising from the investments and the measurement of contingent considerations is based on the amounts specified in purchase agreements and the management estimate on whether the consideration will be realized. The effect on earnings arising from the changes of fair values of financial assets and liabilities classified at fair value hierarchy level 3 has been EUR -2.4 million (2021: EUR 0.5 million).

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

2023082201581

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 minimize 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 2022, the Group's average interest rate for loans from financial institutions has been 1.2 percent (2021: 0.9 percent). If the interests would have been one percentage point higher it would have caused an increase of EUR 3.9 million in interest expenses during the year 2022. (2021: EUR 3.7 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; 0.21; 0.48; 0.19 and 2.92 percent interest rate and receives variable interest on EUR 30.0; 30.0; 50.0; 50.0 and 50.0 million loan capital.

Besides Finland, the Group has operations in Sweden and to a minor extent in Estonia and the Netherlands 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 2022, the Group incurred foreign exchange losses of EUR 0.1 million (2021: EUR 0.4 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 has assessed the potential impact of Covid-19 to credit risk of trade receivables. Based on the assessment, the Group's view is that the credit risk has not significantly increased.

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 Liquidity risk

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 99.6 million remained unused at the reporting date (2021: EUR 55.5 million).

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.

20230822201582

Maturity analysis of liquidity risk

31 Dec 2022

EUR mill.	Carrying amount	Contractual cash flows	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	419.2	446.9	52.3	220.3	151.5	22.5
Lease liabilities	179.8	191.9	49.9	43.2	74.8	24.0
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**	**46.4**

31 Dec 2021

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

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.

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 95.7 percent at the reporting date (2021: 85.2 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 607.0 million at the reporting date (2021: EUR 557.2 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.	2022	2021
Non-current		
Loan receivables	0.3	0.1
Total non-current receivables	**0.3**	**0.1**
Current		
Trade receivables	106.9	103.4
Other receivables	2.1	2.0
Prepaid expenses	21.0	7.9
Contract assets	12.8	15.0
Total	**142.9**	**128.3**

20230822201583

Specification of prepaid expenses

EUR mill.	2022	2021
Derivatives	9.9	0.6
Current tax receivables	4.5	0.1
Other prepaid expenses	6.5	7.3
Total	**21.0**	**7.9**

During the reporting period the Group has recognized final credit losses and expected credit losses on trade receivables and contract assets through the statement of income totaling EUR 1.9 million (2021: EUR 1.6 million). Impairment loss 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 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 recognized credit losses

2022 EUR mill.	Trade receivables and contract assets total	Expected credit loss	Recognized expected credit loss	Carrying amount
Contract assets	12.8	0.0%	0.0	12.8
Not past due	95.0	-0.1%	-0.1	95.0
Past due				
Less than 30 days	7.3	-0.4%	0.0	7.3
31–90 days	2.3	-1.2%	0.0	2.3
91–180 days	1.0	-5.9%	-0.1	1.0
Over 180 days	3.2	-55.5%	-1.8	1.4
Total	**121.6**		**-1.9**	**119.7**

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

Ageing of trade receivables and recognized credit losses

2021 EUR mill.	Trade receivables total	Expected credit loss	Recognized expected credit loss	Carrying amount
Contract assets	15.0	-0.1%	-0.0	15.0
Not past due	92.0	-0.1%	-0.1	91.9
Past due				
Less than 30 days	6.5	-0.3%	-0.0	6.5
31–90 days	2.1	-1.1%	-0.0	2.1
91–180 days	1.7	-6.4%	-0.1	1.6
Over 180 days	2.8	-50.9%	-1.4	1.4
Total	**120.1**		**-1.6**	**118.4**

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 2022, amounting to EUR 40.2 million (2021: EUR 38.1 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.

20230822015844

24. Share capital and invested non-restricted equity reserve

EUR mill.	Number of outstanding 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	Total
1 Jan 2021	**127,307**	**730**	**128,037**	**0.1**	**492.8**	**-6.7**	**486.1**
Acquisition of treasury shares	-1,000	1,000	-	-	-	-11.3	-11.3
31 Dec 2021	**126,307**	**1,730**	**128,037**	**0.1**	**492.8**	**-18.0**	**474.9**
1 Jan 2022	**126,307**	**1,730**	**128,037**	**0.1**	**492.8**	**-18.0**	**474.9**
Acquisition of treasury shares	241	-241	-	-	-	2.2	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**

Shares and share capital

On 31 December 2022, the amount of shares is 127,036,531 of which amount of outstanding shares is 126,547,995 and amount of treasury shares is 488,536.

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 dividend 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 recognized in the share capital, unless it has not been according to Issuance Resolution fully or partly recognized in invested non-restricted equity reserve.

Distributable funds

On 31 December 2022, the distributable funds of the parent company totaled EUR 530.8 million including the profit of the financial period 2022 of EUR 23.7 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.28 (0.28) per share totaling EUR 35.4 (35.6) million be paid based on the statement of financial position adopted for the financial year ended 31 December 2022. The dividend would be paid in two instalments as follows:

- The first dividend instalment of EUR 0.14 per share would be paid to the shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the first dividend instalment on 27 March 2023. The Board of Directors proposes that the first dividend instalment would be paid on 3 April 2023.

- The second dividend instalment of EUR 0.14 per share would be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the second dividend instalment on 2 October 2023. The Board of Directors proposes that the second dividend instalment would be paid on 9 October 2023. The Board of Directors also proposes that the Annual General Meeting would authorise 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.

202308220158S

25. Financial liabilities

EUR mill.	1 Jan 2022	Cash flows	Non-cash changes: Business combinations	Non-cash changes: Other changes	Non-cash 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**

EUR mill.	1 Jan 2021	Cash flows	Non-cash changes: Business combinations	Non-cash changes: Other changes	Non-cash changes: Translation differences	31 Dec 2021
Loans from financial institutions	371.9	-11.5	4.8	0.3	-0.0	365.4
Hire purchase liabilities	17.6	-5.9	-	1.6	-	13.3
Lease liabilities	178.5	-42.4	17.1	25.3	-0.0	178.5
Total	**567.9**	**-59.8**	**21.9**	**27.1**	**-0.0**	**557.2**

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.

26. Trade and other payables

Carrying amounts of trade and other payables

EUR mill.	2022	2021
Trade payables	49.0	57.1
Other payables	81.9	75.9
Contract liabilities	10.3	6.1
Interest rate derivatives	3.4	1.2
Accrued expenses	78.7	73.9
Total	**223.2**	**214.1**

Specification of other payables

EUR mill.	2022	2021
Doctor's fee liabilities	48.2	44.6
VAT liabilities	24.0	20.8
Other	9.7	10.6
Total	**81.9**	**75.9**

Specification of accrued expenses

EUR mill.	2022	2021
Personnel-related accrued expenses	71.4	67.1
Interest liabilities	1.5	0.2
Other	5.8	6.6
Total	**78.7**	**73.9**

20230822201586

27. Provisions

Carrying amounts of provisions

EUR mill.	2022	2021
Non-current provisions	8.3	8.5
Current provisions	3.2	2.5
Total	**11.5**	**11.0**

EUR mill.	2022	2021
Onerous contracts	7.1	6.6
Other provisions	4.4	4.4
Total	**11.5**	**11.0**

Changes in provisions during the financial year 2022

EUR mill.	Onerous contracts	Other provisions	Total
1 Jan 2022	6.6	4.4	11.0
Increase in provisions	2.2	0.6	2.8
Used provisions	-1.7	-0.6	-2.3
31 Dec 2022	**7.1**	**4.4**	**11.5**

Changes in provisions during the financial year 2021

EUR mill.	Onerous contracts	Other provisions	Total
1 Jan 2021	5.8	4.3	10.1
Increase in provisions	2.0	0.6	2.6
Used provisions	-1.2	-0.5	-1.7
31 Dec 2021	**6.6**	**4.4**	**11.0**

28. Defined benefit plans

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 8 years at the reporting date.

Summary of the impact of the defined benefit plans in the financial statements

EUR mill.	2022	2021
Present value of the defined benefit obligations	1.3	1.7
Expenses related to defined benefit plans	0.0	0.0
Remeasurements of defined benefit obligations	-0.2	-0.1

Reconciliation of the defined benefit obligation

EUR mill.	2022	2021
1 Jan	**1.7**	**-**
Business combinations	-	1.9
Interest expense (+) / income (-)	0.0	0.0
Benefits paid	-0.1	-0.1
Remeasurement of the obligation		
Actuarial gain (-) / loss (+) from change in demographic assumptions	-	-
Actuarial gain (-) / loss (+) from change in financial assumptions	-0.2	-0.1
Experience adjustment gain (-) / loss (+)	-	-
Translation differences	-0.1	-0.0
31 Dec	**1.3**	**1.7**

20230822201587

Applied actuarial assumptions

%	2022	2021
Discount rate	3.80	1.20
Inflation	1.90	2.20

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.

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

EUR mill.	2022	2021
0.5%-point increase in the principal assumption		
Discount rate	-0.0	-0.1
Inflation	0.0	0.1
0.5%-point decrease in the principal assumption		
Discount rate	0.0	0.1
Inflation	-0.0	-0.1

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.

29. Collateral and contingent liabilities

EUR mill.	31 Dec 2022	31 Dec 2021
Business mortgages	11.4	11.4
Total	**11.4**	**11.4**
Securities for own debts		
Deposits	0.5	0.2
Guarantees	0.4	0.9
Total	**0.9**	**1.1**

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. Related party transactions which are not eliminated in the preparation of Terveystalo's consolidated financial statements are presented as related party transactions.

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

Related party transactions

2022	Sales	Purchases	Receivables	Payables
Associated companies	0.6	10.6	0.3	1.0
Other related parties	-	-	-	-
Total:	**0.6**	**10.6**	**0.3**	**1.0**

20230822201588

2021	Sales	Purchases	Receivables	Payables
Associated companies	0.7	12.5	0.2	1.1
Other related parties	-	-	-	-
Total:	**0.7**	**12.5**	**0.2**	**1.1**

Compensation for the key management

Remuneration for CEO, in thousands of euro	2022	2021
Fixed pay	393.6	400.0
Short-term incentives	105.0	433.8
Other benefits	6.4	-
Share-based payments	546.9	306.7
Pensions (statutory)	82.9	136.0
Total	**1,134.8**	**1,276.4**

Renumeration for the CEO is presented on an accrual basis.

Remuneration to members of the Executive team(excluding CEO), in thousands of euro	2022	2021
Fixed pay	1,638.5	1,754.1
Other benefits	28.1	41.8
Short-term incentives	146.1	880.2
Share-based payments	730.9	611.6
Termination benefits	305.9	-
Pensions (statutory)	301.6	436.5
Total	**3,151.1**	**3,724.3**

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

	2022				2021			
Remuneration to Board of Directors, in thousands of euro	Annual fee settled in cash	Annual fee settled in shares	Meeting fees	Other financial benefits*	Annual fee settled in cash	Annual fee settled in shares	Meeting fees	Other financial benefits*
Kari Kauniskangas (Chairman of the board)	52.5	35.0	19.0	0.6	50.5	34.0	15.0	0.5
Kristian Pullola	31.2	20.8	14.2	0.3	30.0	20.2	12.5	0.3
Katri Viippola	24.9	16.6	15.5	0.3	23.9	16.1	15.0	0.3
Carola Lemne**	24.9	16.6	14.7	0.3	-	-	-	-
Matts Rosenberg**	31.2	20.8	10.4	0.3	-	-	-	-
Members of the Board of Directors until 10 October 2022								
Dag Andersson	41.5	0.0	13.8	0.0	23.9	16.1	15.3	0.3
Members of the Board until 7 April 2022								
Niko Mokkila	0.0	0.0	3.8	0.0	23.9	16.1	15.0	0.3
Åse Aulie Michet	0.0	0.0	4.4	0.0	23.9	16.1	16.4	0.3
Tomas Von Rettig	0.0	0.0	5.1	0.0	30.0	20.2	17.0	0.3
Members of the Board of Directors until 25 March 2021								
Lasse Heinonen	-	-	-	-	-	-	3.1	-
Total	**206.2**	**109.8**	**100.7**	**1.8**	**206.0**	**138.7**	**109.3**	**2.2**

* Other financial benefits include transfer tax fees for the annual fees paid in shares
** Member of the Board of Directors from 2022

20230822015S9

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 EBITA as well as the individual business and performance targets. The individual business and performance targets are set by the manager of the participant in the bonus scheme.

The Board of Directors of Terveystalo Plc has resolved to establish a share-based incentive plan directed to the Group's key employees. More information on the share-based incentive plan is presented in note 19 Share-based payments.

Management holdings

Name	Position	31 Dec 2022
Kari Kauniskangas	Chairman of the Board of Directors	16,532
Matts Rosenberg	Member of the Board of Directors	11,366
Carola Lemne	Member of the Board of Directors	2,627
Kristian Pullola	Member of the Board of Directors	5,075
Katri Viippola	Member of the Board of Directors	8,954
Ville Iho	President and CEO	5,000
Juuso Pajunen	Chief Financial Officer	12,000
Petri Bono	Chief Medical Officer	7,587
Siina Saksi	Chief Operating Officer, Healthcare Services	60,380
Marja-Leena Tuomola	Chief Commercial Officer, Healthcare Services	1,000
Kati Sulin	Senior Vice President, Digital Business	-
Mikko Tainio	Senior Vice President, Portfolio Businesses	518
Minttu Sinisalo	Senior Vice President, Human Resources	-

31. Group companies

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

Subsidiaries as at 31 December 2022

Company name	Domicile	Group's share	Group's voting rights
Alna Sverige AB	Finland	100.0%	100.0%
EAM TTALO Holding Oy*	Finland	0.0%	0.0%
Evalua International Ltd. Oy	Finland	100.0%	100.0%
Evalua Nederland B.V.	Netherlands	100.0%	100.0%
Feelgood Företagshälsa Dalarna AB	Sweden	100.0%	100.0%
Feelgood Företagshälsovård AB	Sweden	100.0%	100.0%
Feelgood Jobbhälsan AB	Sweden	100.0%	100.0%
Feelgood Länshälsan AB	Sweden	100.0%	100.0%
Feelgood Sjukvård AB	Sweden	100.0%	100.0%
Feelgood Svenska AB	Sweden	100.0%	100.0%
Idavallen AB	Sweden	100.0%	100.0%
Kunnon Syke Oy	Finland	100.0%	100.0%
Ludus Oy Tutkimus- ja Kuntoutuspalvelut	Finland	100.0%	100.0%
Länshälsan Skåne AB	Sweden	100.0%	100.0%
Medicin Direkt Östersund AB	Sweden	100.0%	100.0%
Medimar Scandinavia Ab	Finland	100.0%	100.0%
Nämndemansgården i Sverige AB	Sweden	100.0%	100.0%
Rela Estonia OÜ	Estonia	100.0%	100.0%
Rela-hierojat Oy	Finland	100.0%	100.0%
Saimaan Urheilufysioterapia Oy	Finland	100.0%	100.0%
Sauma Lastensuojelupalvelut Oy	Finland	100.0%	100.0%
Sivupersoona Oy	Finland	100.0%	100.0%

20230822201590

Company name	Domicile	Group's share	Group's voting rights
Somia Reality Oy	Finland	100.0%	100.0%
Suomen Hierojakoulut Oy	Finland	100.0%	100.0%
Suomen Terveystalo Oy	Finland	100.0%	100.0%
Terveystalo Estonia OÜ	Estonia	100.0%	100.0%
Terveystalo Healthcare Holding Oy	Finland	100.0%	100.0%
Terveystalo Healthcare Oy	Finland	100.0%	100.0%
Terveystalo Julkiset palvelut Oy	Finland	100.0%	100.0%
Terveystalo Kuntaturva Oy	Finland	100.0%	100.0%
Terveystalo Tactus Oy	Finland	100.0%	100.0%
The Drawing Room AB	Sweden	100.0%	100.0%
TT Ålands Tandläkarna Ab	Finland	100.0%	100.0%

*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.

31.1 Changes in the Group structure

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.

Financial year 2021

The following mergers took place during the financial year 2021:

- 31.3.2021 Medlnari Oy merged with Suomen Terveystalo Oy.
- 31.5.2021 VitalMed Oy merged with Suomen Terveystalo Oy.
- 31.8.2021 Espoon Keskuksen Hammaslääkärit Oy merged with Suomen Terveystalo Oy.
- 30.9.2021 Helsinki Hospital Oy merged with Suomen Terveystalo Oy.
- 31.12.2021 Rela-group Oy merged with Rela-hierojat Oy.

20230822015911

32. Group's key financial ratios

Terveystalo Group, EUR mill.	2022	2021	2020
Revenue	1,259.1	1,154.6	986.4
Adjusted EBITDA, * [1]	178.0	206.1	162.8
Adjusted EBITDA, % * [1]	14.1	17.8	16.5
EBITDA [1]	168.8	201.8	158.3
EBITDA, % [1]	13.4	17.5	16.1
Adjusted EBITA * [1]	105.2	141.0	101.9
Adjusted EBITA, % * [1]	8.4	12.2	10.3
EBITA [1]	95.9	136.7	97.4
EBITA, % [1]	7.6	11.8	9.9
Adjusted operating profit (EBIT) * [1]	73.4	114.4	71.6
Adjusted operating profit (EBIT), % * [1]	5.8	9.9	7.3
Operating profit (EBIT)	33.9	110.1	67.2
Operating profit (EBIT), %	2.7	9.5	6.8
Return on equity (ROE), % [1]	4.1	13.6	8.2
Equity ratio, % [1]	40.2	42.2	42.1
Earnings per share (€)	0.19	0.63	0.36
Net debt	566.6	519.0	490.9
Gearing, % [1]	95.7	85.2	85.9
Net debt/Adjusted EBITDA [1]	3.2	2.5	3.0
Total assets	1,479.4	1,448.6	1,361.0

Terveystalo Group, EUR mill.	2022	2021	2020
Average personnel FTE	6,552	5,643	4,900
Personnel (end of period)	10,933	9,805	8,253
Private practitioners (end of period)	5,928	5,754	5,057
Adjusted EBITDA, excluding IFRS 16 * [1]	122.2	156.9	118.0
Net debt, excluding IFRS 16	386.8	340.6	312.4
Net debt/Adjusted EBITDA, excluding IFRS 16 * [1]	3.2	2.2	2.6

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

2023082201592

33. Calculation of financial ratios and alternative performance measures

Financial ratios

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

Terveystalo presents alternative performance measures as additional information to 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 view, useful indicators of the company's ability to obtain financing and service its debt.

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

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

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

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

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

Alternative performance measures to the statement of income

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

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

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

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

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

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

20230822201593

Adjusted operating profit (EBIT), %* = (Earnings Before Interest, Taxes and Share of profits in associated companies and adjustments / Revenue) x 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, Impairment losses and adjustments, excluding IFRS 16 lease adjustments

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

20230822015594

34. Reconciliation of alternative performance measures

Return on equity, %	2022	2021	2020
Profit/loss for the period	24.4	80.4	45.8
Equity (including non-controlling interest) (average)	600.4	590.1	556.3
Return on equity, %	**4.1**	**13.6**	**8.2**

Equity ratio, %	2022	2021	2020
Equity (including non-controlling interest)	592.0	608.9	571.4
Total assets	1,479.4	1,448.6	1,361.0
Advances received	7.1	6.1	2.2
Equity ratio, %	**40.2**	**42.2**	**42.1**

Gearing, %	2022	2021	2020
Interest-bearing liabilities	607.0	557.2	568.0
Interest-bearing receivables and cash and cash equivalents	40.4	38.2	77.1
Equity	592.0	608.9	571.4
Gearing, %	**95.7**	**85.2**	**85.9**

Net debt /Adjusted EBITDA	2022	2021	2020
Interest-bearing liabilities	607.0	557.2	568.0
Interest-bearing receivables and cash and cash equivalents	40.4	38.2	77.1
Adjusted EBITDA	178.0	206.1	162.8
Net debt / Adjusted EBITDA	**3.2**	**2.5**	**3.0**

Adjusted EBITDA, EUR mill.	2022	2021	2020
Profit (loss) for the period	24.4	80.4	45.8
Income tax expense	6.5	20.3	10.8
Share of profits in associated companies	0.1	0.3	0.6
Net finance expenses	2.9	9.0	10.0
Depreciation, amortization and impairment losses	134.9	91.7	91.2
Adjustments*	9.2	4.3	4.5
Adjusted EBITDA	**178.0**	**206.1**	**162.8**

Adjusted EBITDA, %	2022	2021	2020
Adjusted EBITDA	178.0	206.1	162.8
Revenue	1,259.1	1,154.6	986.4
Adjusted EBITDA, %	**14.1**	**17.8**	**16.5**

Adjusted EBITA, EUR mill.	2022	2021	2020
Profit (loss) for the period	24.4	80.4	45.8
Income tax expense	6.5	20.3	10.8
Share of profits in associated companies	0.1	0.3	0.6
Net finance expenses	2.9	9.0	10.0
Amortization and impairment losses	62.0	26.6	30.3
Adjustments*	9.2	4.3	4.5
Adjusted EBITA	**105.2**	**141.0**	**101.9**

20230822201595

Adjusted EBITA, %	2022	2021	2020
Adjusted EBITA	105.2	141.0	101.9
Revenue	1,259.1	1 154.6	986.4
Adjusted EBITA, %	**8.4**	**12.2**	**10.3**

Adjusted operating profit (EBIT), EUR mill.	2022	2021	2020
Profit (loss) for the period	24.4	80.4	45.8
Income tax expense	6.5	20.3	10.8
Share of profits in associated companies	0.1	0.3	0.6
Net finance expenses	2.9	9.0	10.0
Adjustments*	39.5	4.3	4.5
Adjusted EBIT	**73.4**	**114.4**	**71.6**

Adjusted operating profit (EBIT), %	2022	2021	2020
Adjusted EBITA	73.4	114.4	71.6
Revenue	1,259.1	1,154.6	986.4
Adjusted EBIT, %	**5.8**	**9.9**	**7.3**

EBITDA, EUR mill.	2022	2021	2020
Profit (loss) for the period	24.4	80.4	45.8
Income tax expense	6.5	20.3	10.8
Share of profits in associated companies	0.1	0.3	0.6
Net finance expenses	2.9	9.0	10.0
Depreciation, amortization and impairment losses	134.9	91.7	91.2
EBITDA	**168.8**	**201.8**	**158.3**

EBITDA, %	2022	2021	2020
EBITDA	168.8	201.8	158.3
Revenue	1,259.1	1,154.6	986.4
EBITDA, %	**13.4**	**17.5**	**16.1**

EBITA, EUR mill.	2022	2021	2020
Profit (loss) for the period	24.4	80.4	45.8
Income tax expense	6.5	20.3	10.8
Share of profits in associated companies	0.1	0.3	0.6
Net finance expenses	2.9	9.0	10.0
Amortization and impairment losses	62.0	26.6	30.3
EBITA	**95.9**	**136.7**	**97.4**

EBITA, %	2022	2021	2020
EBITA	95.9	136.7	97.4
Revenue	1,259.1	1,154.6	986.4
EBITA, %	**7.6**	**11.8**	**9.9**

Operating profit (EBIT), EUR mill.	2022	2021	2020
Profit (loss) for the period	24.4	80.4	45.8
Income tax expense	6.5	20.3	10.8
Share of profits in associated companies	0.1	0.3	0.6
Net finance expenses	2.9	9.0	10.0
EBIT	**33.9**	**110.1**	**67.2**

20230822015 96

Operating profit, (EBIT), %	2022	2021	2020
EBIT	33.9	110.1	67.2
Revenue	1,259.1	1,154.6	986.4
EBIT, %	**2.7**	**9.5**	**6.8**

Adjustments based on subject area* , EUR mill.	2022	2021	2020
Acquisition-related expenses [1]	2.8	3.1	0.5
Restructuring-related expenses [2]	1.5	0.3	1.6
Gain on sale of asset	-	-	-0.1
Impairment losses	30.3		
Strategic projects and other items affecting to comparability	5.0	0.8	2.5
Adjustments	**39.5**	**4.3**	**4.5**

Adjustments based on account group* , EUR mill.	2022	2021	2020
Other operating income	-0.1	-0.4	-0.5
Materials and services costs	-	-	1.8
Personnel expenses	1.3	0.3	1.3
Other operating expenses	8.0	4.4	1.9
Impairment	30.3	-	-
Adjustments	**39.5**	**4.3**	**4.5**

Adjusted EBITDA, excluding IFRS 16	2022	2021	2020
Profit (loss) for the period	24.4	80.4	45.8
Income tax expense	6.5	20.3	10.8
Share of profits in associated companies	0.1	0.3	0.6
Net finance expenses	2.9	9.0	10.0
Depreciation, amortization and impairment losses	134.9	91.7	91.2
Adjustments*	9.2	4.3	4.5
IFRS 16 lease expense adjustment	-55.8	-49.2	-44.8
Adjusted EBITDA, excluding IFRS 16	**122.2**	**156.9**	**118.0**

Net debt/Adjusted EBITDA, excluding IFRS 16	2022	2021	2020
Interest-bearing liabilities	427.2	378.8	389.5
Interest-bearing receivables and cash and cash equivalents	40.4	38.2	77.1
Adjusted EBITDA	122.2	156.9	118.0
Net debt/Adjusted EBITDA, excluding IFRS 16	**3.2**	**2.2**	**2.6**

* Adjustments are material items outside the ordinary course of business, and these relate to acquisition-related expenses, restructuring-related expenses, gain /losses on sale of assets (net), 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

35. Subsequent events

Terveystalo Plc's Board of Directors has approved a new performance period covering years 2023-2025 of the long-term share-based incentive plan for key personnel.

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. During the performance period 2023-2025, the performance indicators on the basis of which share rewards may be paid are absolute Total Shareholder Return (TSR) and relative TSR (compared to the OMX HKI benchmark CAP GI index). The maximum number of shares to be paid based on this plan is 640,000 shares. Taxes and tax-like payments to the recipient are deducted from the share reward, after which the remaining net amount is paid to the participants in shares.

Performance Period 2023-2025 of the Restricted Share Plan (RSP). The purpose of the Restricted Share Plan is to act 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.

20230822015597

Parent company's financial statement, FAS

Parent company's income statement

EUR	Note	1.1.–31.12.2022	1.1.–31.12.2021
Revenue	1.1	**1,622,050**	**517,094**
Materials and supplies		-1,851	-1,333
Employee benefit expenses			
Wages and salaries		-1,446,798	-1,741,835
Social security expenses			
Pension expenses		-128,348	-247,805
Other social security expenses		-21,741	-33,539
Depreciation, amortization and impairment losses	1.2	-8,199	-136
Other operating expenses	1.4	-4,804,758	-1,699,187
Operating loss		**-4,789,646**	**-3,206,740**
Financial income and expenses	1.5		
Other interest and financial income			
From group companies		1,629	3,478
From others		10	56
Other interest and financial expenses			
To group companies		-10,753	-15,888
To others		-215,450	-22,655
Loss before appropriations and taxes		**-5,014,210**	**-3,241,749**
Appropriations	1.6		
Increase/decrease in depreciation in excess of plan		-8,937	-
Group contributions		34,634,000	58,000,000
Taxes		**-5,952,627**	**-10,954,938**
Profit for the period		**23,658,227**	**43,803,313**

Parent company's statement of financial position

EUR	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1		
Machinery and equipment		60,753	227
Investments	2.2		
Holdings in group companies		516,818,244	516,818,244
Total non-current assets		**516,878,997**	**516,818,471**
Current assets			
Receivables from group companies	2.3	41,133,012	65,338,343
Prepayments and accrued income	2.4	603,637	233,545
Total current assets		**41,736,649**	**65,571,888**
TOTAL ASSETS		**558,615,647**	**582,390,359**
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		13,632,562	5,262,687
Profit for the period		23,658,227	43,803,313
Total equity		**530,874,751**	**542,649,963**
Appropriations			
Depreciation in excess of plan		8,937	-
Total appropriations		**8,937**	**-**
Liabilities	2.6		
Current liabilities			
Trade payables		1,541,585	274,515
Liabilities to group companies		25,190,668	33,052,398
Other liabilities		25,159	113,610
Accruals and deferred income		974,548	6,299,873
Total liabilities		**27,731,959**	**39,740,396**
TOTAL EQUITY AND LIABILITIES		**558,615,647**	**582,390,359**

20230822201598

Parent company's statement of cash flows

EUR	1.1.–31.12.2022	1.1.–31.12.2021
Cash flows from operating activities		
Profit for the period before income taxes	29,610,853	54,758,251
Adjustments		
Depreciations according to plan	8,199	136
Non-cash transactions	-34,625,063	-58,000,000
Financial income and expenses	224,564	35,008
Change in working capital		
Change in trade and other receivables	469,239	446,604
Change in trade and other payables	455,667	406,664
Taxes	-10,546,536	-11,093,468
Net cash from operating activities	**-14,403,077**	**-13,446,803**

EUR	1.1.–31.12.2022	1.1.–31.12.2021
Cash flows from investing activities		
Purchase of tangible and intangible items	-68,726	-363
Net cash from investing activities	**-68,726**	**-363**
Cash flows from financial activities		
Acquisition of treasury shares	-	-11,248,346
Change in group account	-7,870,194	22,330,218
Received group contribution	58,000,000	35,500,000
Dividends paid	-35,433,439	-33,099,698
Interest and other financial expenses paid	-224,564	-35,008
Net cash from financial activities	**14,471,803**	**13,447,166**
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	-	-

2023082201599

Accounting policies of parent company's financial statements

The financial statements of Terveystalo Oyj 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

Notes to the statement of income

1.1 Revenue

EUR	2022	2021
Finland	1,593,045	469,436
Sweden	29,005	47,658
Total	**1,622,050**	**517,094**

1.2 Depreciation, amortization and impairment losses

EUR	2022	2021
Depreciation	-8,199	-136
Total	**-8,199**	**-136**

1.3 Personnel

	2022	2021
Average number of personnel during financial year	4	4

1.4 Other operating expenses

EUR	2022	2021
External services	-3,535,145	-699,055
ICT expenses	-33,527	-23,453
Non-statutory personnel expenses	-126,093	-110,159
Leases	-13,121	-6,813
Travel expenses	-33,135	-21,730
Marketing and communication	-239,655	-177,298
Other costs	-824,083	-660,679
Total	**-4,804,758**	**-1,699,187**

20230822201600

Auditor's fees

EUR	2022	2021
Audit and auditor's statements based on laws and regulations		
Audit, KPMG	-76,000	-72,740
Auditor's statements based on laws and regulations, KPMG	-	-1,551
Auditor's fees total	**-76,000**	**-74,291**

1.5 Financial income and expenses

EUR	2022	2021
Other interest and financial income		
From group companies	1,629	3,478
From others	10	56
Total	**1,639**	**3,534**
Other interest and financial expenses		
To group companies	-10,753	-15,888
To others	-215,450	-22,655
Total	**-226,203**	**-38,542**

1.6 Appropriations

EUR	2022	2021
Increase/decrease in depreciation in excess of plan	-8,937	0
Group contributions received	34,634,000	58,000,000
Appropriations total	**34,625,063**	**58,000,000**

Notes to the statement of the financial position

2.1 Property, plant and equipment

Machinery and equipment

EUR	2022	2021
Acquisition cost 1 Jan	**38,888**	**38,525**
Additions	68,726	363
Acquisition cost 31 Dec	**107,614**	**38,888**
Accumulated depreciation and impairment losses 1 Jan	**-38,661**	**-38,525**
Depreciation for the period	-8,199	-136
Accumulated depreciation and impairment losses 31 Dec	**-46,861**	**-38,661**
Carrying amount 1 Jan	**227**	**-**
Carrying amount 31 Dec	**60,753**	**227**

2.2 Investments

Holdings in group companies

EUR	2022	2021
Acquisition cost 1 Jan	**516,818,244**	**516,818,244**
Acquisition cost 31 Dec	**516,818,244**	**516,818,244**
Carrying amount 1 Jan	**516,818,244**	**516,818,244**
Carrying amount 31 Dec	**516,818,244**	**516,818,244**

20230822201601

Parent company ownerships:

Holdings in group companies	2022	2021
Terveystalo Healthcare Holding Oy	100%	100%

2.3 Receivables from group companies

EUR	2022	2021
Trade receivables	586,503	629,752
Group contribution receivables	34,634,000	58,000,000
Prepayments and accrued income	1,417,878	6,708,591
Total	**36,638,381**	**65,338,343**

2.4 Changes in equity

Restricted equity
Share capital

EUR	2022	2021
At the beginning of the period	80,000	80,000
At the end of the period	80,000	80,000
Total restricted equity	**80,000**	**80,000**

Unrestricted equity
Invested non-restricted equity reserve

EUR	2022	2021
At the beginning of the period	**493,503,962**	**493,503,962**
At the end of the period	**493,503,962**	**493,503,962**

Retained earnings

EUR	2022	2021
Retained earnings at the beginning of the period	49,066,001	49,610,731
Dividends paid	-35,433,439	-33,099,698
Acquisition of treasury shares	-	-11,248,346
Retained earnings at the end of the period	13,632,562	5,262,687
Profit for the period	23,658,227	43,803,313
Total unrestricted equity	**530,794,751**	**542,569,963**
Total equity	**530,874,751**	**542,649,963**

Distributable equity

EUR	2022	2021
Invested non-restricted equity reserve	493,503,962	493,503,962
Retained earnings	13,632,562	5,262,687
Profit for the period	23,658,227	43,803,313
Total	**530,794,751**	**542,569,963**

Shares and share capital

On 31 December 2022, the amount of shares is 127,036,531 of which 488,536 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 dividend 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.

20230822201602

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 recognized in the share capital, unless it has not been according to issuance Resolution fully or partly recognized in invested non-restricted equity reserve.

2.5 Liabilities

2.5.1 Current liabilities

EUR	2022	2021
Trade payables	1,541,585	274,515
Other liabilities to group companies	25,190,668	33,052,398
Other liabilities	25,159	113,610
Accruals	974,548	6,299,873
Total	**27,731,959**	**39,740,396**

2.5.2 Liabilities to Group companies

EUR	2022	2021
Trade payables	-	263,318
Group account payables	24,918,886	32,789,081
Accruals and deferred income	271,781	-
Total	**25,190,668**	**33,052,398**

2.5.3 Accruals and deferred expenses

EUR	2022	2021
Personnel-related accrued expenses	271,105	847,935
Income tax liability	429,014	5,451,938
Total	**700,120**	**6,299,873**

Other notes

3. Collateral and other contingent liabilities

EUR	2022	2021
Suretyship	420,000,000	361,400,000
Guarantees	81,927	400,734

20230822016O3

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

Helsinki, 9 February 2023

Kari Kauniskangas
Chairman of the Board of Directors

Kristian Pullola
Member of the Board of Directors

Katri Viippola
Member of the Board of Directors

Matts Rosenberg
Member of the Board of Directors

Carola Lemne
Member of the Board of Directors

Ville Iho
President and CEO

Auditors note

A report on the audit has been issued today.

Helsinki, 9 February 2023

KPMG Oy Ab
Audit firm

Henrik Holmbom
Authorised Public Accountant

20230822016O4

This document is an English translation of the Finnish auditor's report.
Only the Finnish version of the report is legally binding.

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 2022. 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 a summary of significant accounting policies, 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 International Financial Reporting Standards (IFRS) 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 non-audit 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.

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.

20230822201605

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 2022 the goodwill amounted to 880 M€ and accounted for 59% of the consolidated total assets and for 149% of the consolidated equity. In 2022 goodwill has increased with 31 M€. • Goodwill is tested for impairment at least annually. An impairment is recognised when the recoverable amount is less than the carrying value of the asset. • 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. • The acquisition-related recognised assets for customer relationships and trademark and at the year-end 2022 were in total 101 M€. These assets have finite useful lives and are amortised on a straight-line basis over their expected useful lives. • 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 involved KPMG valuation specialists when assessing the appropriateness of the assumptions used and the technical accuracy of the calculations. This included a comparison to external market and industry forecasts. • In respect of the acquisition-related intangible assets we evaluated the recognition and recoverability of these assets by assessing the related calculations and the underlying assumptions. • In addition, we considered the appropriateness of the disclosures in respect of goodwill, impairment testing and acquisition related intangible assets.

The key audit matter	How the matter was addressed in the audit
Revenue Recognition (Accounting Principles for the Consolidated Financial Statements and the Note 4)	
• The consolidated revenue amounted to 1.259 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 effectiveness of the key controls. We also performed substantive audit procedures, using e.g. data-analytics. • We tested the effectiveness of the processes to record sales transactions as well as the sales pricing and invoicing processes. We also tested inclusion of relevant transactions in the appropriate period in order to assess the accuracy of revenue recognition. • We evaluated the IT systems relevant for revenue recognition. • We tested controls over cash transactions such as reconciliation routines. • We considered the appropriateness of the disclosures presented for revenue in the consolidated financial statements.

20230822201606

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 International Financial Reporting Standards (IFRS) 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.
- 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.

20230822201607

Other Reporting Requirements

Information on our audit engagement

We have acted as auditors appointed by the Annual General Meeting uninterrupted for eleven 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, 9 February 2023
KPMG OY AB

Henrik Holmbom
Authorised Public Accountant, KHT

20230822201608

Information for shareholders

Annual General Meeting 2023

Annual General Meeting of Terveystalo Plc will be held on Thursday, 23 March 2023 at 3.00 p.m. (EET) in the event center Pikku Finlandia at Karamzininranta 4, 00100 Helsinki, Finland. The reception of participants and the distribution of voting tickets will commence at the meeting venue at 2:00 p.m. (EET).

Shareholders and their proxy representatives may also exercise their voting rights by voting in advance.

A shareholder who has the right to participate and who has registered for the Annual General Meeting can follow the meeting via webcast. Instructions for following the webcast are available on the Company's website at https://www.terveystalo.com/Annual-General-Meeting-2023 as of 17 February 2023 at the latest. It is not possible to ask questions, make counterproposals, otherwise address the meeting, or vote via the webcast, and following the meeting via webcast is not considered participation in the Annual General Meeting or exercise of shareholders' rights.

The notice to General Meeting of Shareholders, as well as the Board of Directors' proposals to the General Meeting have been published in stock exchange releases and on Terveystalo's website: https://www.terveystalo.com/Annual-General-Meeting-2023.

The right to attend

Each shareholder, who on the record date of the General Meeting, 13 March 2023, is registered in the Company's shareholders' register maintained by Euroclear Finland Oy, has the right to participate in the Annual General Meeting. A shareholder whose shares are registered on his/her personal Finnish book-entry account or equity savings account is registered in the Company's shareholders' register. Shareholders may also participate in the Annual General Meeting by way of proxy representation.

Registration and advance voting

Registration for the meeting and advance voting will begin on 17 February 2023 and a shareholder who is registered in the Company's shareholders' register and who wishes to participate in the Annual General Meeting must register for the meeting and, if applicable, vote in advance no later than by 17 March 2023 at 4.00 p.m. (EET) by which time the registration and possible advance votes must be received.

Shareholders with a Finnish book-entry account may register from 9.00 a.m. (EET) on 17 February 2023 until 4.00 p.m. (EET) on 17 March 2023 by the following manners:

a) through the Company's website at https://www.terveystalo.com/Annual-General-Meeting-2023

When shareholders who are natural persons log into the service of Euroclear Finland Oy through the Company's website, they are directed to the strong electronic authentication. Strong electronic authentication can be conducted with online banking codes or a mobile certificate. Thereafter, the shareholder can register for the Annual General Meeting, authorize a proxy representative and vote in advance in one session.

For shareholders that are legal persons, no strong electronic authentication is required. However, shareholders that are legal persons must provide a book-entry number and other required information. If the shareholders that are legal persons use suomi.fi electronic authorization, registration requires strong electronic identification, that can be conducted with online banking codes or a mobile certificate, from the authorized proxy representative.

b) by regular mail or email

A shareholder may send a notice of attendance to Euroclear Finland Oy by regular mail to Euroclear Finland Oy, Yhtiökokous/Terveystalo Oyj, P.O. Box 1110, FI-00101 Helsinki or by email to yhtiokokous@euroclear.eu.

In connection with the registration, a shareholder is required to provide the requested information, such as his/her name, personal identification number/date of birth or business ID, address, telephone number and e-mail address as well as the name and date of birth of a possible authorized proxy representative, legal representative or assistant. The personal data given to the Company and Euroclear Finland Oy will be used only in connection with the General Meeting

and with the processing of related registrations. A shareholder, their possible authorized proxy representative, legal representative, or assistant must be able to prove their identity and/or right of representation at the Annual General Meeting.

Proposal for the distribution of profits

The parent company's distributable funds totaled EUR 530.8 (542.6) million, of which EUR 23.7 (43.8) million is profit for the financial year. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.28 (0.28) per share totaling EUR 35.4 (35.4) million be paid based on the balance sheet adopted for the financial year ended 31 December 2022. The dividend would be paid in two installments as follows:

- The first dividend installment of EUR 0.14 per share would be paid to the shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the first dividend installment on 27 March 2023. The Board of Directors proposes that the first dividend installment would be paid on 3 April 2023.
- The second dividend installment of EUR 0.14 per share would be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the second dividend installment on 2 October 2023. The Board of Directors proposes that the second dividend installment would be paid on 9 October 2023. 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.

Basic share information

Listing: Nasdaq Helsinki Oy
Trading ticker: TTALO
ISIN code: FI4000252127
Sector: Health care
Number of shares on December 31, 2022: 127,036,531

Financial reporting in 2023

In 2023, Terveystalo will publish financial information as follows:



The Financial reviews 2023 will be published at approximately 9:00 a.m. EET.
Financial reports are published in Finnish and English.

Silent period

Terveystalo observes a silent period of 30 days prior to the publication of interim reports and the year-end result. During the silent period, Terveystalo does not comment on any business-related matters or meet with any representatives of the capital markets.

Capital Markets day 2023

Terveystalo will arrange Capital Markets Day on 10 May 2023 in Helsinki.

Changes of address

Euroclear Finland Ltd maintains lists of Terveystalo Plc's shares, shareholders, and options. Shareholders who wish to make changes to their personal and contact information are kindly asked to contact their own account operator directly. Terveystalo does not make such updates.

Evaluation of Terveystalo as an investment

According to our knowledge, the following analysts follow Terveystalo Group regularly. The list is not necessarily exhaustive. Terveystalo assumes no responsibility for any opinions of the analysts following the company.

Carnegie Iiris Theman
+358 (0)9 618 71 241
iiris.theman@carnegie.fi

Jefferies James Vane-Tempest
+44 207 029 8275
jvane-tempest@jefferies.com

SEB Jutta Rahikainen
+358 9 616 28 713
jutta.rahikainen@seb.fi

Danske Bank Sami Sarkamies
+358 10 546 2169
sami.sarkamies@danskebank.com

Nordea Joni Sandvall
+358 9 5300 5484
joni.sandvall@nordea.com

KeplerCheuvreux, Jon Berggren
+ 46 8 723 51 76
jberggren@keplercheuvreux.com

Inderes Olli Vilppo
+358 (0)40 761 9380
olli.vilppo@inderes.fi

OP Carlo Gylling
+358 10 252 4392
carlo.gylling@op.fi

Contact information

Investor relations
Please email flagging notifications to:
investors@terveystalo.com

Vice president, communications, ir&cr
Kati Kaksonen, puh. +358 10 345 2034
kati.kaksonen@terveystalo.com

Terveystalo Group services and management
Terveystalo Piazza
Jaakonkatu 3 A, 6th floor
00100 Helsinki, Finland

TERVEYSTALO OYJ
Jaakonkatu 3 A, 6th floor
00100 Helsinki, Finland

Vaihde: 030 633 11
www.terveystalo.com