20240625073635

Årsredovisning

för

Feelgood Svenska AB

556511-2058

Räkenskapsåret

2023

Undertecknad VD i Feelgood Svenska AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 18 juni 2024. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska disponeras. Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 24 juni 2024

Stefan Kullgren
Verkställande direktör

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Styrelsen och verkställande direktören för Feelgood Svenska AB avger följande årsredovisning för räkenskapsåret 2023.

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

Feelgood koncernen har under räkenskapsåret bytt VD från Joachim Morath till Stefan Kullgren. Stefan tillträdde sin nya position hösten 2023.

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.

Risker i bolagets verksamhet

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.

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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)	**2023**	**2022**	**2021**	**2020**	**2019**
Nettoomsättning	24 523	31 693	25 458	24 793	22 028
Resultat efter finansiella poster	-12 903	-224	-11 192	-25 944	-11 910
Balansomslutning	392 215	389 130	252 473	249 482	266 420
Soliditet (%)	54,8	55,9	85,9	87,0	87,0

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

fri överkursfond	11 092 500
balanserad vinst	70 451 102
årets förlust	-2 446 653
	79 096 949
disponeras så att	
i ny räkning överföres	79 096 949
	79 096 949

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

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Resultaträkning

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Rörelsens intäkter			
Nettoomsättning		24 522 745	31 692 910
Övriga rörelseintäkter		78	0
		24 522 823	**31 692 910**
Rörelsens kostnader			
Övriga externa kostnader	2, 3	-24 642 573	-25 342 600
Personalkostnader	4	-6 155 843	-4 876 264
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar		-1 280 851	-1 091 624
Övriga rörelsekostnader		0	-8 709
		-32 079 267	**-31 319 197**
Rörelseresultat	5	**-7 556 444**	**373 713**
Resultat från finansiella poster			
Resultat från övriga företag som det finns ett ägarintresse i	6	0	590 306
Övriga ränteintäkter och liknande resultatposter	7	100 068	3 817
Räntekostnader och liknande resultatposter	8	-5 447 026	-1 192 076
		-5 346 958	**-597 953**
Resultat efter finansiella poster		**-12 903 402**	**-224 240**
Bokslutsdispositioner	9	10 200 000	720 000
Resultat före skatt		**-2 703 402**	**495 760**
Skatt på årets resultat	10	256 749	-12 876
Årets resultat		**-2 446 653**	**482 884**

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Balansräkning

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Licenser	11	1 006 048	1 555 927
		1 006 048	**1 555 927**
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	12	19 047	750 019
		19 047	**750 019**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	13, 14	241 864 350	240 593 885
Ägarintressen i övriga företag	15	0	0
Uppskjuten skattefordran	16	548 148	182
		242 412 498	**240 594 067**
Summa anläggningstillgångar		**243 437 593**	**242 900 013**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		146 695 218	143 189 620
Aktuella skattefordringar		0	125 066
Övriga fordringar	17	16 250	88 973
Förutbetalda kostnader och upplupna intäkter	18	1 962 242	1 605 937
		148 673 710	**145 009 596**
Kassa och bank		104 012	1 220 234
Summa omsättningstillgångar		**148 777 722**	**146 229 830**
SUMMA TILLGÅNGAR		**392 215 315**	**389 129 843**

Balansräkning

	Not	2023-12-31	2022-12-31
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		70 451 102	69 968 218
Årets resultat		-2 446 653	482 884
		79 096 949	**81 543 602**
Summa eget kapital		**214 974 913**	**217 421 566**
Kortfristiga skulder			
Leverantörsskulder		481 445	325 333
Skulder till koncernföretag		168 011 982	161 544 786
Aktuella skatteskulder		15 174	0
Övriga skulder		4 782 852	7 854 521
Upplupna kostnader och förutbetalda intäkter	21	3 948 949	1 983 637
Summa kortfristiga skulder		**177 240 402**	**171 708 277**
SUMMA EGET KAPITAL OCH SKULDER		**392 215 315**	**389 129 843**

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Rapport över förändringar i eget kapital

	Aktie-kapital	Bundna reserver	Balanserat resultat	Årets resultat	Summa eget kapital
Ingående eget kapital 2022-01-01	**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**
Disposition enligt beslut på stämma			482 884	-482 884	0
Årets resultat				-2 446 653	-2 446 653
Utgående eget kapital 2023-12-31	**132 862 964**	**3 015 000**	**81 543 601**	**-2 446 653**	**214 974 912**

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Kassaflödesanalys

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Den löpande verksamheten			
Resultat efter finansiella poster	24	-12 903 402	-224 240
Justeringar för poster som inte ingår i kassaflödet	22	1 280 772	510 028
Betald skatt		-291 217	0
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**-11 913 847**	**285 788**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av kortfristiga fordringar		6 535 886	-92 041 727
Förändring av leverantörsskulder		156 112	-2 570 375
Förändring av kortfristiga skulder		4 105 549	142 111 401
Kassaflöde från den löpande verksamheten		**-1 116 300**	**47 785 087**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar		0	-843 562
Investeringar i finansiella anläggningstillgångar		0	-44 439 810
Försäljning av finansiella anläggningstillgångar		0	2 094 000
Kassaflöde från investeringsverksamheten		**0**	**-43 189 372**
Finansieringsverksamheten			
Förändring checkräkningskredit		0	-3 366 772
Kassaflöde från finansieringsverksamheten		**0**	**-3 366 772**
Årets kassaflöde		**-1 116 300**	**1 228 943**
Likvida medel vid årets början	23		
Likvida medel vid årets början		1 220 234	0
Kursdifferens i likvida medel			
Kursdifferens i likvida medel		78	-8 709
Likvida medel vid årets slut		**104 012**	**1 220 234**

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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.

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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

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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.

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Not 2 Leasingavtal

Årets leasingkostnader avseende leasingavtal, uppgår till 4 747 899 kronor (4 288 775 kr).

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

	2023	**2022**
Inom ett år	4 680 000	4 440 000
Senare än ett år men inom fem år	0	0
	4 680 000	**4 440 000**

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.

Revisionsarvodet erläggs från annat koncernbolag från 2023.

	2023	**2022**
KPMG AB		
Revisionsuppdrag	0	50 000
	0	**50 000**

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Not 4 Anställda och personalkostnader

	2023	2022
Medelantalet anställda		
Män	1	1
	1	**1**
Löner och andra ersättningar		
Styrelse och verkställande direktör	2 394 666	2 852 920
	2 394 666	**2 852 920**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	677 915	635 503
Övriga sociala avgifter enligt lag och avtal	945 586	1 054 915
	1 623 501	**1 690 418**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**4 018 167**	**4 543 338**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	33 %	33 %
Andel män i styrelsen	67 %	67 %

Not 5 Inköp och försäljning mellan koncernföretag

	2023	2022
Andel av årets totala inköp som skett från andra företag i koncernen	1,90 %	1,40 %
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

	2023	2022
Nedskrivningar	0	-590 306
	0	**-590 306**

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Not 7 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Övriga ränteintäkter	100 068	3 817
	100 068	**3 817**

Not 8 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader till koncernföretag	5 439 750	1 102 676
Övriga räntekostnader	7 276	89 400
	5 447 026	**1 192 076**

Not 9 Bokslutsdispositioner

	2023	2022
Erhålln konc. bidrag	10 200 000	720 000
	10 200 000	**720 000**

Not 10 Aktuell och uppskjuten skatt

	2023	2022
Skatt på årets resultat		
Justering avseende tidigare år	-291 217	0
Uppskjuten skatt	547 966	-12 876
Totalt redovisad skatt	**256 749**	**-12 876**

Avstämning av effektiv skatt

		2023		2022
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		-2 703 402		495 760
Skatt enligt gällande skattesats	20,6	556 901	20,6	-102 127
Ej avdragsgilla kostnader		-40 947		-21 343
Ej skattepliktiga intäkter		0		121 855
Justering avseende skatter för föregående år		-291 217		1 797
Under året utnyttjande av tidigare års underskottsavdrag vars skattevärde ej redovisats som tillgång		0		-13 058
Övrigt		32 012		0
Redovisad effektiv skatt	**9,5**	**256 749**	**2,6**	**-12 876**

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Not 11 Licenser

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	23 788 416	22 944 854
Inköp	0	843 562
Utgående ackumulerade anskaffningsvärden	**23 788 416**	**23 788 416**
Ingående avskrivningar	-22 232 489	-21 870 068
Årets avskrivningar	-549 879	-362 421
Utgående ackumulerade avskrivningar	**-22 782 368**	**-22 232 489**
Utgående redovisat värde	**1 006 048**	**1 555 927**

Not 12 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	4 914 167	4 914 167
Utgående ackumulerade anskaffningsvärden	**4 914 167**	**4 914 167**
Ingående avskrivningar	-4 164 148	-3 434 945
Årets avskrivningar	-730 972	-729 203
Utgående ackumulerade avskrivningar	**-4 895 120**	**-4 164 148**
Utgående redovisat värde	**19 047**	**750 019**

Not 13 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	268 337 692	224 517 882
Inköp	1 270 465	42 965 810
Försäljningar	0	-620 000
Omklassificeringar	0	1 474 000
Utgående ackumulerade anskaffningsvärden	**269 608 157**	**268 337 692**
Ingående nedskrivningar	-27 743 807	-27 743 807
Utgående ackumulerade nedskrivningar	**-27 743 807**	**-27 743 807**
Utgående redovisat värde	**241 864 350**	**240 593 885**

20240623073800

Not 14 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Bokfört värde
Feelgood Sjukvård AB	100%	100%	1 390 465
Feelgood Företagshälsovård AB	100%	100%	196 654 075
Nämndemansgården i Sverige AB	100%	100%	43 819 810
			241 864 350

Not 15 Ägarintressen i övriga företag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	0	6 000 570
Omklassificeringar	0	-6 000 570
Utgående ackumulerade anskaffningsvärden	**0**	**0**
Ingående nedskrivningar	0	-5 116 876
Omklassificeringar	0	4 526 570
Årets nedskrivningar	0	590 306
Utgående ackumulerade nedskrivningar	**0**	**0**
Utgående redovisat värde	**0**	**0**

Not 16 Uppskjuten skattefordran

	2023-12-31	2022-12-31
Belopp vid årets ingång	182	13 058
Under året uppkomna förlustavdrag	547 966	0
Under året ianspråktagna belopp	0	-12 876
Belopp vid årets utgång	**548 148**	**182**

Not 17 Övriga fordringar

	2023-12-31	2022-12-31
Övriga poster	16 250	88 973
	16 250	**88 973**

Not 18 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda hyreskostnader	1 372 546	1 273 990
Förutbetalda försäkringspremier	41 024	47 715
Övriga förutbetalda kostnader	548 672	284 232
	1 962 242	**1 605 937**

20240625073831

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

	2023-12-31	2022-12-31
Beviljat belopp på checkräkningskredit uppgår till	0	6 000 000
Utnyttjad kredit uppgår till	0	0

Not 21 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna löner	2 273 889	237 263
Upplupen semester	178 129	84 689
Upplupna sociala avgifter	55 968	101 157
Övriga upplupna poster	1 440 964	1 560 526
	3 948 950	**1 983 635**

Not 22 Justering för poster som inte ingår i kassaflödet

	2023-12-31	2022-12-31
Avskrivningar	1 280 851	1 091 624
Kursvinster	-78	0
Kursförluster		8 709
Nedskrivningar	0	-590 306
	1 280 773	**510 027**

Not 23 Likvida medel

	2023-12-31	2022-12-31
Likvida medel		
Banktillgodohavanden	104 012	1 220 234
	104 012	**1 220 234**

Not 24 Räntor och utdelningar

	2023-12-31	2022-12-31
Erhållen ränta	-3 448	-2 595
Erlagd ränta	5 447 026	1 192 076
	5 443 578	**1 189 481**

20240623073B2

Not 25 Ställda säkerheter

	2023-12-31	2022-12-31
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

	2023-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
fri överkursfond	11 092 500
balanserad vinst	70 451 102
årets förlust	-2 446 653
	79 096 949
disponeras så att	
i ny räkning överföres	79 096 949
	79 096 949

20240625073833

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

Stefan Kullgren
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

Participants

FEELGOOD FÖRETAGSHÄLSOVÅRD AB 556185-6385 Sweden

Signed with Swedish BankID — *2024-06-12 12:27:58 UTC*

Name returned from Swedish BankID: Stefan Patrik Kullgren
Social security number returned from Swedish BankID: 197001040257

Date

Stefan Kullgren
stefan.kullgren@feelgood.se

Delivery channel: Email
IP Address: 95.193.40.98

FEELGOOD SVENSKA AB Sweden

Signed with FTN — *2024-06-12 11:55:06 UTC*

Name returned from FTN: Elina Outi Saviharju
Social security number returned from FTN: 111181-144H
Birthdate returned from FTN: 1981-11-11

Date

Elina Saviharju
elina.saviharju@terveystalo.com

Delivery channel: Email
IP Address: 85.76.133.54

Signed with FTN — *2024-06-17 11:47:58 UTC*

Name returned from FTN: VILLE MIKKO IHO
Social security number returned from FTN: 050669-0139
Birthdate returned from FTN: 1969-06-05

Date

Ville Iho
ville.iho@terveystalo.com

Delivery channel: Email
IP Address: 194.157.178.225

Signed with FTN — *2024-06-12 12:18:59 UTC*

Name returned from FTN: JUUSO EDVARD PAJUNEN
Social security number returned from FTN: 101081-123C
Birthdate returned from FTN: 1981-10-10

Date

Juuso Pajunen
juuso.pajunen@terveystalo.com

Delivery channel: Email
IP Address: 85.76.97.37

20240625073844

Signed with Swedish BankID

2024-06-17 13:06:57 UTC

Name returned from Swedish BankID: MAGNUS RIPA
Social security number returned from Swedish BankID: 196906063950

Date

Magnus Ripa
magnus.ripa@kpmg.se

Delivery channel: Email
IP Address: 195.84.56.2

20240623073855

20240625073866

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 2023.

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 2023 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.

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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 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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 vår elektroniska signatur anger

KPMG AB

Magnus Ripa
Auktoriserad revisor

20240623073937

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MAGNUS RIPA
Auktoriserad revisor
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IP: 195.84.xxx.xxx
2024-06-17 13:13:59 UTC

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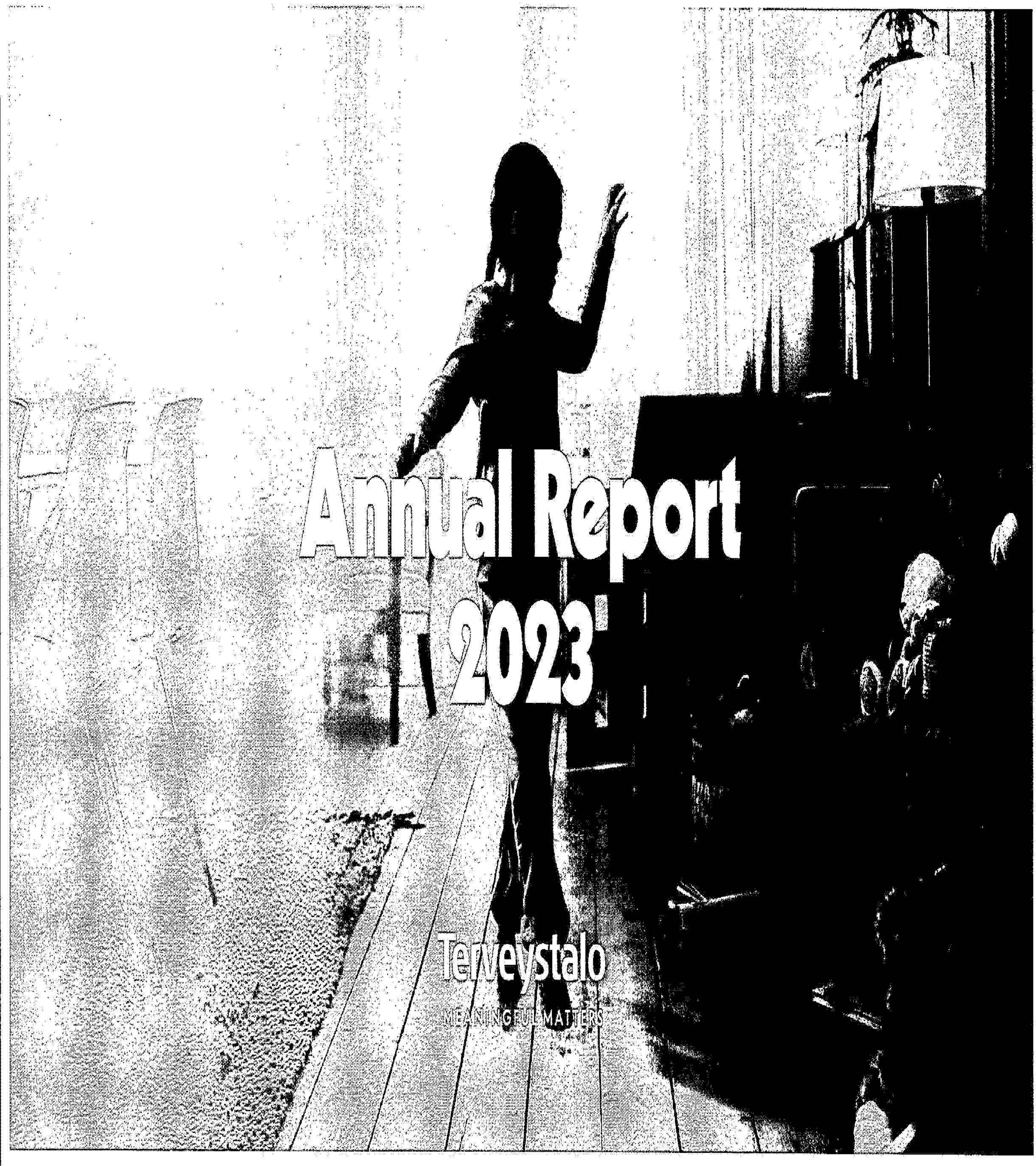

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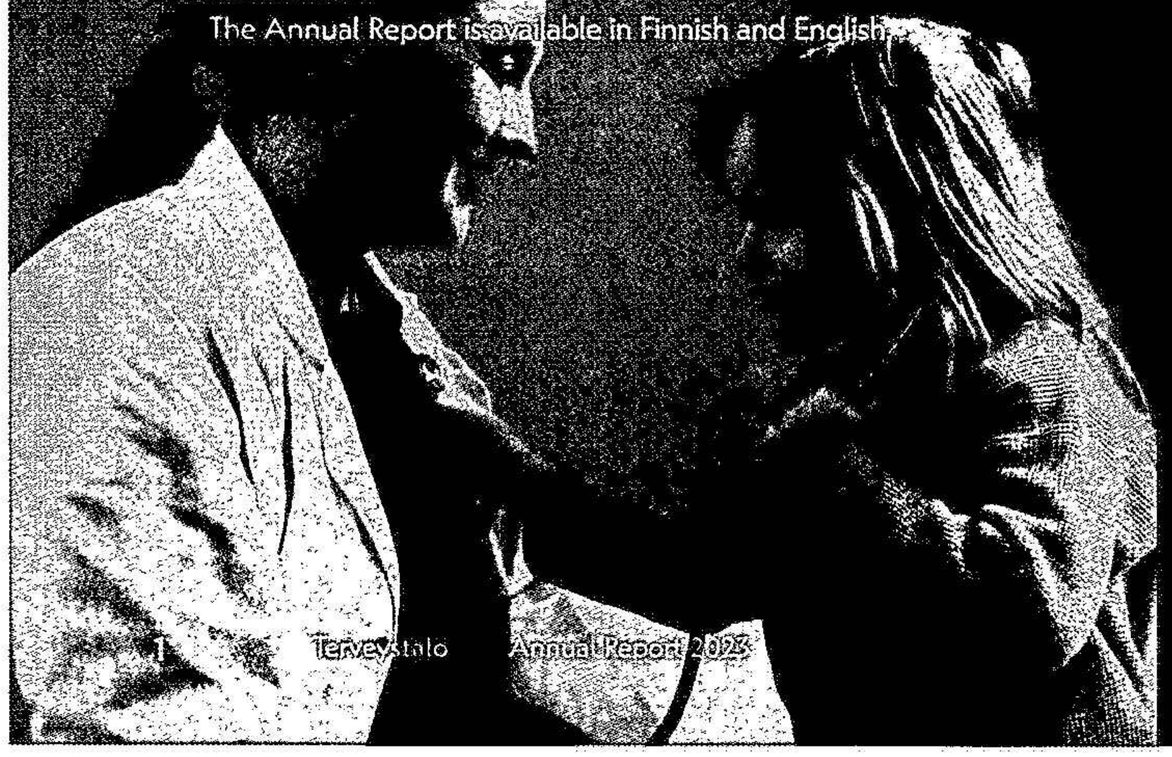
Introduction

Terveystalo's Annual Report 2023 consists of four sections: Year 2023, Sustainability, Corporate Governance and Financials.

The Year 2023 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.



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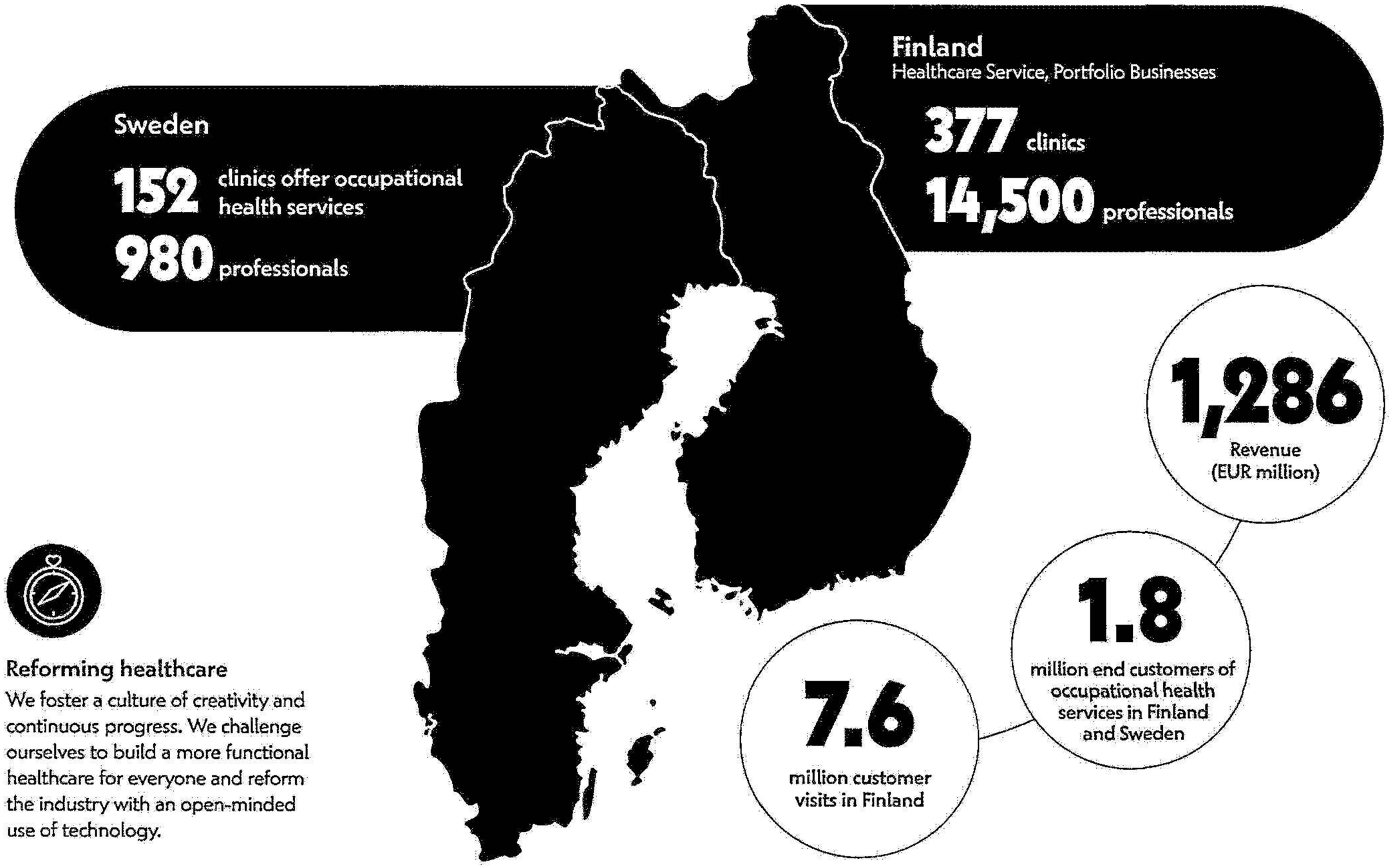
Terveystalo in brief

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

We deliver data-driven integrated healthcare and ensure the most effective preventive care and treatment. We develop digital solutions that ensure a smooth everyday life for our professionals, the best care outcomes for our customers and help address the care gap in the industry.

Terveystalo is listed on the Helsinki Stock Exchange and has a predominantly Finnish ownership.



Our 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 customers, 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 research. All of our decisions are steered by care efficacy and the well-being of our customers.

Reforming healthcare

We foster a culture of creativity and continuous progress. We challenge ourselves to build a more functional healthcare for everyone and reform the industry with an open-minded use of technology.

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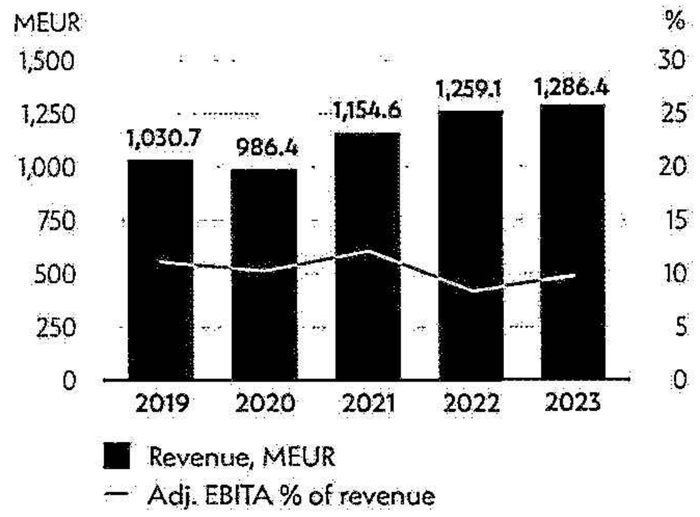
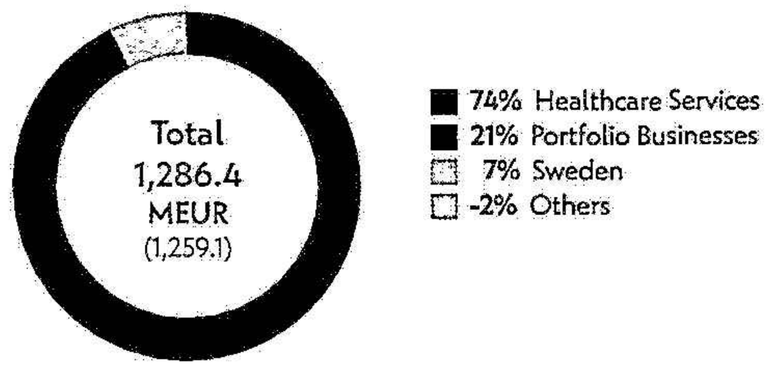
Key Figures

Revenue and Adjusted EBITA-%

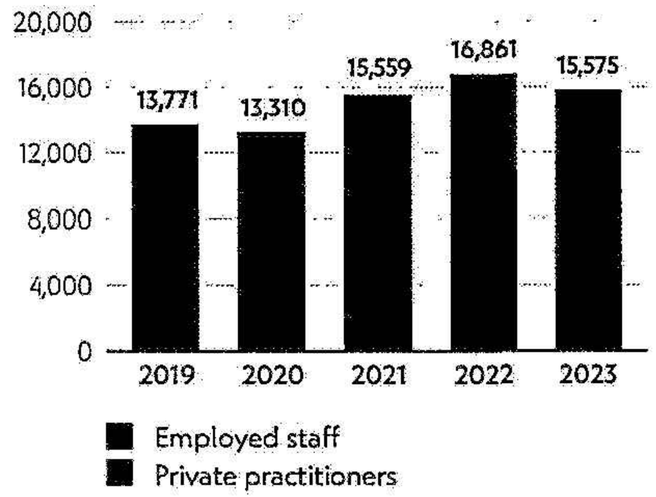


Revenue breakdown

% of total revenue 2023



Personnel and private practitioners



Terveystalo Group, EUR million	2023	2022	2021
Revenue	1,286.4	1,259.1	1,154.6
Adjusted EBITA*[1]	125.6	105.2	141.0
Return on equity (ROE), %[1]	-7.6	4.1	13.6
Equity ratio, %[1]	36.5	40.2	42.2
Earnings per share (EUR)	-0.33	0.19	0.63
Gearing, %[1]	116.0	95.7	85.2
Net debt / adjusted EBITDA (last 12 months)[1]	3.0	3.2	2.5
Dividend per share	0.30[2]	0.28	0.28
Personnel (end of period)	9,824	10,933	9,805
Private practitioners (end of period)	6,092	5,928	5,754

9.8%
Adjusted EBITA % of revenue[1]

3.0
Net debt/adjusted EBITDA[1]

#1
The preferred employer in private health care among professionals[7]

85
NPS[3], appointments

19
eNPS[4]

2.9
PEI index[5]

12.6%
Referral rate for brief mental health psychotherapy[6]

[1] Adjusted earnings before impairment and amortization of intangible assets.
[2] Board's proposal.
[3] Customer satisfaction, Net Promoter Score.
[4] Employee promoter score.
[5] The PEI index (Patient Enablement Instrument) is used to measure whether the patient feels that he is coping with his symptoms or illness much better, better, as before, or worse after the reception. The scale is 1–4.
[6] Proportion of relevant occupational health customers referred to brief psychotherapy.
[7] Universum Professional Study 2023.

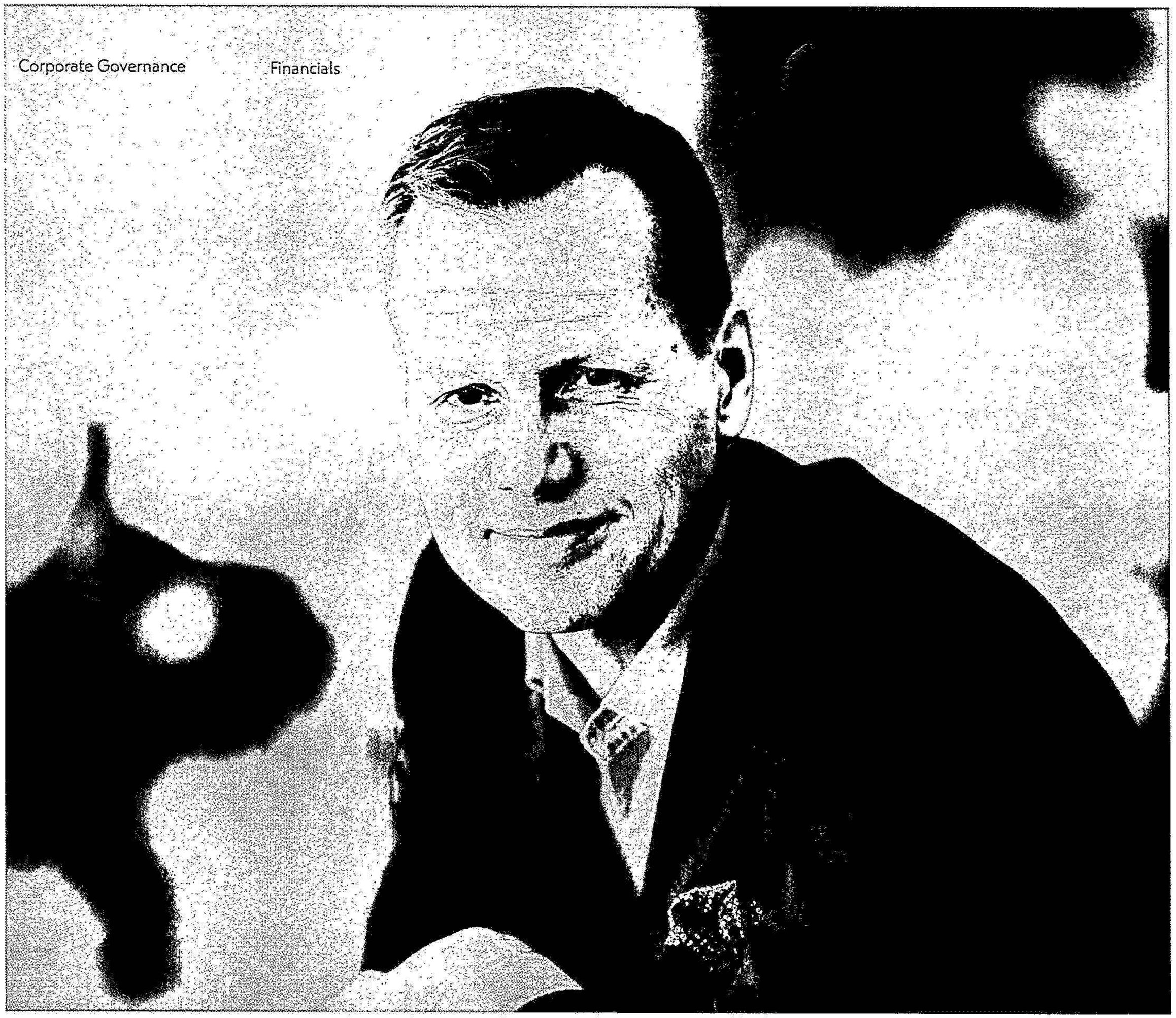
20240830044844

CEO Ville Iho:

We build smooth, caring and effective healthcare

In 2023, we made determined progress towards our strategic and financial targets. Our customer satisfaction was record high and we maintained our position as the most attractive employer in the industry while strengthening our profitability in all our business segments.

Terveystalo had a strong year in 2023. Our revenue grew by approximately 2 percent year-on-year to EUR 1,286 million. COVID-19 testing in the comparison period, expired outsourcing contracts and the weakening of the Swedish Krona, decreased revenue year-on-year. Without these changes, the underlying organic growth was approximately 6 percent. Our profitability strengthened throughout the year. Adjusted EBITA increased 19 percent to EUR 126 million, representing 9.8 percent of revenue.



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The profit improvement program and efficiency measures strengthened profitability in all business segments

Our core business, Healthcare Services, had an excellent year. The segment's revenue increased by approximately 6 percent to EUR 949 million. Revenue was boosted by a more favourable customer and service mix and successful pricing measures. The segment's profitability strengthened thanks to the excellent progress of the profit improvement program, improved operational efficiency, and a stronger top line.

The profit improvement program and clear organizational structure have brought excellent results and created a solid foundation for the future. The program exceeded the target set ahead of schedule and achieved a run-rate profit improvement of EUR 60 million in 2023. The adjusted EBITA impact for 2023 was EUR 37 million. With the target exceeded, the estimated one-off costs of the program will also increase slightly from the original estimate.

The conditions for growth in Healthcare Services remain favourable and demand is strong despite the uncertain economic environment. Poor access to treatment in public healthcare increases the demand for privately produced services, notably through increasing health insurance coverage.

Independent profitability improvement measures in the portfolio businesses paid off, and the profitability of the entire segment strengthened markedly year-on-year. The segment's revenue decreased by approximately eight percent due to the planned contraction of the outsourcing agreement portfolio. The situation in the public pay market is still pending due to the funding challenges of the wellbeing services counties, and there are few new tenders. It is not easy to see a substantial recovery in the market before the second half of 2024.

Macroeconomic and exchange rate weakness impacted the Sweden segment's revenue, which remained at the 2022 level. The segment's profitability strengthened clearly from the comparison period, with the exception of the last quarter of the year. We reacted to the change in the operating environment with a profit improvement program launched at the end of 2023 with the aim of strengthening the business area's structural profitability by the end of 2025.

I am proud of the committed work of Terveystalo employees. During 2023, we strengthened our profitability significantly in all segments despite headwinds and without compromising the high quality of our operations. Our financial position is strong, and we are advancing with a clear agenda towards our financial target of an adjusted EBITA margin of 12 percent in 2025. Our earnings per share excluding non-recurring items for 2023 were EUR 0.47. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.30 be distributed.

We promote health and human efficiency

As a company, we have a clear purpose: we fight for a healthier life. We want to provide solutions to the biggest sustainability challenges in healthcare and ensure timely access to the most effective care while the population ages and the need for care increases. The chronic shortage of experts in the industry requires that the valuable intellectual capital of healthcare professionals be utilised in a sustainable way that creates value for society. These themes are also at the core of our strategy. Investments in data-driven integrated healthcare in line with our strategy are paying off. We are at the forefront of our industry in adopting technology that both streamlines healthcare processes and improves customer value. Our record-strong customer satisfaction shows that Terveystalo employees can focus on the most important thing: customer encounters. We have also maintained our position as the preferred employer for professionals in the field. Without committed professionals and strong work communities, there is no Terveystalo. We invest in the development of digital solutions that improve the flow of work to enable professionals to focus on meaningful matters. A healthy corporate culture and humanely efficient leadership continue to support everyday work. We will continue to be at the forefront of the industry and build smooth, caring, and effective care for our customers.

Meaningful Matters,
Ville Iho

We support the UN Global Compact

Terveystalo has signed the UN Global Compact initiative. We are committed to continuing our work to integrate the Global Compact's environmental, human rights, labour, and anti-corruption principles into our operations, culture, and value chain.

Ville Iho,
CEO of Terveystalo

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Events in 2023

Excellent progress of the profit improvement program was clearly reflected in the results

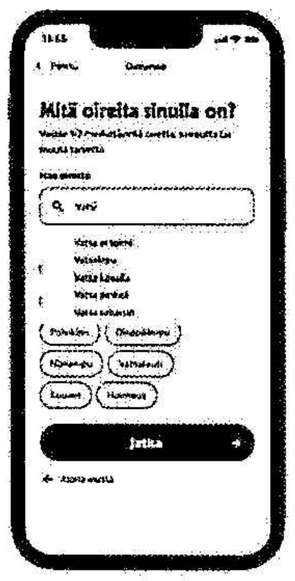
During the fourth quarter of 2022, Terveystalo launched a profit improvement program, which aims for an inflation-adjusted, annualized (run-rate) EBITA improvement of at least EUR 50 million by the end of 2024. The measures under the program have focused on growth and efficiency. We have strengthened growth by improving commercial operations, enhancing recruitment and retention of professionals and optimising resource planning. Efficiency has been strengthened by improving customer and care paths, optimising the physical network and procurement, improving productivity and simplifying the operating model. The program exceeded its initial target ahead of schedule and achieved a run-rate profit improvement of EUR 60 million in 2023. The adjusted EBITA impact for 2023 was EUR 37 million.

Terveystalo is the number one for healthcare professionals

For the fourth year in a row, health and pharmaceutical professionals ranked Terveystalo as the most attractive place to work in the health services sector. In the Universum's annual Employer Image Survey, participants rated the employers through questions on reputation, workplace culture, development opportunities and salary. More than 1,500 health and pharmaceutical professionals selected Terveystalo as the most attractive place to work in the health services sector. The study evaluates players from the public sector, private healthcare companies and pharmaceutical companies.

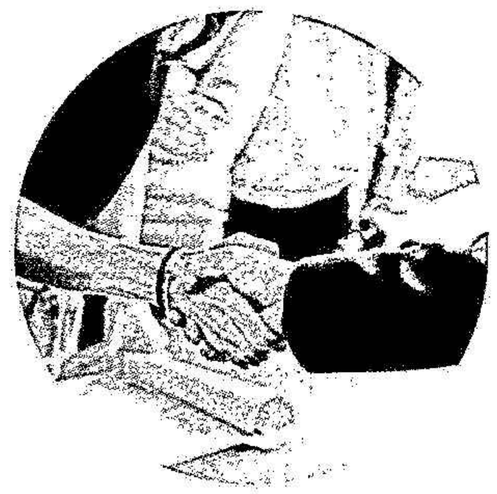
Introduction of a ground-breaking Symptom Assessment Tool and innovative clinical technology to the occupational health product range

In our key customer segment of occupational health, we used technology to improve care paths and brought new diagnostics to health promotion with our partner Nightingale Health. Since June 2023, our new Symptom Assessment Tool has directed our customers to the right specialist in the right channel through AI-powered symptom mapping, streamlining both access to care and the work of the professional. Nightingale's blood analysis technology enables us to improve disease prevention by identifying the risks of lifestyle diseases on a more individual basis.



Terveystalo established a sustainability-linked financing framework and issued a EUR 100 million bond

Terveystalo has established a sustainability-linked financing framework, within which it can issue securities, such as bonds. Our sustainability-linked financing framework combines sustainability with financing and helps investors understand our core values and strong commitment to our sustainability targets. We chose mental health treatment and customer satisfaction as key metrics for the framework. In June, we successfully issued a EUR 100 million bond linked to these sustainability targets. As a leading private healthcare provider, we want to lead by example and reform healthcare in a sustainable way.



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Trends influencing healthcare

Four key trends are strongly influencing the healthcare industry and creating growth opportunities in our core markets.

Trend		Terveystalo's response
Ageing population	The Finnish population aged over 65 is expected to grow by 170,000 over the next 10 years.[1] Spending on healthcare is on average three times higher compared to the population under 65.[2]	Demand for health care is growing, especially for services used by older people. Terveystalo has the expertise and resources to prevent chronic diseases, provide high-quality and effective care for older people, and shorten the queues in the public sector.
Constrained labour market	The shortage of professionals is the biggest challenge facing the health sector. Finland is estimated to face a shortage of around 3,000 doctors[3] and 14,000 nurses[4] by 2025.	Maintaining the position as the most attractive employer in the industry and developing solutions that make professional work more efficient are essential in a limited professional market.
Challenged public health-care systems	Finland's Social and Healthcare Reform aims to curb the healthcare cost growth. At the same time, the well-being services counties are challenged by lengthening treatment queues, tight budgets and labour shortages.	Publicly funded and privately provided healthcare in Finland is expected to grow. Through smooth cooperation and division of labour, the public and private sectors have the potential to address the challenges of healthcare.
Digitalisation & remote care	The benefits of digitalisation are essential to address the challenges in healthcare. Digitalisation can improve the access to services, quality, effectiveness and continuity of care, increase self-service rates, improve cost-effectiveness, and streamline and enhance the work of professionals.	Terveystalo has been developing its digital services over the long term. More than half of Finns already use Terveystalo's digital services, with more than 2.7 million users of the mobile app and web service. With digital solutions, we make sure that our professionals want to work for us and our customers get the best possible care. Our digital solutions alleviate the shortage of professionals and the care gap and enable the best medical and business outcomes as part of integrated care.

The trends are supporting growth

[1] Statistics Finland Forecast 2023–33.
[2] Statista, Kaiser Family Foundation health cost data, Terveystalo market and sales data. Calculations based on average spend based on age groups.
[3] KT forecast in Ministry of Social and Healthcare publication "The situation and training needs of specialist doctors and dentists up to 2035".
[4] Keva, Municipalities' labour force forecast 2030, Shortage for public sector.

20240830048 48

Terveystalo's addressable markets

Terveystalo operates in Finland in occupational health, primary health care, specialty care and well-being services. In Sweden, Terveystalo is, through its subsidiary Feelgood, one of Sweden's leading occupational health companies.

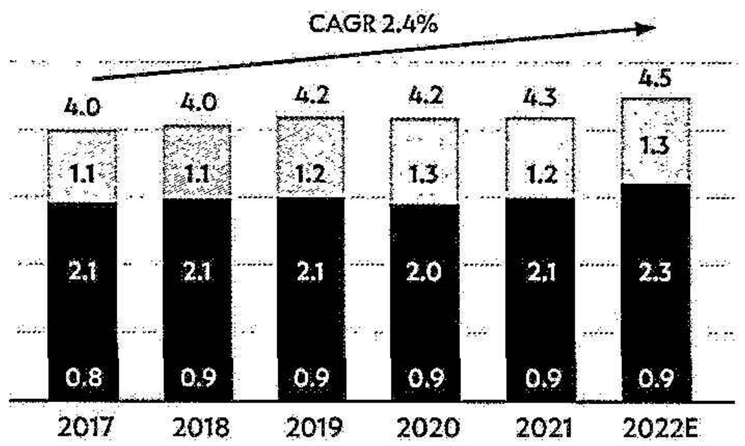
Terveystalo's addressable market in Finland

In Finland, the market of health care is estimated at around EUR 15.8 billion. About 72 percent is publicly funded and provided. Privately provided health care accounts for 28 percent, corresponding to EUR 4.5 billion, which includes publicly funded and privately provided and privately provided and funded health care. The privately provided market relevant to Terveystalo 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. The privately provided market is expected to grow by around 3–4 percent between 2022 and 2028. The rapid ageing of the population, the care debt accumulated during the pandemic and the challenges of public healthcare will increase the need for privately provided care in the coming years.

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. Terveystalo provides occupational health services in Finland to over 27,000 companies and to a total of approximately 680,000 people through its corporate customers.

Terveystalo's addressable market in Finland, 2017–2022E

EUR bn



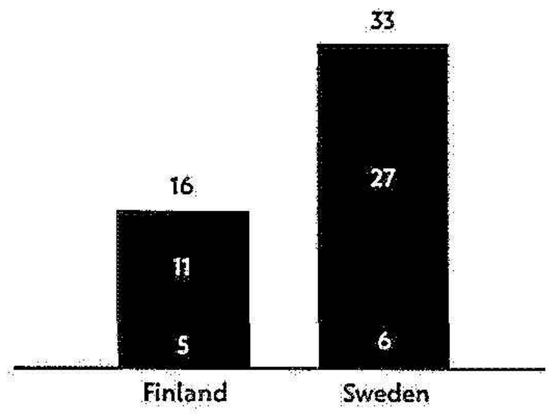
Source: National Institute for Health and Welfare, KELA, Statistics Finland

Terveystalo's addressable market in Sweden

In Sweden, the total cost of health care is estimated at around EUR 32.5 billion. About 82 percent is publicly funded and provided. Privately provided health care accounts for around 17 percent or EUR 5.7 billion, which includes publicly funded and privately provided and privately provided and funded health care. In Sweden, the privately produced and financed market consists largely of voluntary health insurance are driving the growth of the private healthcare market also in Sweden.

Healthcare markets

EUR bn



Terveystalo's subsidiary Feelgood, which operates in Sweden, offers services in occupational health and, including; risk assessments, ergonomics and physiotherapy, organisation 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 0.5 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 8,000 corporate customers in Sweden, with a total of approximately 1.1 million occupational health end-customers.

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Operating environment

Target markets

In 2023, demand for healthcare services in Finland continued to be strong. Seasonal variations in demand and booking rates normalised compared to the exceptional comparison period. Demand for basic laboratory services largely normalised to pre-pandemic levels. As the pandemic receded, customer visits were focused on brick-and-mortar as the demand for COVID-19 testing, digital services, and remote appointments declined materially year-on-year.

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

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

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

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

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

The impacts of inflation

Despite the stabilised inflation, some procurement categories had continued cost pressure. Terveystalo has actively negotiated with its suppliers to limit the impact of inflation on costs. Electricity prices levelled off from the comparison period.

One of the key areas of the profit improvement program is to fight inflation and reduce costs in selected product and service categories.

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

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

The treatment queues and regulatory environment in Finland

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

The responsibility for the organisation of social and healthcare services was transferred to the 21 wellbeing services counties and the City of Helsinki at the beginning of 2023. The wellbeing services county councils decide on the service strategies, principles of the service network, service level of emergency services, budget and financial planning of the well-being services county, and appointment of members to governing bodies. The wellbeing services counties have launched smaller tenders such as digital service solutions, but no decisions on larger tenders from the private sector have so far been made.

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

20240830048S0

OUR PURPOSE

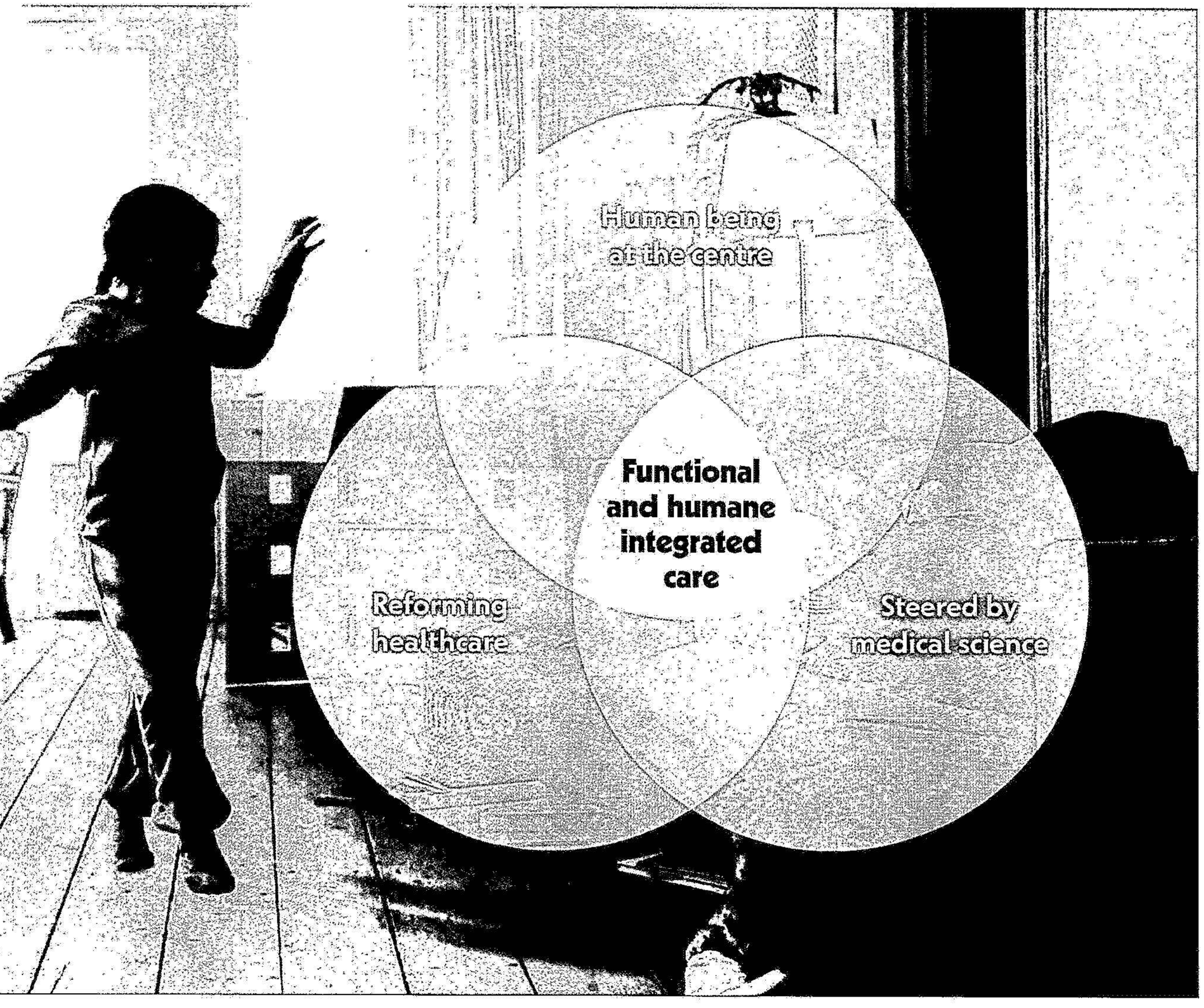
We fight for a healthier life

by focusing on the meaningful matters.

Our strategy is to deliver **integrated, data-driven outpatient and preventive care** with best-in-class care outcomes and people experience.

We target industry-leading profitability and net positive societal impact.

Financial targets:
>5% annual revenue growth
>12% Adjusted EBITA-margin in 2025
<3.5 Net Debt/EBITDA
>40% pay-out ratio



20240830048S1

Strategy

Integrated care

We produce data-driven integrated healthcare and ensure the most effective prevention and care. Integrated care enables us to combine various aspects of healthcare into an effective whole.

Integrated care means that we:

- bring together health professionals and customers
- use integrated data from different sources to support care and target prevention
- do effective prevention and aim for improvement of the overall well-being of the customer
- offer fast access to care
- link the different stages of care into seamless multi-professional and multi-channel care paths
- guide the customer and patient actively and support continuity of care
- measure the benefits to the customer and the effectiveness of the treatment

Achievements 2023:

- Medicine-based care guidance was further developed through harmonised care paths. There are now approximately 70 data-driven care paths in Terveystalo.
- As a result of developments in the continuum of care, the uptake of diagnostics and referrals for follow-up care increased to near pre-pandemic levels.
- All of Terveystalo's occupational health customers were given access to the Symptom Assessment Tool, which is a CE-marked medical device that streamlines the use of occupational health services by directing the customer to the right specialist and the right channel by assessing their symptoms with the help of artificial intelligence.
- Nightingale's blood analysis technology was integrated into occupational health check-ups. The technology detects susceptibility to lifestyle diseases among the working-age population, thereby enabling more effective prevention of diseases.
- Terveystalo aims to improve access to effective care for depression and anxiety disorders. In 2023, this objective was also included in Terveystalo's sustainability-linked financing framework.
- Selected specialties, such as the Children's Terveystalo, orthopedics, sleep medicine, and mental wellbeing services, grew strongly.

Benefits of integrated care

For patients: Effective care and seamless customer experience

For professionals: Smooth patient work -- possibility to focus on what matters most

For employers: Less sick leave, data-driven prevention and healthy work communities

For insurance companies: Effective medical outcomes and better cost management

For Terveystalo: Lower costs, maximum value capture and better outcomes

For society: Reduced healthcare spending and better overall health

85
Customer Net Promoter Score, NPS[1)]

2.9
Treatment effectiveness index, PEI[2)]

12.6
Referral rate for brief mental health psychotherapy[3)]

[1)] Net Promoter Score (NPS) for appointments.
[2)] The Patient Enablement Instrument (PEI) measures whether the customer feels they are coping with their symptoms or illness much better, better, as before or worse after the appointment. The scale is from 1–4.
[3)] Percentage of relevant occupational health patients with diagnosis of depression or anxiety who have been referred for brief psychotherapy.

20240830048S2

Strategy

The best workplace for professionals

At Terveystalo, our mission is to fight for a healthier life. We are building a humanely efficient workplace where professionals can focus on what matters the most - meeting the customer. We want to ensure that professionals want to work for us, are committed to us, and can focus on what matters the most. We aim to be the industry's best and most attractive employer.

The priorities of our people strategy:

- **Culture and leadership:** We are strengthening a culture of human efficiency, where people feel comfortable, and work is smooth and productive.
- **Professional growth:** We strengthen career paths from traineeship to retirement. We offer top-class training in selected areas.
- **Meaningful compensation:** We develop meaningful and effective reward and remuneration models to strengthen professional performance, commitment, and the attractiveness of Terveystalo.
- **Focusing on what matters:** We enable professionals to focus on what matters - the customer - by developing structures, tools, and processes to ensure a smooth workflow.
- **Proactive recruitment of professionals:** We strengthen early career recruitment and further develop our recruitment and induction policies.

Achievements 2023:

- For the fourth year in a row, health and pharmaceutical professionals selected Terveystalo the most attractive place to work in the health services sector.
- We continued to invest strongly in recruitment of professionals throughout the year and were successful in steadily increasing supply. To strengthen supply, we increasingly shifted development efforts towards solutions that facilitate and enhance the work of professionals.
- We also developed leadership skills and local work communities. The professional survey in autumn showed that these areas were perceived more positively than before.
- During 2023, Terveystalo simplified its operating model and organisational structure as part of the profit improvement program. These changes affected the eNPS score (eNPS 28 in 2022).

19
eNPS, Employee Net Promoter Score

15,500
professionals

4.2/5[2)]
Leadership Index score

#1
Most popular employer in private healthcare among professionals[1)]

PROFESSIONAL Most Attractive EMPLOYERS FINLAND universum 2023

[1)] Universum Professional Survey 2023.
[2)] Terveystalo Professional Survey, Leadership Index.

202408300485 3

Strategy

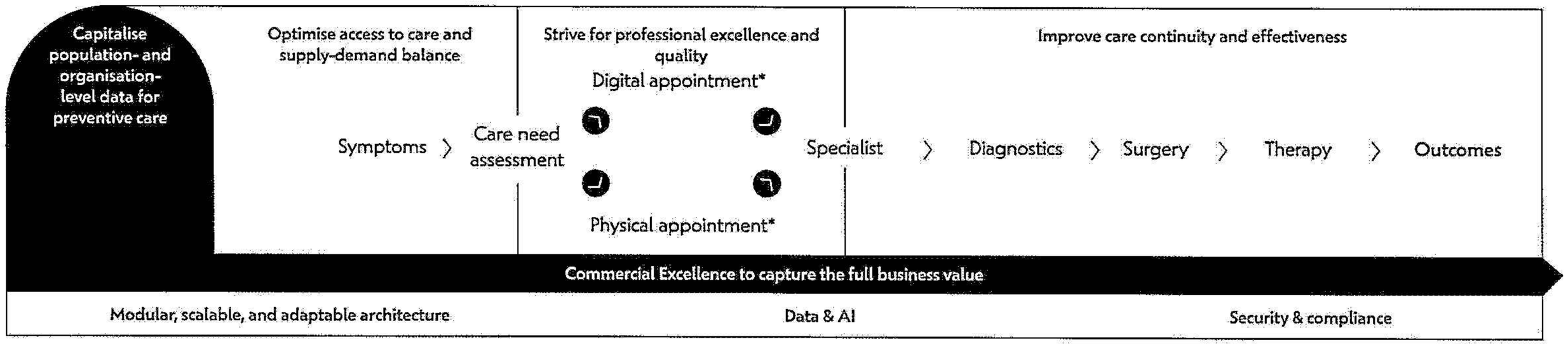
Digital solutions

We develop solutions that ensure a smooth daily life for our professionals, the best care outcomes, and preventive care for our customers, and help solve the care gap in the industry. Our digital solutions are a key component of effective integrated care.

Strategic priorities:

- We use data to identify and prevent health risks and choose the right treatment.
- We are increasing overall capacity through digital solutions to enable fast access to care in an optimised, multi-channel production model.
- We streamline the professional's work by developing tools and processes, multidisciplinary cooperation, and productivity.
- We support continuity of care by guiding the customer and professional throughout the care path from the first contact to the end of the care path.
- We systematically measure the effectiveness of care and develop our actions to improve outcomes.

Digital solutions enable the best medical and business outcomes as part of integrated care



* General practitioner and occupational health physician

Achievements 2023:

- All of Terveystalo's occupational health customers were given access to the Symptom Assessment tool, which is a CE-marked medical device that streamlines the use of occupational health services by directing the customer to the right specialist and the right channel by assessing their symptoms with the help of artificial intelligence.
- On the basic IT systems front, we developed our commercial capabilities, including in the area of occupational health contracts.
- We digitised several care paths so that our customers receive continuous care related to their treatment through digital channels.
- We extended our digital service offering to the wellbeing services counties.
- We made our professionals' everyday lives easier with the Terveystalo Pro app, which allows them to manage their work, as well as their tasks outside the office.

3.7 M
million visits to digital services per month

92%
customer self-service rate

2.7 M
million registered users of digital services

20240830048S4

Business areas

Healthcare services

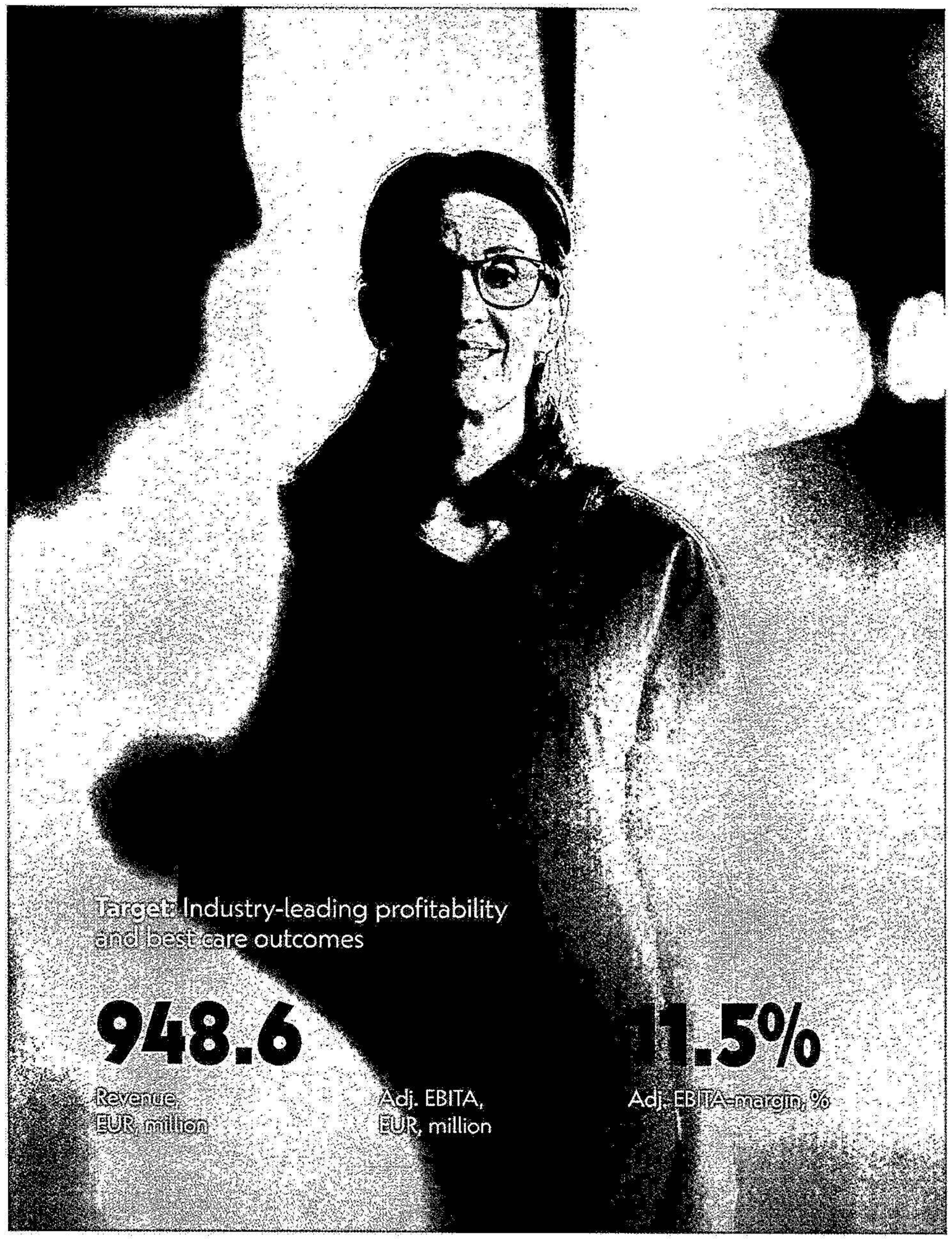
Healthcare Services business area offers customers in Finland integrated care paths from preventive occupational health services to primary care services and different fields of specialised care, diagnostics, and day surgery. In Healthcare Services, Terveystalo aims for industry-leading profitability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

Strategic priorities:

- We deliver integrated, data-driven outpatient and preventive care with best-in-class care outcomes.
- We streamline the work of professionals and improve efficiency, productivity, and continuity of care with digital solutions.
- We strengthen the effectiveness of care with our data-driven care paths.
- We improve the recruitment and retention of professionals. We free up professionals' time for patient-facing work with tools and processes that improve productivity and make the work smoother.
- We strengthen our commercial capabilities, such as our pricing expertise.

Achievements 2023:

- Revenue increased due to improved sales mix and successful pricing actions. Consumer customers and corporate customers' share of revenue increased and visits to basic laboratory services increased from the comparison period.
- Profitability increased clearly despite the ending of COVID-19 testing. Successful pricing actions and the progress of the profit improvement program supported profitability.
- The profit improvement program progressed well, and the initial target was exceeded ahead of schedule. The program has consisted, among others, of simplifying the operating model, strengthening recruitment of professionals, optimising procurement, the physical service network, resource planning and customer steering.
- Customer satisfaction reached a record high level with an NPS of 85 for appointments.
- As a result of developments in the continuum of care, the uptake of diagnostics, and referrals for follow-up care increased to near pre-pandemic levels.
- We used technology to develop care paths and, with our partner Nightingale Health, brought new diagnostics to preventive care. In addition, our new Symptom Assessment Tool guides our customers to the right specialist in the right channel by assessing their symptoms with the help of artificial intelligence, streamlining both access to care and the work of the professional.



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Business areas

Portfolio business

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

Strategic priorities:

- **Outsourcing services:** We will offer new value-added services to the wellbeing services counties and carefully select long-term partnerships.
- **Staffing services:** We are a partner of the well-being services counties in planning medical resources, with a particular focus on integrated value-added services.
- **Dental care:** We aim to strengthen profitability in a consolidating market.
- **Public digital health:** We lead the market by providing profitable solutions that combine integrated health services and digital tools.
- **Other services:** We seek stable, profitable growth and value creation.

Achievements 2023:

- Profitability clearly improved year-on-year due to the termination of low-margin outsourcing contracts, successful pricing actions, and cost cuts. Revenue decreased year-on-year due to terminated outsourcing contracts.
- The wellbeing services county of South Ostrobothnia selected Terveystalo as its digital platform provider. Terveystalo develops cost-efficient digital solutions and works with wellbeing services counties to promote more effective social welfare and healthcare services in an impactful and cost-efficient manner.
- The wellbeing services county of Central Finland chose Terveystalo as the service provider for the Huhtasuo Health Centre.

Target: Independent value creation in each business area

267.2
Revenue, EUR, million

8.7
Adj. EBITA, EUR, million

3.3%
Adj. EBITA-margin, %

Sweden

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

Strategic priorities:

Over the next two years, we will focus on profitable growth and expand into health services.

- **Profitable growth in occupational health:** We improve the profitability of existing businesses and support growth through small acquisitions.
- **Expanding into healthcare services:** We strengthen profitability by expanding into healthcare services and integrated care paths, such as mental health services or insurance-funded specialist care.
- **Digital development synergies:** We are introducing the first Terveystalo digital tools to Sweden to increase the efficiency of remote services.

Achievements 2023:

- Without the currency effect of the weakening of the Swedish krona, revenue grew by 7.2 percent. A profit improvement program was launched targeting a structural change in the profitability in 2025.
- Feelgood made two complementary acquisitions by acquiring Växjö Hälsoforum and Quality Care's occupational health operations.
- Stefan Kullgren started as the Executive Vice President of the Swedish Business Area and CEO of Feelgood.

Target: Profitable growth

92.5
Revenue, EUR, million

3.7
Adj. EBITA, EUR, million

4.0%
Adj. EBITA-margin, %

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Financial targets and their achievement

Growth

Target

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

Outcome

2.2%

Terveystalo's revenue grew by 2.2% to EUR 1,286.4 million.

Profitability

Target

Adjusted EBITA margin of at least 12 percent in 2025.

Outcome

9.8%

Terveystalo's EBITA grew by 19.4% to EUR 125.6 million, representing 9.8% 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

3.0

Net debt/adjusted EBITDA was 3.0 at the end of 2023.

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.

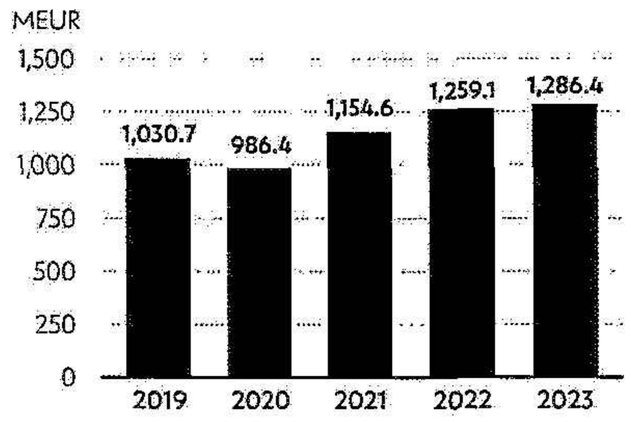
Outcome

190.9%

The Board of Directors proposes that a dividend of EUR 0.30 per share be paid for the financial year 2023. This represents 190.9% of the net result and 63.8% of the adjusted net result for the financial period.

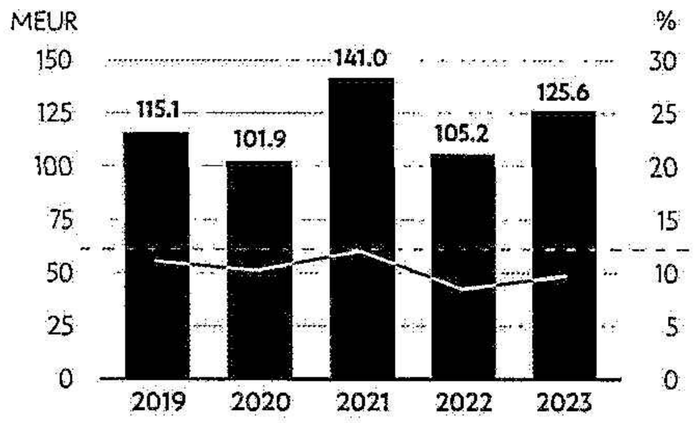
Revenue

Target of at least 5% growth annually



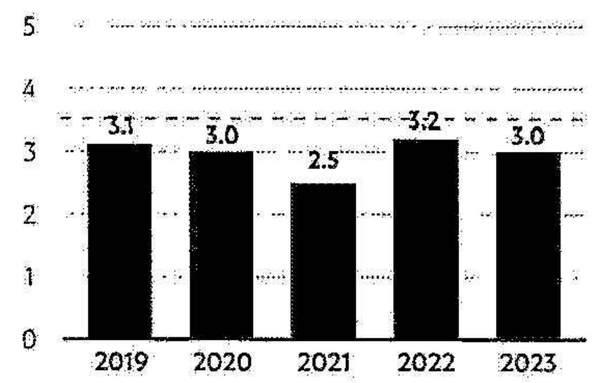
Adjusted EBITA and EBITA-%

Target 12% of revenue in 2025



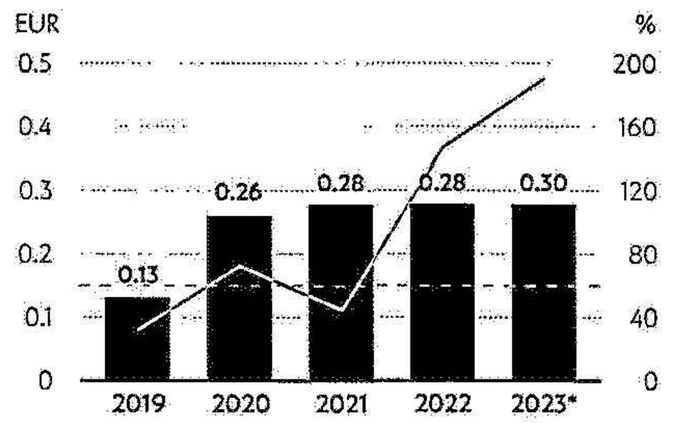
Net debt / Adjusted EBITDA

Target max 3.5



Dividend/share and % of net profit

Target is to distribute at least 40% of net profit as dividends.



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Value creation model

The foundation for value creation

People & culture
- Competent and committed personnel: 15,500 professionals, of whom more than 6,000 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 privacy and information security
- Stakeholder relations, stakeholder trust and close cooperation with the public authorities, industry organisations, insurance and pension companies and sickness funds

Infrastructure
- 24/7 digital services
- 377 clinics in Finland
- 18 hospital units
- 31 dental clinics
- 80 Rela-massage units and 11 massage schools in Finland
- 152 locations in Sweden offering occupational health services, of which 91 are own clinics

Financial capital
- Net debt EUR 598 (567) million
- Equity EUR 515 (592) million
- Investments excluding M&A EUR 40 (60) million

Purchased materials and services
- Purchased materials and services EUR 536 (526) million
- Electricity 18,252 (17,170) MWh, of which 70 (72) percent was green electricity

Activities

Our Purpose
Our purpose is to fight for a healthier life.

Our strategy
Our strategy is to deliver integrated, data-driven outpatient and preventive care with best-in-class care outcomes and people experience

We offer services to three customer groups:
1. Corporate customers
2. Consumer customers
3. Public sector

- Occupational health services
- GP and specialist services
- Diagnostics
- Surgeries and operations
- Outsourcing and staffing services
- Dental care
- Wellbeing and rehabilitation services
- Child welfare services

24/7 digital services

Approx. **7.6 M** customer visits in Finland in 2023

Approx. **1.3 M** remote appointments in Finland in 2023

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Impacts

Good health and well-being

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

- High customer satisfaction, NPS 85 (83)

Smooth care paths and digital services speed up access to care.

- T3 (the third available non-urgent appointment with a physician) at our clinics was 1.8 (1.9).
- Help is 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 10.0 (12.0).

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 19 (28)
- Personnel sickness absence rate in Finland 4.0 (5.2), below the national average
- Accident frequency in Finland 20 (18)
- Studies show that Terveystalo is the most attractive employer in its industry among professionals.

We create value for our shareholders.

- Revenue growth 2 percent
- Adjusted EBITA growth 19 percent
- Earnings per share, excluding non-recurring items, EUR 0.47
- Stable dividend distribution: dividend proposal EUR 0.30 (0.28) per share

We are a significant employer and taxpayer.

- Wages and salaries paid EUR 375 (382) million
- Tax footprint EUR 212 (236) 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 decreased by 56 percent from year 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 was 100 (100) percent
- Waste recycling rate was 68 (67) percent

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

SDG

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Terveystalo as an investment

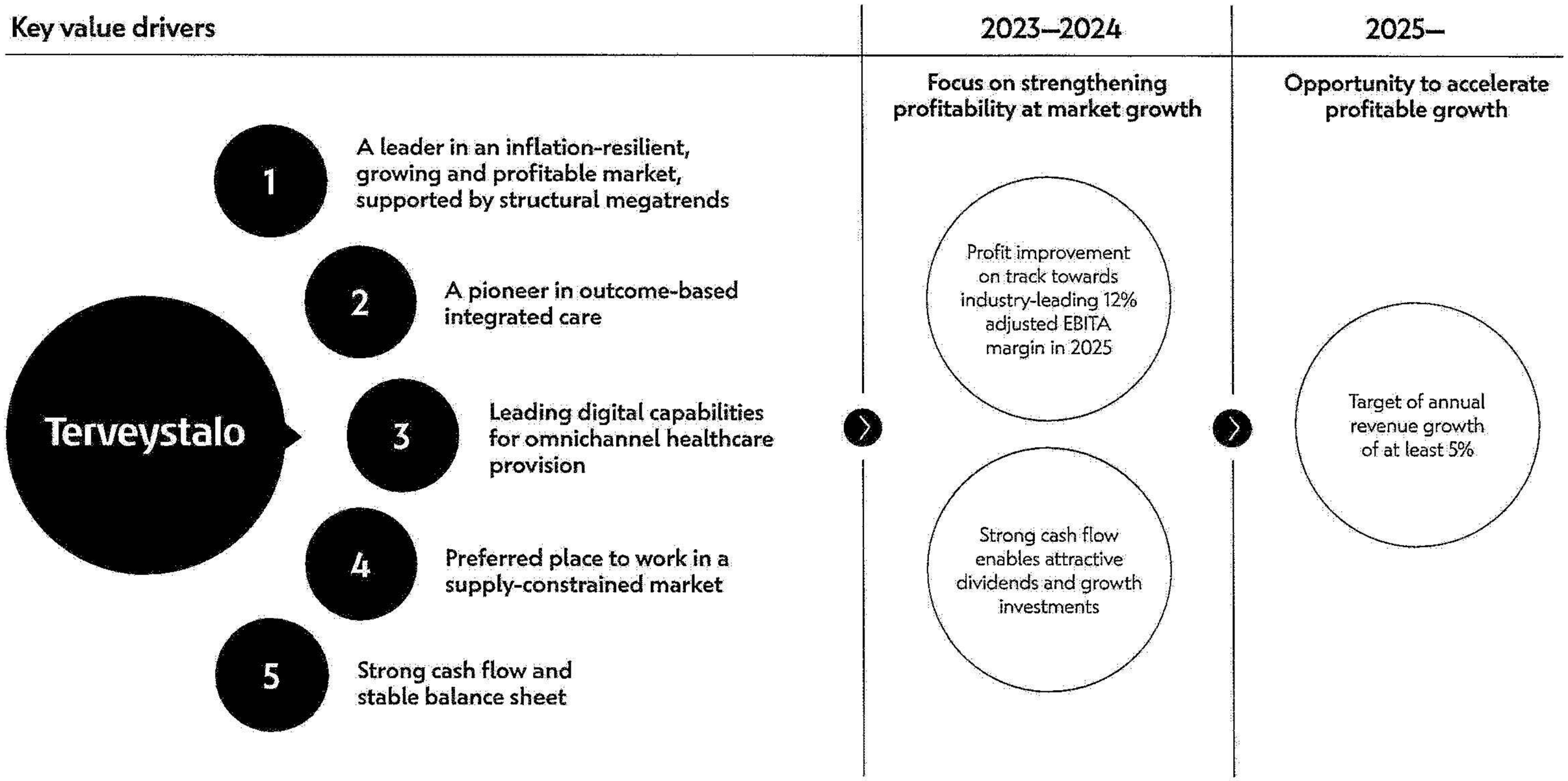
Terveystalo has a solid base for increasing shareholder value.

In terms of revenue and network, Terveystalo is the largest private healthcare provider in Finland and one of the leading players in occupational health in the Nordics. We operate in a growing market, supported by healthcare trends such as an ageing population, challenges in public healthcare, increasing prevalence of chronic diseases and digitalisation of healthcare. We leverage our core competencies in the market, the most important of which are advanced digital solutions, an extensive network of clinics and expertise in integrated care.

Terveystalo is a pioneer in data-driven integrated care, delivering the best care outcomes and excellent customer and professional experience. Our digital solutions alleviate the shortage of professionals and care gap and enable the best medical and business outcomes as part of integrated care.

Terveystalo is proven to be the most attractive workplace in the industry for healthcare professionals. In a constrained professional market, it is essential to maintain the position as the most attractive employer and to develop solutions that make professionals' work more efficient.

Terveystalo's balance sheet is strong and the stable cash flow generation allows Terveystalo to develop and grow its business, as well as pay a steady dividend.



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Information for shareholders

Annual General Meeting 2024

Notice is given to the shareholders of Terveystalo Plc (the "Company") to participate in the Annual General Meeting to be held on Tuesday, 26 March 2024 at 3:00 p.m. (EET) in Scandic Grand Marina Congress Center at the address Katajanokanlaituri 6, 00160 Helsinki, Finland. The reception of participants and the distribution of voting tickets will commence at the meeting venue at 2:00 p.m. (EET).

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-2024.

The right to attend

Each shareholder, who on the record date of the General Meeting, 14 March 2024, is entered 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 or by voting in advance.

Registration and advance voting

Registration for the meeting and advance voting will begin on 23 February 2024 at 9:00 a.m. (EET) 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 19 March 2024 at 4:00 p.m. (EET) by which time the registration and possible advance votes must be received by the Company or Innovatics Oy.

Shareholders with a Finnish book-entry account may register from 9:00 a.m. (EET) on 23 February 2024 until 4:00 p.m. (EET) on 19 March 2024 by the following manners:

a) through the Company's website at https://www.terveystalo.com/Annual-General-Meeting-2024

Electronic registration through the website requires strong electronic authentication of the shareholder or the shareholder's proxy representative or legal representative with a Finnish, Swedish or Danish bank ID or mobile certificate.

b) by regular mail or email

A shareholder may send a notice of attendance to Innovatics Oy by email addressed to agm@innovatics.fi or by regular mail addressed to Innovatics Oy, Yhtiökokous/Terveystalo Oyj, Ratamestarinkatu 13 A, 00520 Helsinki, Finland. Shareholder registering by mail or e-mail shall submit the registration and advance voting form available on the Company's website at https://www.terveystalo.com/Annual-General-Meeting-2024 or equivalent information to Innovatics Oy.

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 Innovatics 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.

Further information on registration and advance voting is available by telephone during the registration period for the Annual General Meeting by calling Innovatics Oy at +358 10 2818 909 on weekdays from 9:00 a.m. to 12:00 noon and from 1:00 p.m. to 4:00 p.m. (EET).

Proposal for the distribution of profits

The parent company's distributable funds totalled EUR 535.9 (530.8) million, of which EUR 40,5 (23,7) million is the result for the financial year. The Board of Directors proposes to the Annual General Meeting that a total dividend of EUR 0.30 per share (which corresponds to a total of approximately EUR 38 million with the current number of shares in the Company) be paid based on the balance sheet adopted for the financial year ended 31 December 2023. The dividend would be paid in two instalments as follows:

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

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Basic share information

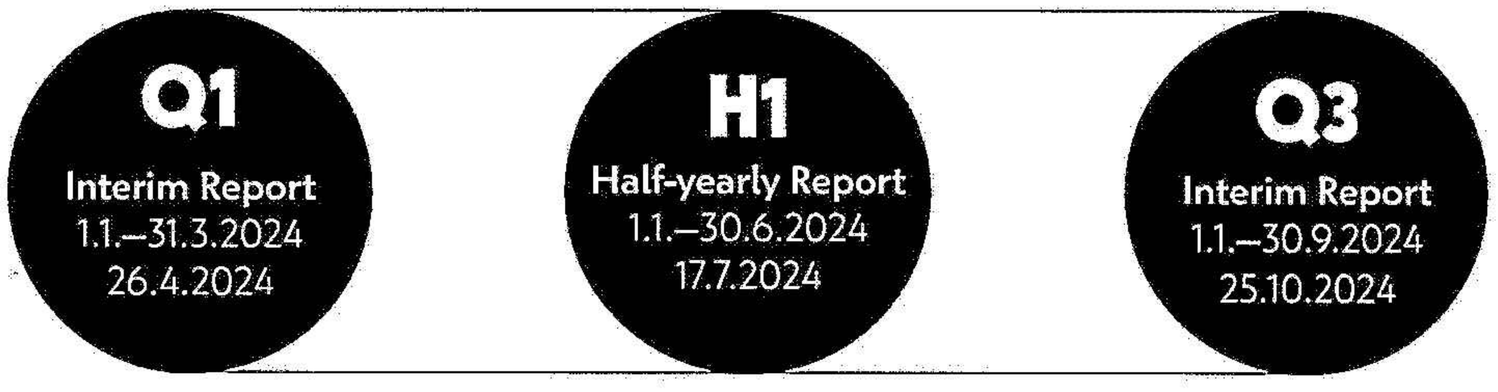
Listing: Nasdaq Helsinki Oy
Trading ticker: TTALO
ISIN code: FI4000252127
Sector: Healthcare
Number of shares on 31 December 2023: 127,036,531

Financial reporting in 2024

In 2024, Terveystalo will publish financial information as follows:

Interim Report January–March 2024: 26 April 2024
Half-yearly Report January–June 2024: 17 July 2024
Interim Report January–September 2024: 25 October 2024

The Financial reports 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.

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
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iiris.theman@carnegie.fi

Danske Bank
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Vice president, Investor Relations, Sustainability & Communications
Kati Kaksonen
+358 10 345 2034
kati.kaksonen@terveystalo.com

Terveystalo Group services and management
Terveystalo Piazza
Jaakonkatu 3 A, 6th floor
00100 Helsinki, Finland

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Sustainability

Terveystalo and sustainability

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Terveystalo's sustainability themes

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Terveystalo and sustainability

Sustainability is a core value for Terveystalo. We promote the health and well-being of our customers and build humanely efficient work communities. We have a positive impact on society and promote ethical business practices in our value chain. We also minimise our environmental impacts in all of our operations. Our sustainability efforts are guided by Terveystalo's Code of Conduct, our common values and strategic goals, as well as the material themes of sustainability we have identified. We regularly monitor the results of our sustainability efforts.

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Double materiality as the basis for sustainability efforts

Terveystalo has defined its material sustainability topics in collaboration with its key stakeholders. In addition to continuous stakeholder dialogue, the double materiality assessment conducted in 2023 serves as the foundation for Terveystalo's sustainability efforts and the specification of the topics and information included in sustainability reporting.

Double materiality assessment in 2023

In spring 2023, Terveystalo carried out its first double materiality assessment in accordance with the principles of the reporting standards set out in the EU Corporate Sustainability Reporting Directive[1]. The aim was to identify the material impacts, risks and opportunities related to Terveystalo's sustainability and to begin preparations for complying with the reporting requirements that will take effect in 2024. The content of Terveystalo's sustainability reporting on the year 2023 was also determined on the basis of the results of the double materiality assessment.

The double materiality assessment comprised two dimensions: the materiality of impacts and financial materiality. To identify material impacts related to sustainability topics, Terveystalo's actual and potential negative and positive impacts on people or the environment over different time horizons were assessed, and the views of different stakeholders were taken into account to identify the impacts and assess their materiality. Each sustainability topic with a material impact was also assessed with regard to whether it has, or could have, material financial impacts on Terveystalo. Based on the materiality assessment, the most material sustainability topics were selected. The selected themes are related to Terveystalo's customers (Good health and well-being), personnel (Responsible work), and ethical business (Ethical business). Based on the results of the double materiality analysis, climate change is not one of Terveystalo's material sustainability topics. This is because Terveystalo's carbon footprint is not significant due to the nature of its operations. The service sector is generally considered to be low in emissions due to its low energy intensity. The impacts of climate change and adaptation to climate change also do not present significant risks or opportunities to Terveystalo's business or strategy. However, for the sake of transparency and the continuity of reporting, Terveystalo will continue to report key information on its environmental impacts in the Sustainable consumption and climate action section.

The other sustainability topics that were no longer among the most material themes (compared to the materiality assessment carried out in 2019) were: responsible marketing, responsible use of artificial intelligence, fair competition, employee diversity, responsible tax policy, job creation at the national level, material efficiency, and the recycling of waste. Terveystalo will continue to systematically manage and develop these areas and report on the most important aspects of these themes.

[1] Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards, General Requirements

Good health and well-being

- Access to care, quality and impact of care
- Patient safety
- Customer experience
- Development of operations and services

Responsible work

- Strong work communities
- Occupational health and safety
- Work-life balance
- Professional growth
- Effective working methods
- Meaningful remuneration

Ethical business

- Company culture
- Anti-corruption and anti-bribery
- Responsible supply chain
- Patient data protection and information security
- Respecting human rights
- Creation and distribution of economic value added

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Terveystalo's sustainability themes

Terveystalo's material sustainability themes are related to Terveystalo's customers, personnel and ethical business. They are part of Terveystalo's strategy, which aims to produce data-driven integrated healthcare and ensure the most effective prevention and care as well as the best customer and professional experience.

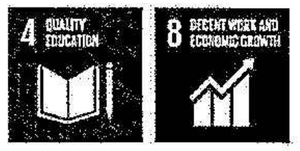
Terveystalo also promotes sustainable consumption and climate action and for the sake of transparency and the continuity of reporting, continues to report key information on its environmental impacts in the Sustainable consumption and climate action -section. Terveystalo is committed to the principles of the UN Global Compact initiative and has selected the most important UN Sustainable Development Goals that are linked to Terveystalo's sustainability themes.

Good health and well-being

- We produce data-driven integrated healthcare and ensure the most effective prevention and care.
- Integrated care enables us to combine various aspects of healthcare into an effective whole.
- 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 operations by listening to our customers and utilising new technology.
- We continuously measure the benefit to the customer and the effectiveness of care.

Responsible work

- At Terveystalo, our mission is to fight for a healthier life.
- We are building a humanely efficient workplace where professionals can focus on what matters the most - meeting the customer.
- We want to ensure that professionals want to work for us, are committed to us and can focus on what matters.



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 and internal guidelines as well as applicable laws.
- They support a company culture that takes ethical perspectives into account and combines high work ethic, professionalism, solution-oriented cooperation and the pursuit of measurable impact in everything we do.
- Responsible business is also financially profitable and sustainable.

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Targets and achievements

Terveystalo has set targets in accordance with its key sustainability themes and monitors their achievement on a regular basis.

Good health and well-being

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

[1] Occupational healthcare patients with a diagnosis of depression or anxiety and who are referred to brief psychotherapy / Occupational healthcare patients with a diagnosis of depression or anxiety.
[2] NPS measures the individual patient's experience of the service received shortly after the service experience. The patient is asked to assess how likely (on a scale of 0–10) they are to recommend Terveystalo's services. The Net Promoter Score is calculated by subtracting the share of those who gave a score of 0–6 (detractors) from the share of those gave a score of 9–10 (promoters).
[3] The PEI index (Patient Enablement Instrument) is used to measure whether the customer feels that they are able to cope with their symptom or illness much better, better, same as before, or worse after the appointment. The scale is 1–4.

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Responsible work

Target	Indicator (KPI)	Scope of application	Target level	Target year	Base year	2023	2022
Being the industry's best and most attractive employer	Employee Net Promoter Score (eNPS)	Terveystalo's employees and private practitioners	At least 25	2025	2022	19	28

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

Ethical business

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

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

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

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Sustainable consumption and climate action

Target	Indicator (KPI)	Scope of application	Target level	Target year	Base year level	Base year	2023	2022	2021
Zero emissions from own operations 2030[1]	Reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions compared to 2018	Finnish and Swedish operations	-100%	2030	6,316.8	2018	-56%	-76%	-89%
Reduce direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 80% by 2025 (using 2018 as the baseline)	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, tCO_2	Finnish and Swedish operations	-80%	2025	6,316.8	2018	2,755.4	1,544.1	664.0
Purchase 100% green electricity by 2025[2]	Share of green electricity of all purchased electricity, %	Finnish and Swedish operations	100%	2025	62%	2020	70%	72%	89%
Minimise waste in all operations and forward all waste to be recovered	The recovery rate of waste generated at Terveystalo units, %[3]	Finnish operations	100%	2025	99%	2020	100%	100%	100%
	The recycling rate of waste generated at Terveystalo units, %[3]	Finnish operations	100%	2025	61%	2020	68%	67%	64%

[1] Scope 2 emissions are market-based. The market-based Scope 2 emission calculation takes into account the green electricity guarantees of origin purchased by Terveystalo, which in 2023 covered approximately 70 (72) percent of the electricity consumption. The emissions of the remaining purchased electricity have been calculated using the residual mix emission factors for Finland and Sweden (AIB, European Residual Mixes). Finland's residual emission factor increased by 83 percent from 2022 due to a higher share of fossil fuels in the residual mix (Finland's residual emission factor in 2022 was 0.285 kgCO2e/kWh and in 2023 0.5208 kg-CO_2e/kWh). The market-based Scope 2 emissions for 2022 have been recalculated for Finland, because Terveystalo purchased the green electricity guarantee of origin for the period 1 September - 31 December 2022 at the beginning of 2023. From 2022 onwards, the figures for energy use and carbon footprint also include the Swedish operations. The figures for 2021 include only the Finnish operations.
[2] In units where Terveystalo purchases electricity itself.
[3] Excludes waste fractions that cannot be recycled or recovered under any circumstances.

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Sustainability governance and management

Terveystalo's sustainability efforts are guided by the company's Code of Conduct, values and strategic objectives, as well as the sustainability themes identified as material in the materiality assessment.

The results of sustainability efforts are monitored on a regular basis. The most significant risks related to the material non-financial themes are assessed and sought to be mitigated as part of the company's risk management process. Terveystalo is committed to promoting the principles of the UN Global Compact initiative and the UN Sustainable Development Goals. The company respects all internationally recognised human rights.

By systematically managing sustainability, Terveystalo aims to ensure that its sustainability targets are achieved. The continuous improvement model ensures that Terveystalo's services will continue to create value for customers also in the future. At Terveystalo, the management approach is assessed on the basis of audit observations, feedback, identified development areas and the achievement of Terveystalo's targets. The management approach is adjusted as necessary.

Sustainability management at Terveystalo

The Board of Directors and its Committees

Terveystalo's Board of Directors is the highest decision-making body that oversees sustainability-related issues within the organisation. The Board of Directors takes care of tasks pertaining to its area of responsibility in accordance with the applicable legislation, Terveystalo's Articles of Association, the charter of the Board of Directors, the Corporate Governance Code published by the Securities Market Association, as amended from time to time, and other rules and regulations applicable to Finnish listed companies. The Board of Directors is responsible for the company's governance and the appropriate organisation of its operations, among other things. The Board of Directors reviews and steers the sustainability strategy and key action plans, and monitors and oversees the achievement of targets annually. Following the Corporate Sustainability Reporting Directive (CSRD), the duties of the Board of Directors going forward also include monitoring and supervising the sustainability reporting process, in addition to the financial reporting process. The Board of Directors also ensures that the company has defined the operating principles of internal control, internal auditing, and risk management, and monitors compliance with these principles. The responsibilities of the Board of Directors are documented in its written charter, which supplements the provisions of the Articles of Association and the applicable laws and regulations. The duties of the Board of Directors and the contents of its charter are described in more detail in Terveystalo's Corporate Governance Statement.

Terveystalo's Vice President of Communications, IR & CR presents material sustainability matters to the Board of Directors at least once a year in connection with a broader sustainability agenda and a review of targets and performance. Sustainability matters are also discussed in meetings of the Board of Directors as necessary when there are material matters to communicate or decide on. In 2023, the following sustainability-related topics were discussed in meetings of the Board of Directors, among other things: the achievement of sustainability targets set for 2022, progress towards the sustainability targets set for 2023, the reporting obligations stipulated by the CSRD, the CSRD-compliant double materiality assessment process and results, and Terveystalo's sustainability-linked notes.

The Board of Directors has established two committees to improve the efficacy of the Board: The Audit Committee and the Remuneration Committee. Written charters have been drawn up for the committees to define their duties. The Audit Committee's duties include, among other things, assisting the Board of Directors in fulfilling and monitoring its supervisory duties pertaining to the financial reporting process and auditing, as well as the supervision of matters related to financial reporting, internal control, internal auditing, and risk management. Following the CSRD, the Committee's duties going forward also include assisting the Board of Directors in fulfilling and monitoring its duties pertaining to the sustainability reporting process and assurance. The Audit Committee discusses sustainability matters whenever there are material matters to communicate or decide on. In 2023, the Audit Committee focused particularly on CSRD reporting requirements and the CSRD-compliant double materiality assessment process and results. The Remuneration Committee of the Board of Directors, in turn, assists the Board in, among other things, preparing matters related to remuneration. The committees report on their work to the Board of Directors on a regular basis. The duties and composition of the committees are described in more detail in Terveystalo's Corporate Governance Statement.

Chief Executive Officer

The CEO is responsible for the day-to-day management of the company and for implementing the company's 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. This means that Terveystalo's CEO, together with the other members of the Executive Team, is also responsible for the successful implementation of the company's sustainability agenda. The CEO ensures that the management of the company is adequately arranged and that the company's accounting complies with the applicable legislation. The

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CEO also ensures the appropriate arrangement of the company's administration and asset management. The CEO serves as the Chair of Terveystalo's Executive Team. The Executive Team assists the CEO with tasks such as the preparation and execution of the company's strategy, business plans, matters of principle, and any other important matters. The CEO reports to the Board of Directors and ensures that the Board of Directors is provided with adequate information to carry out the duties of the Board of Directors. The other members of the Executive Team report to the CEO. The CEO's responsibilities and duties are described in more detail in Terveystalo's Corporate Governance Statement.

The Vice President of Communications, IR & CR, who reports to the CEO, discusses sustainability-related matters with the CEO on a regular basis and as necessary when there are material issues to communicate or decide on. The CEO is also responsible for the organisation of Terveystalo Group's risk management, and the CEO manages sustainability risks also as part of the company's overall risk management. Ville Iho has served as the CEO of Terveystalo since December 2019. A more detailed presentation of the CEO is provided in Terveystalo's Corporate Governance Statement.

Other responsibilities related to the management of sustainability themes

Terveystalo's Quality Steering Group is responsible for ensuring and developing quality and patient safety, and monitors the implementation and progress of measures related to quality and sustainability. The Quality Steering Group is chaired by the Chief Medical Officer, who is also a member of the Group's Executive Team and responsible for clinical quality and patient safety. In addition to the Quality Steering Group, the assurance and development of quality and patient safety are managed by the data protection team, safety team, patient safety team and regional quality network. Internal control is integrated into Terveystalo's management and reporting system.

Compliance with the environmental program is on the responsibility of the Director of Quality and Development, who reports to the Chief Medical Officer, and the operative group appointed for the environmental system. The implementation of the environmental program is monitored by the Environmental System Steering Group.

The Vice President of Communications, IR & CR, who reports to the CEO, is responsible for managing the process of setting new sustainability targets and the coordination of sustainability initiatives in the Group. Human resources management and its development at Terveystalo is on the responsibility of the Senior Vice President, People and Careers, who is a member of the Group Executive Team.

As required by law, Terveystalo Group has a Data Protection Officer who performs duties in accordance with the General Data Protection Regulation and reports directly to Group management in accordance with the law. The responsibility for day-to-day information security management lies with the Director responsible for information security, who reports to the Group Executive Team members responsible for information security and digital services. Terveystalo also has data protection and information security teams that discuss and monitor matters related to data protection and information security and develop related functions and activities. The teams include representatives of stakeholders within the Terveystalo organisation that are relevant to the teams' areas of responsibility.

Terveystalo's executives and management are responsible for the communication and implementation of the Code of Conduct approved by the Board of Directors, and monitoring compliance with the Code of Conduct. Terveystalo's Legal & Compliance department supports the organisation with issues related to the Code of Conduct and provides training to the personnel on the Code of Conduct.

Composition of the Board of Directors

According to Terveystalo's Articles of Association, the Board of Directors shall have a minimum of five and a maximum of eight ordinary members. From the beginning of 2023 until the Annual General Meeting of 2023, the Board of Directors had five members. Terveystalo's Annual General Meeting, held on 23 March 2023, elected seven members to Terveystalo's Board of Directors. The members of the Board of Directors represent expertise, among other things, in the healthcare sector and the company's target markets (Finland and Sweden), strategic management, financial management and risk management, business ethics and compliance, human resources management, and sustainability (ESG) related matters. There is no employee representative among the members of the Board of Directors. The term of the members of the Board of Directors expires at the closing of the Annual General Meeting following their election. Presentations of the members of the Board of Directors are provided in Terveystalo's Corporate Governance Statement.

The company has drawn up principles concerning the diversity of the Board of Directors. According to the principles, diversity is considered from number of aspects, including age, gender as well as educational and professional background. In 2023, the company's Board of Directors met the diversity criteria. The age span of the members of the Board of Directors that served until 23 March 2023, was 46–64 years as at 23 March 2023. Three (60 percent) of the Board members were between the ages of 30 and 49, and two (40 percent) were aged 50 or older. The age span of the members of the Board of Directors that was elected by the Annual General Meeting held on 23 March 2023, was 40–65 years as at 31 December 2023. Three (43 percent) of the Board members were between the ages of 30 and 49, and four (57 percent) were aged 50 or older.

Two of the members of the Board of Directors that served until 23 March 2023, were women (40 percent of the members of the Board), and three were men (60 percent of the members of the Board). Three of the members of the Board of Directors that has served from 23 March 2023 onwards are women (43 percent of the members of the Board), and four are men (57 percent of the members of the Board). On average, during the year, 42 percent of the Board members were women and 58 percent were men. Persons outside Finland accounted for one (20 percent) of the members of the Board of Directors that served until 23 March 2023, and two (29 percent) of the members of the Board of Directors that served from 23 March 2023 onwards.

The Board conducts an annual assessment of its operations and working methods in accordance with the Corporate Governance Code published by the Securities Market Association. In preparing its proposal on the composition of the Board of Directors, the Shareholders' Nomination Board must take into account the requirements concerning independence as set out in the Corporate Governance Code, the results of the assessment of the Board's operations carried out in accordance with

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the Corporate Governance Code, the principles concerning the diversity of the Board of Directors, and other applicable rules and regulations. According to the assessment of the Board of Directors, all of its members (100 percent) are independent of the company. Five of the seven members (71 percent) are also independent of the company's significant shareholders.

Sustainability-related remuneration of the Board of Directors and the CEO

Remuneration of the Board of Directors

The Shareholders' Nomination Board reviews and prepares the remuneration principles for the members of the Board of Directors set out in the Terveystalo Remuneration Policy for Governing Bodies. The Shareholders' Nomination Board also prepares a proposal for the remuneration of the members of the Board of Directors annually. The proposal shall be based on the principles set out in the Terveystalo Remuneration Policy for Governing Bodies. The final decision on the remuneration of the members of the Board of Directors is made by the General Meeting. The remuneration of the Board of Directors and the decision-making process related to remuneration are described in more detail in Terveystalo's Remuneration Policy. In 2023, the remuneration of the Board of Directors was not based on sustainability-related performance.

Remuneration of the CEO

The Remuneration Committee of the Board of Directors prepares proposals to the Board of Directors concerning the remuneration of the CEO. The Board of Directors reviews and approves the remuneration principles for the CEO defined in the Terveystalo Remuneration Policy for Governing Bodies based on the preparatory work carried out by the Remuneration Committee of the Board of Directors as well as decides on the salary, incentive schemes and associated targets of the CEO based on the preparatory work carried out by the Remuneration Committee of the Board of Directors. The remuneration of the CEO and the related decision-making process are described in more detail in Terveystalo's Remuneration Policy.

In addition to a fixed annual salary, the total remuneration of the CEO in 2023 included short-term and long-term incentives. Terveystalo's Board of Directors sets the performance criteria for the CEO's short-term incentive plan annually. The short-term incentives are aimed at driving short-term performance against specific Group targets and individual objectives based on the key strategic priorities for the year. In 2023, the employee Net Promoter Score, or eNPS, was one of the indicators related to the CEO's performance targets. It indicates the proportion of Terveystalo's employees and private practitioners who would recommend Terveystalo as workplace to others. In 2023, eNPS had a weight of 20 percent in the CEO's short-term incentive. According to the Remuneration Policy in force in 2023, the maximum amount payable to the CEO under the short-term incentive scheme at the maximum level performance was 120 percent of the CEO's annual base salary. In 2023, eNPS was the only indicator of sustainability-related performance included in the CEO's performance targets.

The Board of Directors decides annually on the participants, performance indicators, targets and earning opportunities of the long-term incentive scheme for the management. The aim of the long-term incentives is to drive long-term performance against specific Group targets, to commit the CEO to the company and to align the interests of the CEO with the interests of the shareholders. In 2023, the long-term share-based incentive schemes for the management did not include sustainability-related performance indicators.

Management of sustainability-related risks

The most significant risks related to the material aspects of sustainability are assessed and sought to be mitigated as part of the company's overall risk management process. The company has an internal control and risk management policy, approved by the Board of Directors, for the management of various risk processes. The policy also sets out responsibilities pertaining to risk management. The Board of Directors' duties related to risk management are also specified in the charter of the Board of Directors, and the Audit Committee's duties are specified in the charter of the Audit Committee. The purpose of risk management is to ensure the fulfilment of the customer promise, patient safety and occupational safety, high-quality of the operations, financial performance, business continuity, a good public image for the company, and corporate social responsibility.

Risk management procedures have been integrated at all levels of the organisation. Terveystalo's Board of Directors is responsible for risk management and its adequacy. The Board of Directors also approves the company's internal control and risk management policy. 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 also monitors and assesses the effectiveness of the company's internal control, internal auditing and risk management systems, and assesses the performance of internal auditing. The CEO is responsible for organising the Group's risk management, and the other members of the Executive Team support the CEO in implementing risk management, monitoring risks, assessing risks and implementing measures related to risks.

Terveystalo's risk management is assessed in Finland annually in internal and external audits of the ISO 9001:2015 quality management system, the ISO 14001:2015 environmental management system and the ISO 13485 quality management system for application development. In Sweden, Terveystalo's subsidiary Feelgood has ISO 9001:2015 quality management system, ISO 14001:2015 environmental management system and ISO 45001 occupational health and safety system certificates, the audits for which include risk management assessments. Risk management processes and control duties are also subject to verification by the company's internal audit. Terveystalo's risk management procedures are described in more detail in Terveystalo's Corporate Governance Statement.

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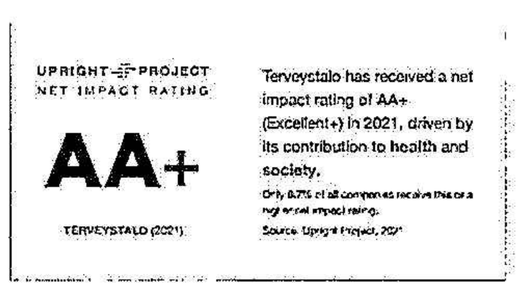
Key commitments and sustainability indices

Network Finland

Terveystalo has published its sustainability commitments and is committed to the UN Guiding Principles on Business and Human Rights, the conventions of the International Labour Organisation (ILO) and the Ten Principles of the UN Global Compact, according to which Terveystalo promotes health and well-being, human rights, labour rights, environmental action and anti-corruption efforts.

Terveystalo has the ISS ESG Prime sustainability rating. This means that Terveystalo meets the high sustainability standards of ISS ESG in its industry and is in the top 10 percent globally in the ISS ESG Prime rating framework. Terveystalo's 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. Net impact refers to the difference between positive and negative impacts that is the comprehensive net value creation of companies.

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

In 2023, Terveystalo completed the CDP (formerly the Carbon Disclosure Project) comprehensive climate assessment for the third time and was awarded a rating of C.

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Management of the sustainability themes

The management of Terveystalo's sustainability themes is summarised in the table below.

Good health and well-being

Description and purpose of the management approach	Policies and commitments	Objectives	Resources and responsibilities	Feedback mechanisms	Key achievements in 2023

The health and well-being of Terveystalo's 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 management system
	• Operations are guided by the Current Care Guidelines
	• Terveystalo's integrated management system documents the harmonised processes and procedures that ensure patient safety and high-quality care.
	• Policies and procedures pertaining to the data protection of patient data are documented in the Data Protection Handbook for patient care.
	• The company's continuity plan sets out the organisation's operating models that ensure that Terveystalo's critical services can be produced in exceptional circumstances and during disruptions.
	• 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
		• Terveystalo's services are of high clinical quality and are the most conveniently available to customers.
		• Stand out by providing an excellent customer experience.
		  • Maintain customer satisfaction (NPS, Net Promoter Score) at least at 83.
		  • Maintain an appointment-specific PEI index of at least 2.9.
		• Promote preventive treatment of mental health in occupational healthcare.
		  • Increase the share of occupational healthcare patients diagnosed with anxiety or depression and who are referred to brief psychotherapy treatment to 25% by 2026.
			• 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 Terveystalo's reporting channel.
					• Medicine-based care guidance was further developed through harmonised care paths. There are now about 70 such care paths.
					• All of Terveystalo's occupational health customers were given access to the Symptom Assessment Tool, which is a CE-marked medical device that streamlines the use of occupational health services by directing the customer to the right specialist and the right channel by assessing their symptoms with the help of artificial intelligence.
					• Nightingale's blood analysis technology was integrated into occupational health check-ups. The technology detects susceptibility to lifestyle diseases among the working-age population, thereby enabling more effective prevention of diseases.
					• Terveystalo's aim is to increase the use of occupational brief psychotherapy in the treatment of people diagnosed with depression or anxiety disorders. In 2023, this goal was also included in Terveystalo's sustainability-linked financial framework as one of its two targets.
					• The wellbeing services county of South Ostrobothnia selected Terveystalo as its digital platform provider. Terveystalo develops cost-efficient digital solutions and works with wellbeing services counties to promote more effective social welfare and healthcare services in an impactful and cost-efficient manner.
					• New quality indicators were adopted as part of the continuous development of the reporting of quality and effectiveness. The quality indicators are updated regularly and published on Terveystalo's website.

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Responsible work

Description and purpose of the management approach	Policies and commitments	Objectives	Resources and responsibilities	Feedback mechanisms	Key achievements in 2023
The objective of human resources management is to strengthen Terveystalo's work communities and the experience of professionals, and to ensure that professionals want to work at Terveystalo, are committed and can focus on what matters.	• Code of Conduct • Work community development plan • Remuneration Policy • Applicable laws and regulations	• Being the industry's best and most attractive employer • An employee Net Promoter Score (eNPS) of at least 25 in 2025	• The Senior Vice President, People and Careers is responsible for human resources management and its development at Terveystalo.	• Personnel and private practitioner surveys • Performance reviews • Discussions with private practitioners • Personnel forum • Shop stewards, employee representatives and the health and safety representative • Hazardous incident reports by the personnel	• Changing the operating model and streamlining organisational structures as part of the profit improvement program. • Recruitment of new professionals • Further development of supervisory work and local work communities. In the personnel survey conducted in the autumn, these areas improved relative to the comparison period. • Continuous development of occupational safety • Training the personnel on the use of digital tools and their utilisation in customer work • Deployment of the new online training platform Terveystalo Academy.

Ethical business

Description and purpose of the management approach	Policies and commitments	Objectives	Resources and responsibilities	Feedback mechanisms	Key achievements in 2023
Responsibility of Terveystalo's operations is guided by the company's Code of Conduct and values. The purpose of the management approach is to ensure a company culture that takes ethical perspectives into account and combines high work ethic, professionalism, solution-oriented cooperation and the pursuit of measurable impact in everything the company does. Responsible business is also financially profitable and sustainable.	• Terveystalo's Code of Conduct • Terveystalo's Supplier Code of Conduct • Internal control and risk management policy • Data protection and information security policies • Competition law guidelines • Processing instructions for the reporting channel • Terveystalo always observes the laws and regulations governing its activities. • In addition to compliance with legislation and Terveystalo's Code of Conduct, Terveystalo aims to observe widely accepted ethical standards, such as the UN Global Compact principles. Terveystalo also expects its partners and subcontractors to share and observe the same ethical principles.	• All Terveystalo employees have completed training on the Code of Conduct and correct action. • All of Terveystalo's key suppliers have accepted the Supplier Code of Conduct.	• Terveystalo's Board of Directors approves the Code of Conduct. • Terveystalo's executives and management are responsible for the communication and implementation of and monitoring compliance with the Code of Conduct. • Terveystalo's Legal & Compliance department supports the organisation with issues related to the Code of Conduct and provides training to the personnel on the Code of Conduct. • The Board of Directors is responsible for the adequacy of risk management, while the CEO is in charge of the organisation of risk management and guides and monitors risk management at the executive level. • Internal control is integrated into Terveystalo's management and reporting system. • The Data Protection Officer performs the duties stipulated by the General Data Protection Regulation, and the Director responsible for information security is in charge of day-to-day information security management.	• 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.	• The processing instructions and processes of Terveystalo's reporting channel were revised in early 2023 following the introduction of new legislation on whistleblower protection. • Training courses on compliance and data protection were revised in 2023. • The Supplier Code of Conduct was updated in late 2023.

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Sustainable consumption and climate action

Description and purpose of the management approach

Terveystalo operates in line with the principles of sustainable development in order to reduce and eliminate environmental risks. Terveystalo takes environmental impacts into account in all of its operations. The objective of Terveystalo's environmental program is that everyone at Terveystalo takes the potential environmental impacts of their actions into account in their day-to-day work and operates in environmentally friendly ways.

Policies and Commitments

- Terveystalo's environmental program covers all clinics in Finland and its appropriateness is assessed in audits of the quality management and environmental management systems.
- Terveystalo's environmental management system is certified in accordance with the ISO 14001 standard. The standard provides a framework for the continuous development of processes and practices that minimise negative environmental impacts.
- Some of the Feelgood operating locations in Sweden are also ISO 14001:2015 certified.
- Applicable laws and regulations

Objectives

- Zero emissions from own operations in 2030
- Reduce direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 80% by 2025 (using 2018 as the baseline)
- Purchase 100% green electricity by 2025
- Minimise waste in all operations and forward all waste to be recovered:
  - The recovery rate and recycling rate of waste generated at Terveystalo units in Finland will be 100% by 2025

Resources and Responsibilities

- The ISO 14001:2015 certificate and compliance with the environmental program is the responsibility of the Director of Quality and Development and the operative group appointed for the environmental system.
- The implementation of the environmental program is monitored by the Environmental System Steering Group.

Feedback mechanisms

- Terveystalo reporting channel
- Incident reports
- Internal feedback and development suggestions
- Customer feedback

Key achievements in 2023

- The decision was made to expand ISO 14001:2015 environmental certification to cover all of the units in Terveystalo's medical clinic network in Finland. The aim of expanding the certification is to highlight the company's environmental efforts and to demonstrate Terveystalo's commitment to environmental responsibility. The certificate will be updated at the beginning of 2024.
- The nationwide project introduced in 2022 to reduce plastic bag waste was continued in cooperation with Terveystalo's cleaning services partners.
- Terveystalo responded to the changes to the separate collection obligations under the Waste Act in Finland by updating waste guidelines and training personnel, among other things.

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Stakeholder engagement

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

In addition to customers, personnel, private practitioners and shareholders, the key stakeholders include the authorities and societal decision-makers that influence the legislation governing the industry and the drafting of that legislation. Other key stakeholders include the supervisory authorities and the media. Terveystalo also engages in close interaction with lobbyists within the sector. Open dialogue and effective cooperation enable a more predictable operating environment for all parties. The adjacent table describes Terveystalo's engagement with various stakeholders.

Key memberships in associations and advocacy organisations

Terveystalo has representatives in several organisations. The most significant of these are:

- The Confederation of Finnish Industries
- The Central Chamber of Commerce
- The Helsinki Region Chamber of Commerce
- The Finnish Association of Private Care Providers HALI
- The Association of Finnish Private Healthcare Providers
- The 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.	Terveystalo continued to develop its services in a number of different areas and sought to respond to the growing demand by, for example, recruiting new professionals and further increasing its digital service offering by developing a new symptom assessment tool for occupational health customers, among other things. Customer satisfaction was measured regularly and in a diverse manner, and the collection of specialist-specific customer feedback was expanded.	Physical and digital encounters with customers, online services, feedback surveys and channels, marketing communication, social media.
Personnel and private practitioners	Responsible management, clear management structures, smooth interaction, equality, a good working atmosphere and working conditions, development of competence, competitive pay.	Terveystalo renewed its operating model and, effective from the beginning of 2023, transitioned to a three-business area model, with the operations being divided into Healthcare Services, Portfolio Businesses and Sweden. In the autumn of 2023, the operations and management of Healthcare Services were further clarified by bringing the commercial organisation and the medical clinic network under one Business Director and by streamlining regional management structures. The changes were aimed at achieving even clearer roles and responsibilities, a management structure that supports smooth operations, and more consistent operating models. The development of tools and processes to make work smoother continued. New professionals were recruited to meet the growing demand. The training of professionals and the training offering were developed and diversified further. Current issues were actively communicated to the personnel, including the progress of the profit improvement program and related measures.	Personnel forum, shop stewards, employee representatives and the health and safety representative, personnel satisfaction surveys, development discussions, discussions with private practitioners, personal interaction, intranet, newsletters, training, webinars, seminars and other events.
Shareholders	Creating financial added value, open communication about the implementation of the strategy and financial performance, and responsible business.	Terveystalo engaged in active communication with shareholders and investors on key issues related to the strategy, business development and measures to improve profitability. Terveystalo organised a Capital Markets Day event in May 2023. At the event, Terveystalo's strategy and future plans were discussed. Terveystalo participated in several ESG surveys that serve responsible investing. Terveystalo announced a sustainability-linked financing framework.	Open and active dialogue; regular and continuous reporting with stock exchange releases and reports, personal communication channels, such as meetings with investors and analysts, Annual General Meetings, Capital Markets Days and other events. 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.	Terveystalo engaged in open dialogue on topics related to the industry.	Open dialogue, meetings and communication in various working groups and events, for example.

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Terveystalo's sustainability themes

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Good health and well-being

We produce data-driven integrated healthcare and ensure the most effective prevention and care. Integrated care enables us to combine various aspects of healthcare into an effective whole. 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 operations by listening to our customers and utilising new technology. We continuously measure the benefit to the customer and the effectiveness of care.

Good health and well-being

Our key targets

- Our services are of high clinical quality and are the most conveniently available to customers.
- We stand out by providing an excellent customer experience.
- We promote the preventive treatment of mental health in occupational healthcare.

Our achievements

85
NPS, appointments[1]

2.9
PEI index[2]

12.6%
Referral rate for brief psychotherapy for mental health[3]

[1] Customer satisfaction, Net Promoter Score.
[2] PEI index (Patient Enablement Instrument) is used to measure whether the customer feels that they are able to cope with their symptom or illness much better, better, same as before, worse or much worse after the appointment. The scale is from 1 to 4.
[3] Share of relevant occupational healthcare patients referred to brief psychotherapy.

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Good health and well-being

The quality and effectiveness of care are at the core of Terveystalo's operations

Terveystalo wants to be extensively involved in the renewal of healthcare, the prevention of diseases and promoting well-being. As the largest private healthcare service provider in Finland and one of the leading occupational health providers in the Nordic region, Terveystalo has an extensive impact on the healthcare sector in Finland and Sweden. In 2023, Terveystalo had a total of 1.2 million customers, 7.6 million customer visits in Finland, and 1.8 million occupational healthcare customers in the Nordic region.

The core of Terveystalo's operations and the company's key positive impact is the provision of appropriate, high-quality, effective and safe care for all customers. Terveystalo is a pioneer in data-driven integrated care, which means that Terveystalo uses data to support care and the targeting of prevention, engages in effective prevention, provides quick access to care, connects the different stages of care into smooth multidisciplinary and multichannel care paths, actively guides customers and patients, supports the continuity of care, and continuously measures the benefit to the customer and the effectiveness of care. In addition to healthcare professionals, Terveystalo's digital solutions play a key role in integrated care paths and their development.

Terveystalo's sustainability is built around the effectiveness of its operations at the level of society as a whole, including healthcare services, maintaining work ability, the prevention of diseases, and the development of the entire healthcare sector. High-quality occupational healthcare based on the integrated care approach helps to prevent diseases and provide early intervention, which reduces the number of sickness absences and saves costs for client companies. The brief psychotherapy care path in occupational health developed by Terveystalo improves the mental health of customers while reducing sickness absences related to mental health. These services have significantly reduced sickness absences associated with mental health problems. Terveystalo's smooth integrated care paths and digital services enable faster access to care. Cooperation and partnerships with the public sector provide solutions for improving access to care.

Patient safety is the foundation of the quality of care. It refers to the principles and functions of healthcare personnel and the organisation that ensure the safety of care and protect the patient from injury. From the patient's perspective, patient safety means that they receive the right treatment at the right time and in the right manner, and that the adverse effects of treatment are minimised. Patient safety risks arise from unexpected occurrences that may cause an adverse event for a customer and, in the case of serious adverse events, make the company liable for damages. Data protection with regard to patient data is an important aspect of patient safety. As digital services in healthcare increase in importance and reshape the industry, the requirements concerning data protection and information security increase accordingly. Read more on data protection on page 68.

> **Terveystalo wants to be extensively involved in the renewal of healthcare, the prevention of diseases and promoting well-being.**

Benefits of integrated care

- **For patients:** Effective care and seamless customer experience
- **For professionals:** Smooth patient work – possibility to focus on what matters most
- **For employers:** Less sick leave, data-driven prevention and healthy work communities
- **For insurance companies:** Effective medical outcomes and better cost management
- **For Terveystalo:** Lower costs, maximum value capture and better outcomes
- **For society:** Reduced healthcare spending and better overall health

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Good health and well-being

Quality is managed at all levels of the organisation

Customer health and well-being are the starting point for the planning of all of Terveystalo's operations. Quality efforts guided by Terveystalo's quality management system aim to ensure access to services, safeguard and improve patient safety, provide an excellent and continuously improving customer experience, the realisation of data protection and information security, compliance with recommendations, and developing the effectiveness of treatment. Terveystalo's operations are guided by the company's operating policy, quality policy, internal control and risk management policy, self-monitoring, Code of Conduct, and data protection and information security policy. The harmonised processes and procedures that ensure patient safety and high-quality care are documented in Terveystalo's integrated management system. Policies and procedures pertaining to the data protection of patient data are documented in the Data Protection Handbook for patient care. Terveystalo's operations are also guided by the ISO 9001:2015 quality management system, the Current Care Guidelines and the laws and regulations governing the industry and the operations of private service providers, and customer agreements. The key policies that guide operations are described below. Terveystalo's Code of Conduct, internal control and risk management policy and data protection and information security policy are described in the section Ethical business.

Operating and quality policy

In all of its activities, Terveystalo is committed to the high quality and continuous development of its operations. Terveystalo's quality efforts are guided by Terveystalo's mission, values and strategy. Terveystalo's strategic priorities, harmonised processes and measurability help steer operations toward consistent high quality. The continuous improvement of operations is an essential aspect of Terveystalo's quality efforts.

In accordance with Terveystalo's quality policy, the company wants to be a leader in the renewal of healthcare. Terveystalo's quality targets are to maintain the customer experience at a high level and improve consistency across all channels, ensure that Terveystalo is the most attractive workplace for healthcare professionals, ensure that operations are safe and effective, and ensure Terveystalo's compliance with national and international good clinical practices.

The cornerstones of Terveystalo's quality management system are patient safety and the national legislation governing the industry. In accordance with the quality management system, quality is managed on all levels of the organisation. Terveystalo actively measures, monitors and manages quality. Patient safety is managed 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. Through service development and improving the efficiency of operations, Terveystalo ensures the best possible working conditions for its professionals and a good and effective service experience for its customers. Quality comprises clinical, operational and experienced quality.

Self-assessment plan

Terveystalo applies a self-assessment plan prepared in accordance with the guidelines of the National Supervisory Authority for Welfare and Health (Valvira). The self-assessment plan is supplemented by operating handbooks and process maps with related procedures and work instructions. The self-assessment plan defines how Terveystalo looks after clinical quality and patient safety in its operations. The implementation of self-assessment is a concrete activity, and each clinic is required to have defined practices for carrying out the measures presented in the self-assessment plan.

Terveystalo's self-assessment plan has been prepared by the persons in charge of each function, reviewed by the Chief Quality Officer and approved by the Medical Forum and the Chief Medical Officer. The implementation of the self-assessment plan is monitored in internal and external audits, for example. A summary of the self-assessment plan is available on the company's website.

Continuity plan

Continuity planning is part of an organisation's overall security. As a leading private healthcare provider, Terveystalo plays a significant role in access to care at the national level, also in exceptional circumstances. The continuity plan defines and describes the organisation's operating models for ensuring that Terveystalo's critical services can be produced in exceptional circumstances and during disruptions. This, in turn, ensures access to medical services and the continuity of business. The goals of the continuity plan are to ensure the availability of critical services in medical care and customer safety, patient safety and occupational safety in exceptional circumstances, ensure that the organisation's core functions operate with minimal disruptions, maintain the capacity to operate in exceptional circumstances and recover quickly from disturbances, prepare for threats and disruptions whose management requires close and extensive cooperation between various parties, and establish a clear picture of the key roles, responsibilities and tasks in continuity management, as well as the operating guidelines and instructions that ensure continuity. Continuity management is based on risk assessment. It is part of Terveystalo's management and reporting system, and it is managed as part of everyday management structures. The management teams at Terveystalo's various organisational levels are responsible for continuity management under the Group's guidance.

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Good health and well-being

Targets for quality and effectiveness of care

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

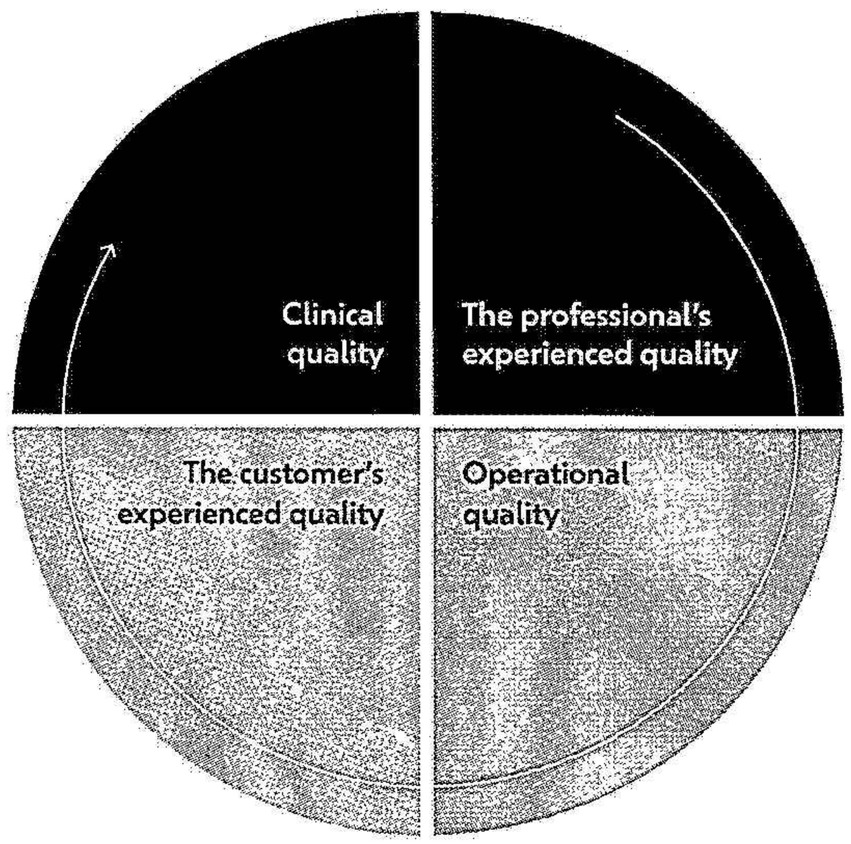
Effective care to mental health issues

Mental health issues are among the three most common diagnosis categories in Terveystalo and are a significant cause of human suffering, related sickness absences, and early retirement in Finland. Providing appropriate and effective treatment for mental health issues is one of the priorities of Terveystalo's medical quality development. Patients who receive brief psychotherapy recover faster than those given only sick leave and/or medication. Patients who go through brief psychotherapy also have fewer sickness absences. Terveystalo aims to increase the use of brief psychotherapy in occupational healthcare in the treatment of people diagnosed with depression or anxiety disorders. When more patients receive care at an early stage, resources for long-term rehabilitative psychotherapy are freed up for those who need it due to the severity of their condition. Terveystalo has systematically developed mental health care paths and increased the proportion of patients referred to brief psychotherapy.

Terveystalo's quality work is based on clinical, experienced and operational quality

Clinical quality
Healthcare must be based on evidence and good care and operating practices, and it must be of high quality, safe and appropriately implemented. Clinical quality is actively monitored, measured and managed at Terveystalo.

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 they are encouraged to make choices that promote their well-being. Terveystalo's objective is to be the preferred provider of healthcare services for all customer groups.



The professional's experienced quality
Satisfied employees provide a better customer experience in customer encounters and thereby enhance customer satisfaction. The realisation of Terveystalo's strategy requires that the company is able to attract qualified and motivated healthcare professionals to Terveystalo and retain them. This enables the achievement of clinical quality, an excellent service experience and operational efficiency.

Operational quality
Streamlined processes ensure the smart allocation of resources and the reliability of operations. All services provided by Terveystalo are based on the company's comprehensive and certified ISO 9001:2015 quality management system. Customers can always trust the quality of care, the smooth use of services, and the efficiency and safety of Terveystalo's services. In addition, Terveystalo promotes pleasant and efficient everyday life by developing expertise and management. Terveystalo's comprehensive network, digital tools and extensive service range constitute a platform for providing efficient, personal and local services for customers.

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Good health and well-being

Terveystalo's target is to increase the share of occupational healthcare patients diagnosed with anxiety or depression and who are referred to brief psychotherapy to 25 percent by 2026. Going up from the current level to 25 percent is an ambitious goal, as the number of people suffering from depression or anxiety increases every year. Achieving the target will require the further development of processes, as well as the training and recruitment of professionals.

In 2023, Terveystalo developed a reporting tool that the physicians in charge of each unit can use to review their unit's progress towards the goal, as well as compare their performance with that of a similar unit, enabling peer development. Terveystalo's Fokus Mieli special unit also monitors progress towards the goal and supports its achievement by providing training and communicating the im-portance of the topic, for example. In 2023, the share of occupational health patients referred to brief psychotherapy was 12.6 (8.5) percent of all occupational health patients diagnosed with anxiety or depression. Total number of diagnoses of depression and anxiety in occupational health was 87,335 (80,702). The results achieved in 2023 were in line with the target.

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

[1] Occupational healthcare patients with a diagnosis of depression or anxiety and who are referred to brief psychotherapy / Occupational healthcare patients with a diagnosis of depression or anxiety.
[2] NPS measures the individual patient's experience of the service received shortly after the service experience. The patient is asked to assess how likely (on a scale of 0–10) they are to recommend Terveystalo's services. The Net Promoter Score is calculated by subtracting the share of those who gave a score of 0–6 (detractors) from the share of those gave a score of 9–10 (promoters).
[3] The PEI index (Patient Enablement Instrument) is used to measure whether the customer feels that they are able to cope with their symptom or illness much better, better, same as before, or worse after the appointment. The scale is 1–4.

Excellent customer experience

NPS (Net Promoter Score) is Terveystalo's most important indicator of the quality of the customer experience. Terveystalo aims to stand out by providing an excellent experience in all customer encounters. The company develops its services by listening to customers and utilising

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new technology. NPS expresses the share of Terveystalo's patients who would recommend Terveystalo's services to others. NPS is a sensitive indicator – it reacts quickly to patient satisfaction or dissatisfaction. The customer experience can be affected by the availability of appointments, staying on schedule, the perceived quality of care, or the duration of the granted sick leave, for example. For this reason, the NPS figure can increase and decrease sharply, and it must be earned every day in every encounter. Terveystalo's NPS is exceptionally high compared to the industry average (38), and maintaining this performance requires a continuous effort.

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

Effective care at every visit

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

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

Other indicators of the quality of care

In addition to the aforementioned targets, Terveystalo continuously measures its clinical, experienced and process results based on international best practices. Terveystalo's quality index incorporates four dimensions: high clinical quality, access to care, preventive care and experienced quality from the perspective of both professionals and customers. The quality index comprises seven key indicators: the 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, the duration of sickness absence issued on the day of operation for repair of the rotator cuff and the anterior cruciate ligament, the percentage of preventive work of occupational health appointments, the availability of care as measured by T3 (the third available appointment), the Net Promoter Score (NPS) for appointments and the employee Net Promoter Score (eNPS). Terveystalo publishes its continuously updated quality indicators on its website. The achievement of the quality targets is monitored by Terveystalo's Quality Steering Group quarterly through the quality indicators.

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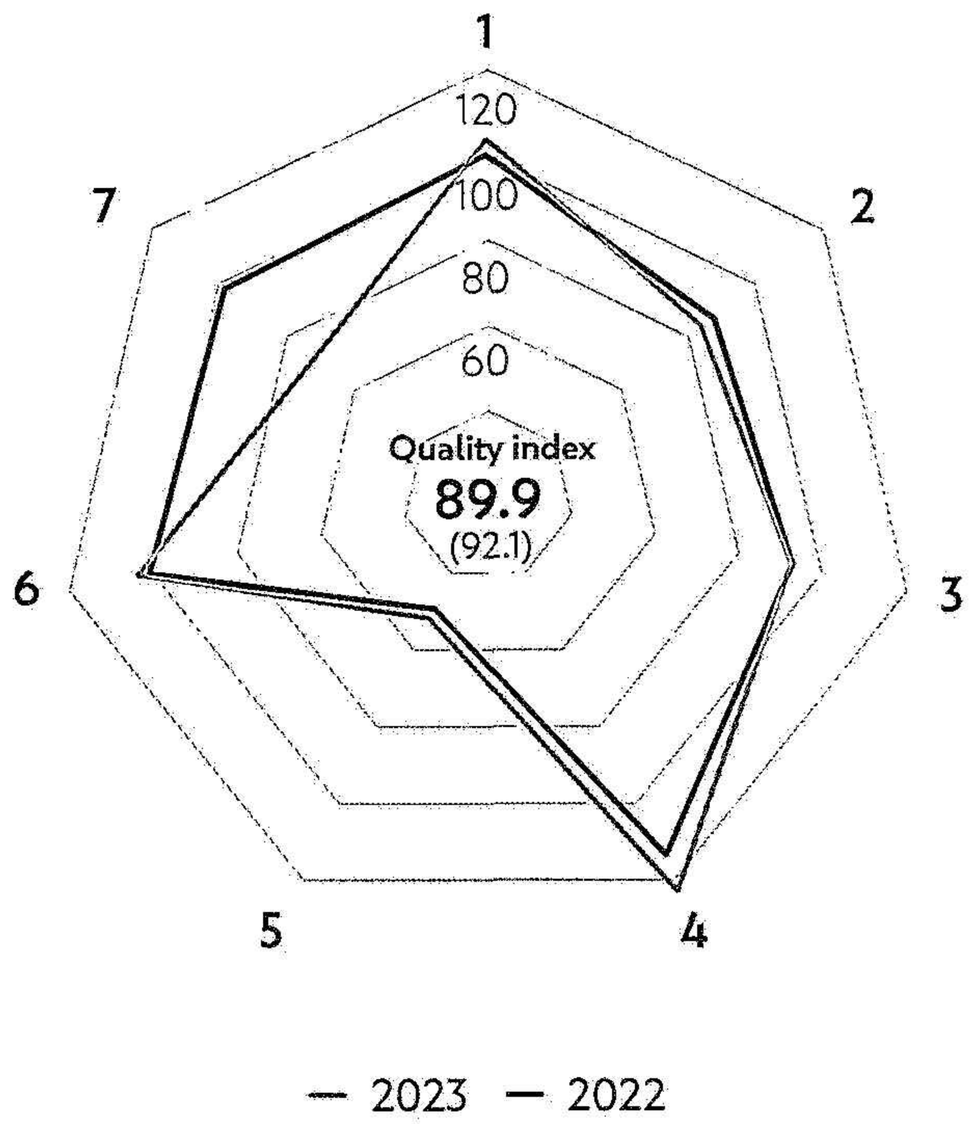
Good health and well-being

Quality index
% of target



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

Terveystalo performs surgical operations at 18 hospital units. The WHO Surgical Safety Checklist is used systematically before the start of each procedure. The standard list of questions is used to check safety issues relevant to the surgical procedure. In 2023, the WHO Surgical Safety Checklist was used in 99.2 (98.9) percent of the surgical operations 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. 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 harmonise prescription practices, Terveystalo has prepared detailed guidelines for prescribing drugs affecting the central nervous system based on legislation, the 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 2023, Terveystalo clinics wrote prescriptions for drugs affecting the central nervous system for 4.1 (4.0) percent of physician's appointments.

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

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. The treatment chain for surgery patients is developed systematically. Terveystalo's 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 (30) days in 2023.

4. Percentage of preventive work of occupational health appointments

Work not carried out is expensive for companies. Therefore, it pays to invest in work ability management through preventive measures. Effective work ability management requires that organisations know what kinds of risks to work ability they are managing. Terveystalo uses targeted health examinations to survey the client organisation's health and work ability risks and obtain information to support the management efforts. In addition, an electronic and scientifically validated self-assessment health survey is always completed by employees in connection with occupational health examinations. Based on the survey, Terveystalo can identify potential risks related to health and work ability. The survey also enables the targeting of measures at individuals with significant risks. In 2023, preventive work accounted for 72.1 (69.6) percent of all of Terveystalo's occupational health appointments.

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

Terveystalo aims to continuously develop access to care by managing the balance between supply and demand, as well as by developing digital services and the work of healthcare 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's clinics. The T3 indicator for appointments with a physician was 1.8 (1.9) in 2023. Access to care is improved by the availability of 24/7 digital appointments with a general practitioner, which are offered in addition to in-person appointments. The waiting time for a digital appointments is measured in seconds on average. Digital mental well-being services also lower the threshold for seeking treatment.

6. Net Promoter Score (NPS) for appointments

The NPS for appointments was 84.8 (82.7) in 2023. The NPS for hospital services remained at a high level at 94.5 (95.1).

7. Employee Net Promoter Score (eNPS)

Terveystalo's aim is 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 survey, the employee Net Promoter Score (eNPS) is used as a key indicator. The eNPS figure indicates the proportion of the employees and private practitioners who would recommend Terveystalo as a work-place to others. In the 2023 professional survey, the eNPS recommendation index in Finland was 18 (29). In 2023, Terveystalo implemented changes to its operating model and streamlined organisational structures in connection with a profit improvement program. The decrease in the eNPS indicator is partly due to those changes. In spite of the decrease in the eNPS indicator, Terveystalo received increasingly favorable scores for its long-term strengths, including the activities of work communities, cooperation in teams and the work of immediate supervisors. The score indicating the personnel's willingness to continue to work at Terveystalo also remained at a good level. The target is for the eNPS indicator to be at least 25 in 2025.

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Good health and well-being

Indicators of patient safety

Patient safety is the foundation of the quality of care. It refers to the principles and functions of healthcare personnel and the organization that ensure the safety of care and protect the patient from injury. From the patient's perspective, patient safety means that they receive the right treatment at the right time and in the right manner, and that the adverse effects of treatment are minimised. Patient safety risks arise from unexpected occurrences that may cause an adverse event for a customer and, in the case of serious adverse events, make the company liable for damages. In 2023, the ratio of reimbursed patient claims to the total number of appointments with a physician was 0.0016 (0.0016) percent, and the indicator of near misses/ hazardous incidents was 54.3 (56.9) percent.

Measuring continuity of care

Continuity of care has been shown to improve both customer and professional satisfaction and is a key factor in the quality and effectiveness of care. It is also increasingly a topic in the societal debate on healthcare development. For example, the Finnish Ministry of Social Affairs and Health identified continuity of care as the most important issue for improving primary healthcare in its report[1] on the development of primary healthcare. Terveystalo has been measuring continuity of care since the beginning of 2023 and has published the results on its website. Continuity of care is measured using COCI (Continuity of Care Index), which describes the dispersion of patient visits between different professionals over a measured period on a scale

Good health and well-being

Area	Target	Indicator	Target	2023	2022	2021
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%	99.2%	98.9%	99.8%
	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%	4.1%	4.0%	4.3%
	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	30	32
	Percentage of preventive work of occupational health appointments over 60%	Percentage of preventive work of occupational health appointments	> 60%	72.1%	69.6%	70.2%
	Days until next available appointment, clinics (T3) below[1]	T3, i.e. the third available appointment	< 1	1.8	1.9	1.6
	Appointment NPS of at least 83	Appointment NPS	> 83	84.8	82.7	83.0
	eNPS at least 25	eNPS	> 25	18	29	32
	Quality index total	Quality index, %	100%	89.9%	92.2%	94.6%
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	10.0	12.0	6.5
		T3, i.e. the third available appointment with a nurse	< 1	1.5	2.0	1.0
Patient safety		Reimbursed patient claims / appointments with a physician		0.0016%	0.0016%	0.0019%
		Near misses / hazardous incidents		54.3%	56.9%	50.0%
Continuity of care	COCI value of at least 0.5	COCI (Continuity of Care Index), which describes the dispersion of patient visits between different professionals over a measured period on a scale of 0 to 1.	0.5	0.77	-	-

The figures include Terveystalo's operations in Finland.
[1] Ministry of Social Affairs and Health publication 2022 "System for continuity of care, Final report of the Personal Doctor 2.0 survey"

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of 0 to 1. A value of 0 means that the patient sees a new professional at each visit and a value of 1 means that the same professional is present at each visit. In Finnish health centres, the average COCI value is 0.3. In Terveystalo, the average COCI value in 2023 was 0.77. The target is an index value of 0.5.

New Symptom Assessment tool facilitates access to care and supports the work of healthcare professionals

In the autumn of 2023, all of Terveystalo's occupational health customers were given access to the Symptom Assessment tool, a CE-marked medical device that makes the use of occupational healthcare services significantly smoother in the event of illness. The Symptom Assessment tool refers the customer to the right specialist and the right channel in a timely manner. The tool also supports the work of healthcare professionals by taking care of certain routine tasks on the professional's behalf, allowing them to allocate more time to customer encounters.

When a customer has the need to contact their occupational healthcare provider and they use Terveystalo's digital channels, the customer is first requested to describe their symptoms. Based on the symptoms, the Symptom Assessment tool analyses the answers provided by the customer and refers them to the right specialist and the right channel in a timely manner according to the urgency of the case. The answers provided by the customer are forwarded to the receiving specialist, which speeds up and improves the care the customer receives from the healthcare professional. Terveystalo's new solution was developed with the aim of making daily life easier for both healthcare professionals and customers.

Thanks to the referral model, the customer does not need to determine who is the right professional to treat their condition and what channel to use. The customer is referred to the appropriate professional and channel based on the answers they provide when using the Symptom Assessment tool. For example, a customer may find the best treatment for musculoskeletal disorders by having a direct appointment with a physiotherapist instead of a physician. Similarly, some conditions can be dealt with remotely, while others clearly call for an in-person appointment.

The new referral model helps alleviate the shortage of physicians and improves access to care and the quality of care. Access to care is improved when customers are referred either to an in-person appointment or remote channels, and to the appropriate occupational healthcare professional, based on their symptoms. In the first round of customer feedback, the Symptom Assessment tool was rated 4 out of 5 for its ease of use. Having technology take over part of the routine tasks allows healthcare professionals to allocate more time to treating customers.

Integrating blood analysis technology into occupational health check-ups improves the prevention of illnesses

In the autumn of 2023, Terveystalo renewed its preventive healthcare by integrating blood analysis technology developed by Nightingale Health into occupational health check-ups. By using modern technology, Terveystalo's Occupational Health will be able to detect the working age population's disease risks for several common chronic diseases, prevent illnesses and thus significantly reduce the burden on healthcare in the future.

As the largest provider of occupational health services in Finland, Terveystalo looks after the health of more than 700,000 Finns of working age. By integrating the blood analysis developed by Nightingale into occupational health check-ups, Terveystalo offers more and more people of working age a view of their personal susceptibility to common chronic diseases and support for lifestyle changes to reduce this susceptibility.

Terveystalo's medical specialists have chosen the eight most important chronic diseases to be surveyed: heart attack, stroke, type 2 diabetes, liver fibrosis and cirrhosis, chronic kidney failure, COPD, lung cancer and alcoholic liver disease. Nightingale Health's blood analysis technology brings even more clarity to the work of occupational health professionals. At the same time, it offers an even better opportunity to focus on the customer during appointments, when, to support the clinical work, the professional already has an individual assessment based on metabolic markers of the person's risk of falling ill with the chronic diseases in question before the appointment.

Nightingale Health's wide-ranging identification of disease risks significantly increases the effectiveness and benefits of preventive healthcare for both healthcare professionals and customers, as modern health technology helps motivate people to change their lifestyle by concretising their susceptibility to disease.

Common chronic diseases have a direct impact on a person's work ability and functional capacity, and they require regular monitoring, which places a burden on the healthcare system. A very large proportion of common chronic diseases in people of working age are preventable, but it requires innovative solutions for effective preventive care. Further improving the prevention of common chronic diseases also reduces their negative impact on the economy.

Nightingale's blood analysis technology is among the world's most widely used next-generation tools for medical research and preventive health. The technology has been used to analyse approximately two million blood samples to date. Its performance and benefits have been demonstrated in more than 450 peer-reviewed scientific publications and it has passed European healthcare regulatory requirements.

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Good health and well-being

Terveystalo's care paths as part of integrated care support the customer's self-care and make work smoother for professionals

Science-based care guidance has been, and is still being, developed at Terveystalo with the help of common care paths. Care paths 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 aims of care paths are to:

- support and speed up the work of professionals
- ensure consistent quality of care, based on recommendations
- ensure that diagnostic examinations and follow-up related to treatment are carried out
- promote health and produce effective treatment

The care path is displayed to the physician as an alert in the patient information system with brief instructions on recommended treatment and follow-up measures based on the working diagnosis. The care paths include diagnostics options applicable to the working diagnosis, such as laboratory examinations and imaging procedures, and instructions on situations where a specialist's consultation or therapy is recommended. The instructions in the alerts and the recommended examinations and further measures have been prepared and selected in physicians' workshops. A specialist in each field has also participated in the preparation of the instructions. The customer, in turn, receives instructions on how to prepare for the examinations, as well as self-care instructions, via the Terveystalo app and the online service. Furthermore, for diagnoses for which therapy is recommended in addition to or alongside pharmaceutical interventions, the customer is provided more information on brief psychotherapy and physical therapy that can also be commenced without a referral.

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

The first care paths defined by Terveystalo were introduced in 2021. At the end of 2023, there were already about 70 care paths in use. Examples include care paths for the treatment of non-specific lower back pain, depression and anxiety, insomnia, brief phychotheraphy and children's lower respiratory tract infections.

Long-term development of patient safety culture to minimise patient safety risks

At Terveystalo, patient safety and its continuous development are the foundation of the quality of care. The foundation of patient safety is a good patient safety culture, which means having an open atmosphere in which employees are able to highlight any shortcomings or hazards (near misses or hazardous incidents) they observe in their work treating patients, without fear of sanctions or blame. Shortcomings and hazardous incidents must be addressed openly and carefully to ensure that the incident or problem does not reoccur.

A patient safety survey carried out once every two years is one of the tools for developing patient safety. The last two surveys were carried out in 2023 and 2021. Since the 2021 survey, Terveystalo has introduced a new online course on patient and customer safety, which is mandatory for all employees in care work and personnel whose roles include responsibility for patient safety. The online course had to be completed by the end of 2022. Going forward, it will be retaken once every three years. New employees complete the online course as part of their orientation training.

The goal of the 2023 patient safety survey was to evaluate how patient safety is reflected in Terveystalo's day-to-day operations and what the personnel's perceptions are regarding the realisation of patient safety. The survey was aimed at assessing the impacts of the previously taken measures on patient safety and the development of patient safety culture.

The 2023 survey was responded to by 1,293 professionals working with patients, 12 percent of whom were physicians. The results of the survey showed that, on a general level, Terveystalo's patient safety culture is perceived to be good and the related activities are held in high regard. The survey indicated that improvements had been achieved with respect to observing and reporting incidents and being familiar with the reporting system. The respondents indicated that patient safety expertise had improved and patient safety culture was better reflected in the day-to-day operations of clinics. The survey highlighted a wish to better engage all of the personnel in the processing of incidents. The safe use of medical devices was also highlighted as an area for development. The results of the survey have been carefully reviewed in the Patient Safety Working Group and other forums, and the results have been used to identify development areas to focus on going forward.

Digital services support the transformation of wellbeing services counties

Terveystalo supports Finland's newly established wellbeing services counties in the digital transformation by providing modern and easy-to-use digital solutions and highly competent service production for the wellbeing services counties.

In the spring of 2023, the wellbeing services county of South Ostrobothnia chose Terveystalo as its partner to develop a digital platform that serves its residents as well as social welfare and healthcare professionals. The OmaEP digital service provides the residents of the wellbeing services county of South Ostrobothnia with quick access to a nurse via a chat function, for example. In the future, they will also be able to book appointments for the wellbeing services county's services. Going forward, a growing range of services can be delivered digitally, including messages between customers and professionals concerning treatment instructions and the provision of various preliminary information before an appointment. The OmaEP platform will be the starting point for most of the use of social welfare and healthcare services by the residents of the

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Good health and well-being

wellbeing services county of South Ostrobothnia. The aim is to deploy the digital service in 2024 and gradually expands its use thereafter. The OmaEP digital platform will serve as an example to wellbeing services counties on how digital services can further improve quality and efficiency in the provision of social welfare and healthcare services.

Terveystalo can take advantage of the lessons it has learned about the digital transformation in its own business and work together with wellbeing services counties to innovate more effective social welfare and healthcare services in an impactful and cost-efficient manner.

Quality efforts are part of the operating culture in staffing services

Staffing services, which are under Terveystalo's Portfolio Businesses segment, act as a responsible partner to wellbeing services counties in the planning of professional resources. For example, staffing services provide general practitioner, specialist, nurse and psychologist resources where they are needed.

Terveystalo's staffing services continuously develop the services they offer to wellbeing services counties, driven by data and feedback. In 2023, staffing services had a special focus on quality development and the sharpening of quality efforts.

Five quality indicators are used in staffing services: the eNPS of professionals, the retention of physicians, ensuring physician resources for emergency services, the implementation of orientation training and the number of emergency visits in physician-in-charge services for the elderly. The last two of these indicators describe Terveystalo's sustainability efforts particularly well.

Each year, Terveystalo's staffing services provide orientation training to hundreds of physicians at new client locations. For this reason, orientation training is very significant for patient safety and the quality of care. An orientation training model has been created for this purpose, and its implementation is monitored. The goals have been achieved, with 90 percent of physicians having completed orientation training in accordance with the model, and high-quality orientation training having become part of the operating culture.

The number of emergency visits in physician-in-charge services for the elderly is a new indicator. It measures the number of emergency visits by elderly people living in care units for whose care the physicians-in-charge in Terveystalo's staffing services are responsible. One of the goals of the physician-in-charge model has been to reduce unnecessary transfers to emergency services, as visits to emergency services are not only expensive for society but also tough on the elderly from a human perspective. The results have been excellent: in some units, emergency visits have been reduced by as much as half after the introduction of Terveystalo's physician-in-charge model. Quality indicators help react to any deviations and provide evidence of the effectiveness of the services.

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Terveystalo's Medoma app facilitates the planning and management of work

Terveystalo is continuously developing its range of digital services and their features to improve access to care and the quality of care. Launched in 2023, the new Medoma app was developed to make it easier to manage the work of healthcare professionals working in public services. The application is designed for all physicians and dentists who work in, or are interested in working in, public healthcare at Terveystalo's public sector cooperation locations. All physicians, dentists and soon also nurses interested in work shifts for the wellbeing services counties cooperating with Terveystalo can use the mobile app to find and book their shifts, sign off on shifts and, for example, indicate when they are available. The app brings together all of Terveystalo's public health services, both longer periods of work and individual shifts. This is aimed at increasing the number of hours worked by professionals and meeting the growing demand for services. The Medoma app won an award in the Grand One 2023 competition for digital services, with the jury describing the app as a high-quality service that solves a real societal problem and which, as it expands, can help to alleviate the healthcare crisis to an increasing extent.

> **Terveystalo aims to stand out by providing an excellent experience in all customer encounters, irrespective of the channel.**

Customer feedback is an effective tool for the development of operations

Terveystalo aims to stand out by providing an excellent experience in all customer encounters, irrespective of the channel.

Collecting customer feedback is extremely important, as it serves as an effective tool for the development of operations. At Terveystalo, customer feedback is collected systematically and extensively across various channels, including the collection of direct customer feedback at appointments and clinics, real-time text message feedback for measuring the NPS (Net Promoter Score), and customer experience surveys carried out by occupational health services among corporate customers. In addition, Terveystalo collects specialist-specific feedback, which is measured by the PEI indicator (Patient Enablement Instrument). It measures the customer's ability to cope with their illness after an appointment. Customers are offered a range of feedback channels, including the Terveystalo app, online forms, feedback forms at clinics, and oral and written feedback. In accordance with the Act on the Status and Rights of Patients, objections can be submitted through Terveystalo's website in a secure manner or mailed to a Terveystalo clinic.

Terveystalo has harmonised processing and monitoring practices for customer feedback. Each clinic has a designated quality officer who is in charge of processing feedback, and all feedback is carefully processed. Customers always receive an answer when they request a response. Reports on customer feedback are collected and monitored on a regular basis and used in internal and external quality audits to assess the measures taken and their impacts. This ensures that customer feedback is an effective tool for improving operations and increasing customer satisfaction.

As regards patient safety, everyone at Terveystalo is under the obligation to submit an incident report if they observe, or are made aware of, an issue that jeopardises patient safety, customer safety or data protection.

Incidents are classified as either near misses or hazardous incidents depending on the nature of the incident. An incident is classified as a near miss when an incident that jeopardises patient safety, customer safety or data protection nearly occurred or nearly affected a patient, but the adverse incident was avoided either by chance or because the observed hazard was addressed. For example, if a patient was about to be given the wrong dose of medication but this was prevented by double-checking, the incident would be classified as a near miss. A hazardous incident occurs when an incident that jeopardises a patient's safety or data protection actually takes place, such as when a patient is given the wrong dose of medication or a patient's sensitive information is disclosed to a third party. Incident reports are submitted through a service portal intended for that purpose.

In the incident processing procedure, an e-mail alert is sent for each incident report to the clinic's patient and customer safety officer and the physician in charge of the clinic. The patient and customer safety officer is responsible for initiating the processing of the incident and coordinating the processing by engaging the necessary persons in the processing, for example. The patient and customer safety officer ensures that a root cause analysis is carried out and corrective measures are taken.

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Responsible work

Responsible work

At Terveystalo, our mission is to fight for a healthier life. We are building a humanely efficient workplace where professionals can focus on what matters the most - meeting the customer. We want to ensure that professionals want to work for us, are committed to us and can focus on what matters.

Our key targets

- Being the industry's best and most attractive employer
- An employee Net Promoter Score (eNPS) of at least 25 in 2025

Our achievements

19 eNPS, Employee Net Promoter Score

#1 The most popular employer in private healthcare among professionals[1)]

4.2/5[2)] Leadership index score

1) Universum survey of professionals 2023
2) Terveystalo's professional survey, leadership index

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Terveystalo is a significant provider of jobs and the most popular employer in its industry in Finland

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

The shortage of professionals is the greatest challenge in the healthcare sector. It is estimated that approximately 3,000 new physicians[1] and 14,000 nurses[2] will be needed in the Finnish healthcare sector by 2025 to meet the growing need for care. With this in mind, it is a key strategic goal for Terveystalo to ensure that the company has enough health and well-being professionals to meet the growing demand and achieve its strategic targets. To ensure this, Terveystalo aims to be the best and most attractive employer in its industry.

Terveystalo's attractiveness as an employer and the occupational well-being and job satisfaction of the people who work at Terveystalo constitute the foundation for all operations. Terveystalo strives to strengthen its attractiveness as a workplace by providing professionals with interesting and meaningful work, competitive pay, diverse career and development opportunities, and ensuring that professionals can work smoothly and focus on what matters. Terveystalo has worked systematically towards these goals for several years and, in 2023, Terveystalo was rated by industry professionals as the healthcare sector's most popular employer in Finland for the fourth consecutive time[3].

Terveystalo's operating principles concerning human resources management

Terveystalo has drawn up operating principles for managing material impacts on its personnel. The key operating principles pertaining to areas such as human rights, equality and non-discrimination, remuneration, work community development and occupational health and safety are described briefly below.

Code of Conduct

Terveystalo's Code of Conduct includes key principles concerning equality, fairness and non-discrimination. At Terveystalo, no-one is discriminated against on the basis of gender, age, ethnic or national origin, nationality, language, religion, beliefs, opinions, health status, disability, sexual orientation or other personal reasons or circumstances. In recruitment, the focus is on the person's professional competence, the ability to take responsibility and the willingness to improve Terveystalo's operations and pursue personal development.

Terveystalo does not tolerate any form of discrimination, harassment, bullying, racism or inappropriate treatment, nor does Terveystalo condone the use of child labour, any form of forced labour or other human rights violations in its own operations or its value chain or supply chain. Terveystalo respects the human rights set out in the UN Declaration of Human Rights as well as the workers' rights defined by the International Labour Organisation (ILO) and related international conventions. The company is committed to the UN Global Compact initiative and its principles pertaining to human rights and labour rights. Terveystalo respects the right of its employees to be members of trade unions or similar advocacy organisations and participate in their activities.

Work community development plan

Terveystalo has, in cooperation with personnel representatives, prepared a work community development plan for the long-term and systematic development of the work community. The plan documents the current state of the personnel and projected developments that may have an impact on the competence needs or occupational well-being of the personnel. The plan also features targets and actions for developing and maintaining personnel competence and promoting occupational well-being.

The development plan also includes Terveystalo's equality and non-discrimination plan. At Terveystalo, the aim is to promote not only gender equality but also the equality and non-discrimination of different age groups and nationalities in the context of hiring and employment relationships, including recruitment, pay and terms of employment, training and career advancement, and the reconciliation of work and private life. The requirements concerning equality, non-discrimination, tolerance and appropriate conduct apply to everyone working at Terveystalo Group, both employees and private practitioners. The implementation of equality and non-discrimination is monitored with the help of statistics reflecting the personnel structure, among other things.

Terveystalo's working group on equality became operational at the beginning of 2023. Its aim is to promote equality in Terveystalo's work communities and customer encounters. The working group consists of nine members representing various parts of Terveystalo's Finnish organisation.

The work community development plan is updated regularly, and it serves as one of the tools for dialogue with the personnel. The development plan covers the entire Terveystalo Group's employees and private practitioners. The work community development plan was most recently created in early 2023 and its implementation is the responsibility of Terveystalo's Senior Vice President, People and Careers.

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[1] Source: Ministry of Social Affairs and Health publication "Medical and dental specialist situation and need for training until 2035"
[2] Source: Municipal labour forecast 2030 by Keva "Public sector deficit"
[3] Universum employer survey 2023

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Remuneration

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

80 percent of Terveystalo's employees in Finland are covered by collective agreements. In Sweden, the corresponding figure is 100 percent. 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, the employee's years of experience, and individual performance and competence. For senior salaried employees and directors, pay is determined on the basis of the position and the demands of the job, as well as other factors, including competence, experience, performance and results.

Pay equality is assessed and promoted as part of the work community development plan. Gender, for example, cannot be a factor that influences pay. Terveystalo monitors the market levels of wages in both the private and public sectors, aiming to maintain its competitiveness also with respect to pay. In 2023, the wage solutions of some collective agreements that Terveystalo follows included local tranches in addition to general increases. At Terveystalo, it was decided that the local items would be implemented as personal increases. The local item for the collective agreement that applies to the largest group of employees, the collective agreement for the private healthcare sector (TPTES), was allocated to committed and high-performing individuals whose wages were lower than their peer group. Terveystalo distributed 30% more increases than what was required for the local item under the TPTES agreement. For employees within the scope of the collective agreement for staffing services sector (HPL TES), the local item was allocated to individuals with excellent performance.

Occupational safety

The occupational safety of Terveystalo's personnel in Finland is developed and managed at the Group level, taking company-specific and business-specific differences into account. Group-level policies and instructions concerning occupational safety are put into action in accordance with the respective processes of the businesses. Where necessary, the businesses prepare their own targeted instructions, taking the Group policies and guidelines into consideration. The different levels of the organisation know and recognize their responsibilities concerning occupational safety in compliance with Finnish legislation. The Group supports all of its businesses in the development of occupational safety as necessary. Terveystalo's goal is to be a safer working environment every day.

The development of occupational safety at Terveystalo is focused on the identification, prevention and mitigation of health hazards and adverse health impacts arising from working conditions, as well as protecting and promoting the safety, work ability and health of employees.

An annual action plan is drawn up for the development of occupational safety. In 2023, the goal was to develop the systematic management of occupational safety at the individual, unit, business and Group levels by, for example, clarifying responsibilities related to occupational safety, ensuring careful orientation training and increasing occupational safety management through supervisory work. A new operating model for the risk assessment of work tasks was also introduced in 2023.

All occupational accidents and commuting accidents at Terveystalo are reported and investigated. In addition, safety observations are actively made, and they are monitored and used to develop the safety of operations. Terveystalo has not had any occupational accidents or commuting accidents resulting in death or severe injury for years. The accident frequency in Finland was 20 (18) in 2023.

The legally required occupational safety and health activities are ensured through Group-level cooperation with active occupational safety and health personnel. Occupational safety and health personnel have jointly agreed-upon meeting practices and the training opportunities necessary for their duties. Health and safety representatives are actively involved in workplace surveys and hazard assessments for specific jobs, for example. The Group-level occupational health and safety action plan describes the planned measures for the development of occupational health and safety work. The action plan is updated annually in collaboration with the occupational health and safety personnel, and its implementation is monitored in the Group's quarterly occupational health and safety meetings.

In addition to the responsible persons at each clinic, the safety of facilities is the responsibility of designated safety officers who implement practices created for the development and assurance of the safety of facilities. This ensures that Terveystalo's facilities are safe for both customers and the personnel. We work closely with lessors and the rescue authorities to ensure the safety of our facilities.

In Sweden (Feelgood), occupational health and safety is organised in accordance with Swedish legislation. Operations are guided by a certified ISO 45001 occupational health and safety system. The number of accidents in Sweden was 16 (13) in 2023.

Occupational healthcare

Occupational healthcare plays a key role in the identification of health risk factors and the prevention of illnesses. In Finland, Terveystalo's occupational healthcare and occupational safety are organised on a company-specific and regional basis in accordance with Finnish legislation, according to which the employer shall arrange occupational healthcare 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, working capacity, and health of employees.

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In addition to the statutory requirements, Terveystalo provides its employees in Finland with a comprehensive range of primary healthcare, specialised care and well-being services, such as occupational physiotherapy and 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 via 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 Terveystalo's occupational health services. Terveystalo aims to recognise 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 itself provides occupational healthcare services to its personnel throughout Finland. Terveystalo's occupational health services are certified under ISO 9001:2015 quality certificate.

In the 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 occupational health services and insurance company partners. In the treatment of serious illnesses, Terveystalo cooperates with primary healthcare and specialised healthcare.

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

The statutory occupational health action plan includes the general objectives of occupational healthcare as well as the requirements based on workplace conditions and related measures. The action plan is reviewed annually based on workplace visits and Terveystalo's work ability management needs, for example.

Terveystalo's occupational health operations are based on the 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 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 healthcare. Instead, as self-employed persons, they arrange their own occupational healthcare. 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.

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

Responsible work

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

Target	Indicator (KPI)	Scope of application	Target level	Target year	Base year	2023	2022
Being the industry's best and most attractive employer	Employee Net Promoter Score (eNPS)	Terveystalo's employees and private practitioners	At least 25	2025	2022	19	28

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

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

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

Well-being and strong work communities

The core of Terveystalo's people strategy is to build strong work communities with a humanely efficient working culture where people have high job satisfaction and their work is smooth and productive. To achieve this, Terveystalo looks after the health and safety of the personnel by providing occupational health services that exceed the legal requirements and by continuously developing safety culture in work communities. Nurturing a healthy work-life balance is part of a humanely efficient working culture, and Terveystalo invests in it in many ways. Terveystalo's work communities are equal, non-discriminatory and diverse. Good and effective supervisory work is a key factor in performance and job satisfaction, and it is strengthened by supporting and training supervisors.

Work community development

Terveystalo uses the Healthy Workplace model as a tool and guideline in the development of work communities. The model aims to ensure that work is as efficient as possible, the work community functions well, the management approach is active, and individuals have a high level of well-being at work. The Healthy Workplace model is based on the realisation of Terveystalo's values and professional competencies. In accordance Terveystalo's management principles, the role of supervisors is to build a human-oriented and psychologically safe atmosphere and to be responsible for effective operations with clear responsibilities. In a Healthy Workplace, work is smooth and the work processes support efficient work. At Terveystalo, work ability management is part of systematic and goal-driven performance management. At the individual level, performance management is based on every member of Terveystalo's personnel having a clearly defined job description, targets and expectations for work, as well as the prerequisites and support for strong performance at work.

Work-life balance

A healthy work-life balance supports the well-being, productivity and job satisfaction of the personnel. A healthy balance and the ability to cope with the demands of work also lead to a better customer experience. In the healthcare sector, where work is often demanding and there can be a lot of time pressure, finding a healthy balance can be a challenge. As an employer, Terveystalo strives to support its personnel in reconciling work and private life.

Terveystalo is flexible in its contractual relationships and, where possible, offers different forms of employment to its personnel depending on the task, the need for labour and the employee's wishes. Employment relationships are valid indefinitely unless there is an acceptable and clear reason for fixed-term employment, such as substitution arrangements. Full-time and part-time employment relationships, hourly work contracts and framework agreements are in use at Terveystalo. Part-time work can be agreed upon based on the employer's needs or the employee's wishes or needs. If necessary, hourly work contracts and framework agreements are used in

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Responsible work

situations where the need for labour is low and occasional. Temporary agency workers are used as needed and typically in the event of sudden substitution needs.

Employees in different life stages have different needs for reconciling work and private life. These needs can be met through various forms of statutory leave, including family leave, study leave, care leave and job alternation leave. All Terveystalo employees are entitled to take statutory leave. In 2023, the share of employees taking statutory leave was 7.4 percent of all employees, of whom 8.1 percent were women and 4.2 percent men.

Work at Terveystalo is flexible and location independent. Work goals and effectiveness determine the way work is performed. Terveystalo's Group services have transitioned 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 efficiency of work, goals, flexibility and the well-being of the personnel. Teams are also encouraged to meet regularly at the office. Terveystalo has also developed flexible working opportunities for 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.

Professional growth and focusing on meaninful matters

The aim of professional growth is to strengthen the employees' development paths from traineeship to retirement. Terveystalo offers its employees and private practitioners high-quality training in various areas. At Terveystalo, professional growth means not only training but also all learning at work and in the work community, as well as the renewal of operating practices. Skills development aims at strong and up-to-date professional skills and excellent leadership. To enable smooth and efficient way of working for professionals, the structures, tools, and processes are continuously developed.

Effective working methods allow professionals to focus on meaningful matters

Terveystalo's goal is to provide professionals with smooth and efficient work by developing the structures, tools and processes related to their work. Digitalisation has changed the work of health and well-being professionals and brought new skills requirements. Digitalisation makes it possible to increase both the smoothness and productivity of work, allowing professionals to focus on what matters, namely 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, Terveystalo focuses particularly on improving the content and guidance of work by developing care guidance and care pathways. Care guidance based on care paths aims to provide more consistent and effective care to customers and facilitate the work of professionals.

The role of customer feedback is key in the development of work. Terveystalo's specialists have expressed a wish for direct, personal customer feedback in addition to unit-specific feedback. The collection of specialist-specific customer feedback was tested in selected units in the fall of 2022. The pilot was carried out in close cooperation with professionals. The feedback received on the pilot was positive, and feedback questionnaires have since been gradually introduced in Finland in all of Terveystalo's physician's appointments and remote appointments. The opportunity to receive personal feedback is also an important tool for professional development.

Terveystalo provides its professionals with versatile, constantly developing 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. Terveystalo has also introduced new tools to support the work of professionals, such as the Terveystalo + Nightingale health index. Professionals can also utilise the customer-directed digital health and well-being content, guidelines and weekly programs found in the Terveystalo app in guiding and advising the customer.

In 2023, all of Terveystalo's occupational health customers were given access to the Symptom Assessment tool, a CE-marked medical device that makes the use of

> **Terveystalo's goal is to provide professionals with smooth and efficient work by developing the structures, tools and processes related to their work.**

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occupational healthcare services smoother in the event of illness. The Symptom Assessment tool refers the customer to the right specialist and the right channel in a timely manner. The tool also supports the work of healthcare professionals by taking care of certain routine tasks on the professional's behalf, allowing them to allocate more time to customer encounters.

Terveystalo has sought to streamline the work of nurses, as well as the related processes and practices, so that nurses can better focus on patient care. The effort to streamline work has included the development of role and task descriptions, increased orientation training and the centralisation of calls to book appointments. The results of professional surveys indicate that the reorganisation has made work smoother and the effort to increase orientation training has been successful.

Competence building

Systematic and business-driven personnel development, smooth work and responsible, good supervisory work ensure the well-being of Terveystalo's personnel, which, in turn benefits customers through better care and a positive customer experience. It is a requirement for everyone at Terveystalo to possess Terveystalo's defined set of professional skills, which are based on the values that guide the company's 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. Leadership and supervisory work are also actively developed, and self-study alongside work is supported by continuously expanding the opportunities for online learning, for example.

Digital health has seen strong growth in recent years. Terveystalo has invested in training its personnel in the use of digital tools and channels, as well as their utilisation in customer work. Physicians and nurses are offered training in the use of different types of remote services. The training activities include basic system training, training 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.

The utilisation of online training opportunities, and the contents and implementation methods of the training, were developed further in 2023. Online training supports and implements both independent competence development alongside work and supplementary vocational training. A new online learning platform called Terveystalo Academy was introduced at the beginning of 2023. It has made the implementation of online courses smoother and enhanced the targeting of various learning and orientation training paths.

Training courses aimed at different professional groups and supporting professional development were organised during the year. For example, nurses were trained as sleep coaches and offered opportunities for professional development during the nurse and occupational health nurse day events. In addition, specialist presentations were offered to the entire personnel on topics related to mental well-being, for example. The personnel also received training on data protection and information security, as well as the Code of Conduct. In 2023, Terveystalo organised training in Finland on average 11.7 hours per employee. The training hours of employees also include part-time employees and hourly employees, for example. For full-time employees, the number of training hours is significantly higher than the average.

In addition to internal training, Terveystalo cooperates in research and education with several universities and promotes youth employment through trainee programs. In 2023, Terveystalo offered trainee positions to well over 200 young nursing students. The occupational health psychologist trainee program piloted in 2022 was also continued. During the program, participants have the opportunity to grow and learn in the role of an occupational psychologist responsible for a customer, with the support of senior specialists.

Specialisation and training of physicians at Terveystalo

Terveystalo wants to guarantee its specialists the opportunity for diverse career development, and actively develop specialisation opportunities for physicians. The occupational health specialisation program is the most extensive of the specialisation paths, and it is possible to specialise at almost all of Terveystalo's occupational health clinics in Finland. The specialisation 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 2023, 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 has received praise from the students.

To support new general practitioners just starting out at Terveystalo, a tutor physician model has been successfully piloted. The model involves having a tutor physician help a new general practitioner become familiar with the unit and the work of a physician. Terveystalo has also invested in the competence development of occupational health physicians and general practitioners through a model whereby general practitioners increase their expertise in occupational health and become part of a multidisciplinary occupational health team. At the same time, the occupational health teams benefit from the support and competence of the general practitioners.

All physicians working at Terveystalo have access to a diverse range of events and training activities. For specialists in the largest fields of medicine, Terveystalo organises training courses and events designed for a particular area of specialisation. "From knowledge to skill" training activities have been implemented for several years now. In 2023, they were also offered as open events to all physicians regardless of the location of their work. Physicians are also offered professional training at Terveystalo's annual medical convention and through a wide range of online courses and webinars. Terveystalo's diverse career opportunities offer possibilities for development at work as well as the opportunity to focus on appropriate work for each physician. The medical supervisor plays an important role in the work community, and Terveystalo also offers training for various supervisory tasks. Physicians at Terveystalo can also work in administrative development roles or research.

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Responsible 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 or 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.

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Continuous dialogue for the development of operations and the work community

Terveystalo maintains a regular dialogue with its personnel to develop the operations of the workplace and the work community. The aim is to promote the sufficient and timely exchange of information between the employer and the personnel, and to give the personnel the opportunity to influence matters related to their work, working conditions and position. Regional shop stewards support the chief shop stewards. In addition to having shop stewards, the personnel have had the opportunity to have elected representatives by agreeing on it with the employer. Matters concerning the entire personnel are discussed in the personnel forum, which meets four times a year, and whose members broadly represent the employees of Terveystalo (both professionally and geographically).

In addition to the legally required dialogue, supervisors engage in dialogue with employees in regular development discussions and with private practitioners in private practitioner discussions.

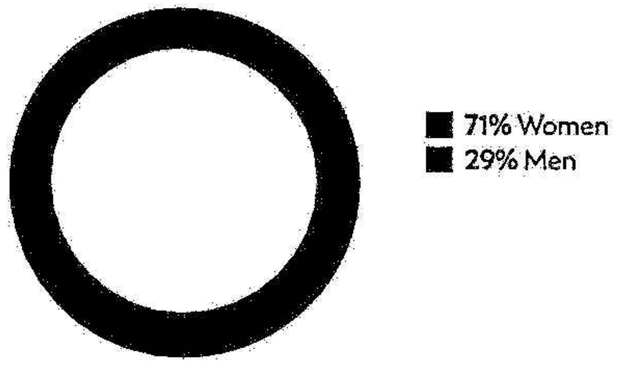
Terveystalo's professional survey is also an important tool for improving internal practices and supervisory work. The survey is aimed at everyone working for Terveystalo, including private practitioners. Conducted twice a year, the professional survey evaluates perceptions of well-being at work, management and the effectiveness of the work community, for example.

In addition, Terveystalo actively shares information on current topics, such as the implementation of the strategy, by organizing regular personnel webinars and supervisor information events. The company's intranet is a key information sharing channel for all common information and guidelines.

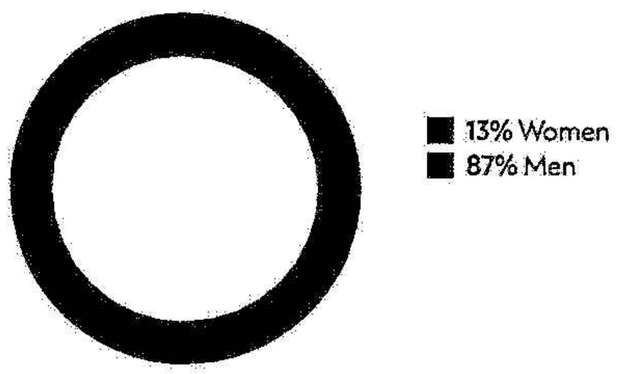
The shop steward as a representative of the employees

Shop stewards represent trade unions and their members at the workplace. In cooperation negotiations and workplace-specific local negotiations, the shop steward represents the employees covered by the relevant collective agreement. The shop steward's most important task is to monitor compliance with the collective agreement and labour laws, as well as other agreements between the employer and the employees, at the workplace and, if necessary, take action to address problems. The shop steward negotiates with the employer on personnel-related matters and is involved in developing the work community with the represented employees and the employer. The shop steward ensures that employees are treated fairly and equally. Where necessary, the shop steward provides advice and support to trade union members in working life and related change situations. The shop steward's position is based on the collective agreement, the Cooperation Act and the shop steward agreements concluded between the health and social services sector's negotiation organisation Sote ry and Terveystalo, as well as between the health services sector union Terveyspalvelualan Unioni ry and Terveystalo. The shop steward agreement defines the number of shop stewards at Terveystalo and how they allocate their time, among other things.

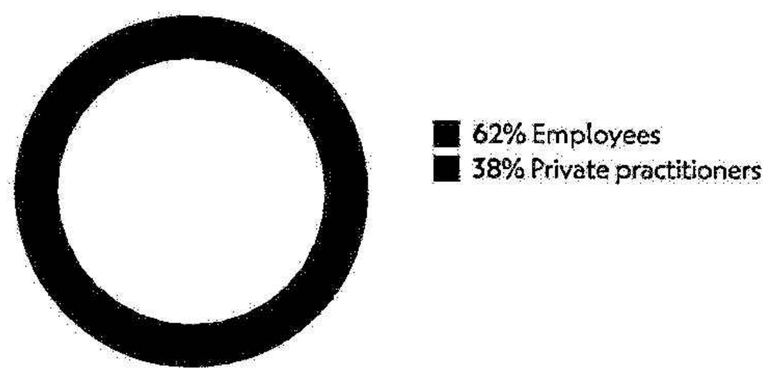
Women and men, % of all employees, 2023



Women and men, % of executive team, 2023



% of employees and private practitioners, 2023



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An elected representative as an employee representative

Employees who do not have a shop steward as referred to in a binding collective agreement pursuant to the Collective Agreements Act may have an elected representative. The duties and mandate of an elected representative are determined by the provisions of the Employment Contracts Act and other applicable labour legislation. At Terveystalo, psychologists and dieticians have an elected representative.

A health and safety representative as an employee representative

The safety and working conditions of the workplace are monitored and supervised by a health and safety representative who is familiar with occupational safety and health and related laws and matters. The health and safety representative represents the entire personnel regardless of union membership. The health and safety representative participates in the drafting of the occupational safety and health action plan, risk assessment, occupational safety and health inspections and occupational safety and health studies. The health and safety representative works together with the shop steward to promote the occupational well-being of employees. The health and safety representative is elected by the employees from among their number. The term of office is two years.

Broad representation of employees in the Personnel Forum

The aim of the Personnel Forum is to promote dialogue between the employer and the employees. The Personnel Forum is an official forum for influence and discussion on matters concerning the entire Terveystalo Group, and it is an activity that is in accordance with the Cooperation Act. The Personnel Forum discusses issues concerning the employer's business, finances and the position of personnel, as provided for in Section 29 of the Cooperation Act and the Act on Cooperation within Finnish and Community-wide Groups of Undertakings. An annual plan is drawn up for the activities of the Personnel Forum.

The Personnel Forum engages in regular dialogue on the issues mentioned in Section 8 of the Cooperation Act, such as the company's development outlook and financial situation, workplace rules and practices, the ways of using the workforce and the structure of the personnel, competence needs and competence building, as well as maintaining and promoting well-being at work. The term of office of the Personnel Forum is three years. The employee representatives are elected. Candidacy is open to members of the personnel who are in an employment relationship with the company. The Personnel Forum includes representatives of all of Terveystalo's businesses. It also includes the chief shop stewards representing Sote ry and Terveyspalvelualan Unioni, the national shop steward for partnership solutions, and one of the health and safety representatives. The meetings are always attended by the CEO and the Senior Vice President, People and Careers, as well as other executives depending on the topic being discussed. During the period 2022–2023, the Personnel Forum had 12 members and two deputy members, and it met four times per year.

Development discussions and private practitioner discussions support management

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.

Terveystalo also engages in active dialogue with the private practitioners working at Terveystalo. The private practitioner discussion is a regular, informal discussion that is intended to serve as a feedback channel and ensure smooth work for private practitioners in their respective units and in Terveystalo as a whole.

Everyone has the opportunity to report suspected violations of Terveystalo's company culture through the reporting channel

Terveystalo's company culture combines a high work ethic, professionalism, solution-oriented cooperation and the pursuit of measurable impact in everything the company does. In addition to the company's values, Terveystalo's operations are guided by Terveystalo's Code of Conduct. One important aspect of Terveystalo's culture of doing the right thing is that everyone who acts on behalf of or with Terveystalo 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, infringements of the Code of Conduct. Actual or suspected infringements are primarily reported to the supervisor, the supervisor's supervisor or Terveystalo's Legal & Compliance department. Terveystalo also has a misconduct reporting channel (WhistleB) that is open to everyone. Terveystalo encourages all of its employees and private practitioners to report any potential misconduct without delay. Terveystalo has online training on the Code of Conduct aimed at everyone in the organisation. The training includes instructions on highlighting and reporting misconduct. Any suspected misconduct and violations are investigated appropriately and confidentially.

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Number of Terveystalo's personnel and private practitioners

	2023	2022	2021
Personnel (salaried) / Employed staff			
Finland	8,950	10,100	9,131
Sweden	874	833	668
Total	**9,824**	**10,933**	**9,799**
Private practitioners			
Finland	5,987	5,822	5,644
Sweden	105	106	110
Total	**6,092**	**5,928**	**5,754**

Personnel by type of employment relationship

	2023											
	Finland						Sweden					
	Total		Women		Men		Total		Women		Men	
Permanent	7,259	81%	5,879	81%	1,380	19%	1,380	82%	692	79%	166	19%
Fixed-term	1,722	19%	1,428	83%	294	17%	294	18%	5	1%	8	1%
Full-time	4,477	64%	3,932	88%	545	12%	545	51%	415	48%	117	13%
Part-time	2,534	36%	2,006	79%	528	21%	528	49%	295	34%	44	5%

Salaried employees

Amount and share of women and men

	2023				2022			
	Women		Men		Women		Men	
Finland								
Physicians	2,960	50%	3,009	50%	2,902	50%	2,954	50%
Nurses	3,191	95%	170	5%	3,634	95%	195	5%
Other healthcare professionals	1,854	77%	543	23%	2,028	79%	541	21%
Others	1,874	82%	400	18%	2,057	82%	449	18%
Senior management	1	13%	7	87%	4	50%	4	50%
The Board of Directors	3	43%	4	57%	2	40%	3	60%
Total Finland	**9,889**	**70%**	**4,147**	**30%**	**10,624**	**72%**	**4,144**	**28%**
Sweden	**625**	**80%**	**156**	**20%**	**609**	**83%**	**121**	**17%**
Total	**10514**	**71%**	**4,303**	**29%**	**11,233**	**72%**	**4,265**	**28%**

Finland: Salaries employees and private practitioners, excluding the private practitioners of Rela Hierojat and Suomen Hierojakoulut, and the subcontractors of Terveystalo Julkiset Palvelut. Sweden: salaried employees.

Age structure of the personnel

	2023		2022	
	Finland	Sweden	Finland	Sweden
Under 30 years	12%	8%	12%	6%
30–49 years	51%	45%	49%	44%
Over 50 years	37%	47%	39%	50%

Finland: Salaries employees and private practitioners, excluding the private practitioners of Rela Hierojat and Suomen Hierojakoulut, and the subcontractors of Terveystalo Julkiset Palvelut. Sweden: salaried employees.

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Total number and rate of employee turnover

	2023		2022
	Number	Turnover-%	Turnover-%
Finland			
Physicians	802	20.9	18.6
Nurses	413	16.5	15.2
Other healthcare professionals	188	9.3	11.1
Others	236	11.5	11.5
Total Finland	**1,639**	**15.7**	**15.0**
Sweden	**228**	**13.5**	**23.0**
Total	**1,867**	**15.6**	**N/A**

Salaried employees and private practitioners excluding Staffing services, the private practitioners of Rela Hierojat and Suomen Hierojakoulut, and the subcontractors of Terveystalo Julkiset Palvelut.

Accidents, accident frequency and fatal accidents

	2023		2022		2021	
	Finland	Sweden	Finland	Sweden	Finland	Sweden
Number of accidents	286	16	269	13	273	8
Accident frequency (per one million working hours)	20	12	18	N/A	20	N/A
Number of fatal accidents	0	0	0	0	0	0

Salaried employees. Includes all recordable accidents at work and during commuting to work, also those which did not cause lost days/absences.

Sickness absences, %

	2023	2022
Finland		
Physicians	1.8	1.3
Nurses	4.9	7.2
Other healthcare professionals	3.9	5.9
Others	3.5	5.1
Total Finland	4.0	5.2
Sweden	4.8	5.5

Salaried employees

The average number of training hours per employee

			2023
	Women	Men	Total
Finland	12.4	6.7	11.7

Salaried employees in permanent, full-time employment relationship at the year-end

Employee Net Promoter Score (eNPS)

	2023	2022
Finland	18	29
Sweden	24	15
Total	**19**	**28**

Salaried employees and private practitioners

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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 ensure compliance with Terveystalo's values and internal guidelines as well as applicable legislation. They support a company culture that takes ethical perspectives into account and combines strong work ethic, professionalism, solution-oriented cooperation and the pursuit of measurable impact in all of Terveystalo's operations. Responsible business is also financially profitable and sustainable.

Our key targets

- All Terveystalo employees have completed training on the Code of Conduct and correct action.
- All of Terveystalo's key suppliers have approved the Supplier Code of Conduct.

Our achievements

- The processing instructions and processes of Terveystalo's reporting channel were revised in early 2023 following the introduction of new legislation on whistleblower protection.
- Training courses on compliance and data protection were revised in 2023.
- The Supplier Code of Conduct was updated in late 2023.

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Terveystalo's company culture

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

"In addition to the company's values, Terveystalo's operations are guided by Terveystalo's Code of Conduct and Supplier Code of Conduct.

Terveystalo is a company with strong values in a value-based industry. Terveystalo's company culture combines strong work ethic, professionalism, solution-oriented cooperation and the pursuit of measurable impact in all of Terveystalo's operations. Terveystalo invests in personnel competence and well-being as well as culture. Terveystalo's goal is to be the best and most attractive employer in its industry. At Terveystalo, the management approach is assessed on the basis of audit observations, feedback, identified development areas and the achievement of Terveystalo's targets. The management approach is adjusted as necessary.

The principle of doing what is right is part of all operations at Terveystalo, both as a company and as individuals. Terveystalo's employees and practitioners must do what is right regardless of where we are, who we are with, or what the circumstances are. A workplace culture that insists on doing what is right creates a foundation for long-term success. Responsible business is also financially profitable and sustainable. By making sustainable choices and doing what is right, the customers' trust in Terveystalo is strengthened, long-lasting partnerships are built and value is created for Terveystalo's shareholders. At the same time, it ensures that Terveystalo maintains its position as an attractive workplace for people who share its values. Terveystalo's Code of Conduct includes a commitment to always complying with the laws and regulations governing Terveystalo's operations.

In addition to the company's values, Terveystalo's operations are guided by Terveystalo's Code of Conduct and Supplier Code of Conduct. Terveystalo's executives and management are responsible for the communication and implementation of and monitoring compliance with the Code of Conduct. Terveystalo has online training on the Code of Conduct aimed for everyone in Terveystalo. Its aim is to create better understanding of key themes related to compliance and to promote the continued development of a compliance-driven culture. One important aspect of the culture of doing the right thing is that everyone who acts on behalf of or with Terveystalo, and every customer, partner and supplier, feels that they can freely report any suspicions of misconduct and trust that Terveystalo will take appropriate measures to investigate any actions that are or are suspected of being in violation of the Code of Conduct.

Terveystalo has signed the UN Global Compact initiative. Terveystalo is committed to the UN Guiding Principles on Business and Human Rights, the conventions of the International Labour Organisation (ILO) and the Ten Principles of the UN Global Compact. Terveystalo is committed to continuing to integrate the Global Compact principles concerning the environment, human rights, labour and anti-corruption into Terveystalo's operations, culture and value chain.

Ethical business

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 customers, 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 research. All of our decisions are steered by care efficacy and the well-being of our customers.

Reforming healthcare

We foster a culture of creativity and continuous progress. We challenge ourselves to build more functional healthcare for everyone and reform the industry with open-minded use of technology.

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Policies and guidelines for ethical business conduct

The Code of Conduct serves as a shared compass for everyone at Terveystalo

The Code of Conduct translates Terveystalo's values into concrete principles that constitute the foundation for Terveystalo's day-to-day operations and decision-making. Ethical, responsible and compliant conduct of business is essential in Terveystalo's operations, also due to the industry the company operates in. Terveystalo's business is guided by the legislation governing the industry and private healthcare services, as well as the regulations and requirements established by the authorities. The work of healthcare professionals is also guided by the ethical standards of their specific professional groups.

The Code of Conduct supports the company culture and provides a framework that helps ensure compliance with Terveystalo's values and internal guidelines as well as applicable legislation. The Code of Conduct also reflects Terveystalo's commitments to its key stakeholders. Terveystalo is committed to promoting ethical business practices and requires that all of the company's operations are conducted in compliance with the applicable laws and regulations. In addition to compliance with legislation and Terveystalo's Code of Conduct, Terveystalo aims to observe generally recognised ethical standards, such as the UN Global Compact principles. Terveystalo also continuously develops its compliance program and the related processes and controls to ensure that they correspond to the changes in the operating environment.

The Code of Conduct serves as a shared compass for everyone at Terveystalo. The Code of Conduct comprises Terveystalo's key principles regarding anti-bribery and anti-corruption, compliance with fair competition and environmental requirements, ensuring privacy and patient safety, employee equality, non-discrimination and the freedom of association, as well as the reporting of misconduct, among other things. The Code of Conduct is linked to all of the material sustainability topics related to ethical business practices as defined by Terveystalo: responsible supply chain, anti-corruption and anti-bribery, the creation and distribution of economic value added, respecting human rights, company culture, as well as patient data protection and information security.

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

Everyone at Terveystalo is required to observe the Code of Conduct, regardless of their business unit or role in the company. Terveystalo also expects its partners and subcontractors to observe the same ethical principles. Terveystalo's Board of Directors approves the Code of Conduct. Terveystalo's executives and management are responsible for the communication and implementation of and monitoring compliance with the Code of Conduct. Terveystalo's Legal & Compliance department supports the organisation with issues related to the Code of Conduct and provides related training to the personnel. Terveystalo's Code of Conduct is published and available to everyone on the company's website.

The Supplier Code of Conduct ensures the responsibility of the value chain

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

Terveystalo Group's Supplier Code of Conduct sets out the minimum requirements that all suppliers and partners need to satisfy in order to engage in business with Terveystalo and its subsidiaries. All of Terveystalo's contract suppliers and suppliers participating in tendering processes are required to accept Terveystalo's Supplier Code of Conduct. The topics covered by the Supplier Code of Conduct include, for example, health and safety, environmental protection, human rights, labour rights, ethics and integrity in business, and systems for managing the responsibility of operations. Sustainable operating practices are developed in cooperation with Terveystalo's contractual partners.

The Supplier Code of Conduct includes a commitment to compliance with, among other things, internationally recognized human rights, as defined in the UN's Universal Declaration of Human Rights, international fundamental rights at work as defined in the conventions of the International Labour Organisation (ILO), the UN Guiding Principles on Business and Human Rights, international standards pertaining to environmental protection, and all laws and regulations issued by the authorities in all of the operating countries of contract suppliers and suppliers participating in tendering processes. Terveystalo's Supplier Code of Conduct was last updated in late 2023. The Supplier Code of Conduct is published and available to everyone on the Terveystalo website. Other policies and documents that support Terveystalo's responsible procurement and supplier cooperation include Terveystalo's procurement policy, the related procurement guidelines, the supplier management handbook, and audit plans.

To ensure compliance with the Supplier Code of Conduct and other contractual terms, Terveystalo conducts supplier self-assessments and regular audits. The audits

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are carried out on a targeted basis, approximately 2–3 times per year on average. The suppliers to be audited are selected on the basis of sources of risk associated with the supplier, or due to the supplier having a significant impact on profit performance. Supplier audits are carried out by the company's own procurement personnel and include a preliminary information form completed by the supplier, an interview with the supplier, a site visit and feedback sessions. The objective of supplier audits is to develop supplier cooperation and ensure that the audited supplier's operations satisfy the contractual requirements pertaining to the content of the service, responsibility, quality and information security. The outcomes of audits can include identified strengths, observations on development areas, slight or significant deviations, or potential breaches of agreement. Terveystalo provides the audited supplier with a written summary of the audit results and potential deviations. For any identified deviations, an action plan is required to rectify the deviations and ensure compliance with the contractual requirements. Three supplier audits were carried out in 2023. The subjects included two cleaning service providers and a workwear partner, including workwear laundry services and workwear manufacturing. The audits did not reveal any significant deviations.

Reporting channel gives everyone the opportunity to report suspected misconduct

One important aspect of Terveystalo's culture of doing the right thing is that everyone who acts on behalf of or with Terveystalo, and every customer, partner and supplier, feels that they can freely report any suspicions of misconduct and trust that Terveystalo will take appropriate measures to investigate any actions that are or are suspected of being in violation of the Code of Conduct. Terveystalo has online training on the Code of Conduct aimed at everyone in Terveystalo. The training includes instructions on highlighting and reporting misconduct. Terveystalo's Code of Conduct emphasises that actual or suspected violations of the Code of Conduct must be reported to the supervisor, the supervisor's supervisor or Terveystalo's Legal & Compliance department. Suspected misconduct can also be reported via Terveystalo's reporting channel (WhistleB), which is open to everyone. The reporting channel can be used, for example, if the suspicion concerns serious misconduct or if, due to the sensitivity of the matter, it is necessary to report it anonymously. The reporting channel enables anonymous reporting of observed or suspected misconduct at http://www.report.whistleb.com/en/terveystalo. The reporting channel has been in use since 2017, and it has established itself as one of the possible channels for reporting suspected misconduct or violations.

The principles and practices according to which all parties operating within Terveystalo's organisation or as Terveystalo's partners can report suspected crimes, violations, misconduct or other deviations confidentially

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are set out in the processing instructions for Terveystalo's reporting channel. The processing instructions for the reporting channel include the principles and practices related to, among other things, the submission of reports, the processing and investigation of reports, sensitive data and data storage, processing time limits, disqualification of the processor, protection of the person who submitted the report, and the functions and persons that process reports. The processing instructions do not supersede the rules or obligations arising from national legislation or EU law.

An impotant aspect of Terveystalo's culture of doing the right thing is that everyone feels that they can freely report any suspicions of misconduct.

Terveystalo encourages all of its employees and private practitioners to report any potential misconduct without delay. The reporting channel can be used to submit reports concerning actual or suspected misconduct related to, for example, the following topics: consumer protection, the prevention of money laundering and terrorist financing, violations of financial market rules and regulations, violations of procurement legislation or unfair competition, environmental protection, violations of data protection legislation and regulations governing the security of network and information systems, taxation, product safety and compliance, violations of the Code of Conduct, as well as actual or suspected violations of the applicable industry-specific regulations, including the Radiation Act and the Medicines Act. The processing instructions for the reporting channel are therefore linked to all of the material sustainability topics related to ethical business practices as defined by Terveystalo: responsible supply chain, anti-corruption and anti-bribery, the creation and distribution of economic value added, respecting human rights, company culture as well as patient data protection and information security.

In 2023, Terveystalo received a total of 13 (19) reports through the reporting channel. Of the reports received in 2023 whose investigation has been completed, a violation of the Code of Conduct was observed in two instances, which led to a disciplinary process. For certain reports received late in the year, the investigations are yet to be completed. The findings arising from the reports and completed investigations have been taken into consideration in the development of Terveystalo's processes.

Investigation of suspected misconduct

All reports and suspicions of misconduct are investigated without delay, independently and impartially regardless of the channel used to report the observed or suspected misconduct, or whether the suspicion of misconduct arises in connection with normal operating activities. In accordance with the law, Terveystalo maintains confidentiality with regard to the identity of the reporter and the subject of the report, as well as other aspects of the report. Terveystalo protects persons who submit reports in accordance with the Act on the Protection of Persons Reporting Infringements of European Union and National Law (1171/2022, as amended). Even though a reported suspected violation proves to be unwarranted, there are no negative consequences to the reporter provided that the reporter has acted in good faith. Terveystalo does not allow any kind of retaliation, such as threats, punishments or discrimination against persons who submit reports or persons participating in investigations of reports. Actions to prevent reporting, or to influence the content of a report, are also prohibited.

Reports are only processed by persons designated to process reports in the HR or Legal & Compliance function and, where necessary, specialists and Terveystalo's external advisors appointed on an investigation-specific basis. The designated persons are updated as necessary. The persons who process reports are clearly indicated on the website of the reporting channel. If any of the persons who process reports are potentially disqualified from processing a report, the reporter is encouraged to point this out when submitting their report so that the persons who process reports can take the necessary measures to ensure the impartial processing of the report. Disqualified persons will not participate in the processing of the report. Terveystalo's Senior Vice President, People and Careers processes reports concerning HR matters, the Chief Medical Officer processes reports concerning medical matters, and the Data Protection Officer processes reports concerning data protection. Reports concerning other matters are processed by Terveystalo's Legal & Compliance function. During the course of an investigation, other specialists can also be appointed to the investigation team if necessary. Where necessary, in investigations of reports concerning an employment relationship, the supervisor of the reporter's supervisor is also engaged in the investigation at an early stage, unless the supervisor's supervisor is the subject of the report or if engaging them in the investigation is otherwise not appropriate. The subject of the report is heard during the investigation if possible. Where necessary, assistance can be sought from external advisors who are specialists in the subject matter of the report. Any significant cases of misconduct are reported to Terveystalo's management and the Audit Committee of the Board of Directors.

The steps involved in the processing of reports are described in more detail in the processing instructions for Terveystalo's reporting channel, which are available to everyone on the company's website in Finnish. The processing instructions for the reporting channel apply to Terveystalo Group's employees, private practitioners, shareholders, management, trainees and other persons who have observed violations in the course of their work, and who have submitted a report through Terveystalo's reporting channel or to a Terveystalo representative

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(supervisor, management), unless otherwise stated in the processing instructions. However, in Sweden, Feelgood Svenska AB and its subsidiaries have their own internal reporting channel. Terveystalo's executives and management are responsible for the communication and implementation of and monitoring compliance with the Code of Conduct. Violations of the processing instructions for the reporting channel must be reported to Terveystalo's Legal & Compliance function. The processing instructions and the related processes were revised in early 2023 following the entry into force of the Act on the Protection of Persons Reporting Infringements of European Union and National Law (1171/2022, as amended). The processing instructions are updated as necessary.

Ensuring patient data protection and information security

Privacy protection is a core value for Terveystalo, and the realisation of data protection is on the responsibility of everyone who works at Terveystalo, or for Terveystalo. Terveystalo respects the privacy of all groups of people. Special attention is paid to the appropriate and legally compliant processing of personal data at Terveystalo. Terveystalo provides its personnel with training and instructions on the processing of personal data and emphasises the particular confidentiality and protection of patient data. A revised online data protection course aimed for everyone at Terveystalo was introduced in the fall of 2023. In connection with this, the course content was revised and moved to a new online platform to improve the user experience.

The digitalisation of healthcare presents significant opportunities for improving access to care, the effectiveness of care and 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 reshape the industry, the requirements concerning data protection and information security increase accordingly. At Terveystalo, patient data is stored in information security certified patient information systems. Terveystalo's patient information systems 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 in accordance with the ISO 9001:2015 certification, both internally and by an external party.

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

In 2023, the data protection authority requested clarifications from Terveystalo on nine complaints related to privacy protection.

Data protection and information security policies provide guidance for data protection practices and the realisation of data protection on high level

The data protection policy sets out the principles, obligations, responsibilities, organisation, operating practices and monitoring practices that Terveystalo observes in the implementation and development of data protection. The data protection policy serves as the basis for data protection procedures and guidelines, and its purpose is to ensure the realisation of the rights and freedoms of Terveystalo's customers, personnel and individual stakeholders with regard to personal data. The data protection policy sets out the principles and methods for ensuring the appropriate processing of personal data throughout its lifecycle. It also ensures compliance with legislation governing privacy, data protection and other applicable special laws. The data protection policy describes the processing principles of personal data that govern all activities at Terveystalo. The principles are lawfulness and transparency, purpose limitation, data minimisation, accuracy, storage limitation, integrity and confidentiality.

Terveystalo fosters the realisation of the legal rights of data subjects by informing the data subjects about the processing of personal data and by specifying operating models and instructions for the situations in which the data subjects wish to exercise their aforementioned rights. In accordance with the legislation, a privacy statement and other documentation required by legislation or the authorities are prepared on the processing of personal data. As a rule, data subjects are informed of the processing of personal data in connection with the collection of personal data. Data subjects can read the privacy statement on the controllers' websites and operating locations. Other additional information on the processing of personal data is available on the company's website or in the service in question.

Everyone working at Terveystalo, or for Terveystalo, is responsible for the realisation of data protection in Terveystalo Group. Terveystalo's personnel must comply with the data protection policy, and everyone has a duty to process personal data appropriately and to highlight any observed deficiencies in data protection. The parties responsible for the implementation and management of data protection are Group management, the directors responsible for specific functions, and unit directors in their respective areas of responsibility. As required by law, Terveystalo Group has a Data Protection Officer who performs duties in accordance with the General Data Protection Regulation and reports directly to Group management in accordance with the law. Terveystalo has data protection working groups that discuss and monitor issues related to data protection and develop related functions and activities.

The data protection policy is confirmed by Terveystalo Group's CEO. Terveystalo's Legal Affairs is responsible for maintaining the policy. The data protection policy is updated as necessary.

Data protection is closely linked to information security, and the realisation of data protection is contingent on information security measures. Information security includes, among other things, contractual, organisational and technical measures that ensure the confidentiality

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and integrity of information, access to systems and the realisation of the rights of data subjects. The purpose of information security is to protect data and information systems. The objectives, responsibilities, and implementation methods of information security at Terveystalo are set out in the information security policy. The key objectives of the information security policy are the protection of personal data that is in Terveystalo's possession (e.g. customer and patient data), as well as material subject to intellectual property rights and copyright, and ensuring their appropriate processing; compliance with obligations stipulated by laws, decrees, norms, official regulations and contracts; the identification of threats to Terveystalo's operations and the appropriate management of information risks, and ensuring the reliability and cost-effectiveness of information processing.

Information security is an integral part of security and development of all of Terveystalo's operations. Everyone working at Terveystalo, or for Terveystalo, is responsible for ensuring information security at work. In addition to complying with any received instructions, everyone is also responsible for helping others to follow working practices that ensure information security. The unit director is responsible for ensuring that each employee and private practitioner working at the unit has actual capabilities for taking information security into account at work and for ensuring that any observed deficiencies are rectified. The Chief Financial Officer is in charge of the management and development of information security. The Director responsible for information security appointed by the Chief Financial Officer is in charge of day-to-day information security management. The duties of the Director responsible for information security include the promotion of projects related to development of information security, the development of guidelines, advice and training, the specification of technical information security requirements, monitoring and reporting on the information security situation, and processing information security deviations in cooperation with the Data Protection Officer, the Group's general administration and the business areas. The Director responsible for information security reports to the Group Executive Team members responsible for information security and digital services.

The Director responsible for information security is authorised and obligated to conduct assessments and audits related to information security. The Director responsible for information security is responsible for taking action to eliminate any identified information security threats and deviations and reporting them to the authorities if necessary. Everyone working at Terveystalo has an obligation to report any observed information security deficiencies and problems to the information security organisation. The information security policy is developed according to the observations made. The Director responsible for information security is in charge of the development efforts.

Internal control and risk management

Terveystalo's internal control and risk management policy sets out the purpose, objectives and responsibilities of internal control and risk management, as well as describes the risk classification and risk management structures and the risk assessment process. The internal control and risk management policy is approved by the Board of Directors. The internal control and risk management policy is linked to all of the material sustainability topics related to ethical business practices as defined by Terveystalo: responsible supply chain, anti-corruption and anti-bribery, the creation and distribution of economic value added, respecting human rights, company culture as well as patient data protection and information security.

The purpose of internal control is to ensure that Terveystalo's operations are efficient and effective, the information used by the management in decision-making is reliable, the operating principles are observed, and the company operates in compliance with laws and regulations. Internal control supports the supervisory work of the Board of Directors and comprises any measures and procedures aiming to ensure the achievement of said goals. Internal control covers the organisation's internal operating environment, goal setting, risk management, control measures, information flow, communications, and monitoring. Internal control is integrated into Terveystalo's management and reporting system. Internal control is carried out by Terveystalo's Board of Directors, the Audit Committee, Group management, operational management and employees, as well as the Group's internal audit and quality assurance function. The Group has an outsourced internal audit function.

The purpose of risk management is to support the achievement of business goals by supporting decision-making. It helps to ensure the fulfilment of the customer promise, patient safety and occupational safety, high-quality services, financial performance, business continuity, a good company image, and corporate social responsibility. Risk management also involves conscious risk-taking to seize opportunities. The objectives of risk management include, among other things, ensuring Terveystalo's clinical quality and patient safety, the fulfilment of customer promises, business continuity and the achievement of strategic and operational targets, as well as ensuring personnel competence and occupational safety, as well as information security and data protection. Terveystalo's Board of Directors is responsible for the adequacy of risk management. The CEO is in charge of the organisation of risk management and guides and monitors risk management at the executive level. The other members of the Executive Team support the CEO in implementing risk management, monitoring operational risks, assessing risks, and implementing measures related to risks.

Terveystalo's internal control, risk management and internal auditing are described in more detail in Terveystalo's Corporate Governance Statement.

Competing fairly, with integrity and in compliance with the applicable legislation

Terveystalo's Code of Conduct includes a commitment to fair competition. Terveystalo competes fairly, with integrity and in compliance with the applicable legislation. All Terveystalo employees are required to comply with laws, regulations and internal guidelines pertaining to competition, including Terveystalo Group's competition law guidelines. The Group's competition law guidelines

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include, among other things, instructions on compliance with competition rules in relation to competitors, suppliers, private practitioners and customers, as well as instructions pertaining to memberships in industry associations. The competition law guidelines are linked to the following material sustainability topics related to ethical business practices as defined by Terveystalo: responsible supply chain, anti-corruption and anti-bribery, the creation and distribution of economic value added and company culture.

The Group Executive Team member in charge of legal affairs is responsible for the competition law guidelines. Each member of the Executive Team is responsible for compliance with the guidelines in their respective areas of responsibility. Terveystalo's Legal Affairs unit is responsible for maintaining the competition law guidelines. The guidelines are updated as necessary.

"Benefits that could affect business decisions are not given or accepted in Terveystalo.

Anti-corruption and anti-bribery

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

The prevention of corruption and bribery is included in Terveystalo's Code of Conduct, which addresses the giving and accepting of gifts and hospitality, sponsorships, accepting and making donations as well as understanding and avoiding conflicts of interest. All of Terveystalo's contract suppliers and suppliers participating in tendering processes are required to accept Terveystalo's Supplier Code of Conduct, which includes anti-corruption and anti-bribery guidelines and requirements, among other things. Terveystalo's Code of Conduct and Supplier Code of Conduct are published and available to everyone on the company's website.

Terveystalo's Code of Conduct emphasises that gifts or other benefits that could affect business decisions or have considerable personal or financial value are not given or accepted in Terveystalo. Terveystalo has mandatory online training on the Code of Conduct for all employees. The aim of the training is to provide an improved understanding of key compliance-related themes, such as the avoidance of conflicts of interest and the prevention of bribery.

Political influence is included in Terveystalo's Code of Conduct, according to which Terveystalo does not support political activities. Terveystalo does not make financial contributions to political parties or organisations, directly or indirectly, nor does Terveystalo fund the election campaigns of individual candidates.

In addition to customers, personnel, private practitioners and shareholders, Terveystalo's key stakeholders include the authorities and societal decision-makers that influence the legislation governing Terveystalo's industry and the drafting of such legislation. Terveystalo's other key stakeholders include the supervisory authorities and the media, in addition to which Terveystalo also engages in close interaction with lobbyists within the sector. Open dialogue and effective cooperation with key stakeholders enable a more predictable operating environment for all parties.

The development and renewal of healthcare is a shared goal for Terveystalo, the authorities and decision-makers. Terveystalo engages in open dialogue on issues related to the healthcare sector with the authorities and societal decision-makers. The channels of interaction include open dialogue, meetings and staying in touch through, among other things, participation in various working groups and events. Terveystalo also has representatives in several organisations. The most significant of these are the Confederation of Finnish Industries, the Central Chamber of Commerce, the Helsinki Region Chamber of Commerce, the Finnish Association of Private Care Providers HALI, the Association of Finnish Private Healthcare Providers, the Finnish Association of Purchasing and Logistics LOGY, and FIBS ry. Terveystalo conducts open dialogue with industry organisations on topics related to the industry and engages in diverse cooperation with organisations such as, among others, the Finnish Association of Private Care Providers HALI and the Association of Finnish Private Healthcare Providers. The cooperation channels include working groups and various events.

Observed or suspected misconduct related to the Code of Conduct, can be reported anonymously at http://www.report.whistleb.com/en/terveystalo. All suspected misconduct and violations are investigated appropriately and confidentially regardless of the channel used to report the suspected misconduct, or whether the suspected misconduct is observed in connection with normal operating activities. Potential incidents related to corruption or bribery are reported to Terveystalo's management and the Audit Committee of the Board of Directors. The processing of reports received through the reporting channel is described in more detail above in the section on the processing instructions for the reporting channel and in the processing instructions for Terveystalo's reporting channel, which are published on the company's website in Finnish. To ensure compliance with the Supplier Code of Conduct and other contractual terms, Terveystalo conducts supplier self-assessments and regular audits.

No cases of corruption or bribery were reported in 2023. Terveystalo continues to develop its anti-corruption and anti-bribery compliance program and related processes to reflect the changes in its operating environment. Terveystalo also focuses on ensuring compliance with legislation pertaining to economic sanctions.

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Targets related to ethical business

Terveystalo has selected two key targets for managing its impacts related to ethical business conduct. The selected targets promote the realisation of ethical and responsible business at Terveystalo and in its value and supply chain.

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

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

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

Training the personnel on compliance with the Code of Conduct and ethical requirements

Terveystalo is committed to promoting ethical business practices and provides training to its personnel on compliance with the Code of Conduct and ethical requirements. Terveystalo has online training aimed at everyone in Terveystalo on compliance with the Code of Conduct. Separate customised online training that takes differences in operating environments into consideration is in place for administrative personnel and those engaged in clinical work. Completing the course is mandatory for all employees. The purpose of the courses is to build an understanding of why compliance and ethically responsible business are important and how they are related to the day-to-day actions and decisions by everyone at Terveystalo. A further goal of the training is to create a better understanding of key themes related to compliance, including the prevention and detection of corruption and bribery, fair competition, the avoidance of conflicts of interest, data protection and reporting misconduct, and to further develop Terveystalo's culture of compliance.

A new compliance course was introduced in spring 2023. In connection with this, the course was revised, the content of the training was customised on a targeted basis to account for the differences between the operating environments of administrative personnel and those engaged in clinical work, and the training was made more interactive. The course was moved to a new online platform to improve the user experience.

Everyone at Terveystalo is required to observe the Code of Conduct, regardless of their business unit or role in the company, which is why the target is for all Terveystalo employees to have completed the training on the Code of Conduct and correct action. 72 percent of Terveystalo's employees in permanent, full-time employment relationship completed the training in 2023. The figures include Terveystalo's Finnish operations.

Suppliers that have approved the Supplier Code of Conduct

Terveystalo strives to ensure ethical and responsible business conduct also in its value and supply chain. 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.

The target is for 100 percent of Terveystalo's key suppliers to have approved the Supplier Code of Conduct. At the end of 2023, 81 (80) percent of key suppliers representing 80 percent of Terveystalo's total procurement for operations in Finland had approved the Supplier Code of Conduct. The figures include Terveystalo's Finnish operations.

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Ethical business

Responsible use of data and artificial intelligence

The identification, prediction and prevention of illnesses and health risks benefits both the patient and society. Analysing and using patients' health data is an essential part of health risk identification. It ensures that Terveystalo can provide timely treatment for customers and give recommendations, the acceptance of which is, however, always up to the customers. Terveystalo develops and uses AI in a reliable and ethical manner. Terveystalo also actively monitors that the AI solutions used are responsible, beneficial to people, relevant to both Terveystalo and the customers, and that the specified objectives are achieved. Terveystalo respects and monitors the realisation of fundamental rights also in the context of using AI technology, and customers' data and privacy are protected in all circumstances.

The company engages in internal dialogue regarding the justification and ethics of AI, as well as topics related to data protection (including the Act on the Secondary Use of Health and Social Data). Terveystalo actively monitors AI solutions, the related discussion and recommendations (including the EU regulations on AI that are currently in the process of being adopted). In the development and use of AI, Terveystalo is committed to legal compliance and adherence to the general ethical recommendations pertaining to the use of AI.

Terveystalo creates value for its stakeholders

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

Creation and distribution of direct economic value added

MEUR	2023	2022	2021
Customers			
Revenue and other operating income	1,290.6	1,261.8	1,158.0
Suppliers			
Purchased products, materials and services	536.2	525.7	488.9
Value added	**754.4**	**736.1**	**669.1**
Distribution of value added			
Distributed to stakeholders:			
Personnel			
Salaries	375.7	381.5	315.9
Public sector			
Taxes and social expenses	86.3	106.4	82.6
Creditors			
Net financing costs	24.2	2.9	9.0
Shareholders			
Dividends	35.4	35.4	33.1
Buyback of own shares		-	11.2
Business development	**40.2**	**58.5**	**42.6**

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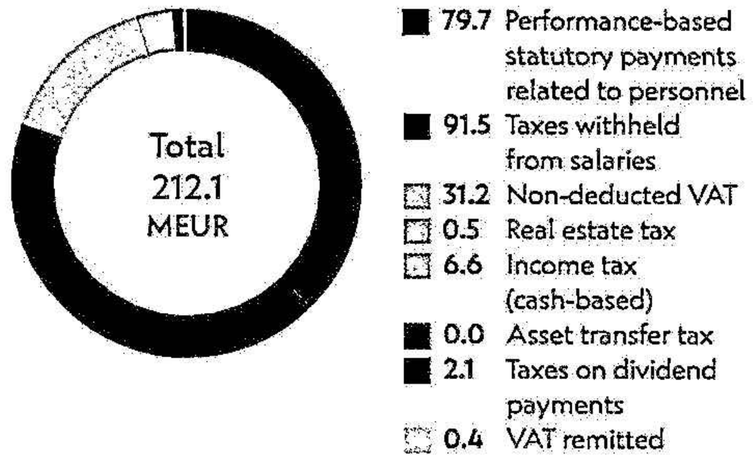
Terveystalo pays its taxes to the countries it operates in

In accordance with Terveystalo's tax strategy, the company pays, collects, remits and reports its indirect and direct taxes in full at the right time and place that is, where the economic activity, value added and work generating the profit actually take place. This means that Terveystalo, as a Group, pays almost all of its taxes to Finland, which is where most of its operations take place. In addition, in 2023, taxes were paid to Sweden for the Feelgood business and to Estonia for the operations of Terveystalo Estonia Oü. Terveystalo's operations in Estonia were minor in the financial year 2023. The Group's operations in the Netherlands and the massage business in Estonia were discontinued during the financial period 2023, with related operative companies in Estonia and the Netherlands being dissolved. Terveystalo's responsible tax policy ensures that the company's financial profit is divided fairly between its key stakeholders, namely customers, shareholders, municipalities and the state. Tax revenue, in turn, is used to finance public services and investments that support the state's capabilities, responsibility and responsiveness.

Terveystalo publishes its tax footprint annually. The tax footprint describes the total sum and distribution of taxes and tax-like charges paid to society. Terveystalo's direct taxes include, among others, corporate income tax, transfer tax and real estate tax, and the company's indirect taxes include value added tax, for example. Terveystalo's corporate income taxes are reported on a cash basis, which leads to the variation in the amount of corporate income

Tax footprint 2023

MEUR



Further, a total amount of EUR 380.1 million in fees was paid to self-employed persons working as subcontractors. This amount of paid fees is not included in the Terveystalo's tax footprint. Hence, the fees paid to subcontractors comes on top of the Terveystalo's tax footprint.

From the Terveystalo's total tax footprint, EUR 188,8 million were collected in Finland and EUR 23,3 million in international business.

Terveystalo's tax footprint

MEUR	2023	2022	2021
Performance-based statutory payments related to personnel	**79.7**	**80.4**	**62.0**
TyEL employee insurance premiums (employer's share)	55.1	56.9	50.6
Unemployment insurance contributions (employer's share)	6.3	6.4	5.3
Accident insurance premiums and group life insurance premiums + other social security costs	0.8	0.8	0.7
Employer's health insurance contributions	16.3	15.6	5.1
Social security costs outside Finland	1.1	0.6	0.4
Taxes withheld from salaries[1)]	**91.5**	**92.1**	**76.4**
Occured taxes	**40.9**	**63.3**	**52.5**
Non-deducted VAT[2)]	31.2	32.1	29.1
VAT remitted[3)]	0.4	1.7	
Real estate tax	0.5	0.6	0.3
Income tax (cash-based)	6.6	26.0	20.7
Asset transfer tax	0.0	0.6	0.4
Taxes on dividend payments	2.1	2.2	1.9
Total tax footprint	**212.1**	**235.7**	**191.0**

[1)] In addition, a total of EUR 380.1 (340.6) million in fees was paid to private practitioners who are responsible for paying taxes at their own initiative. This amount is not included in the Terveystalo's tax footprint, and the amount should be added on top of the calculations.
[2)] Value-added tax is a significant factor for companies in the healthcare sector, as private healthcare companies are not, as a basic rule, eligible to deduct value-added tax.
[3)] Starting from the financial year 2022, the tax footprint has been supplemented by the share of net remitted VAT.

Terveystalo's tax footprint by country

MEUR	2023	2022	2021
Finland	188.8	212.5	182.8
Sweden and Estonia	23.3	23.2	8.2
Total	**212.1**	**235.7**	**191.0**

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Ethical business

taxes between financial years. The amount of corporate income taxes depends annually on the taxable income of the subsidiaries. Hence, the taxable profit is affected by the business operations of the group companies and the performed changes during the financial year. In accordance with the Tax Accounting Act, a share of the corporate income tax Terveystalo pays is distributed to the municipalities where Terveystalo's employees have worked, based on the number of employees. This means that all of Terveystalo's clinics and outsourcing operations accrue tax revenue for the municipality they operate in.

As a basic rule, private healthcare companies are not eligible to deduct value added tax on purchases, which means that VAT is a substantial factor for them. Indeed, the proportion of value added tax that is not deducted increases Terveystalo's tax footprint. The healthcare services sold by a private service provider are tax-free for customers. As in previous years, Terveystalo's tax footprint reporting describes the share of VAT that is recognised as an expense for Terveystalo Group. However, some services – such as cosmetic surgery – may not be exempted from VAT for the customer, which means Terveystalo collects and remits VAT. Starting from the financial year 2022, Terveystalo has added its net remitted VAT to its tax footprint. This consists of the VAT remitted to the Finnish Tax Administration for Terveystalo's services subject to VAT. The remitted VAT is dependable on the extent of a business subjected to the VAT, which varies annually. Thus, the fluctuations in the business operations subjected to the VAT is reflected as the differences in the amount of remitted VAT paid per financial years.

The parent company of the Terveystalo Group and the financing and procurement companies operate in Finland and pay their taxes to Finland. Terveystalo has companies providing healthcare services and other services in Finland, Sweden and Estonia. 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 includes all of the companies under the Swedish subgroup. As the share of revenue represented by the subsidiary operating in Estonia is still low compared to the Group as a whole, its share of the tax footprint is presented in combination with the figures for Sweden.

In 2023, Terveystalo's tax footprint totalled EUR 212.1 (235.7) million. The tax footprint is an indicator of the total tax revenue and tax-like charges generated for society by Terveystalo's business activities. In addition, Terveystalo paid a total of EUR 380.1 (340.6) 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.

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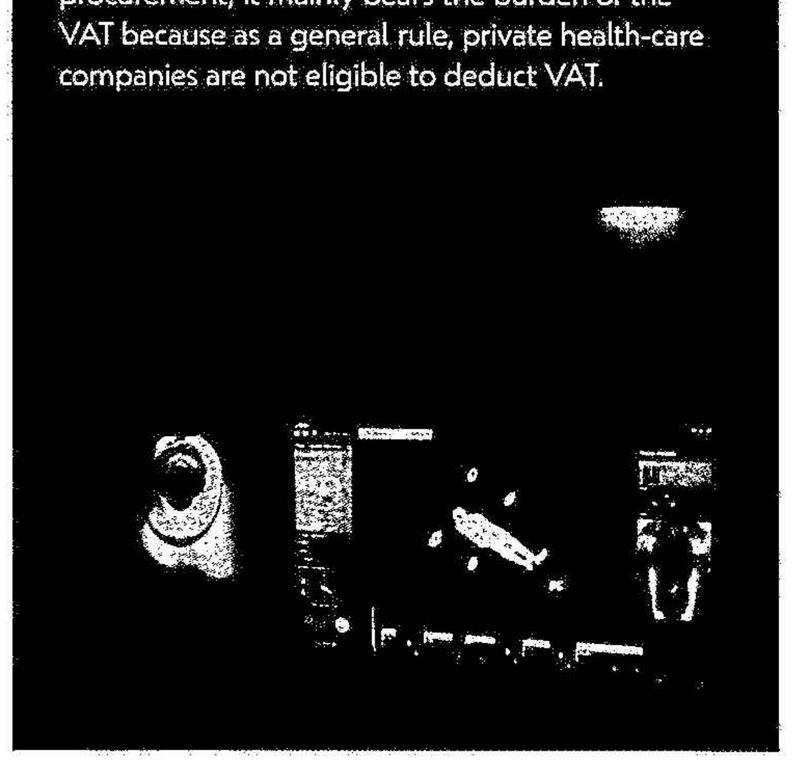
Taxes in Terveystalo's healthcare business

Procurement
Terveystalo does not deduct VAT from its procurement; it mainly bears the burden of the VAT because as a general rule, private health-care 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. The taxes paid by private practitioners are not included in Terveystalo's tax footprint.

Procurement →

Terveystalo

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

Sale of healthcare services →

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

Sale of healthcare services →

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 exempt. In such cases, Terveystalo collects and pays VAT.

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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 will achieve this by promoting the use of zero-emission energy and transport. We promote the conservation and sustainable use of natural resources in our supply chains by minimising the generation of waste in all of our operations and forwarding all waste to be recovered. Our digital services enable us to simultaneously improve access to care and reduce the emissions generated by unnecessary travel.

Sustainable consumption and climate action

Our key targets

- We will reduce 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.
- Zero emissions from our own operations in 2030.
- We will minimise the generation of waste in all of our operations and forward all waste to be recovered.

Our achievements

-56%
Reduction in greenhouse gas emissions compared to 2018 (Scope 1 and Scope 2)

70% Share of green electricity of all purchased electricity

68% Recycling rate of waste generated at Terveystalo units

100%
Of the units in our medical clinic network are covered by environmental certification

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Sustainable consumption and climate action

Terveystalo's environmental policy

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

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

Terveystalo's environmental goals are as follows:

- Development of environmental management and awareness at all organisational 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

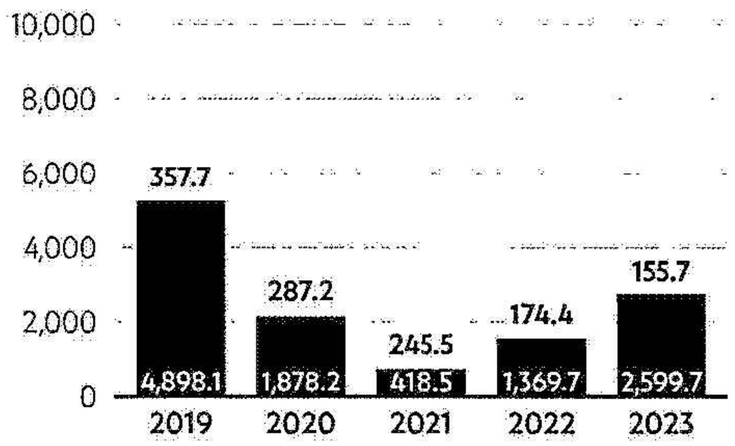
Adverse environmental impacts are prevented by, for example:

- reducing energy consumption and transitioning to carbon-neutral energy
- reducing the volume of waste created in operations and increasing our recycling rate
- optimizing the life cycle of healthcare equipment, with due consideration for technological development
- taking environmental perspectives into account in the travel and car policy
- developing digital services
- planning and implementing pharmaceutical services in an up-to-date manner
- taking environmental perspectives into account in centralised procurement and ensuring efficient inventory management
- taking sustainable development and environmental perspectives into account in 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. Terveystalo's environmental management system is certified in accordance with the ISO 14001 standard. The standard provides a framework for the continuous development of processes and practices that minimise negative environmental impacts. In 2023, the decision was made to expand ISO 14001:2015 environmental certification to cover all of the units in Terveystalo's medical clinic network in Finland. The aim of expanding the certification is to highlight the company's environmental efforts and to demonstrate Terveystalo's commitment to environmental responsibility. The certificate will be updated at the beginning of 2024 and the audits will be conducted as combined ISO 9001 and ISO 14001 audits. Some of the Feelgood operating locations in Sweden are also ISO 14001:2015 certified.

Terveystalo operates in line with the principles of sustainable development in order to reduce and eliminate environmental risks.

GHG-emissions development



*Market based Scope 2
From 2022 also Sweden included.

Zero emissions from own operations in 2030

Terveystalo's goal is to reduce its carbon footprint so that its own operations will generate zero emissions in 2030. A further goal is to reduce direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 80 percent by 2025 (using 2018 as the baseline). As regards energy consumption, the goal is for green electricity to account

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for 100 percent of purchased electricity. The recycling and recovery of waste is another key theme in environmental responsibility, with the goal being to minimise waste in all operations. The indicators used for this are the recovery rate and recycling rate of waste generated at Terveystalo's units.

Terveystalo's carbon footprint

In 2023, Terveystalo's carbon footprint in Finland from Scope 1 and 2 emissions (market-based) was 2,716.0 (1,401.9) tCO_2e. In Sweden, Feelgood's Scope 1 and 2 emissions totalled 39.4 (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 prioritising low-emission vehicles. Terveystalo develops the measurement of its impacts throughout the value chain and works with its key suppliers to reduce the emissions generated by the value chain.

Terveystalo reports the direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions arising from its operations – and part of its indirect Scope 3 emissions – in accordance with the GHG Protocol. Emissions from Swedish operations have been reported starting from 2022.

Target	Indicator (KPI)	Scope of application	Target level	Target year	Base year level	Base year	2023	2022	2021
Zero emissions from own operations 2030[1)]	Reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions compared to 2018	Finnish and Swedish operations	-100%	2030	6,316.8	2018	-56%	-76%	-89%
Reduce direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 80% by 2025 (using 2018 as the baseline)	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, tCO_2	Finnish and Swedish operations	-80%	2025	6,316.8	2018	2,755.4	1,544.1	664.0
Purchase 100% green electricity by 2025[2)]	Share of green electricity of all purchased electricity, %	Finnish and Swedish operations	100%	2025	62%	2020	70%	72%	89%
Minimise waste in all operations and forward all waste to be recovered	The recovery rate of waste generated at Terveystalo units, %[3)]	Finnish operations	100%	2025	99%	2020	100%	100%	100%
	The recycling rate of waste generated at Terveystalo units, %[3)]	Finnish operations	100%	2025	61%	2020	68%	67%	64%

[1)] Scope 2 emissions are market-based. The market-based Scope 2 emission calculation takes into account the green electricity guarantees of origin purchased by Terveystalo, which in 2023 covered approximately 70 (72) percent of the electricity consumption. The emissions of the remaining purchased electricity have been calculated using the residual mix emission factors for Finland and Sweden (AIB, European Residual Mixes). Finland's residual emission factor increased by 83 percent from 2022 due to a higher share of fossil fuels in the residual mix (Finland's residual emission factor in 2022 was 0.285 kgCO2e/kWh and in 2023 0.5208 kg-CO_2e/kWh). The market-based Scope 2 emissions for 2022 have been recalculated for Finland, because Terveystalo purchased the green electricity guarantee of origin for the period 1 September - 31 December 2022 at the beginning of 2023. From 2022 onwards, the figures for energy use and carbon footprint also include the Swedish operations. The figures for 2021 include only the Finnish operations.
[2)] In units where Terveystalo purchases electricity itself.
[3)] Excludes waste fractions that cannot be recycled or recovered under any circumstances.

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Scope 1
As Terveystalo does not, for the most part, own or control the properties at which it operates, the greenhouse gas emissions mostly consist of the emissions from the fleet of cars controlled by Terveystalo and the trucks used for imaging operations. The emissions arising from the company's own driving and driving under its direct control are calculated based on fuel consumption. In 2023, Scope 1 CO_2 emissions in Finland totalled 137.5 (134.5) tCO_2e. In Sweden, Scope 1 emissions were 18.2 (39.9) tCO_2e.

Scope 2
Indirect Scope 2 greenhouse gas emissions arise from the production of electricity purchased by Terveystalo and the production of district heating consumed at properties controlled by Terveystalo. In 2023, a total of 16,171 (15,841) MWh of electricity was purchased for the properties controlled by Terveystalo in Finland. The company's electricity portfolio (electricity purchased for properties) has been zero-CO_2 green electricity since the beginning of 2020. Zero CO_2 electricity purchased in Finland for the consumption year 2023 totalled 11,220 (11,395) MWh, which corresponds to approximately 69 (72) percent of the electricity consumption of the company's operations in Finland. The amount of electricity purchased to properties not included in the electricity portfolio totalled 4,951 (4,447) MWh, which corresponds to 2,578.5 (1,267.4) tCO_2e (market-based). The growth in the market-based Scope 2 emissions is mainly due to an 83 percent increase in the Finland's residual emission factor used in the emissions calculation from the comparison period. The amount of purchased electricity outside the electricity portfolio in Finland increased by approximately 11 percent, which also affected the Scope 2 emissions growth from the comparison period. In Swedish operations, 2,081 (1,328) MWh of electricity was purchased for properties controlled by Feelgood, of which approximately 74 (67) percent was zero CO_2 green electricity. The Scope 2 emissions from purchased electricity in Sweden totalled 21.2 (102.3) tCO_2e. Terveystalo's target is for green electricity to account for 100 percent of purchased electricity by 2025.

Scope 3
For indirect Scope 3 emissions, Terveystalo reports emissions arising from work-related travel by employees and emissions from the waste generated by the company's operations.

Terveystalo aims to avoid unnecessary work-related travel by encouraging to favour remote meetings whenever possible. Terveystalo's personnel in Finland flew a total of 0.8 (0.7) million kilometres in work-related travel, corresponding to 85.5 (84.1) tCO_2e. Reimbursable work-related travel by Terveystalo's personnel in Finland totalled 2.7 (2.6) million kilometres, corresponding to 448.2 (440.8) tCO_2e. Terveystalo encourages its personnel to choose low-emissions vehicles as company cars. The average emissions of the company cars used by Terveystalo in Finland amount to 64 (72) gCO_2e/km. In Sweden, the work-related travel by air generated 60.8 (45.1) tCO_2e in emissions. The total emissions from work-related travel by the personnel in Sweden amounted to 260.4 (262.6) tCO_2e.

The indirect emissions arising from waste in Finland amounted to 42.6 (41.7) tCO_2e. In Sweden, the amount of waste generated and emissions from waste are very low since waste is mainly generated in offices. The emissions arising from waste in Sweden totalled 3.4 (2.1) tCO_2e.

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Sustainable consumption and climate action

Terveystalo has a low CO_2 emission intensity

Terveystalo's CO_2 emission intensity is low due to the nature of the Group's operations. In 2023, Terveystalo's emission intensity (Scope 1 and 2, market-based) relative to revenue was 2.1 (1.2) gCO_2e/EUR. Relative to the number of employees, the emission intensity was 0.4 (0.2) tCO_2e. The figures also include Terveystalo's operations in Sweden.

"The recycling and recovery of waste is another key theme in Terveystalo's environmental responsibility, with the goal being to minimise mixed waste.

Digital services improve access to care and reduce environmental impacts

Terveystalo continuously works towards integrated, data-driven healthcare. Digital healthcare solutions play a major role in improving access to care, effectiveness and resource efficiency, and reducing the environmental footprint. Terveystalo provides and develops solutions that guide the patient to the appropriate specialist and the appropriate channel in a timely manner. For example, Terveystalo's symptom assessment tool takes advantage of artificial intelligence to enhance access to care while making healthcare professionals' work smoother. Terveystalo encourages and guides customers and professionals to choose digital channels for matters that can be resolved remotely. This also reduces the emissions arising from unnecessary travel. Terveystalo invests continuously in the research and development of innovative, energy-efficient digital healthcare technologies.

In 2023, the number of remote appointments was approximately 1.3 (1.6) million in Finland. The year-on-year decrease in remote appointments was due to the end of the COVID-19 pandemic and the related remote appointments.

Minimisation and utilisation of waste

The recycling and recovery of waste is another key theme in Terveystalo's environmental responsibility, with the goal being to minimise mixed waste in all of Terveystalo's operations and forward as large a share of waste as possible to be recovered. The indicators used for this in Finnish operations are the recovery rate and recycling rate of waste generated at Terveystalo's units in Finland. Terveystalo is committed to reducing the plastic waste generated by its operations in accordance with the EU's plastic strategy by improving recycling and reviewing the packaging options offered by suppliers when possible. In 2023, Terveystalo responded to the changes to the separate collection obligations under the Waste Act in Finland by updating waste guidelines and training personnel, among other things. The separate collection of waste plays a key role with regard to Terveystalo's environmental goals. Terveystalo also keeps a close eye on medical waste and seeks to minimise it through efficient inventory management. The amount of waste from Terveystalo's Swedish operations is small and largely consists of office waste, as Feelgood has no hospitals, medical clinics or laboratories.

Sustainable procurement

Terveystalo considers the sustainability of the materials it uses and actively seeks new, more sustainable alternatives. Terveystalo works with large suppliers of materials to identify and adopt new raw materials that are more competitive and sustainable. Terveystalo also explores new potential suppliers of materials. All suppliers are required to commit to Terveystalo Group's Supplier Code of Conduct, which sets out social and environmental requirements for their operations. Terveystalo minimises the waste of perishable products and materials through active inventory management. Terveystalo continuously evaluates and improves procurement processes to promote sustainable development objectives. Environmental perspectives are also taken into account in all business premises projects.

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Greenhouse gas emissions (Scope 1 and 2)

Metric tons of CO_2e	2023	2022	2021
Direct (Scope 1)			
Finland	137.5	134.5	245.5
Sweden	18.2	39.9	N/A
Total	155.7	174.4	245.5
Indirect (Scope 2, market-based)			
Finland	2,578.5	1,267.4	418.5
Sweden	21.2	102.3	N/A
Total	2,599.7	1,369.7	418.5
Indirect (Scope 2, location-based)			
Finland	1,284.0	1,156.4	1,320.1
Sweden	23.7	13.3	N/A
Total	1,307.7	1,169.7	1,320.1
Scope 1 and Scope 2 (market-based)	2,755.4	1,544.1	664.0
Change from 2018	-56%	-76%	-89%
Change from previous year	78%	133%	-69%
Scope 1 and 2 (location-based) total	1,463.4	1,344.1	1,565.6

Scope 2 emissions are market-based. The market-based Scope 2 emission calculation takes into account the green electricity guarantees of origin purchased by Terveystalo, which in 2023 covered approximately 70 (72) percent of the electricity consumption. The emissions of the remaining purchased electricity have been calculated using the residual mix emission factors for Finland and Sweden (AIB, European Residual Mixes). Finland's residual emission factor increased by 83% from 2022 due to a higher share of fossil fuels in the residual mix (Finland's residual emission factor in 2022 was 0.285 $kgCO_2e/kWh$ and in 2023 0.5208 $kgCO_2e/kWh$). The market-based Scope 2 emissions for 2022 have been recalculated for Finland, because Terveystalo purchased the green electricity guarantee of origin for the period 1 September - 31 December 2022 at the beginning of 2023. In the calculation of location-based Scope 2 emissions, the emission factors (IEA Emission Factors) of the average electricity production in Finland and Sweden have been used for Terveystalo's total electricity consumption, i.e. the guarantees of origin of green electricity purchased by Terveystalo have not been taken into account. From 2022 onwards, the figures for energy use and carbon footprint also include the Swedish operations. The figures for 2021 include only the Finnish operations.

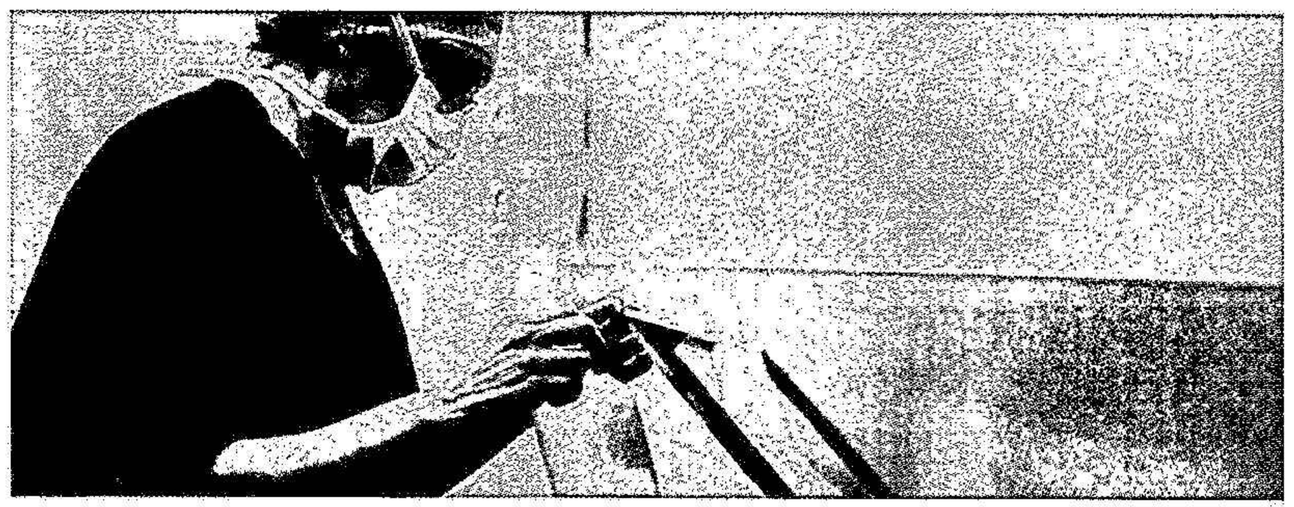
Sustainable consumption and climate action

Reducing plastic bag waste

Terveystalo continued the nationwide project introduced in 2022 to reduce plastic bag waste in cooperation with Terveystalo's cleaning services partners. The aims of the operating model include the reduction of plastic waste, network-wide improvements in the efficiency of cleaning, and savings in material costs. So far, the operating model has reduced the use of waste bags by over 50 percent, among other improvements.

The project mitigates adverse environmental impacts by reducing the amount of plastic bags used in cleaning through the following measures:

- Reducing the number of waste bins in reception rooms
- Labeling waste bins and providing instructions
- Emptying waste bins into large waste bags and changing the small waste bags when they are broken or unclea
- The corresponding changes have been made to the service descriptions for Terveystalo's cleaning service providers across Finland.



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Greenhouse gas emissions (Scope 3)

Metric tons of CO_2e	2023	2022	2021
Business travel			
Finland	548.9	549.7	374.5
Sweden	260.4	262.6	N/A
Total	**809.3**	**812.3**	**374.5**
Waste			
Finland	42.6	41.7	36.6
Sweden	3.4	2.1	N/A
Total	46.0	43.8	36.6
Indirect (Scope 3) total	855.3	856.1	411.1

Emission intensity

	2023	2022	2021
Emission intensity: Scope 1+2/revenue, gCO_2e/EUR			
Finland	2.2	1.2	0.6
Sweden	0.4	1.5	N/A
Total	2.1	1.2	0.6
Emission intensity: Scope 1+2 /full-time equivalent, tCO_2e			
Finland	0.5	0.2	0.1
Sweden	0.0	0.2	N/A
Total	0.4	0.2	0.12

Scope 2 market-based

Purchased electricity

MWh	2023	2022	2021
Finland			
Purchased electricity	16,171	15,842	14,195
of which green electricity (CO_2-free)	11,220	11,395	12,696
share of electricity consumption, %	69%	72%	89%
Sweden			
Purchased electricity	2,081	1,328	N/A
of which green electricity (CO_2-free)	1,536	889	N/A
Purchased electricity total	18,252	17,170	14,195
Purchased electricity	12,756	12,284	12,696
of which green electricity (CO_2-free)	70%	72%	89%

The amount of green electricity from the electricity purchased for the Swedish operations in 2022 has been calculated according to the average share of green electricity in the Swedish market, as supplier-specific information was not available.

Waste

Metric tons	2023	2022	2021
Finland			
Documents subject to data protection	107.9	113.5	120.0
Mixed waste	65.2	67.7	72.0
Hazardous waste and other recycled waste	36.0	32.0	27.0
Waste paper and cardboard	48.7	42.0	35.0
Total	257.8	255.2	254.0
Sweden			
Hazardous waste and other recycled waste	2.7	1.7	N/A
Cardboard and recycling paper	13.9	5.0	N/A
Total	16.6	6.7	N/A
Total waste	274.4	261.9	254.0

The increase in waste volumes in Sweden is due to an increase in the scope of waste reporting.

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Reporting principles

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Sustainability reporting principles

Terveystalo reports on its sustainability as part of the annual report. The sustainability section describes Terveystalo's sustainability efforts and their results. The sustainability report for 2023 has been prepared with reference to the reporting guidelines of 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. Terveystalo's reporting meets the requirements of the EU Directive regarding the disclosure of non-financial and diversity information as well as Finnish accounting legislation. The required non-financial information is disclosed in the Corporate Governance Statement and the Report of the Board of Directors.

Terveystalo has defined its material sustainability themes in cooperation with its key stakeholders. The double materiality analysis conducted in 2023 serves as the foundation for Terveystalo's sustainability efforts and the specification of the information included in sustainability reporting. Terveystalo's material sustainability themes are related to the company's personnel, customers and ethical business. In addition, Terveystalo continues to report on its key environmental impacts in the Sustainable consumption and climate work section, in spite of the fact that environmental issues were not selected among Terveystalo's material sustainability themes on the basis of the materiality analysis.

UN Global Compact

Terveystalo is committed to complying with the ten principles of the UN Global Compact initiative regarding human rights, labour rights, the environment and anti-corruption. Terveystalo has submitted its CoP (Communication on Progress) report for 2023 through the Global Compact CoP questionnaire. The report is available on the Global Compact website.

Sustainability reporting covers the reporting period from 1 January to 31 December 2023. The annual report is available in Finnish and English. The report for 2022 was published in February 2023.

Scope of reporting and assurance

In addition to Terveystalo's operations, the Code of Conduct and operating principles also apply to the independent private practitioners working at Terveystalo. In addition, Terveystalo requires its suppliers to approve the Supplier Code of Conduct. Except where stated, the scope of this report does not otherwise cover Terveystalo's outsourcing business, non-integrated acquired entities or suppliers. Unless otherwise stated, the sections on the personnel and the environment cover all of Terveystalo's personnel and operations, with the exception of non-integrated acquired entities. The information describing clinical quality applies to Terveystalo's operations in Finland. The financial information presented in the sustainability report is based on audited IFRS (International Financial Reporting Standards) figures and applies to the entire Group. In the calculation of emissions, Terveystalo complies with the GHG (Greenhouse Gas Protocol) requirements.

This report has not been subject to third-party assurance.

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Contact us

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

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Corporate Governance Statement

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Corporate Governance Statement

1. 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, and the Company's Articles of Association. In addition, the Company follows the Finnish Corporate Governance Code 2020 (hereinafter referred to as the "Corporate Governance Code"), issued by the Securities Market Association and available on its website at https://www.cgfinland.fi/en/. Terveystalo complies with all the recommendations in the Corporate Governance Code. 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's website at https://www.terveystalo.com/en/company/investors/corporate-governance/.

2. 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 General Meeting, the Board of Directors, and the CEO. The General Meeting elects the members of the Board of Directors on the basis of the proposal of the Shareholders' Nomination Board consisting of the Company's largest shareholders. The work of the Board of Directors is aided by two committees. The Board elects the committee members from among 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 this page.

Terveystalo's governance structure

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General Meeting

The 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 General Meeting is provided in Terveystalo's Articles of Association, which can be found on the Company's website at https://www.terveystalo.com/en/company/investors/corporate-governance/. The Annual General Meeting for 2023 was held on 23 March 2023. The decisions of each General Meeting can be found on Terveystalo's website at https://www.terveystalo.com/en/company/investors/corporate-governance/annual-general-meeting/.

Shareholders' Nomination Board

In accordance with the decision of the 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 of 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 among 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's website at https://www.terveystalo.com/en/company/investors/corporate-governance/shareholders-nomination-board/.

In accordance with shareholdings on 1 September 2023, 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 as of 12 September 2023: Risto Murto (Varma Mutual Pension Insurance Company), Tomas von Rettig (Rettig Group AB), Timo Ritakallio (Pohjola Insurance Ltd), Peter Therman (Hartwall Capital), and Kari Kauniskangas (Chair of the Board of Directors of Terveystalo Plc). There were no changes in the composition of the Nomination Board during 2023.

In its organising meeting held on 12 September 2023, 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 28 November 2023. In 2023, the Nomination Board convened five times. The attendance rate of the members was 100 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 General Meeting of Shareholders elects the members of the Board of Directors. The Board of Directors elects the Chair from among its members. In 2023, the General Meeting elected seven members to the Board of Directors. Biographical details of the members are provided on the following pages.

20240830044932

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

Relevant work 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: 2022– Ahlström Capital Oyj, Vice Chairman of the Board of Directors, 2019– Veho Oy AB, Chairman of the Board of Directors, 2013– Veho Oy AB, Member 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 on 31 December 2023: 21,802

Matts Rosenberg

b. 1977, Ph.D. (Econ.), Finnish citizen. Vice Chairman 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

Relevant work experience: 2019– Rettig Group, CEO, 2018–2019 Rettig Group, Deputy CEO and Head of Core Investments, 2016–2018 Rettig Group, COO, 2014–2016 Fortaco Group, Deputy CEO and 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: 2020–2021 Alandia Försäkring Abp, Chairman of the Board of Directors, 2020–2021 Alandia Försäkring Abp, Chairman of the Solvency and Investment Committee, 2017–2020 Alandia Försäkring Abp, Deputy 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, 2016–2021 Purmo Group, Member of the Board of Directors

Shareholding in Terveystalo on 31 December 2023: 14,498

Sofia Hasselberg

b. 1983, M.D. Licenced Physician, Swedish citizen. Member of the Board of Directors since 2023. Independent of the Company and its largest shareholders.

Committee memberships: Member of the Audit Committee

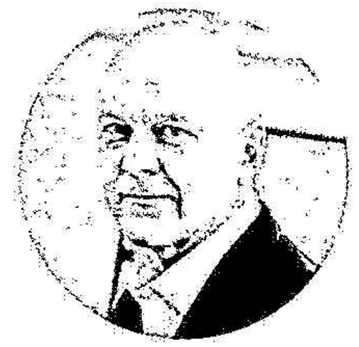
Main occupation: Bonnier Capital, Investment Director

Relevant work experience: 2022– Bonnier Capital, Investment Director, 2020–2022 Clinic Friends AB, Co-founder and CEO, 2018–2020 MSD Sweden, Head of Marketing and Digital Operations, 2011–2017 McKinsey & Co., Management Consultant

Main positions of trust: 2023– Acast AB, Chairwoman of the Nomination Committee, 2022– Elypta AB, Member of the Board of Directors, 2022– Medoma AB, Member of the Board of Directors, 2021– Preglife AB, Member of the Board of Directors

Main past positions of trust: 2020–2023 Clinic Friends AB, Member of the Board of Directors, 2021–2022 ATOS Medical AB, Member of the Board of Directors and Member of Remuneration Committee, 2017–2022 Getinge AB, Member of the Board of Directors and Member of Audit Committee

Shareholding in Terveystalo on 31 December 2023: 2,499



Ari Lehtoranta

b. 1963, M.Sc. (Eng.), Helsinki University of Technology, Finnish citizen. Member of the Board of Directors since 2023. Independent of the Company and its largest shareholders.

Committee memberships: Member of the Remuneration Committee

Main occupation: Board professional

Relevant work experience: 2021–2022 Parmaco Oy, Interim CEO, 2017–2021 Caverion Corporation, CEO and President, 2014–2017 Nokian Tyres Plc, CEO and President, 2008–2014 Kone Corporation, multiple executive positions, most recently Executive Vice President, Central and Northern Europe, 1985–2008 Nokia Telecommunications/Networks, multiple VP/EVP level positions

Main positions of trust: 2021– Koiviston Auto Oy, Chairman of the Board of Directors, 2021– Parmaco Oy, Member of the Board of Directors, 2016– Orion Corporation, Member of the Board of Directors (2020– Chairman of the Audit Committee)

Main past positions of trust: 2013–2017 Caverion Corporation, Member of the Board of Directors (2015–2016 Chairman of the Board of Directors), 2009–2014 Elisa Corporation, Member of the Board of Directors, 2012–2014 Elisa Corporation, Vice Chairman of the Board of Directors, 2002–2003 Redback (Nasdaq), Member of the Board of Directors

Shareholding in Terveystalo on 31 December 2023: 6,504

20240830044933

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

Relevant work 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, 2019– IRLAB AB, Chairman of the Board of Directors, 2019– Junior Achievement Sweden, Chairman of the Board of Directors, 2017– Arjo AB, Non-Executive Director

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 on 31 December 2023: 5,126

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: Finnair Oyj, CFO

Relevant work experience: 2022– Finnair Oyj, CFO, 2017–2020 Nokia Corporation, Executive Vice President and CFO, 1999–2016 multiple executive and managerial positions in finance and treasury at Nokia Corporation, most recently Senior Vice President, Corporate Controller

Main positions of trust: 2022– FinanceKey Oy, Chairman of the Board of Directors, 2021– Eduhouse Oy, Chairman of the Board of Directors, 2021– Kemira Oyj, Member of the Board of Directors

Main past positions of trust: 2020–2023 Antilooppi real estate investment company, Chairman of the Board of Directors, 2010–2020 Ilmarinen Mutual Pension Insurance Company, Member of the Board of Directors and Chairman of the Audit Committee

Shareholding in Terveystalo on 31 December 2023: 8,207

Katri Viippola

b. 1976, Executive MBA, M.A., Finnish citizen. Member of the Board of Directors since 2018. Independent of the Company, but not of its significant shareholders due to her position as the SVP, People, Communications and Development and member of the Group Executive Team at Varma Mutual Pension Insurance Company until spring 2023.

Committee memberships: Member of the Audit Committee

Main occupation: Association for Finnish Work, CEO

Relevant work experience: 2016–2023 Varma Mutual Pension Insurance Company, Senior Vice President, People, Communications and Development, 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

Main positions of trust: 2023– Museum of Architecture and Design ADM, Member of the Board of Directors, 2023– Baltic Sea Action Group, Member of the Board of Directors, 2023– Digital Commerce Finland, Vice Chairman of the Board, 2018– Junior Achievement (JA) Finland, Member of the Board of Directors

Main past positions of trust: The Finnish Broadcasting Company Yle, Vice Chairman of the Board

Shareholding in Terveystalo on 31 December 2023: 11,453

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Independence of the Board of Directors

According to the Board of Directors' assessment, all Board members are independent of the Company. Kari Kauniskangas, Sofia Hasselberg, Ari Lehtoranta, 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 current or former main occupation: Katri Viippola (Varma Mutual Pension Insurance Company, SVP, HR and Communications until spring 2023) and Matts Rosenberg (Chief Executive Officer, Rettig Group).

Changes to the Board of Directors

During 2023, Kari Kauniskangas (Chair), Matts Rosenberg, Carola Lemne, Kristian Pullola, and Katri Viippola were members of the Board of Directors until 23 March 2023. They all were re-elected as members of the Board of Directors in the Annual General Meeting for 2023 which was held on 23 March 2023.

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 principles concerning the diversity on 10 February 2021. The Company regards the diversity of the Board of Directors as an essential factor, which supports the Company's business operations and its development as well as the attainment of the Company's strategic targets. The work of the Board of Directors requires understanding of the differences in cultures, values, and ways of conducting business. Diversity is assessed from number of aspects, 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 2023, the Company's Board of Directors met the diversity criteria. The age span of the Board members was 40—65 years as at 31 December 2023. Three of the Board members are women and four 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 13 February 2024. The Charter supplements the provisions of the Company's 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), other members of the Company's Executive Team, and the General Counsel, 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 concerning the Company. 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. Following the Corporate Sustainability Reporting Directive (CSRD), the duties of the Board of Directors going forward also include monitoring and assessing the sustainability reporting system, monitoring the assurance of the sustainability statements as well as preparation of the election of the assurance provider. The Board of Directors 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 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 2023, the Board of Directors convened 14 times. The average attendance rate at Board meetings was approximately 98 percent. The attendance rate of each member is shown in a separate table under Attendance of board members at Board and Committee meetings in 2023.

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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.

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 13 February 2024. 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 and the quality and integrity of the financial statements and other financial reports. In addition, the Audit Committee monitors the statutory audit of the financial statements and consolidated financial statements. The Audit Committee also monitors and assesses the effectiveness 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. Following the CSRD, the Committee's duties going forward also include assisting the Board of Directors in fulfilling and monitoring its duties pertaining to the sustainability reporting process and assurance. 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, among other things, 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 Katri Viippola and Matts Rosenberg served as Committee members until 23 March 2023. As of 23 March 2023, Kristian Pullola continued as the Chair, and Katri Viippola and Matts Rosenberg as Committee members, while Sofia Hasselberg started as a new member. The Audit Committee convened five times during the financial year 2023. 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 2023.

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 9 February 2023. The Board's Remuneration Committee prepares Terveystalo's Remuneration Policy for Governing Bodies and the Remuneration Report. The Remuneration Committee prepares the appointment of the CEO and the rest of the senior management team who report directly to the CEO. It also assists the Board of Directors with any major management reorganisations based on the preparation and proposals by the CEO. The Remuneration Committee assists the Board of Directors with the performance evaluation of the CEO and the rest of the senior management team reporting directly to the CEO, prepares and assesses the remuneration of the CEO and the rest of the senior management team who report directly to the CEO, prepares the short-term and long-term incentive plans, as well as reviews appropriate succession planning procedures for the CEO and the rest of the senior management team who report directly to the CEO. 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, as well as personnel and executive remuneration.

The Remuneration Committee establishes its own meeting schedule and meets as frequently as necessary to carry out its responsibilities under its Charter, and in any event at least twice a year. During 2023, the composition of the Remuneration Committee was until 23 March 2023 as follows: Kari Kauniskangas as the Chair, and Carola Lemne and Katri Viippola as members. As of 23 March 2023, Kari Kauniskangas continued as the Chair of the Committee, and Carola Lemne as member, while Ari Lehtoranta started as a new member.

The Remuneration Committee convened five times during the financial year. 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 2023.

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Attendance of board members at Board and Committee meetings in 2023

Name	Attendance at Board meetings*	Attendance at Audit Committee meetings*	Attendance at Remuneration Committee meetings*
Kari Kauniskangas	14/14		5/5
Matts Rosenberg	14/14	5/5	
Sofia Hasselberg	11/11	4/4	
Ari Lehtoranta	10/11		3/3
Carola Lemne	14/14		5/5
Kristian Pullola	13/14	5/5	
Katri Viippola	14/14	5/5	2/2

* 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 Executive Team and management system.

Group Executive Team and management system

The Company's CEO serves as the Chair of the Executive Team. In 2023, until 31 October 2023, the Executive Team included, in addition to the CEO, the Chief Commercial Officer and the Chief Operating Officer, Senior Vice President responsible for Portfolio Businesses, the Chief Medical Officer, and the Officers and Senior Vice Presidents responsible for finances, HR, and digitalisation.

On 31 October 2023, Terveystalo announced that it renews its management structure. In order to complete the changes in Terveystalo's operating model and organisational structure announced in October 2022, Terveystalo combined the commercial and operational management of the Healthcare Services business area under a single leader. The planned changes are implemented in stages.

As of 1 November 2023, the Executive Team has, in addition to the CEO, included the Chief Medical Officer, Chief Financial Officer, Executive Vice President of Healthcare Services Business Area, Executive Vice President of Portfolio Businesses, Executive Vice President of the Swedish Business Area, Senior Vice President of Digital Services as well as Senior Vice President of People and Careers. Sari Heinonen, born 1976, Ph.D., Marketing, has been appointed Executive Vice President of the Healthcare Services Business Area and a member of Terveystalo's Executive Team as of 5 February 2024. Henri Mäenalanen served as the Chief Operating Officer until 31 October 2023 and as interim EVP of the Healthcare Services Business Area until Sari Heinonen took up her position. Mäenalanen took over the position of Executive Vice President of Portfolio Businesses as of 6 February 2024. Executive Vice President of Portfolio Businesses Mikko Tainio continued as a member of Terveystalo's Executive Team until 6 February 2024.

The members of the Executive Team as well as their and their controlled entities' shareholdings in Terveystalo on 31 December 2023 are presented below.

20240830004937

Ville Iho
President and CEO

b. 1969, M.Sc. (Eng.), Finnish citizen. President and Chief Executive Officer since 6 December 2019.

Relevant work experience: Nurminen Logistics Plc, CEO. Prior to this, multiple managerial positions at Finnair Plc, most recently as COO, Deputy CEO, and acting CEO

Main positions of trust: The Finnish Association of Private Care Providers, Vice Chairman of the Board of Directors

Shareholding in Terveystalo on 31 December 2023: 13,306

Petri Bono
Chief Medical Officer

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

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

Main 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, Chairman of the Quality Council, TILT therapeutics and Oncorena, Member of the Scientific Advisory Board

Main past positions of trust: HUS Kiinteistöt Oy and HYKS Instituutti Oy, Member of the Board of Directors and, Faron Pharmaceuticals, Member of the Scientific Advisory Board

Shareholding in Terveystalo on 31 December 2023: 2,087

Juuso Pajunen
Chief Financial Officer

b. 1981, M.Sc. (Econ.), Finnish citizen. Chief Financial Officer and Member of the Executive Team since 28 November 2022.

Relevant work experience: AFRY AB, CFO, Pöyry Group, CFO. Prior to this, multiple senior financial positions at Pöyry Group.

Main positions of trust: 3Step IT Group Oy, Member of the Board of Directors

Shareholding in Terveystalo on 31 December 2023: 19,000

Henri Mäenalanen
Interim Executive Vice President, Healthcare Services*

b. 1983, M.Sc. (Eng.), Finnish citizen. Interim Executive Vice President, Healthcare Services since 1 November 2023* and Member of the Executive Team since 12 April 2023.

Relevant work experience: Terveystalo Plc, multiple managerial positions, most recently Director of Operations (COO), Regional Director and Business Unit Director. Prior to this, managerial positions at Anttila Oy and Kesko Group.

Shareholding in Terveystalo on 31 December 2023: 2,230

* Sari Heinonen, b. 1976, Ph.D., Marketing, has been appointed Executive Vice President of the Healthcare Services Business Area and a member of Terveystalo's Executive Team as of 5 February 2024. Henri Mäenalanen served as the interim EVP of the Healthcare Services Business Area until Sari Heinonen took up her position, and took over the position of the Executive Vice President of Portfolio Businesses as of 6 February 2024.

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Mikko Tainio

Executive Vice President, Portfolio Businesses*

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

Relevant work experience: Finnair Cargo Oy, Managing Director. Prior to this multiple managerial positions at Finnair Plc.

Main positions of trust: Finavia Oyj, Member of the Board of Directors

Shareholding in Terveystalo on 31 December 2023: 5,596

Stefan Kullgren

Executive Vice President of the Swedish Business Area and CEO of Feelgood AB

b. 1970, M.Sc. (Econ.), MBA, Swedish citizen. Member of the Executive Team since 1 November 2023.

Relevant work experience: Oral Care AB, Deputy CEO and Director responsible for clinics, Evidensia Djursjukvård, Chief Operating Officer (COO), Ambea Group, Director responsible for the business in Sweden and Norway, Danske Bank Corporate Finance, Director M&A

Shareholding in Terveystalo on 31 December 2023: 0

Ilari Richardt

Senior Vice President, Digital Services

b. 1992, M.Sc. (Tech.), Finnish citizen. Senior Vice President Digital Services and member of the Executive Team since 29 March 2023.

Relevant work experience: Terveystalo Plc, multiple managerial positions within digital development. Prior to this, multiple software developer roles.

Shareholding in Terveystalo on 31 December 2023: 3,134

Minttu Sinisalo

Senior Vice President, Human Resources

b. 1980, M.Sc. (Econ.), Finnish citizen. Senior Vice President HR and member of the Executive Team since 2020.

Relevant work experience: Finnair Plc, multiple HR leadership positions, most recently VP, People and Culture at Finnair Operations business unit. Prior to this, August Associates, HR manager and management consultant.

Main positions of trust: Hakonen Solutions Oy, Member of the Board of Directors

Main past 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 on 31 December 2023: 1,400

* Executive Vice President of Portfolio Businesses, Mikko Tainio, concluded his duties on 6 February 2024. Henri Mäenalanen took over the position of the Executive Vice President of Portfolio Businesses as of 6 February 2024.

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The current information on the Group Executive Team can be found from the Company's website at 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 matters relating to the Company's 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.

Changes in the Group Executive Team in 2023

During 2023, the Group Executive Team also comprised Kati Sulin until March 2023 and Siina Saksi until April 2023, who both left the Company. Marja-Leena Tuomola was a member of the Group Executive Team until 31 October 2023 and currently serves as SVP, Consumer, Insurance, and Specialties. As of 1 November 2023, Tuomola has reported to the EVP of the Healthcare Services Business Area.

Kati Sulin
Senior Vice President, Digital Business
b. 1974, M.Sc. (Econ.), Finnish citizen. SVP, Digital Business and Member of the Executive Team since 1 September 2022 until March 2023.

Relevant work experience: Ifolor Oy, Managing Director. Prior to this, Chief Digital Officer and VP Brand Development, Marketing and Digital Services at DNA Plc.

Main past positions of trust: Member of the Board of Directors of Apetit Plc, Witted Megacorp Plc, Viestimedia and LocalTapiola Mutual Life Insurance

Siina Saksi
Chief Operating Officer, Healthcare Services
b. 1966, M.Sc. (Econ.), EMBA, Finnish citizen. Chief Operating Officer, Healthcare Services since 1 November 2022, Member of the Executive Team since 2016 and until April 2023.

Relevant work experience: Terveystalo Plc, multiple managerial positions, most recently Chief Operating Officer. Prior to this managerial positions, among others, at Pohjola Insurance Ltd, Tryg A/S and If P&C Insurance Company Ltd.

Marja-Leena Tuomola
Chief Commercial Officer, Healthcare Services
b. 1962, LL.M., eMBA, Finnish citizen. Chief Commercial Officer, Healthcare Services since 1 November 2022, Member of the Executive Team since 2021 and until 31 October 2023.

Relevant work experience: Schibsted Finland Oy, President and COO. Prior to this, multiple managerial positions at Sanoma Group, including SVP Business and Digital Operations Development.

Main positions of trust: Suomi Broadcast Networks Holdings Oy, Member of the Board of Directors

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 with the exception of, for example, subsidiaries of Feelgood Svenska AB where the Executive Vice President of the Swedish Business Area usually serves as the member of the 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 procurement company.

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3. 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 and internal control 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 organisation. 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 minimising damage if a risk is realised
- Ensuring data security, data protection, and environmental responsibility
- Improving risk awareness within the organisation
- 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 organising risk management in the Group. The rest of the Executive Team support the CEO in implementing risk management, monitoring and assessing risks, as well as implementing measures related to risks.

Risk management process

Risks are assessed on all levels of Terveystalo Group's organisation. Terveystalo identifies risks using, for example, operating environment and stakeholder analyses, performance indicators, market analyses, 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 Group'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 Group's values, Code of Conduct, and Group policies and principles, such as the risk management and internal control policy, financial policy, procurement policy, disclosure policy, and approval authorisations, 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, secure sufficient internal controls, and ensure 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 https://www.report.whistleb.com/en/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 CFO 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 realisations. Monitoring of monthly performance in relation to the specified targets is an essential factor. These control measures are carried out at different organisational levels.

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4. 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 authorised public accountants. On the basis of a report drafted by the authorised 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 include reviewing the annual plans and work results of the other second line of defence players. In 2023, audit was conducted on the process of Terveystalo's profit improvement program launched in October 2022. 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 organisation 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 among its related parties. According to the Company's definition, related parties include the Group companies and associated 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, practices falling into the ordinary course of business of the Company and market terms shall be followed. If a transaction with the Company's related parties would not be part of the ordinary course of business of the Company or if it deviates 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 made with arm's length terms. 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 (hereinafter referred to as "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 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 maintains 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 managers, as well as the SVPs of business lines with profit and loss responsibility. The managers must specify the persons and legal persons closely associated with them and disclose them to Terveystalo as their closely associated persons. Terveystalo's managers and their closely associated persons must report to the Company and FIN-FSA their transactions with Terveystalo's financial instruments that reach the limit specified by FIN-FSA for a calendar year (EUR 5,000). In order for Terveystalo to monitor compliance with the abovementioned notification obligation, Terveystalo has recommended that managers and their closely associated persons 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 transactions of the managers and their closely associated persons officially reported to the Company by a stock exchange release.

The managers 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, and on the date of, the publication of each of the Company's interim reports and annual financial statements releases.

Auditor

The Company's auditor in 2023 was Authorised Public Accountants KPMG Oy Ab. APA Henrik Holmbom, who has served as the Company's auditor in charge starting from the Annual General Meeting 2020, served as the auditor in charge. In 2023, the auditor's fees for statutory audit totalled approximately EUR 492,000 and the fees for other services totalled approximately EUR 4,300. The auditor's fees are presented without VAT.

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Terveystalo Remuneration Policy for Governing Bodies

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Terveystalo Remuneration Policy of Governing Bodies

1. 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 will be presented to the Annual General Meeting in the spring 2024.

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 maximise 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.

2. 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 regarding the 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.

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3. Description of the remuneration of the Board of Directors

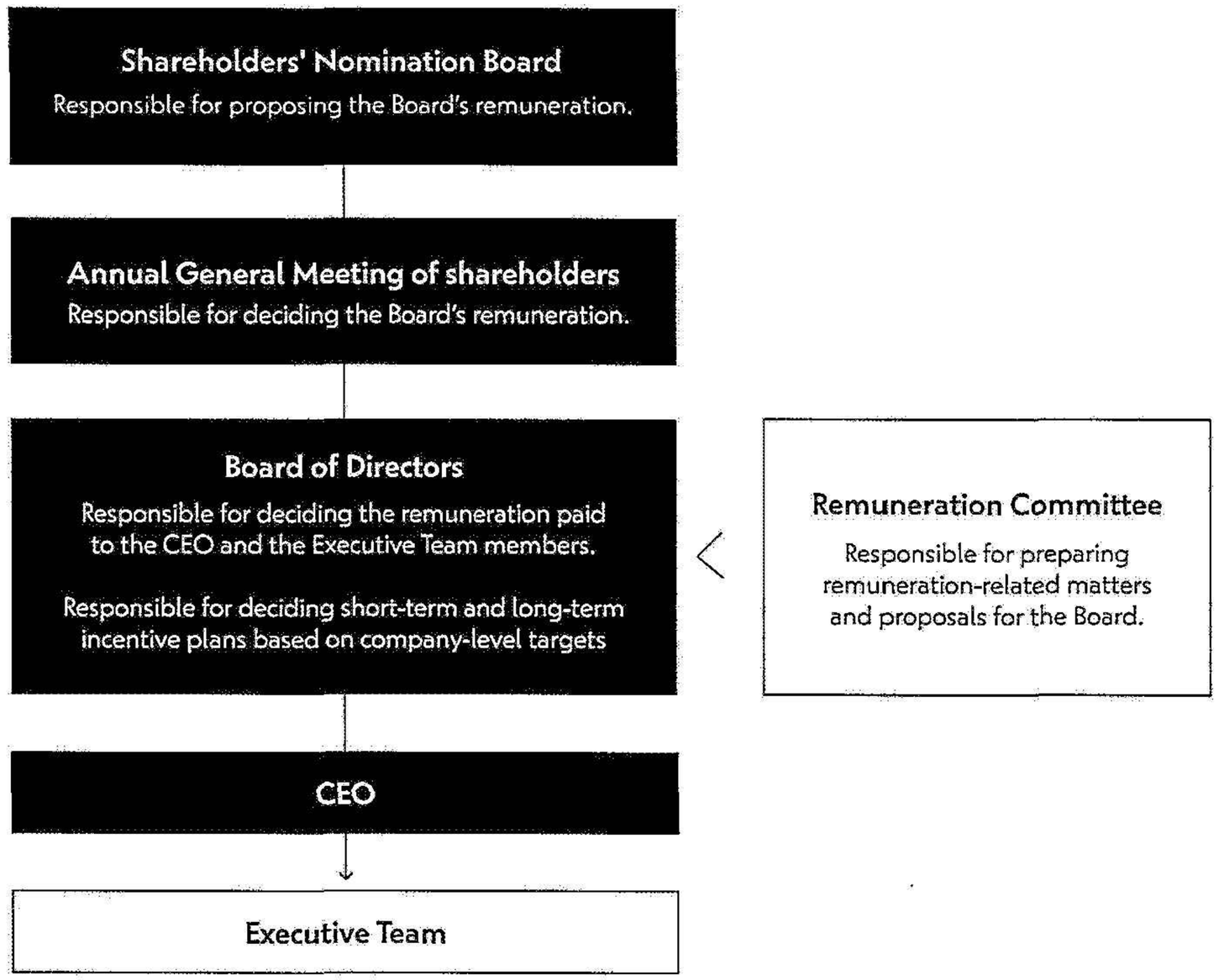
The purpose of the Board remuneration is to ensure that Terveystalo has a Board consisting of highly competent professionals representing a diverse and relevant mix of skills, capabilities and experience. The Board of Directors' remuneration shall be transparent, reasonable and comparable to market levels.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



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4. 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.

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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 150 percent of the annual base salary.
Long-term incentives (LTI)	The LTI is aimed at driving long-term performance against specific Group targets, as well as committing the CEO to the cCmpany 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.

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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 the STI is 150 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.

5. 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.

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Remuneration Report

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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 2023, the Remuneration Report 2022 was given an advisory approval, and no further aspects were presented. Thus the Remuneration Report 2023 is mainly similar, but the targets of the incentive schemes are introduced broader.

Terveystalo's revenue has improved steadily over the last five years, excluding the exceptional year 2020. During 2022, revenue improvement continued, but profitability did not reach its targets. The weakening of the profitability is visible in short-term incentives paid in 2023. In 2023, profitability improved again thanks to the profit improvement program started in 2022, and thus the short-term incentives earned from 2023 and paid in the beginning of 2024 will be on higher level.

Remuneration development 2019–2023

Total remuneration, EUR[1] (rounded to the nearest thousand)	2019	2020	2021	2022	2023
Chair of the Board	91,000	101,000	102,000	102,000	109,000
Vice Chair of the Board	62,000	67,000	69,000	59,000	65,000
Other members of the Board, on average	53,000	57,000	56,000	57,000	56,000
CEO	938,000	367,000	640,000	834,000	637,000
Salary development of employees, on average[2]	62,000	62,000	65,000	68,000	70,000

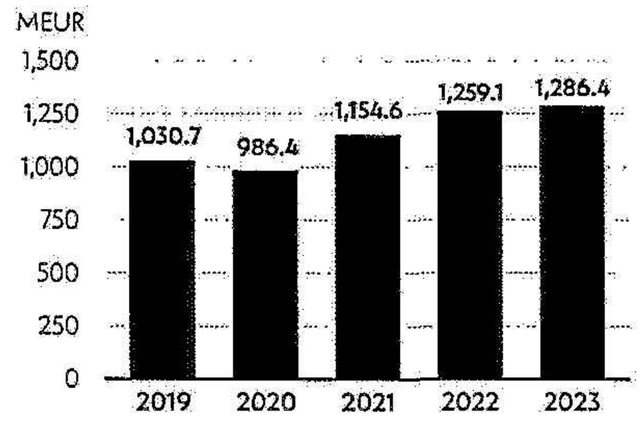
[1] Total remuneration includes other financial benefits and meeting fees for Board members, and short- and long-term incentives for the CEO in addition to fixed annual fee/salary.
[2] The average salary development of employees has been calculated by dividing the personnel costs for each year (excluding 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.

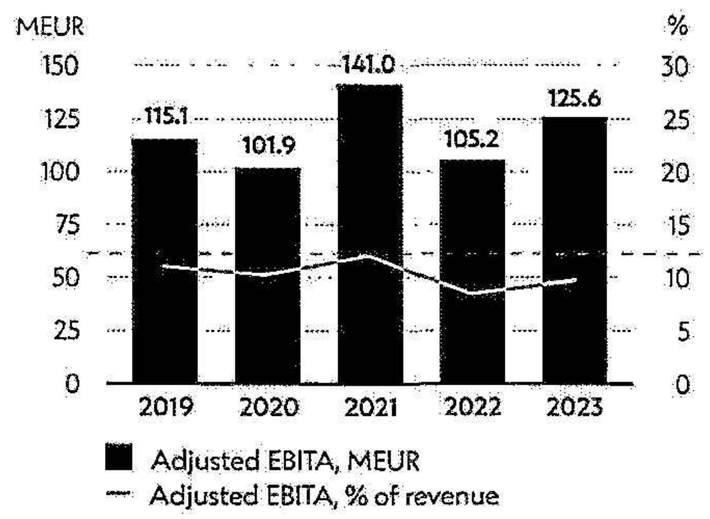
In accordance with the Remuneration Policy, remuneration of the CEO is strongly based on performance, and a significant share of the overall remuneration of the CEO consists of short-term and long-term incentives. The targets of the incentive schemes are directly linked to the Company performance, and the Company's positive financial development is reflected in the remuneration of the CEO in 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 included short-term incentives for the year 2020. As a part of the Company's mitigation measures due to the COVID-19 pandemic, the CEO's short-term incentive earning opportunity was restricted to 50% of the normal level. In 2023, the overall compensation level is significantly impacted by the low outcome of short-term incentives from 2022.

The average salary development of employees has shown a rising trend. The larger increase in 2021–2022 salary development originates mainly from the corporate acquisitions made during those two years, and their effects on the employee group demographics. Approximately 65% of the personnel is covered by collective agreements,

Revenue
Target of at least 5% growth annually



Adjusted EBITA and EBITA-%
Target 12% of revenue in 2025



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and the general increases determined in the collective agreements mainly guide the salary development of this personnel group.

Remuneration of the Board of Directors for the financial year 2023

Terveystalo's Annual General Meeting, held on 23 March, 2023, 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 an annual remuneration of 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 percent) and cash (60 percent).

The Company will reimburse the transaction costs and capital transfer tax related to trading. Attendance fees are paid in cash.

The following table presents the remuneration paid to the Board of Directors during the financial year 2023:

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 committees, EUR	In total, EUR
Kari Kauniskangas	87,500	34,995	52,505	560	20,650	108,710
Kristian Pullola	52,000	20,798	31,202	333	12,350	64,683
Katri Viippola	41,500	16,594	24,906	266	14,950	56,716
Matts Rosenberg	52,000	20,798	31,202	333	12,350	64,683
Carola Lemne	41,500	16,594	24,906	266	19,950	61,716
As members of the Board from 23 March, 2023:						
Ari Lehtoranta	41,500	16,594	24,906	266	5,850	47,616
Sofia Hasselberg	41,500	16,594	24,906	266	8,650	50,416

[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.

Remuneration of the CEO for the financial year 2023

The following table presents the remuneration paid to the CEO during the financial year 2023:

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	410,000	103,680	123,006	636,685

In 2023, the CEO's compensation consisted of the fixed annual salary and the short-term incentive paid for 2022, corresponding to 25 percent of the fixed annual salary, and the long-term incentive paid from 2021—2022, corresponding 30 percent of the fixed annual salary.

The 2022 short-term incentive was based on 40 percent weight on adjusted EBITA, on 40 percent weight on revenue and on 20 percent weight on eNPS score. The outcomes of EBITA and eNPS were below minimum level, but revenue's outcome was between minimum and target level, which resulted a total outcome of 33 percent from the incentive.

The long-term incentive 2021—2022 was based on 60 percent weight on relative TSR and on 40 percent weight on Digital Footprint, which consisted of two components: Productivity and Digital Sales. The outcome of the relative TSR measurement was below minimum, but the Digital Footprint's outcome was between target and maximum level. Thus the long-term incentive 2021—2022 resulted a total outcome of 60 percent.

Based on the 2023 short-term incentive program, the CEO will receive a payment of EUR 402,000 in the spring of 2024, which corresponds to 98 percent of the fixed annual salary. In the performance period 2023, the short-term incentives were based on the following indicators: 40 percent weight on adjusted EBITA, 40 percent weight on profit improvement program started in 2022 and 20 percent weight on eNPS score. The outcome of EBITA was between the target and maximum level, profit improvement program's outcome resulted above the maximum level and eNPS was below the minimum level. Thus the 2023 STI resulted a total outcome of 106 percent.

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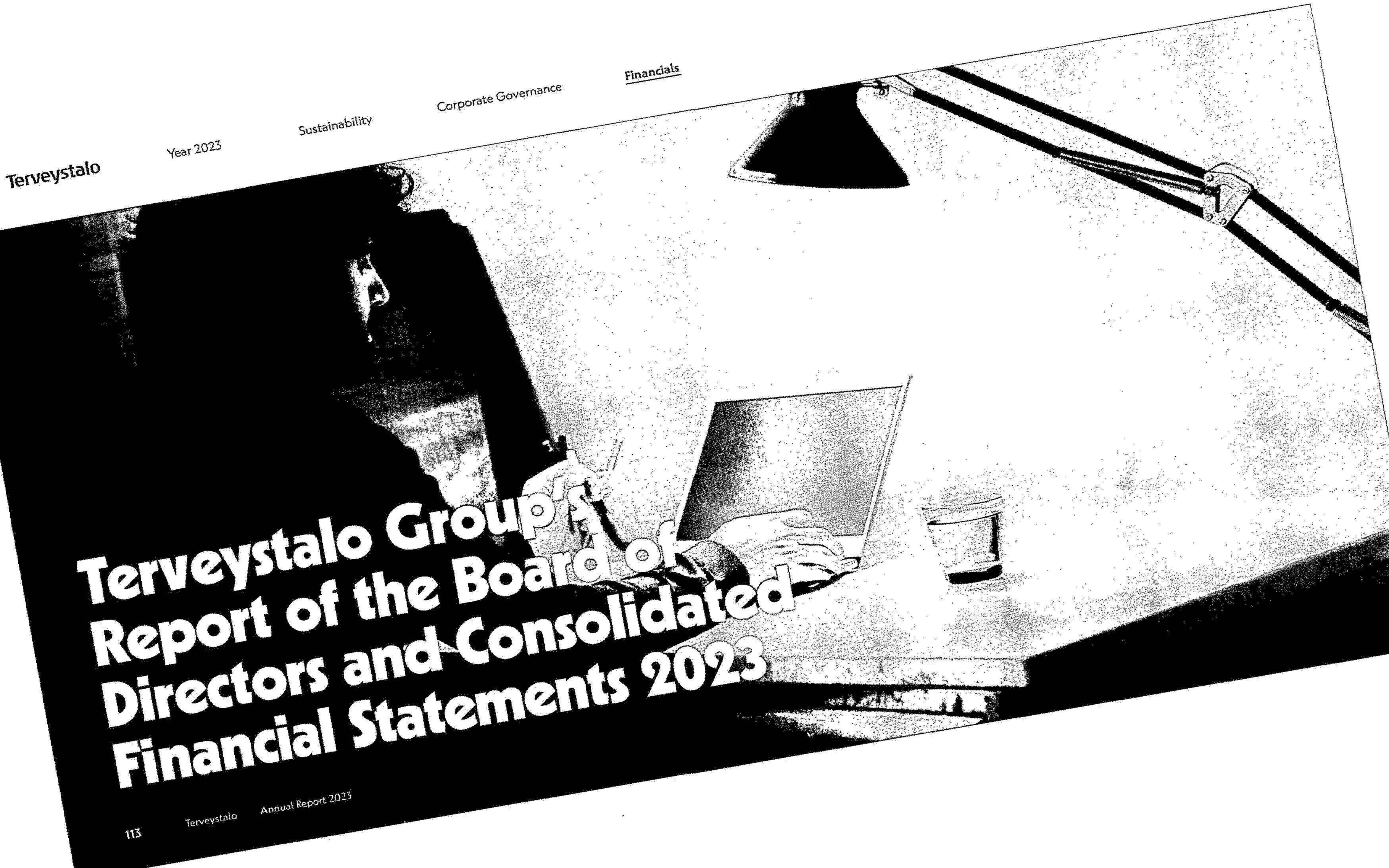
Remuneration based on long-term incentive schemes, EUR (the President and CEO Ville Iho):

Long-term incentive plan	Grant date	Earning opportunity (maximum number of shares granted)	Pay-out year (subject to the achievement of performance targets)
Performance Share Plan (PSP) 2021–2023	April 28, 2021	88,000	2024
Performance Share Plan (PSP) 2022–2024	February 9, 2022	75,086	2025
Performance Share Plan (PSP) 2023–2025	February 10, 2023	88,000	2026

In the performance period 2021—2023, the performance criteria for the share-based long-term incentive scheme was based on 60 percent weight on the Total Shareholder Return (TSR) as well as on 40 percent weight on Digital Footprint, which consists of productivity and digital sales indicators.

In the performance periods 2022–2024 and 2023–2025, the performance criteria for the share-based long-term incentive schemes were based on the absolute and relative Total Shareholder Return (TSR). The weight of both criteria is 50 percent.

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



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

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Report of the Board of Directors

Operating environment

Target markets

In 2023, demand for healthcare services in Finland continued to be strong. Seasonal variations in demand and booking rates normalised compared to the exceptional comparison period. Demand for basic laboratory services largely normalised to pre-pandemic levels. As the pandemic receded, customer visits were focused on brick-and-mortar as the demand for COVID-19 testing, digital services, and remote appointments declined materially year-on-year.

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

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

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

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

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

The impacts of inflation

Despite the stabilised inflation, some procurement categories had continued cost pressure. Terveystalo has actively negotiated with its suppliers to limit the impact of inflation on costs. Electricity prices levelled off from the comparison period.

One of the key areas of the profit improvement program is to fight inflation and reduce costs in selected product and service categories.

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

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

The treatment queues and regulatory environment in Finland

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

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The responsibility for the organisation of social and healthcare services was transferred to the 21 wellbeing services counties and the City of Helsinki at the beginning of 2023. The wellbeing services county councils decide on the service strategies, principles of the service network, service level of emergency services, budget and financial planning of the well-being services county, and appointment of members to governing bodies. The wellbeing services counties have launched smaller tenders for example digital service solutions, but no decisions on larger tenders from the private sector have so far been made.

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

Impact of the global political situation and conflicts

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

Guidance for 2024

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

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

Financial targets

Terveystalo's financial targets are:

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

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Key figures

Terveystalo Group, MEUR	2023	2022	2021
Revenue	1,286.4	1,259.1	1,154.6
Adjusted EBITDA, * [1]	200.2	178.0	206.1
Adjusted EBITDA, % * [1]	15.6	14.1	17.8
EBITDA [1]	179.2	168.8	201.8
EBITDA, % [1]	13.9	13.4	17.5
Adjusted EBITA * [1]	125.6	105.2	141.0
Adjusted EBITA, % * [1]	9.8	8.4	12.2
EBITA [1]	104.4	95.9	136.7
EBITA, % [1]	8.1	7.6	11.8
Adjusted operating profit (EBIT) * [1]	93.1	73.4	114.4
Adjusted operating profit (EBIT), % * [1]	7.2	5.8	9.9
Operating profit (EBIT)	-14.7	33.9	110.1
Operating profit (EBIT), %	-1.1	2.7	9.5
Return on equity (ROE), % [1]	-7.6	4.1	13.6
Equity ratio, % [1]	36.5	40.2	42.2
Earnings per share (€)	-0.33	0.19	0.63
Net debt	598.1	566.6	519.0
Gearing, % [1]	116.0	95.7	85.2
Net debt/Adjusted EBITDA [1]	3.0	3.2	2.5
Total assets	1,419.5	1,479.4	1,448.6
Average personnel FTE	6,426	6,552	5,643
Personnel (end of period)	9,824	10,933	9,805
Private practitioners (end of period)	6,092	5,928	5,754

Terveystalo Group, MEUR	2023	2022	2021
Adjusted EBITDA, excluding IFRS 16 * [1]	142.8	122.2	156.9
Net debt, excluding IFRS 16	379.0	386.8	340.6
Net debt/Adjusted EBITDA, excluding IFRS 16 * [1]	2.7	3.2	2.2

* 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.

Share-related key figures

Share-related key figures	2023	2022	2021
Equity per share, EUR	4.1	4.7	4.8
Earnings per share, EUR	-0.33	0.19	0.63
Dividend per share, EUR	0.30	0.28	0.28
Dividend payout ratio, %	190.9%*	145.0%	44.3%

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

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Financial development

Revenue

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

Visits to laboratory services decreased substantially year-on-year as COVID testing decreased. A total of approximately 6,800 (335,000) COVID-19 tests were performed[1]. Revenue from other laboratory services increased year-on-year. Revenue from surgical operations and imaging services grew year-on-year.

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

[1] Excludes sample collection services

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

Financial performance and cash flow

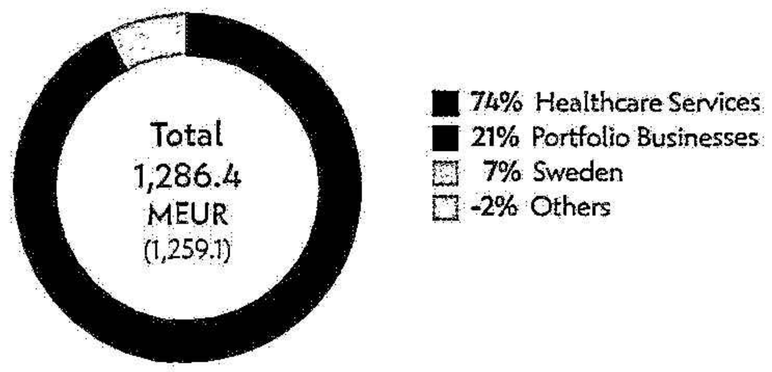
The Group's adjusted earnings for 2023 before interest, taxes, amortisation, and impairment losses (EBITA) increased by 19.4 percent to EUR 125.6 (105.2) million, representing 9.8 (8.4) percent of revenue. Profitability improved in all business areas. Profitability was strengthened by normalization of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

Adjusted EBITA, MEUR	2023	2022	Change, %
Healthcare Services	109.0	99.2	9.9
Portfolio Businesses	8.7	3.5	149.4
Sweden	3.7	2.6	42.5
Other	4.2	-0.1	>200.0
Total	**125.6**	**105.2**	**19.4**

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

Revenue breakdown

% of total revenue 2023



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

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

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

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

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

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

Profit improvement programs

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

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

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

Financial position

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

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

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

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

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

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

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

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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 the summer months. The number of business days influences the revenue and earnings development, particularly when comparing quarterly performance. There was 251 (253) working days in 2023. In 2024, there are 252 working days. Because of the seasonal nature of business, the required net working capital varies during the year. Variation is caused by the timing of pension and VAT payments, vacation pay obligations, and service fees related to occupational healthcare, etc.

Number of working days by quarter	2022	2023	2024
Q1	63	64	63
Q2	61	60	61
Q3	66	65	66
Q4	63	62	62
Full year	253	251	252

Investments and acquisitions

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

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

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

Development expenses

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

Personnel

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

Reporting segments

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

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Healthcare Services

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

Key figures

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

The revenue from Healthcare Services for 2023 increased by 5.7 percent and was EUR 948.6 (897.8) million. The revenue from corporate customers increased by 7.9 percent to EUR 564.0 (522.9) million. Revenue from preventive occupational health services[1] increased year-on-year. Revenue from healthcare appointments also increased, even though the sales from COVID-related services dropped year-on-year. The revenue from consumers increased by 6.4 percent to EUR 296.1 (278.4) million. Revenue increased especially due to higher sales from services produced for insurance companies. The revenue from public sector customers decreased by 8.3 percent to EUR 88.5 (96.4) million due to terminated contracts and ending of COVID-related services sales. Revenue from services provided for municipal occupational health customers grew due to successful pricing actions.

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

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

Healthcare Services, revenue by customer groups, and services

Revenue, MEUR	2023	2022	Change, %
By customer			
Corporate	564.0	522.9	7.9
Consumer	296.1	278.4	6.4
Public sector	88.5	96.4	-8.3
By service			
Appointments	618.3	556.3	11.2
Diagnostics	229.6	250.0	-8.2
Other	100.7	91.5	10.0

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

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

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

Healthcare Services, number of visits

Visits	2023	2022	Change, %
Appointments	**6,069,111**	**6,351,339**	**-4.4**
Physical appointments	4,750,619	4,723,915	0.6
Remote appointments	1,318,492	1,627,424	-19.0
Diagnostics	**1,285,980**	**1,460,908**	**-12.0**
Other	**48,984**	**41,278**	**18.7**
Total	**7,404,075**	**7,853,525**	**-5.7**

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

Portfolio Businesses

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

Key figures

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

Portfolio Businesses, revenue by services

Revenue, MEUR	2023	2022	Change, %
Outsourcing services	91.1	118.7	-23.3
Staffing services	84.7	84.1	0.6
Dental care	54.5	52.2	4.3
Other	36.9	35.6	3.7
Total	**267.2**	**290.7**	**-8.1**

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

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

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Sweden

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

Key figures

	2023	2022	Change, %
Revenue, MEUR	92.5	92.8	-0.4
EBITA, MEUR	2.1	1.9	10.1
EBITA, %	2.3%	2.0%	0.2%-p.
Adjusted EBITA, MEUR	3.7	2.6	42.5
Adjusted EBITA, % of revenue	4.0%	2.8%	1.2%-p.

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

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

Statement of non-financial information

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

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

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

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

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

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

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

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Good health and well-being

The core of Terveystalo's operations and the company's key positive impact is the provision of appropriate, high-quality, effective, and safe care for all customers. Terveystalo is a pioneer in data-driven integrated care. The company uses data to support care and target effective prevention and continuously measures the effectiveness of care and the benefits to the customer. The company's integrated care model provides fast access to care, links the different stages of care into seamless multi-professional and multi-channel care paths, and actively guides the patient, supporting continuity of care throughout the care paths. Terveystalo's digital solutions play a key role in integrated care paths and their development.

Quality is managed at all levels of the organisation

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

Targets for quality and effectiveness of care

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

Effective care for mental health issues

Mental health issues are among the three most common diagnosis categories in Terveystalo and are a significant cause of human suffering, related sickness absences, and early retirement in Finland. Providing appropriate and effective treatment for mental health problems is one of the priorities of Terveystalo's medical quality development. Patients who receive brief psychotherapy recover faster than those given only sick leave and/or medication. Patients who go through brief psychotherapy also have fewer sickness absences. Terveystalo aims to increase the use of brief psychotherapy in occupational healthcare in the treatment of people diagnosed with depression or anxiety disorders. When more patients receive care at an early stage, resources for long-term rehabilitative psychotherapy are freed up for those who need it due to the severity of their condition. Terveystalo has systematically developed mental health care paths and increased the proportion of patients referred to brief psychotherapy.

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

Excellent customer experience

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

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

Effective care at every visit

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

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

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Good health and well-being

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

[1] Occupational healthcare patients with a diagnosis of depression or anxiety and who are referred to brief psychotherapy / Occupational healthcare patients with a diagnosis of depression or anxiety.
[2] NPS measures the individual patient's experience of the service received shortly after the service experience. The patient is asked to assess how likely (on a scale of 0–10) they are to recommend Terveystalo's services. The Net Promoter Score is calculated by subtracting the share of those who gave a score of 0–6 (detractors) from the share of those gave a score of 9–10 (promoters).
[3] The PEI index (Patient Enablement Instrument) is used to measure whether the customer feels that they are able to cope with their symptom or illness much better, better, same as before, or worse after the appointment. The scale is 1–4.

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

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Responsible work

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

Terveystalo's attractiveness as an employer and the occupational well-being and job satisfaction of the people who work at Terveystalo constitute the foundation for all operations. Terveystalo strives to strengthen its attractiveness as a workplace by providing professionals with interesting and meaningful work, competitive pay, diverse career, and development opportunities, and ensuring that professionals can work smoothly and focus on meaningful matters. Equality, fairness and non-discrimination are core principles. In 2023, Terveystalo was rated by industry professionals as the most popular employer in Finland for the fourth consecutive time[1].

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

Terveystalo's operating principles concerning human resources management

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

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

[1] Universum employer survey 2023

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

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

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

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Responsible work

Target	Indicator (KPI)	Scope of application	Target level	Target year	Base year	2023	2022
Being the industry's best and most attractive employer	Employee Net Promoter Score (eNPS)	Terveystalo's employees and private practitioners	At least 25	2025	2022	19	28

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

Well-being and strong work communities

The core of Terveystalo's people strategy is to build strong work communities with a humanely efficient working culture where people have high job satisfaction and their work is smooth and productive. To achieve this, Terveystalo looks after the health and safety of the personnel by providing occupational health services that exceed the legal requirements and by continuously developing the safety culture in work communities. Nurturing a healthy work-life balance is part of a humanely efficient working culture. Terveystalo's work communities are equal, non-discriminatory, and diverse. Good and effective supervisory work is a key factor in performance and job satisfaction, and it is strengthened by supporting and training supervisors.

Occupational safety

The occupational safety of Terveystalo's personnel in Finland is developed and managed at the Group level, taking company-specific and business-specific differences into account. The different levels of the organisation know and recognize their responsibilities concerning ensuring occupational safety in compliance with Finnish legislation. Terveystalo's goal is to be a safer working environment every day.

The development of occupational safety at Terveystalo is focused on the identification, prevention, and mitigation of health hazards and adverse health impacts arising from working conditions, as well as protecting and promoting the safety, work ability, and health of employees. An annual action plan is drawn up for the development of occupational safety. In 2023, the goal was to develop the systematic management of occupational safety at the individual, unit, business, and Group levels by, for example, clarifying responsibilities related to occupational safety, ensuring careful orientation training, and increasing occupational safety management through supervisory work. A new operating model for the risk assessment of work tasks was introduced in 2023.

All occupational accidents and commuting accidents at Terveystalo are reported and investigated. The operational safety is further developed with the help of safety observations. Terveystalo has not had any occupational accidents or commuting accidents resulting in death or severe injury for years. The accident frequency in Finland in 2023 was 20 (18).

In Sweden (Feelgood), occupational health and safety are organised following the Swedish legislation. The certified ISO 45001 occupational health and safety system guides the operations. The number of accidents in Sweden in 2023 was 16 (13).

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Occupational healthcare

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

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

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

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

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

Work-life balance

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

Professional growth and focusing on meaningful matters

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

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

Ethical business conduct

Ethical, responsible and compliant conduct of business is essential in Terveystalo's operations. Terveystalo's operations are guided by the legislation governing the sector and private healthcare services, as well as the regulations and requirements established by the authorities. In addition, the work of healthcare professionals is guided by their own ethical codes of conduct.

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

Terveystalo's Code of Conduct comprises Terveystalo's key principles regarding anti-bribery and anti-corruption, compliance with fair competition and environmental requirements, ensuring privacy and patient safety, employee equality, non-discrimination, and the freedom of association, as well as the reporting of misconduct, among other things. Terveystalo Group also expects its suppliers to observe high standards of sustainable business concerning ethical, social and environmental perspectives, as well as occupational health and safety. Each year, Terveystalo purchases services, materials, and supplies for its clinics from approximately 5,000 suppliers. Of these, the 190 largest suppliers account for about 80 percent of total purchasing expenditure. The largest procurement categories are subcontracted services, such as cleaning, consulting, and laboratory services, ICT procurement, renting of business premises, pharmaceutical products, and healthcare supplies and equipment.

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

One important aspect of Terveystalo's culture of doing the right thing is that everyone who acts on behalf of or with Terveystalo, and every customer, partner and supplier, feels that they can freely report any suspicions of misconduct and trust that Terveystalo will take appropriate measures to investigate any actions that are or are suspected of violating the Code of Conduct. Terveystalo has online training on the Code of Conduct aimed at everyone in the organisation. The training includes instructions on highlighting and reporting misconduct. Actual or suspected violations of the Code of Conduct must be reported to the supervisor, the supervisor's supervisor, or Terveystalo's Legal & Compliance department. Suspected misconduct can also be reported via Terveystalo's reporting channel (WhistleB), which is open to everyone. In 2023, Terveystalo received a total of 13 (19) reports through the reporting channel. Of the reports received in 2023 whose investigation has been completed, a violation of the Code of Conduct was observed in two instances, which led to a disciplinary process. For certain reports received late in the year, the investigations are still ongoing. The findings from the reports and completed investigations have been taken into consideration in the development of Terveystalo's processes.

Respecting human rights

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

Targets related to ethical business

Terveystalo measures the realisation of ethical and responsible business at Terveystalo and in its value and supply chain.

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

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

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Ethical business

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

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

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

Anti-corruption and anti-bribery

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

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

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

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

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

Ensuring patient data protection and information security

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

At Terveystalo, patient data is stored in information security-certified patient information systems. Terveystalo's patient information systems in Finland are category A systems and they have undergone information security certification following the regulations related to providing Kanta services. In addition, Terveystalo's data protection and information security are regularly audited under the ISO 9001:2015 certification, both internally and by an external party.

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

Terveystalo creates value for its stakeholders

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

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

In 2023, Terveystalo's tax footprint totalled EUR 212.1 (235.7) million. The tax footprint is an indicator of the total tax revenue and tax-like charges generated for society by Terveystalo's business activities. In addition, Terveystalo paid a total of EUR 380.1 (340.6) 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.

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Sustainable consumption and climate action

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

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

Terveystalo's environmental policy

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

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

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

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

Zero emissions from own operations 2023

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

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Sustainable consumption and climate action

Target	Indicator (KPI)	Scope of application	Target level	Target year	Base year level	Base year	2023	2022	2021
Zero emissions from own operations 2030[1]	Reduction of direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions compared to 2018	Finnish and Swedish operations	-100%	2030	6,316.8	2018	-56%	-76%	-89%
Reduce direct and indirect CO_2 emissions (Scope 1 and Scope 2) by 80% by 2025 (using 2018 as the baseline)	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, tCO_2	Finnish and Swedish operations	-80%	2025	6,316.8	2018	2,755.4	1,544.1	664.0
Purchase 100% green electricity by 2025[2]	Share of green electricity of all purchased electricity, %	Finnish and Swedish operations	100%	2025	62%	2020	70%	72%	89%
Minimise waste in all operations and forward all waste to be recovered	The recovery rate of waste generated at Terveystalo units, %[3]	Finnish operations	100%	2025	99%	2020	100%	100%	100%
	The recycling rate of waste generated at Terveystalo units, %[3]	Finnish operations	100%	2025	61%	2020	68%	67%	64%

[1] Scope 2 emissions are market-based. The market-based Scope 2 emission calculation takes into account the green electricity guarantees of origin purchased by Terveystalo, which in 2023 covered approximately 70 (72) percent of the electricity consumption. The emissions of the remaining purchased electricity have been calculated using the residual mix emission factors for Finland and Sweden (AIB, European Residual Mixes). Finland's residual emission factor increased by 83 percent from 2022 due to a higher share of fossil fuels in the residual mix (Finland's residual emission factor in 2022 was 0.285 kgCO2e/kWh and in 2023 0.5208 kg-CO_2e/kWh). The market-based Scope 2 emissions for 2022 have been recalculated for Finland, because Terveystalo purchased the green electricity guarantee of origin for the period 1 September - 31 December 2022 at the beginning of 2023. From 2022 onwards, the figures for energy use and carbon footprint also include the Swedish operations. The figures for 2021 include only the Finnish operations.
[2] In units where Terveystalo purchases electricity itself.
[3] Excludes waste fractions that cannot be recycled or recovered under any circumstances.

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Terveystalos's carbon footprint

In 2023, Terveystalo's carbon footprint in Finland from Scope 1 and 2 emissions (market-based) was 2,716.0 (1,401.9) tCO_2e. In Sweden, Feelgood's Scope 1 and 2 emissions totalled 39.4 (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. Terveystalo develops the measurement of its impacts throughout the value chain and works with its key suppliers to reduce the emissions generated by the value chain.

Terveystalo reports the direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions arising from its operations – and part of its indirect Scope 3 emissions – in accordance with the GHG Protocol. Emissions from Swedish operations have been reported starting from 2022.

Scope 1

As Terveystalo does not, for the most part, own or control the properties at which it operates, the greenhouse gas emissions mostly consist of the emissions from the fleet of cars controlled by Terveystalo and the trucks used for imaging operations. The emissions arising from the company's own driving and driving under its direct control are calculated based on fuel consumption. In 2023, Scope 1 CO_2 emissions in Finland totalled 137.5 (134.5) tCO_2e. In Sweden, Scope 1 emissions were 18.2 (39.9) tCO_2e.

Scope 2

Indirect Scope 2 greenhouse gas emissions arise from the production of electricity purchased by Terveystalo and the production of district heating consumed at properties controlled by Terveystalo. In 2023, a total of 16,171 (15,841) MWh of electricity was purchased for the properties controlled by Terveystalo in Finland. The company's electricity portfolio (electricity purchased for properties) has been zero-CO_2 green electricity since the beginning of 2020. Zero CO_2 electricity purchased in Finland for the consumption year 2023 totalled 11,220 (11,395) MWh, which corresponds to approximately 69 (72) percent of the electricity consumption of the company's operations in Finland. The amount of electricity purchased to properties not included in the electricity portfolio totalled 4,951 (4,447) MWh, which corresponds to 2,578.5 (1,267.4) tCO_2e (market-based). The growth in the market-based Scope 2 emissions is mainly due to an 83 percent increase in the Finland's residual emission factor used in the emissions calculation from the comparison period[1]. The amount of purchased electricity outside the electricity portfolio in Finland increased by approximately 11 percent, which also affected the Scope 2 emissions growth from the comparison period. In Swedish operations, 2,081 (1,328) MWh of electricity was purchased for properties controlled by Feelgood, of which approximately 74 (67) percent was zero CO_2 green electricity. The Scope 2 emissions from purchased electricity in Sweden totalled 21.1 (102.3) tCO_2e. Terveystalo's target is for green electricity to account for 100 percent of purchased electricity by 2025.

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

Scope 3

For indirect Scope 3 emissions, Terveystalo reports emissions arising from work-related travel by employees and emissions from the waste generated by the company's operations.

Terveystalo aims to avoid unnecessary work-related travel by encouraging to favour remote meetings whenever possible. Terveystalo's personnel in Finland flew a total of 0.8 (0.7) million kilometres in work-related travel, corresponding to 85.5 (84.1) tCO_2e. Reimbursable work-related travel by Terveystalo's personnel in Finland totalled 2.7 (2.6) million kilometres, corresponding to 448.2 (440.8) tCO_2e. Terveystalo encourages its personnel to choose low-emissions vehicles as company cars. The average emissions of the company cars used by Terveystalo in Finland amount to 64 (72) gCO_2e/km. In Sweden, work-related travel by air generated 60.8 (45.1) tCO_2e in emissions. The total emissions from work-related travel by the personnel in Sweden amounted to 260.4 (262.6) tCO_2e.

Terveystalo's goal is to minimise mixed waste in all of Terveystalo's operations and forward as large a share of waste as possible to be recovered. The indirect emissions arising from waste in Finland amounted to 42.6 (41.7) tCO_2e. In Sweden, the amount of waste generated and emissions from waste are very low since waste is mainly generated in offices. The emissions arising from waste in Sweden totalled 3.4 (2.1) tCO_2e.

Terveystalo's CO_2 emissions intensity is low due to the nature of the Group's operations. In 2023, Terveystalo's emissions intensity (Scope 1 and 2, market-based) relative to revenue was 2.1 (1.2) gCO_2e/EUR. Relative to the number of employees, the emissions intensity was 0.4 (0.2) tCO_2e. The figures also include Terveystalo's operations in Sweden.

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EU taxonomy reporting

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

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

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

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

As a result of the assessment, the significance of Terveystalo' s taxonomic functions is negligible in terms of indicators. The key figures are the share of taxonomy-eligible and taxonomy-aligned operations (percent) in terms of revenue, operating costs, and investments. According to the company's estimate, one percent of Terveystalo's revenue, operating costs and investments are eligible with the current taxonomy and 99 percent are non-eligible. The share of revenue is calculated by dividing the revenue from child welfare services (taxonomy-eligible activity) by the Group's total consolidated revenue. The share of investments (CapEX) is calculated by dividing the investments made in child welfare services during the year (renovation of apartments, investments in machinery and equipment) by the net investments of the company, excluding acquisitions. The share of operating expenditure (OpEx) is calculated by dividing the operating expenditure for child welfare services by the total operating expenditure of the group (excluding depreciation and amortisation). Furthermore, zero percent of Terveystalo's revenue, operating costs and investments are taxonomy-aligned, and 100 percent are non-taxonomy-aligned. The evaluation according to the EU-taxonomy classification system described above has been performed through an internal assessment by representatives of the Sustainability and Finance organisation.

Form 1: Nuclear power and fossil gas related activities

	Nuclear power-related activities	
1.	The undertaking carries out or finances research, development, demonstration and deployment of innovative power generation facilities that produce energy through a nuclear reaction with minimum waste in the fuel cycle, or has responsibilities related to such activities.	NO
2.	The undertaking carries out or finances the construction and safe operation of new nuclear installations for the production of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and the improvement of their safety, using the best available technology, or has responsibilities relating to such activities.	NO
3.	The undertaking carries out or finances the safe operation of existing nuclear installations for the production of electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and the improvement of their safety, or has responsibilities relating to such operations.	NO

	Fossil gas related activities	
4.	The undertaking carries out or finances the construction or operation of electricity generation plants using fossil gaseous fuels, or has liabilities related to such activities.	NO
5.	The undertaking carries out, finances or has responsibilities for the construction, rehabilitation and operation of combined heat or cooling and power plants using fossil gaseous fuels.	NO
6.	The undertaking undertakes, finances or has responsibilities for the construction, rehabilitation and operation of heating or cooling plants using fossil gaseous fuels.	NO

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

1 January–31 December 2023		2023		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL										
Child welfare services	CCA 12.1	12	1%														1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12	1%														1%		
A Turnover of Taxonomy-eligible activities (A1.+A.2)																			
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,274	99%														99%		
TOTAL		1,286	100%														100%		

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

1 January–31 December 2023		2023		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL										
Child welfare services	CCA 12.1	0	0%														1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														1%		
A. CapEx of Taxonomy-eligible activities (A1.+A.2)																			
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		40	100%														99%		
TOTAL		40	100%														100%		

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

1 January–31 December 2023		2023		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")								
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL										
Child welfare services	CCA 12.1	10	1%														1%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10	1%														1%		
A OpEx of Taxonomy-eligible activities (A1.+A.2)																			
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		1,101	99%														99%		
TOTAL			100%														100%		

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Shares and shareholders

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

The largest registered shareholders on 31 December 2023

Name	Number of shares	% of shares	Votes	% of votes
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	7,155,854	5.63	7,155,854	5.63
Skandinaviska Enskilda Banken AB	5,733,851	4.51	5,733,851	4.51
Ilmarinen Mutual Pension Insurance Company	5,119,495	4.03	5,119,495	4.03
Local Tapiola Mutual Insurance Company	2,600,000	2.05	2,600,000	2.05
Elo Mutual Pension Insurance Company	2,508,000	1.97	2,508,000	1.97
Evli Finnish Small Cap Fund	1,967,033	1.55	1,967,033	1.55
Ten largest in total	**87,151,391**	**68.60**	**87,151,391**	**68.60**

The list is based on the register of shareholdings maintained by Euroclear, and it does not include nominee-registered shares.

Distribution of ownership 31 December 2023

Number of shares	Number of shareholders	% of share-holders	Number of securities	% of securities	Number of votes	% of votes
1–100	15,740	46.26	701,279	0.55	701,279	0.55
101–500	12,677	37.26	3,188,040	2.51	3,188,040	2.51
501–1,000	2,927	8.60	2,246,249	1.77	2,246,249	1.77
1,001–5,000	2,156	6.34	4,431,586	3.49	4,431,586	3.49
5,001–10,000	241	0.71	1,763,531	1.39	1,763,531	1.39
10,001–50,000	206	0.61	4,627,671	3.64	4,627,671	3.64
50,001–100,000	27	0.08	2,109,499	1.66	2,109,499	1.66
100,001–500,000	29	0.09	6,428,528	5.06	6,428,528	5.06
500,001–	22	0.06	101,540,148	79.93	101,540,148	79.93
Total	34,025	100.00	127,036,531	100.00	127,036,531	100.00
of which nominee-registered	11	0.03	9,214,087	7.25	9,214,087	7.25
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

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Shareholder groups, 31 December 2023

Shareholders by sector	Number of shares	% of shares
Households	13,337,151	11.32
Public entities	31,236,163	26.51
Financial and insurance institutions	30,372,798	25.78
Companies	17,898,422	15.19
Non-profit institutions	3,747,089	3.18
Foreign owners	21,230,821	18.02
Total	117,822,444	100.00
Nominee-registered	9,214,087	7.25

Management shareholding, 31 December 2023

Name	Position	Number of shares	% of shares	% of votes
Kari Kauniskangas	Chairman of the Board of Directors	21,802	0.02%	0.00%
Matts Rosenberg	Member of the Board of Directors	14,498	0.01%	0.00%
Carola Lemne	Member of the Board of Directors	5,126	0.00%	0.00%
Kristian Pullola	Member of the Board of Directors	8,207	0.01%	0.00%
Katri Viippola	Member of the Board of Directors	11,453	0.01%	0.00%
Ari Lehtoranta	Member of the Board of Directors	6,504	0.01%	0.00%
Sofia Hasselberg	Member of the Board of Directors	2,499	0.00%	0.00%
Ville Iho	President and CEO	13,306	0.01%	0.00%
Juuso Pajunen	Chief Financial Officer	19,000	0.01%	0.00%
Petri Bono	Chief Medical Officer	2,087	0.00%	0.00%
Henri Mäenalanen	Interim Executive Vice President, Healthcare Services	2,230	0.00%	0.00%
Stefan Kullgren	Executive Vice President of the Swedish Business Area	0	0.00%	0.00%
Ilari Richard	Senior Vice President, Digital Services	3,134	0.00%	0.00%
Mikko Tainio	Senior Vice President, Portfolio Businesses	5,596	0.00%	0.00%
Minttu Sinisalo	Senior Vice President, Human Resources	1,400	0.00%	0.00%
Management shareholding in total		**116,842**	**0.09%**	**0.00%**
Number of shares total		**127,036,531**	**100.00%**	**100.00%**

Notifications of major shareholdings

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

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The Board's authorisations

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

The Board has also been authorised 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. The authorisation covers a maximum of 12,703,653 own shares in total, which corresponds to approximately 10 percent of all shares in the Company. Authorisations were not used during the financial period.

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

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

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

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

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

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

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

The Annual General Meeting of Terveystalo Plc was held on 23 March 2023 in Helsinki, Finland. The Annual General Meeting adopted the financial statements for the fiscal year 2022 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting approved the remuneration report for governing bodies. The 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 35.4 million with the current number of shares) be paid based on the balance sheet adopted for the fiscal year ended 31 December 2022.

The dividend was paid in two instalments as follows:

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

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

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

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

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

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

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

Changes in Terveystalo's Executive Team

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

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

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

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

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

Corporate governance

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

Events after the end of the reporting period

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

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

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

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

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

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

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

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

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

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

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

The most significant short-term risks and uncertainty factors

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

The risks and uncertainty factors described below are considered to potentially have a significant impact on the company's business operations, financial results, and outlook within the next 12 months. The list is not intended to be exhaustive. The order in which the risks are presented does not describe the magnitude of the impact of the risks' realisation or the probability of their occurrence.

- Achieving the targeted financial effects of the launched profit improvement program is necessary to combat the impact of high inflation and to achieve the financial targets set by the company.
- The company's business operations rely on its capacity to identify, recruit, and retain competent and professional healthcare professionals, employees, and executives. The increased supply of services and increased competition may affect the availability of healthcare professionals, particularly in major cities. Turnover in key employees involves the risk of losing knowledge and expertise.
- Weak general economic performance and high inflation in Finland and their effects on the financial circumstances of private individuals, employers, and public entities may adversely affect Terveystalo's business and results of operations by decreasing the demand for Terveystalo's services, as well as may adversely affect the availability of financing.
- The development and implementation of information system projects and services, service products, and operating models involve risks. The company develops new digital customer solutions, which increases the overall risk related to information systems. A failure in the development of digital systems may expose Terveystalo to potential technical faults and disturbances.
- The company may not be able to find suitable acquisition targets or expansion opportunities under favourable terms, and the integration of acquisition targets is not necessarily realized as planned.
- Terveystalo's expansion to new geographical locations involves several risks, and failure to identify expansion opportunities, recruit new employees, and achieve estimated benefits may adversely affect Terveystalo's business and the results of operations.
- The company's business is very dependent on functioning information systems, data communication, and external service providers. Interruptions can result from hardware failure, software failure, or cyber threats. Long-lasting malfunction of information systems or payment transfers can lead to significant loss of sales and a decline in customer satisfaction.
- Endangered information security or privacy can lead to losses, claims for damages, and endanger reputation.
- Pandemics or epidemics and related restrictive measures may adversely affect the business operations of Terveystalo through, among other things, demand for certain healthcare services and challenges in the supply chain.
- Changes in the competitive landscape, new competitors entering the markets, and increasing price competition may have a negative impact on the company's profitability and growth potential.
- Terveystalo is exposed to changes in demand for occupational healthcare services due to demographic trends, ageing and shrinking working-age population.
- The Social Welfare and Healthcare Reform in Finland and its legal interpretations may have impacts on Terveystalo's business and results of operations.
- Changes in compensation systems for healthcare services may adversely affect Terveystalo's business, financial position, and results of operations.
- Failures or deficiencies in the operational risk management, medical quality, and internal control processes may result in failure of quality control, including medical quality, or otherwise adversely affect Terveystalo's profitability and reputation.
- Terveystalo's operations could be subject to labour disruptions or disputes.
- The company is a party to and may become a party to, legal action or administrative procedures initiated by the authorities, patients, or third parties. According to the company's opinion, its currently pending legal obligations and court cases are not significant in nature.

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

Annual General Meeting in 2024

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

Terveystalo Plc
Board of Directors

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Calculation of financial ratios and alternative performance measures

Financial ratios

Earnings per share, (EUR) = Profit for the period attributable to owners of the parent company / Average number of shares during the period

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

Alternative performance measures to the statement of financial position

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

Return on equity, % = Profit/loss for the period (LTM) / Equity (including non-controlling interest) (average) x 100%

Equity ratio, % = Equity (including non-controlling interest) / Total assets - advances received x 100%

Gearing, % = Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents / Equity x 100%

Net debt/Adjusted EBITDA (LTM)* = Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents / Adjusted EBITDA (LTM)

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

Adjusted EBITDA* = Earnings Before Interest, Taxes, Depreciation, Amortisation, Impairment losses and adjustments

Adjusted EBITDA, %* = Earnings Before Interest, Taxes, Depreciation, Amortisation, Impairment losses and adjustments / Revenue x 100%

Adjusted EBITA* = Earnings Before Interest, Taxes, Amortisation, Impairment losses and adjustments

Adjusted EBITA, %* = Earnings Before Interest, Taxes, Amortisation, Impairment losses and adjustments / Revenue x 100%

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

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Adjusted operating profit (EBIT), %*	=	Earnings Before Interest, Taxes and Share of profits in associated companies / 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, Amortisation, Impairment losses and adjustments, excluding IFRS 16 lease adjustments	

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

Reconciliation of alternative performance measures

Return on equity, %	2023	2022	2021
Net income	-42.2	24.4	80.4
Equity (including non-controlling interest) (average)	553.7	600.4	590.1
Return on equity, %	**-7.6**	**4.1**	**13.6**

Equity ratio, %	2023	2022	2021
Equity (including non-controlling interest)	515.4	592.0	608.9
Total assets	1,419.5	1,479.4	1,448.6
Advances received	6.4	7.1	6.1
Equity ratio, %	**36.5**	**40.2**	**42.2**

Gearing, %	2023	2022	2021
Interest-bearing liabilities	635.8	607.0	557.2
Interest-bearing receivables and cash and cash equivalents	37.7	40.4	38.2
Equity	515.4	592.0	608.9
Gearing, %	**116.0**	**95.7**	**85.2**

Net debt /Adjusted EBITDA	2023	2022	2021
Interest-bearing liabilities	635.8	607.0	557.2
Interest-bearing receivables and cash and cash equivalents	37.7	40.4	38.2
Adjusted EBITDA	200.2	178.0	206.1
Net debt / Adjusted EBITDA	**3.0**	**3.2**	**2.5**

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Adjusted EBITDA, EUR mill.	2023	2022	2021
Net income	-42.2	24.4	80.4
Income tax expense	3.3	6.5	20.3
Share of profits in associated companies	0.0	0.1	0.3
Net finance expenses	24.2	2.9	9.0
Depreciation, amortisation and impairment losses	193.8	134.9	91.7
Adjustments*	21.1	9.2	4.3
Adjusted EBITDA	**200.2**	**178.0**	**206.1**

Adjusted EBITDA, %	2023	2022	2021
Adjusted EBITDA	200.2	178.0	206.1
Revenue	1,286.4	1,259.1	1,154.6
Adjusted EBITDA, %	**15.6**	**14.1**	**17.8**

Adjusted EBITA, EUR mill.	2023	2022	2021
Net income	-42.2	24.4	80.4
Income tax expense	3.3	6.5	20.3
Share of profits in associated companies	0.0	0.1	0.3
Net finance expenses	24.2	2.9	9.0
Amortisation and impairment losses	119.1	62.0	26.6
Adjustments*	21.2	9.2	4.3
Adjusted EBITA	**125.6**	**105.2**	**141.0**

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

Adjusted operating profit (EBIT), EUR mill.	2023	2022	2021
Net income	-42.2	24.4	80.4
Income tax expense	3.3	6.5	20.3
Share of profits in associated companies	0.0	0.1	0.3
Net finance expenses	24.2	2.9	9.0
Adjustments*	107.8	39.5	4.3
Adjusted EBIT	**93.1**	**73.4**	**114.4**

Adjusted operating profit (EBIT), %	2023	2022	2021
Adjusted EBIT	93.1	73.4	114.4
Revenue	1,286.4	1,259.1	1,154.6
Adjusted EBIT, %	**7.2**	**5.8**	**9.9**

EBITDA, EUR mill.	2023	2022	2021
Net income	-42.2	24.4	80.4
Income tax expense	3.3	6.5	20.3
Share of profits in associated companies	0.0	0.1	0.3
Net finance expenses	24.2	2.9	9.0
Depreciation, amortisation and impairment losses	193.8	134.9	91.7
EBITDA	**179.2**	**168.8**	**201.8**

EBITDA, %	2023	2022	2021
EBITDA	179.2	168.8	201.8
Revenue	1,286.4	1,259.1	1,154.6
EBITDA, %	**13.9**	**13.4**	**17.5**

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EBITA, EUR mill.	2023	2022	2021
Net income	-42.2	24.4	80.4
Income tax expense	3.3	6.5	20.3
Share of profits in associated companies	0.0	0.1	0.3
Net finance expenses	24.2	2.9	9.0
Amortisation and impairment losses	119.1	62.0	26.6
EBITA	**104.4**	**95.9**	**136.7**

EBITA, %	2023	2022	2021
EBITA	104.4	95.9	136.7
Revenue	1,286.4	1,259.1	1,154.6
EBITA, %	**8.1**	**7.6**	**11.8**

Operating profit (EBIT), EUR mill.	2023	2022	2021
Net income	-42.2	24.4	80.4
Income tax expense	3.3	6.5	20.3
Share of profits in associated companies	0.0	0.1	0.3
Net finance expenses	24.2	2.9	9.0
EBIT	**-14.7**	**33.9**	**110.1**

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

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

Adjustments based on account group*, EUR mill.	2023	2022	2021
Other operating income	-0.8	-0.1	-0.4
Personnel expenses	3.1	1.3	0.3
Other operating expenses	18.7	8.0	4.4
Depreciation and impairment	86.7	30.3	-
Deferred tax	-5.9	-	-
Adjustments	**101.9**	**39.5**	**4.3**

Adjusted EBITDA, excluding IFRS 16	2023	2022	2021
Net income	-42.2	24.4	80.4
Income tax expense	3.3	6.5	20.3
Share of profits in associated companies	0.0	0.1	0.3
Net finance expenses	24.2	2.9	9.0
Depreciation, amortisation and impairment losses	193.8	134.9	91.7
Adjustments*	21.1	9.2	4.3
IFRS 16 lease expense adjustment	-57.4	-55.8	-49.2
Adjusted EBITDA, excluding IFRS 16	**142.8**	**122.2**	**156.9**

Net debt/Adjusted EBITDA, excluding IFRS 16	2023	2022	2021
Interest-bearing liabilities	416.7	427.2	378.8
Interest-bearing receivables and cash and cash equivalents	37.7	40.4	38.2
Adjusted EBITDA	142.8	122.2	156.9
Net debt/Adjusted EBITDA, excluding IFRS 16	**2.7**	**3.2**	**2.2**

* 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

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Consolidated financial statements, IFRS

Consolidated statement of comprehensive income

EUR mill.	Note	1.1.–31.12.2023	1.1.–31.12.2022
Revenue	4, 5	**1,286.4**	**1,259.1**
Other operating income	6	4.2	2.7
Materials and services	7	-536.2	-525.7
Employee benefit expenses	8	-447.0	-455.0
Depreciation, amortisation and impairment losses	9	-193.8	-134.9
Other operating expenses	10	-128.2	-112.3
Operating result		**-14.7**	**33.9**
Financial income	11	1.2	7.5
Financial expenses	11	-25.4	-10.4
Net finance expenses		**-24.2**	**-2.9**
Share of results in associated companies		0.0	-0.1
Result before taxes		**-38.9**	**30.9**
Income tax expense	12	-3.3	-6.5
Net income		**-42.2**	**24.4**
Profit attributable to			
Owners of the parent company		-42.2	24.4
Non-controlling interests		-	0.0

EUR mill.	Note	1.1.–31.12.2023	1.1.–31.12.2022
Other comprehensive adjustments			
Items that may be reclassified to profit or loss			
Translation differences from foreign operations		0.1	-5.3
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	28	-0.1	0.2
Other comprehensive income for the period, net of tax		**0.0**	**-5.1**
Total comprehensive income		**-42.2**	**19.3**
Total comprehensive income attributable to:			
Owners of the parent company		-42.2	19.3
Non-controlling interest		-	0.0
Earnings per share for profit attributable to the shareholders of the parent company, in euro			
Basic earnings per share	13	-0.33	0.19
Diluted earnings per share	13	-0.33	0.19

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

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Consolidated statement of financial position

EUR mill.	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Property, plant and equipment	14	84.2	82.0
Right-of-use assets	14	212.1	173.9
Goodwill	15, 16	823.5	879.5
Intangible assets	15	100.0	145.2
Investment properties	17	0.3	0.5
Investments in associates	18	0.0	0.0
Loan receivables	20	0.0	0.3
Deferred tax assets	12	6.0	7.7
Other non-current assets	20	0.8	0.8
Total non-current assets		**1,226.8**	**1,289.8**
Current assets			
Inventories		7.1	6.6
Trade and other receivables	22	143.1	138.4
Current tax receivables		4.8	4.5
Cash and cash equivalents	23	37.7	40.2
Total current assets		**192.6**	**189.7**
TOTAL ASSETS		**1,419.5**	**1,479.4**

EUR mill.	Note	31 Dec 2023	31 Dec 2022
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		-15.7	-15.8
Translation differences		-5.2	-5.3
Retained earnings		43.4	120.2
Equity attributable to equity holders of the Company total		515.4	592.0
Non-controlling interest		-	0.0
TOTAL EQUITY		**515.4**	**592.0**
Non-current liabilities			
Non-current financial liabilities	20, 21, 25	394.4	383.1
Non-current lease liabilities	14, 21, 25	172.6	133.2
Deferred tax liabilities	12	20.2	29.5
Provisions	27	2.8	8.3
Other liabilities		13.7	16.2
Total non-current liabilities		**603.7**	**570.3**
Current liabilities			
Current financial liabilities	20, 21, 25	22.3	44.2
Current lease liabilities	14, 21, 25	46.5	46.5
Current tax liabilities		3.6	0.0
Provisions	27	3.3	3.2
Trade and other payables	26	224.7	223.2
Total current liabilities		**300.3**	**317.1**
TOTAL LIABILITIES		**904.1**	**887.4**
Total equity and liabilities		**1,419.5**	**1,479.4**

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

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Consolidated statement of cash flows

EUR mill.	Note	1.1.–31.12.2023	1.1.–31.12.2022
Cash flows from operating activities			
Profit before income taxes		-38.9	30.9
Adjustments for			
Non-cash transactions			
Depreciation, amortisation and impairment losses	9	193.8	134.9
Change in provisions	27	-2.1	0.5
Other non-cash transactions		-6.7	-4.1
Gains and Losses on sale of property, plant, equipment and other changes		-0.2	-0.3
Net finance expenses	11	24.2	2.9
Changes in working capital			
Trade and other receivables		-8.7	1.6
Inventories		-0.5	-0.2
Trade and other payables		2.5	0.4
Interests received		1.2	0.3
Income taxes paid		-6.6	-26.0
Net cash from operating activities		**158.0**	**140.9**

EUR mill.	Note	1.1.–31.12.2023	1.1.–31.12.2022
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	3	-4.0	-34.9
Acquisition of property, plant and equipment		-24.6	-30.2
Acquisition of intangible assets		-16.4	-29.0
Proceeds from the disposal of associates		-	0.1
Sale of business operation, net of cash disposed of		0.3	-
Acquisition of business operations, net of cash acquired	3	-0.3	-0.7
Proceeds from sale of property, plant and equipment		0.8	0.7
Dividends received		0.0	0.0
Net cash from investing activities		**-44.2**	**-93.9**
Cash flows from financing activities			
Acquisition of non-controlling interests	3	-0.1	-0.0
Proceeds from non-current borrowings	25	224.6	169.5
Repayment of non-current borrowings	25	-210.0	-40.0
Proceeds from current borrowings	25	26.8	41.0
Repayment of current borrowings	25	-47.1	-116.7
Payment of lease liabilities	25	-50.9	-49.3
Payment of hire purchase liabilities	25	-4.3	-5.3
Interests and other financial expenses paid		-19.9	-8.4
Dividends paid		-35.4	-35.4
Net cash from financing activities		**-116.2**	**-44.6**
Net change in cash and cash equivalents		**-2.4**	**2.3**
Cash and cash equivalents at 1 January		40.2	38.1
Exchange rate differences		-0.1	-0.3
Cash and cash equivalents at 31 December		37.7	40.2

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

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Consolidated statement of changes in equity

EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Translation differences	Total	Non-controlling interests	Total equity
	Equity attributable to owners of the parent company							
Equity 1 Jan 2023	0.1	492.8	-15.8	120.2	-5.3	592.0	0.0	592.0
Comprehensive income								
Net income	-	-	-	-42.2	-	-42.2	-	-42.2
Other comprehensive income	-	-	-	-0.1	0.1	0.0	-	0.0
Transactions with owners								
Share-based payments		-	0.1	1.3	-	1.4	-	1.4
Dividends		-	-	-35.4	-	-35.4	-	-35.4
Transactions with non-controlling interests								
Transactions with non-controlling interest	-	-	-	-	-	-	-0.0	-0.0
Other								
Other corrections*	-	-	-	-0.4	-	-0.4	-	-0.4
Equity 31 Dec 2023	**0.1**	**492.8**	**-15.7**	**43.5**	**-5.2**	**515.4**	**-**	**515.4**

EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Translation differences	Total	Non-controlling interests	Total equity
	Equity attributable to owners of the parent company							
Equity 1 Jan 2022	0.1	492.8	-18.0	134.8	-0.8	608.9	0.0	608.9
Comprehensive income								
Net income	-	-	-	24.4	-	24.4	0.0	24.4
Other comprehensive income	-	-	-	-0.5	-4.5	-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**	**120.2**	**-5.3**	**592.0**	**0.0**	**592.0**

* Correction to figures of previous financial years.

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1. Corporate information

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

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

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

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

2. Accounting policies for the consolidated financial statements

2.1 Basis of preparation

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

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

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

New and amended standards applied in the financial year 2023

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

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

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

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

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

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

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

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

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

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

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

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

2.3 Critical accounting estimates and judgements

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

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

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

Lease contracts

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

Provisions

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

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The critical accounting estimates are presented below:

Intangible assets in connection with business combinations

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

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

The valuation of contingent considerations

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

Impairment testing

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

2.4 Principles of consolidation

Subsidiaries

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

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

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

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

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

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

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

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

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

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Associates

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

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

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

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

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

2.5 Foreign currency transactions

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

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

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

2.6 Property, plant and equipment

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

The estimated useful lives are as follows:

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

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

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

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

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

2.7 Investment properties

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

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2.8 Goodwill and other intangible assets

Goodwill

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

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

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

Intangible assets

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

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

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

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

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

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

Research and development

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

2.9 Impairment

Tangible and intangible assets

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

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

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

Financial assets

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

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

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2.10 Leases

Group as a lessee

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

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

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

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

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

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

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

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

2.11 Financial assets and liabilities

Financial assets

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

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

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

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

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

Cash and cash equivalents

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

Financial liabilities

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

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

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

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

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

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

2.12 Inventories

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

2.13 Employee benefits

Pension benefits

Pension plans are classified as either defined contribution plans or defined benefit plans. In defined contribution plans, the Group makes fixed contributions into the plan. The Group has no legal or constructive obligation to make additional payments if the pension insurance company is unable to pay pension benefits earned by employees in the reporting period or in previous periods. Contributions made into defined contribution plans are recognised through profit or loss in the reporting period to which they relate.

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 recognised on the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets. The pension liability is presented in other non-current liabilities in the statement of financial position. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate or government bonds with approximating terms to maturity and that are denominated in the currency in which the benefits are expected to be paid.

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

Share-based payment transactions

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

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

2.14 Provisions and contingent liabilities

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

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

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

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2.15 Revenue recognition

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

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

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

2.16 Segment information

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

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

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

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

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

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

2.17 Government grants

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

2.18 Operating profit

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

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2.19 Earnings per share

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

2.20 Income taxes

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

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

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

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

3. Business Combinations

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

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

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

Consideration transferred

EUR mill.	
Purchase price, payable in cash	0.6
Contingent consideration	0.5
Total consideration transferred	**1.0**

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	0.2
Intangible assets	0.1
Property, plant and equipment	0.0
Right-of-use assets	0.3
Trade and other receivables	0.1
Lease liabilities	-0.3
Trade and other payables	-0.3
Deferred tax liabilities	0.0
Total identifiable net assets acquired	**0.0**
Goodwill	**1.0**

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

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

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

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

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

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

Business Combinations 2022

During the year 2022, the Group has made 12 corporate acquisitions and 3 business acquisitions.

- On 1 February 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the occupational health provider Vantaan Työterveys Oy.
- On 1 February 2022 Feelgood Företagshälsovård AB acquired 100 percent of the Swedish occupational health provider Länshälsan Uppsala Ab.
- On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Lapin Liikuntaklinikka Oy.
- On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider OMT Klinikka Kokkola Oy.
- On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy and occupational therapy service provider Suomen Fysiogeriatria Oy and an indirect 100 percent ownership in its subsidiaries Aktiivi-Fysioterapia Tampere Oy, Mimmin Terapia Oy and toi.minna Oy.
- On 1 May 2022 Feelgood Företagshälsovård AB acquired 100 percent of the shares of the Swedish occupational health provider Jobbhälsan i Norr AB.
- On 1 May 2022 Feelgood Svenska AB acquired 100 percent of the shares of the Swedish addiction treatment provider Nämndemansgården AB and its subsidiaries.
- On 31 May 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Into Terveys Oy.
- On 30 June 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Kunnon Syke Oy.
- On 31 August 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the therapy service provider Ludus Oy Tutkimus- ja Kuntoutuspalvelut.
- On 31 August 2022 Suomen Terveystalo Oy acquired the dental clinic business of Hammasrasti.
- On 31 August 2022 Suomen Terveystalo Oy acquired the physiotherapy and therapy businesses of FysioProfessionals.
- On 30 September 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Saimaan Urheilufysioterapia Oy.
- On 30 September 2022 Suomen Terveystalo Oy acquired the dental clinic business of Hymyn Paikka.
- On 31 October 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the chat and video connection solution provider Somia Reality Oy.

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

Consideration transferred

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

Identifiable assets acquired and liabilities assumed

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

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

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

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

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

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

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4. Segment information

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

Segment information

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

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

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

EUR mill.	31 Dec 2023	31 Dec 2022
Profit before taxes	-38.9	30.9
Share of profits in associated companies	0.0	0.1
Net finance expenses	24.2	2.9
Amortisation and impairment losses	119.1	62.0
Adjustments	21.2	9.2
Other	-4.2	0.1
Adjusted EBITA	**121.4**	**105.3**

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 2023	31 Dec 2022
Finland	1,144.7	1,206.3
Sweden	75.3	74.8
Total	**1,220.0**	**1,281.1**

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5. Revenue

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

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

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

Terveystalo's public customer group is made up of Finnish public sector organisations, such as municipalities, municipal federations, and hospital districts, as well as municipal occupational health care customers. The services offered to public sector customers include full and partial outsourcings, health care staffing services, specialised care services, other health care services, as well as occupational health care services for municipalities, municipal federations, and hospital districts.

Dissagregation of revenue

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Healthcare services	948.6	897.8
Portfolio Businesses	267.2	290.7
Sweden	92.5	92.8
Elimination	-21.8	-22.2
Total	**1,286.4**	**1,259.1**

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

Portfolio Businesses, revenue, EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Outsourcing services	91.1	118.7
Staffing services	84.7	84.1
Dental care	54.5	52.2
Other	36.9	35.6
Total	**267.2**	**290.7**

Timing of satisfying performance obligations

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
At a point in time	1,192.9	1,134.4
Over time	93.5	124.6
Total	**1,286.4**	**1,259.1**

Balances in the statement of financial position

EUR mill.	31 Dec 2023	31 Dec 2022
Contract assets	10.2	12.8
Contract liabilities	8.8	10.3

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

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6. Other operating income

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Rental income	0.9	1.1
Gains on sale of property, plant and equipment	0.2	0.3
Other items	3.1	1.2
Total	**4.2**	**2.7**

7. Materials and services

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Purchases of materials	-40.8	-44.1
Change in inventories	0.5	0.2
External services	-495.9	-481.8
Total	**-536.2**	**-525.7**

8. Employee benefit expenses

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Wages and salaries	-374.3	-379.5
Share-based payments	-1.4	-2.0
Pension expenses — defined contribution plans	-58.7	-61.0
Other social security costs	-12.6	-12.5
Total	**-447.0**	**-455.0**
Number of personnel at the end of the reporting period	9,824	10,933

9. Depreciation, amortisation and impairment

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Depreciation and amortisation by asset type		
Intangible assets		
Trademarks	-4.7	-4.5
Customer relationships	-9.4	-4.8
Other intangible assets	-18.2	-20.9
Total	**-32.2**	**-30.1**
Property, plant and equipment		
Buildings	-0.0	-0.0
Machinery and equipment	-14.9	-14.6
Improvement to premises	-6.4	-5.9
Total	**-21.3**	**-20.5**
Right-of-use assets	-53.3	-52.4
Investment property	-0.0	-0.0
Depreciation and amortisation total	**-107.0**	**-103.0**
Impairment losses by asset groups		
Goodwill	-57.3	-
Customer relationships	-29.3	-
Other intangible assets	-0.0	-30.5
Machinery and equipment	-0.0	-0.8
Improvement to premises	-0.0	-0.2
Investment property	-0.2	-
Associated companies	-	-0.4
Impairment total	**-86.9**	**-31.9**
Total depreciation, amortisation and impairment losses	**-193.8**	**-134.9**

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10. Other operating expenses

Specification of other operating expenses

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
External services	-22.7	-3.7
Operating and maintenance expenses for premises and equipment	-25.1	-22.6
ICT expenses	-40.4	-39.7
Non-statutory personnel expenses	-7.4	-7.1
Leases and charges	-4.9	-5.1
Travel expenses	-6.9	-6.5
Marketing and communication	-8.7	-8.5
Acquisition-related expenses	-0.1	-1.6
Other costs	-12.0	-17.4
Total	**-128.2**	**-112.3**

Auditor's fees

In thousands of euro	1.1.–31.12.2023	1.1.–31.12.2022
Audit and auditor's statements based on laws and regulations		
Audit, KPMG	-481.1	-387.9
Auditor's statements based on laws and regulations, KPMG	-11.0	-13.4
Total	**-492.1**	**-401.4**
Non audit services		
Tax services, KPMG	-4.3	-2.8
Other services, KPMG	-	-49.5
Total	**-4.3**	**-52.3**
Auditor's fees total	**-496.4**	**-453.6**

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

11. Financial income and expenses

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Interest income on loans and other receivables	1.2	0.3
Dividend income	0.0	0.0
Change in fair value of interest rate derivatives, no hedge accounting	-	7.1
Total financial income	**1.2**	**7.5**
Interest expense on loans from financial institutions	-14.3	-5.9
Interest expense on bonds	-3.2	-
Interest expenses on lease liabilities	-5.2	-3.9
Change in fair value of interest rate derivatives, no hedge accounting	-1.9	-
Other financial expenses	-0.9	-0.5
Total financial expenses	**-25.4**	**-10.4**
Net financial expenses	**-24.2**	**-2.9**

12. Taxes

12.1 Income taxes

Income taxes in the statement of income

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Current tax for the reporting year	-10.8	-8.3
Income taxes for previous periods	-0.1	0.0
Change in deferred taxes	7.6	1.8
Total income taxes	**-3.3**	**-6.5**

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

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Profit or loss before taxes	-38.9	30.9
Tax using the parent company's tax rate	7.8	-6.2
Tax rates in foreign jurisdictions	-0.0	-0.0
Tax exempt income	0.6	0.2
Non-deductible expenses	-11.7	-0.5
Share of profit in associated companies	0.0	-0.0
Recognition of previously unrecognised tax losses	0.2	0.2
Tax losses for which no deferred taxes are recognised	-0.2	-0.2
Taxes from previous periods	-0.1	0.0
Other	0.1	0.0
Total income taxes in the statement of income	**-3.3**	**-6.5**

Global minimum top-up tax (Pillar 2)

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

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

12.2 Deferred tax assets and liabilities

Deferred tax assets 2023

EUR mill.	1 Jan 2023	Business combinations	Recognised in the statement of income	Translation differences	31 Dec 2023
Provisions	1.6	-	-0.4	-	1.2
Tax losses carried forward	1.8	-	-0.3	-	1.5
Leases	1.4	0.0	0.1	0.0	1.5
Interest rate derivatives	0.7	-	-0.7	-	0.0
Other temporary differences	2.1	-	-0.4	-	1.8
Total	**7.7**	**0.0**	**-1.7**	**0.0**	**6.0**

Deferred tax liabilities 2023

EUR mill.	1 Jan 2023	Business combinations	Recognised in the statement of income	Translation differences	31 Dec 2023
Reversal of goodwill amortisation	3.0	-	0.2	-	3.2
Business combinations	21.1	0.0	-9.3	-0.0	11.9
Depreciation difference	2.5	-	0.8	-	3.3
Loan withdrawal expense	0.1	-	0.1	-	0.2
Interest rate derivatives	2.0	-	-1.0	-	0.9
Other temporary differences	0.8	-	-0.0	-	0.8
Total	**29.5**	**0.0**	**-9.2**	**-0.0**	**20.2**

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

Deferred taxes from lease agreements

EUR mill.	1 Jan 2023	Business combinations	Additions	Disposals	Recognised in the statement of income	31 Dec 2023
Deferred tax asset	36.2	0.1	22.8	-3.5	-10.7	44.8
Deferred tax liability	-34.8	-0.1	-22.8	3.5	10.8	-43.3
Total	**1.4**	**0.0**	**0.0**	**-0.0**	**0.1**	**1.5**

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Deferred tax assets 2022

EUR mill.	1 Jan 2022	Recognised in the statement of income	Translation difference	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	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**	**2.0**	**-0.0**	**7.7**

Deferred tax liabilities 2022

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

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

Deferred taxes from lease agreements

EUR mill.	1 Jan 2022	Business combinations	Additions	Disposals	Recognised in the statement of income	Translation difference	31 Dec 2022
Deferred tax asset	35.9	0.9	11.1	-1.1	-10.5	-0.1	36.2
Deferred tax liability	-34.5	-0.9	-11.1	1.1	10.5	0.1	-34.8
Total	**1.4**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.0**	**1.4**

13. Earnings per share

	1.1.–31.12.2023	1.1.–31.12.2022
Result attributable to the equity holders of the company, EUR mill.	-42.2	24.4
Weighted average number of outstanding shares, in thousands	126,555	126,508
Diluted average number of outstanding shares, in thousands	127,037	127,037
Basic earnings per share for result attributable to the equity holders of the company, EUR	-0.33	0.19
Diluted earnings per share for result attributable to the equity holders of the company, EUR	-0.33	0.19

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14. Tangible assets

14.1 Property, plant and equipment

2023 EUR mill.	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
Acquisition cost 1 Jan 2023	**2.3**	**165.1**	**64.4**	**4.2**	**236.0**
Business combination	-	0.0	-	-	0.0
Additions	-	13.8	1.7	8.8	24.3
Disposals	-	-0.5	-0.1	-	-0.6
Translation differences	0.0	0.0	0.0	0.0	0.0
Transfers between items	-	1.2	10.6	-11.8	-
Acquisition cost 31 Dec 2023	**2.3**	**179.7**	**76.6**	**1.1**	**259.7**
Accumulated depreciation and impairment losses 1 Jan 2023	**-1.2**	**-117.1**	**-35.8**	**-**	**-154.0**
Depreciation	-0.0	-14.9	-6.4	-	-21.3
Impairment losses	-	-0.0	-0.0	-	-0.0
Translation differences	-0.0	-0.0	-0.0	-	-0.0
Accumulated depreciation and impairment losses 31 Dec 2023	**-1.2**	**-132.1**	**-42.2**	**-**	**-175.5**
Carrying amount 1 Jan 2023	**1.2**	**47.9**	**28.7**	**4.2**	**82.0**
Carrying amount 31 Dec 2023	**1.2**	**47.5**	**34.5**	**1.1**	**84.2**

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 and impairment losses	-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**

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14.2 Right of-use-assets

2023 EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2023	**331.7**	**41.5**	**373.1**
Business combination	0.3	-	0.3
Additions	108.2	0.6	108.9
Disposals	-16.5	-1.2	-17.7
Translation differences	0.2	0.0	0.3
Acquisition cost 31 Dec 2023	**424.0**	**40.9**	**464.9**
Accumulated depreciation and impairment losses 1 Jan 2023	**-167.5**	**-31.8**	**-199.3**
Depreciation for the reporting period	-50.2	-3.1	-53.3
Translation differences	-0.2	-0.0	-0.2
Accumulated depreciation and impairment losses 31 Dec 2023	**-217.9**	**-34.9**	**-252.8**
Carrying amount 1 Jan 2023	**164.2**	**9.7**	**173.9**
Carrying amount 31 Dec 2023	**206.1**	**6.0**	**212.1**

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**

14.3 Lease liabilities

2023, EUR mill.	Premises	Other lease liabilities	Total
Non-current lease liabilities	166.8	5.8	172.6
Current lease liabilities	44.0	2.5	46.5
Total lease liabilities	**210.8**	**8.3**	**219.1**

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

2022, EUR mill.	Premises	Other lease liabilities	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**

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15. Intangible assets

2023 EUR mill.	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
Acquisition cost 1 Jan 2023	**947.5**	**167.8**	**88.7**	**140.2**	**1,344.2**
Business combination	1.3	0.1	-	-	1.4
Additions	-	-	-	16.3	16.3
Disposals	-0.2	-	-	-0.0	-0.2
Translation differences	0.1	0.0	0.0	0.1	0.2
Acquisition cost 31 Dec 2023	**948.8**	**167.8**	**88.7**	**156.6**	**1,361.9**
Accumulated amortisations and impairment losses 1 Jan 2023	**-68.0**	**-117.5**	**-38.5**	**-95.6**	**-319.6**
Amortisation	-	-9.4	-4.7	-18.2	-32.2
Impairment losses*	-57.3	-29.3	-	-0.0	-86.6
Translation differences	-	-0.0	-0.0	-0.1	-0.1
Accumulated amortisations and impairment losses 31 Dec 2023	**-125.3**	**-156.2**	**-43.2**	**-113.9**	**-438.6**
Carrying amount 1 Jan 2023	**879.5**	**50.3**	**50.2**	**44.6**	**1,024.7**
Carrying amount 31 Dec 2023	**823.5**	**11.6**	**45.6**	**42.8**	**923.4**

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

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 amortisations and impairment losses 1 Jan 2022	**-68.0**	**-107.4**	**-33.7**	**-50.0**	**-259.1**
Amortisation	-	-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 amortisations 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-projects of the basic IT system development.

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Development expenditure

Other intangible assets include development expenditure as follows:

2023

EUR mill.	
Acquisition cost 1 Jan 2023	**34.5**
Additions	12.4
Transfers from advance payments	10.8
Translation differences	0.1
Acquisition cost 31 Dec 2023	**57.8**
Accumulated amortisations and impairment losses 1 Jan 2023	**-13.0**
Amortisation and impairment losses	-12.2
Accumulated amortisations and impairment losses 31 Dec 2023	**-25.2**
Carrying amount 1 Jan 2023	**21.6**
Carrying amount 31 Dec 2023	**32.6**

2022

EUR mill.	
Acquisition cost 1 Jan 2022	**18.2**
Business combination	0.1
Additions	6.8
Transfers from advance payments	9.6
Translation differences	-0.2
Acquisition cost 31 Dec 2022	**34.5**
Accumulated amortisations and impairment losses 1 Jan 2022	**-5.2**
Amortisation and impairment losses	-7.8
Accumulated amortisations and impairment losses 31 Dec 2022	**-13.0**
Carrying amount 1 Jan 2022	**12.8**
Carrying amount 31 Dec 2022	**21.6**

16. Impairment testing of cash-generating units including goodwill

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

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

Healthcare Services and Sweden consist of units with their own budgets and performance measurement, and are centrally managed. Portfolio Businesses are managed as a whole, they partly share resources and are centrally managed, but cash flows generated, marketing functions and identifiable assets are different for Public and Private payors.

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

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

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

	31 Dec 2023		31 Dec 2023
EUR mill.	**Goodwill**	**%**	**Impairment**
Healthcare Services	603.6	73.3%	-
Portfolio Businesses, Public payor	146.4	17.8%	55.3
Portfolio Businesses, Private payor	29.1	3.5%	-
Sweden	44.4	5.4%	-
Total	**823.5**	**100.0%**	**55.3**

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

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

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

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

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	2023
Terminal period revenue growth rate	
Healthcare Services	Decrease over 17.1 percentage points
Portfolio Businesses, Public payor	Not applicable
Portfolio Businesses, Private payor	Decrease over 10.2 percentage points
Sweden	Decrease over 1.0 percentage points
Profitability (EBIT %) during the terminal period	
Healthcare Services	Decrease over 10.6 percentage points
Portfolio Businesses, Public payor	Not applicable
Portfolio Businesses, Private payor	Decrease over 4.2 percentage points
Sweden	Decrease over 0.9 percentage points
Discount rate (Pre-tax WACC)	
Healthcare Services	Increase over 14.3 percentage points
Portfolio Businesses, Public payor	Not applicable
Portfolio Businesses, Private payor	Increase over 8.9 percentage points
Sweden	Increase over 1.0 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 units would fall below their carrying amount in Healthcare Services or Portfolio Businesses, Private payor cash-generating units. In Portfolio Businesses, Public payor cash-generating unit the value in use is equivalent to book value of assets at the time of impairment testing and in consequence sensitivity analysis does not apply to this cash-generating unit.

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

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17. Investment properties

Carrying amount of investment properties

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Carrying amount at the beginning of the period	**0.5**	**0.5**
Impairment	-0.2	-
Depreciation	-0.0	-0.0
Carrying amount at the end of the period	**0.3**	**0.5**

Income and expenses related to investment properties

EUR mill.	1.1.–31.12.2023	1.1.–31.12.2022
Rental income from investment properties	0.1	0.1
Operating expenses for investment properties	-0.0	-0.0
Total	**0.0**	**0.1**

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

Fair values of investment properties

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

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

18. Associated companies

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

Associated companies 31 Dec 2023	Domicile	Ownership	Voting rights
Terveyden Tuottajat Oy	Finland	0.0%	48.2%

Summarised financial information on associated companies

EUR mill.	2023	2022
Carrying amount	0.0	0.0
Group's share of total comprehensive income	0.0	-0.1

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19. Share-based payments

Performance Share Plan 2021

Performance Share Plan is targeted to Terveystalo's key employees. The long-term share-based payment plan is based on a rolling three 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, three (3) performance periods 2021–2023, 2022–2024 and 2023-2025 have been launched. The impact of the Performance Period 2021–2023 to the result for the period has been EUR 0.4 million and the expected total cost of the plan is EUR 2.5 million. 37 persons are included in the Performance Period 2021–2023 arrangement. The impact of the Performance Period 2022–2024 to the result for the period has been EUR 0.5 million and the expected total cost of the plan is EUR 1.9 million. 51 persons are included in the Performance Period 2022–2024 arrangement. The impact of the Performance Period 2023–2025 to the result for the period has been EUR 0.4 million and the expected total cost of the plan is EUR 1.6 million. 55 persons are included in the Performance Period 2023–2025 arrangement.

Performance Share Plan 2021	2023–2025	2022–2024	2021–2023
Grant date	3 Apr 2023	1 Apr 2022	1 Apr 2021
Maximum number of share awards	640,000	683,085	642,000
Outstanding at 1 Jan 2023	-	577,864	486,556
Granted share awards during the period	582,000	-	-
Forfeited share awards during the period	49,000	121,890	94,000
Exercised share awards during the period		-	-
Outstanding at 31 Dec 2023	533,000	455,974	392,556
Fair value of the share award at grant date	6.6	9.2	12.6
End of the performance period	28 Feb 2026	28 Feb 2025	29 Feb 2024
End of the vesting period, expected	31 Mar 2026	31 Mar 2025	31 Mar 2024
Vesting conditions	Service condition, total Shareholder Return (TSR)	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	In shares and cash

Bridge Plan

Bridge Plan is targeted for the 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 ended during the year 2023 and in consequence, the shares earned were granted according to realisation of the plan's conditional performance measures. The plan's impact to the result for the period has been EUR 0.0 million.

Bridge Plan	2021–2022
Grant date	24 May 2021
Maximum number of share awards	58,600
Outstanding at 1 Jan 2023	58,600
Granted share awards during the period	-
Forfeited share awards during the period	50,294
Exercised share awards during the period	8,306
Outstanding at 31 Dec 2023	-
Fair value of the share award at grant date	14.1
End of the performance period	28 Feb 2023
End of the vesting period	10 Mar 2023
Vesting conditions	Service condition, total Shareholder Return (TSR), productivity and digital sales
Exercised	In shares and cash

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Restricted Share Plan

Restricted Share Plan offers individually selected employees an opportunity to earn a fixed number of shares after a vesting period. Rewards are conditional on the fulfilment of a service condition during the vesting period. The reward is granted as a gross number of Terveystalo shares, including a cash portion for taxes and tax-related expenses arising from the reward to the employee. The reward is settled as net shares. The plan is fully accounted for as an equity settled share-based payment. Three (3) vesting periods have been launched in the plan. At the end of the reporting period, twelve (12) persons were included in the arrangement. The impact to the result of the vesting periods 2021–2023, 2022–2024 and 2023-2025 has been EUR 0.1 million and the expected total cost of the plan is EUR 0.4 million.

Restricted Share Plan	2023–2025	2022–2024	2021–2023
Grant date	3 Apr 2023	22 Jun 2022	15 Apr 2021
Maximum number of share awards	64,000	68,309	64,200
Outstanding at 1 Jan 2023	-	3,000	7,000
Granted share awards during the period	29,000	6,000	-
Forfeited share awards during the period	-	-	-
Exercised share awards during the period	-	-	-
Outstanding at 31 Dec 2023	29,000	9,000	7,000
Fair value of the share award at grant date	6.6	9.5	11.2
End of the performance period	28 Feb 2026	28 Feb 2025	29 Feb 2024
End of the vesting period, expected	31 Mar 2026	31 Mar 2025	31 Mar 2024
Vesting conditions	Service condition	Service condition	Service condition
Exercised	In shares and cash	In shares and cash	In shares and cash

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

EUR mill. 31 Dec 2023	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy
Financial assets					
Non-current					
Loan receivables	0.0	-	0.0	0.0	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
Current					
Trade receivables	-	127.6	127.6	127.6	
Cash and cash equivalents	-	37.7	37.7	37.7	
Interest rate derivatives	4.8	-	4.8	4.8	Level 2
Total	**5.6**	**165.3**	**170.8**	**170.8**	
Financial liabilities					
Non-current					
Loans from financial institutions	-	294.0	294.0	294.0	Level 2
Bonds	-	99.1	99.1	102.7	Level 1
Hire purchase liabilities	-	1.3	1.3	1.3	Level 2
Contingent considerations	3.3	-	3.3	3.3	Level 3
Current					
Loans from financial institutions	-	19.8	19.8	19.8	Level 2
Hire purchase liabilities	-	2.5	2.5	2.5	Level 2
Trade payables	-	49.5	49.5	49.5	
Contingent considerations	2.6	-	2.6	2.6	Level 3
Interest rate derivatives	0.1	-	0.1	0.1	Level 2
Total	**6.0**	**466.2**	**472.2**	**475.7**	

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Financial assets and liabilities classified at fair value hierarchy level 3 consist of unquoted equity investments and contingent considerations from business combinations. The measurement of unquoted equity investments is based on the managements estimate of future cash flows arising from the investments and the measurement of contingent considerations is based on the amounts specified in purchase agreements and the management estimate on whether the consideration will be realised. The effect on earnings arising from the changes of fair values of financial assets and liabilities classified at fair value hierarchy level 3 has been EUR 1,6 million (2022: EUR -2,4 million).

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

EUR mill. 31 Dec 2022	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised 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	Level 2
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**	

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21. Financial risks

21.1 Financial risk management

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

21.2 Interest rate risk and currency risk

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

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

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

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

21.3 Credit risk

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

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

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

21.4 Refinancing risk and Liquidity risk

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

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

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

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

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

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

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Maturity analysis of liquidity risk

31 Dec 2023

EUR mill.	Carrying amount	Contractual cash flows	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	313.8	331.6	15.8	137.0	167.6	11.2
Bonds	99.1	124.5	5.4	5.4	113.6	-
Lease liabilities	219.1	226.5	51.5	47.4	83.8	43.9
Hire purchase liabilities	3.8	3.8	2.6	1.2	0.1	-
Trade payables	49.5	49.5	49.5	-	-	-
Interest rate derivatives	0.1	0.4	0.3	0.4	-0.4	-
Total	**688.6**	**728.6**	**122.5**	**188.8**	**362.1**	**55.1**

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**

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

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

22. Trade and other receivables and contract assets

Carrying amounts of trade and other receivables and contract assets

EUR mill.	2023	2022
Non-current		
Loan receivables	0.0	0.3
Total non-current receivables	**0.0**	**0.3**
Current		
Trade receivables	117.4	106.9
Other receivables	2.3	2.1
Prepaid expenses	8.4	6.5
Derivative assets	4.8	9.9
Contract assets	10.2	12.8
Total	**143.1**	**138.4**

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Specification of prepaid expenses

EUR mill.	2023	2022
Personnel related prepaid expenses	0.0	0.0
Other prepaid expenses	8.4	6.5
Total	**8.4**	**6.5**

During the reporting period, the Group has recognised final credit losses and expected credit losses on trade receivables and contract assets through the statement of income totaling EUR 2.1 million (2022: EUR 1.9 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 recognised credit losses

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

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

Ageing of trade receivables and recognised credit losses

2022 EUR mill.	Trade receivables total	Expected credit loss	Recognised 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.

23. Cash and cash equivalents

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

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

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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 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**
1 Jan 2023	**126,548**	**489**	**127,037**	**0.1**	**492.8**	**-15.8**	**477.1**
Acquisition of treasury shares	8	-8	-	-	-	0.1	0.1
Cancellation of treasury shares	-	-	-	-	-	-	-
31 Dec 2023	**126,556**	**480**	**127,036**	**0.1**	**492.8**	**-15.7**	**477.2**

Shares and share capital

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

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

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

Invested non-restricted equity reserve

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

Distributable funds

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

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

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

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

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25. Financial liabilities

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

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

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

26. Trade and other payables

Carrying amounts of trade and other payables

EUR mill.	2023	2022
Trade payables	49.5	49.0
Other payables	80.1	81.9
Contract liabilities	8.8	10.3
Derivative liabilities	0.1	3.4
Accrued expenses	86.2	78.7
Total	**224.7**	**223.2**

Specification of other payables

EUR mill.	2023	2022
Doctor's fee liabilities	48.5	48.2
VAT liabilities	23.3	24.0
Other	8.3	9.7
Total	**80.1**	**81.9**

Specification of accrued expenses

EUR mill.	2023	2022
Personnel-related accrued expenses	74.0	71.4
Interest liabilities	6.3	1.5
Other	5.9	5.8
Total	**86.2**	**78.7**

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27. Provisions

Carrying amounts of provisions

EUR mill.	2023	2022
Non-current provisions	2.8	8.3
Current provisions	3.3	3.2
Total	**6.1**	**11.5**

EUR mill.	2023	2022
Onerous contracts	4.1	7.1
Other provisions	2.0	4.4
Total	**6.1**	**11.5**

Changes in provisions during the financial year 2023

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

Changes in provisions during the financial year 2022

EUR mill.	Onerous contracts	Other provisions	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**

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 seven years at the reporting date.

Summary of the impact of the defined benefit plans in the financial statements

EUR mill.	2023	2022
Present value of the defined benefit obligations	1.3	1.3
Expenses related to defined benefit plans	0.0	0.0
Remeasurements of defined benefit obligations	0.1	-0.2

Reconciliation of the defined benefit obligation

EUR mill.	2023	2022
1 Jan	**1.3**	**1.7**
Interest expense (+) / income (-)	0.1	0.0
Benefits paid	-0.1	-0.1
Remeasurement of the obligation		
Actuarial gain (-) / loss (+) from change in financial assumptions	0.1	-0.2
Translation differences	0.0	-0.1
31 Dec	**1.3**	**1.3**

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Applied actuarial assumptions

%	2023	2022
Discount rate	3.70	3.80
Inflation	1.70	1.90

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

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

29. Collateral and contingent liabilities

EUR mill.	31 Dec 2023	31 Dec 2022
Business mortgages	7.5	11.4
Total	**7.5**	**11.4**
Securities for own debts		
Deposits	0.2	0.5
Guarantees	0.2	0.4
Total	**0.4**	**0.9**

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

30. Related party transactions

Group's related parties

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

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

Related party transactions

2023	Sales	Purchases	Receivables	Payables
Associated companies	0.6	9.7	0.2	0.8
Other related parties	0.0	-	-	-
Total	**0.6**	**9.7**	**0.2**	**0.8**

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2022	Sales	Purchases	Receivables	Payables
Associated companies	0.6	10.6	0.3	1.0
Total	**0.6**	**10.6**	**0.3**	**1.0**

Compensation for the key management

Remuneration to the CEO, in thousands of euro	2023	2022
Fixed pay	397.7	393.6
Other benefits	12.3	6.4
Short-term incentives	402.2	105.0
Share-based payments	348.1	546.9
Pensions (statutory)	133.4	82.9
Total	**1,293.7**	**1,134.8**

Renumeration to the CEO is presented on an accrual basis.

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

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

	2023				2022			
Remuneration to the Board of Directors, in thousands of euro	Annual fee settled in cash	Annual fee settled in shares	Meeting fees	Other financial benefits*	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	18.7	0.6	52.5	35.0	19.0	0.6
Kristian Pullola	31.2	20.8	11.7	0.3	31.2	20.8	14.2	0.3
Katri Viippola	24.9	16.6	13.7	0.3	24.9	16.6	15.5	0.3
Matts Rosenberg	31.2	20.8	12.4	0.3	31.2	20.8	10.4	0.3
Carola Lemne	24.9	16.6	18.0	0.3	24.9	16.6	14.7	0.3
Lehtoranta Ari**	24.9	16.6	8.5	0.3	-	-	-	-
Hasselberg Sofia**	24.9	16.6	15.4	0.3	-	-	-	-
Members of the Board of Directors until 10 October 2022								
Dag Andersson					41.5	0.0	13.8	0.0
Members of the Board until 7 April 2022								
Niko Mokkila	-	-	-	-	0.0	0.0	3.8	0.0
Åse Aulie Michet	-	-	-	-	0.0	0.0	4.4	0.0
Tomas Von Rettig	-	-	-	-	0.0	0.0	5.1	0.0
Total	**214.5**	**143.0**	**98.1**	**2.3**	**206.2**	**109.8**	**100.7**	**1.8**

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

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Bonus Scheme

The Company operates a bonus scheme, which is determined by the Board of Directors of the Company upon the recommendation of the Remuneration Committee. The CEO and the members of the Executive Team are eligible to participate in the bonus scheme in accordance with the Company's bonus policy. Annual bonuses are payable based on the attainment of key performance targets of the Company. The key performance targets of the CEO and the Executive Team are based on the Company's adjusted 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 on share-based incentive plans directed to the Group's key employees. More information on the share-based incentive plans is presented in note 19 Share-based payments.

Management holdings

Name	Position	31 Dec 2023
Kari Kauniskangas	Chairman of the Board of Directors	21,802
Matts Rosenberg	Member of the Board of Directors	14,498
Carola Lemne	Member of the Board of Directors	5,126
Kristian Pullola	Member of the Board of Directors	8,207
Katri Viippola	Member of the Board of Directors	11,453
Ari Lehtoranta	Member of the Board of Directors	6,504
Sofia Hasselberg	Member of the Board of Directors	2,499
Ville Iho	President and CEO	13,306
Juuso Pajunen	Chief Financial Officer	19,000
Petri Bono	Chief Medical Officer	2,087
Henri Mäenalanen	Interim Executive Vice President, Healthcare Services	2,230
Stefan Kullgren	Executive Vice President of the Swedish Business Area	-
Ilari Richard	Senior Vice President, Digital Services	3,134
Mikko Tainio	Senior Vice President, Portfolio Businesses	5,596
Minttu Sinisalo	Senior Vice President, Human Resources	1,400

31. Group companies

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

Subsidiaries as at 31 December 2023

Company name	Domicile	Group's share	Group's voting rights
Alna Sverige AB	Sweden	100.0%	100.0%
EAM TTALO Holding Oy*	Finland	0.0%	0.0%
Feelgood Företagshälsa Dalarna AB	Sweden	100.0%	100.0%
Feelgood Företagshälsovård AB	Sweden	100.0%	100.0%
Feelgood Hälsoforum 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%
Länshälsan Skåne AB	Sweden	100.0%	100.0%
Medimar Scandinavia Ab	Finland	100.0%	100.0%
Nämndemansgården i Sverige AB	Sweden	100.0%	100.0%
Rela-hierojat Oy	Finland	100.0%	100.0%
Sauma Lastensuojelupalvelut Oy	Finland	100.0%	100.0%
Sivupersoona 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%
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.

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Changes in the Group structure

Financial year 2023

The following mergers took place during the financial year 2023:

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

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

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

Financial year 2022

The following mergers took place during the financial year 2022:

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

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32. Subsequent events

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

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

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

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

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

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

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

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

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

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

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

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Parent company's financial statement, FAS

Parent company's income statement

EUR	Note	1.1.–31.12.2023	1.1.–31.12.2022
Revenue	1.1	**11,487,798**	**1,622,050**
Materials and supplies		-1,684	-1,851
Employee benefit expenses			
Wages and salaries		-1,889,541	-1,446,798
Social security expenses			
Pension expenses		-232,335	-128,348
Other social security expenses		-153,776	-21,741
Depreciation, amortisation and impairment losses	1.2	-18,227	-8,199
Other operating expenses	1.4	-20,555,877	-4,804,758
Operating loss		**-11,363,642**	**-4,789,646**
Financial income and expenses	1.5		
Other interest and financial income			
From group companies		3,194,991	1,629
From others		-	10
Other interest and financial expenses			
To group companies		-1,126,839	-10,753
To others		-3,833,481	-215,450
Loss before appropriations and taxes		**-13,128,972**	**-5,014,210**
Appropriations	1.6		
Increase/decrease in depreciation in excess of plan		-16,959	-8,937
Group contributions		63,777,000	34,634,000
Taxes		-10,132,230	-5,952,627
Profit for the period		**40,499,784**	**23,658,227**

Parent company's statement of financial position

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

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Parent company's statement of cash flows

EUR	1.1.–31.12.2023	1.1.–31.12.2022
Cash flows from operating activities		
Profit for the period before income taxes	50,631,069	29,610,853
Adjustments		
Depreciations according to plan	18,227	8,199
Non-cash transactions	-60,564,902	-34,625,063
Financial income and expenses	1,765,330	224,564
Change in working capital		
Change in trade and other receivables	-16,767,585	469,239
Change in trade and other payables	878,760	455,667
Taxes	-4,464,873	-10,546,536
Net cash from operating activities	**-28,503,974**	**-14,403,077**

EUR	1.1.–31.12.2023	1.1.–31.12.2022
Cash flows from investing activities		
Acquisition of tangible and intangible assets	-44,361	-68,726
Granted loan receivables to subsidiary	-100,000,000	-
Net cash from investing activities	**-100,044,361**	**-68,726**
Cash flows from financial activities		
Change in group bank account	31,521,429	-7,870,194
Proceeds of long-term borrowings	99,594,000	-
Received group contribution	34,634,000	58,000,000
Dividends paid	-35,435,764	-35,433,439
Interest and other financial expenses paid	-1,765,330	-224,564
Net cash from financial activities	**128,548,335**	**14,471,803**
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	-	-

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Accounting policies of parent company's financial statements

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

Measurement and recognition principles and methods

Holdings in group companies

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

Property, plant and equipment, and depreciation

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

The depreciation is based on the following expected useful lives:

Machinery and equipment: 5 years

Notes to the statement of income

1.1 Revenue

EUR	2023	2022
Finland	11,455,589	1,593,045
Sweden	32,209	29,005
Total	**11,487,798**	**1,622,050**

1.2 Depreciation, amortisation and impairment losses

EUR	2023	2022
Depreciation	-18,227	-8,199
Total	**-18,227**	**-8,199**

1.3 Personnel

	2023	2022
Average number of personnel during financial year	4	4

1.4 Other operating expenses

EUR	2023	2022
External services	-19,452,524	-3,535,145
ICT expenses	-36,242	-33,527
Non-statutory personnel expenses	-109,863	-126,093
Leases	-14,731	-13,121
Travel expenses	-51,977	-33,135
Marketing and communication	-201,761	-239,655
Other costs	-688,779	-824,083
Total	**-20,555,877**	**-4,804,758**

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Auditor's fees

EUR	2023	2022
Audit and auditor's statements based on laws and regulations		
Audit, KPMG	-101,000	-76,000
Auditor's fees total	**-101,000**	**-76,000**

1.5 Financial income and expenses

EUR	2023	2022
Other interest and financial income		
From group companies	3,194,991	1,629
From others	-	10
Total	**3,194,991**	**1,639**
Other interest and financial expenses		
To group companies	-1,126,839	-10,753
To others	**-3,833,481**	**-215,450**
Total	**-4,960,321**	**-226,203**

1.6 Appropriations

EUR	2023	2022
Increase/decrease in depreciation in excess of plan	-16,959	-8,937
Group contributions received	63,777,000	34,634,000
Appropriations total	**63,760,041**	**34,625,063**

Notes to the statement of the financial position

2.1 Property, plant and equipment

Machinery and equipment

EUR	2023	2022
Acquisition cost 1 Jan	**107,614**	**38,888**
Additions	44,361	68,726
Acquisition cost 31 Dec	**151,975**	**107,614**
Accumulated depreciation and impairment losses 1 Jan	**-46,861**	**-38,661**
Depreciation for the period	-18,227	-8,199
Accumulated depreciation and impairment losses 31 Dec	**-65,087**	**-46,861**
Carrying amount 1 Jan	**60,753**	**227**
Carrying amount 31 Dec	**86,887**	**60,753**

2.2 Investments

Holdings in group companies

EUR	2023	2022
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**

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Parent company ownerships:

Holdings in group companies	2023	2022
Terveystalo Healthcare Holding Oy	100%	100%

2.3 Receivables from group companies

EUR	2023	2022
Loan receivables	100,000,000	-
Total	**100,000,000**	**-**

EUR	2023	2022
Non-current receivables	4,418,475	4,494,632
Trade receivables	827,512	586,503
Group contribution receivables	63,777,000	34,634,000
Prepayments and accrued income*	17,999,749	1,417,878
Total	**87,022,736**	**41,133,012**

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

2.4 Prepayments and accrued income

EUR	2023	2022
VAT receivables	477,423	393,681
Prepayments and accrued income	553,076	209,957
Total	**1,030,499**	**603,637**

2.5 Changes in equity

Restricted equity

Share capital

EUR	2023	2022
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	2023	2022
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	2023	2022
Retained earnings at the beginning of the period	37,290,789	49,066,001
Dividends paid	-35,435,764	-35,433,439
Retained earnings at the end of the period	1,855,024	13,632,562
Net income	40,499,784	23,658,227
Total unrestricted equity	**535,858,771**	**530,794,751**
Total equity	**535,938,771**	**530,874,751**

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Distributable equity

EUR	2023	2022
Invested non-restricted equity reserve	493,503,962	493,503,962
Retained earnings	1,855,024	13,632,562
Net income	40,499,784	23,658,227
Total	**535,858,771**	**530,794,751**

Shares and share capital

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

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

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

Invested non restricted equity reserve

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

2.6 Liabilities

2.6.1 Non-current liabilities

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

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

2.6.2 Current liabilities

EUR	2023	2022
Trade payables	2,296,985	1,541,585
Other liabilities to group companies	56,730,930	25,190,668
Other liabilities	35,585	25,159
Accruals	9,930,200	974,548
Total	**68,993,700**	**27,731,959**

2.6.3 Liabilities to Group companies

EUR	2023	2022
Trade payables	265,918	-
Group bank account payables	56,440,316	24,918,886
Accruals and deferred income	24,697	271,781
Total	**56,730,930**	**25,190,668**

2.6.4 Accruals and deferred expenses

EUR	2023	2022
Personnel-related accrued expenses	841,720	271,105
Other	2,845,628	274,428
Interest liabilities	3,195,139	-
Income tax liability	3,047,713	429,014
Total	**9,930,200**	**974,548**

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Other notes

3. Collateral and other contingent liabilities

EUR	2023	2022
Suretyship*	305,000,000	420,000,000
Guarantees	81,927	81,927

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

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

Helsinki, 13 February 2024

Kari Kauniskangas
Chairman of the Board of Directors

Sofia Hasselberg
Member of the Board of Directors

Ari Lehtoranta
Member of the Board of Directors

Carola Lemne
Member of the Board of Directors

Kristian Pullola
Member of the Board of Directors

Matts Rosenberg
Member of the Board of Directors

Katri Viippola
Member of the Board of Directors

Ville Iho
President and CEO

Auditors note

A report on the audit has been issued today.

Helsinki, 13 February 2024

KPMG Oy Ab
Audit firm

Henrik Holmbom
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Terveystalo Plc

Report on the Audit of the Financial Statements

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

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

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

- The consolidated revenue for 2023 amounted to 1.286 M€ million and consist of numerous types of individual service transactions and service combinations generated to various customer and payer groups in multiple business locations. Volumes of sales transactions processed in the IT systems are substantial and Terveystalo also uses a number of service pricing models and client contract templates.
- Given the variety and large number of sales transactions, revenue recognition is considered a key audit matter.

- As part of our audit procedures, we evaluated the sales-related internal control environment, as well as tested the key controls. We also performed substantive audit procedures.
- We tested the processes to record sales transactions as well as the sales pricing and invoicing processes. We assessed the appropriateness of the revenue recognition for the sales transactions.
- We evaluated the IT systems relevant for revenue recognition.
- We considered the appropriateness of the disclosures presented for revenue in the consolidated financial statements.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Other Reporting Requirements

Information on our audit engagement

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

Other Information

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

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

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

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

Helsinki, 13 February 2024
KPMG Oy Ab

HENRIK HOLMBOM
Authorised Public Accountant, KHT

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