

TERVEYSTALO GROUP INTERIM REPORT

JANUARY 1 – SEPTEMBER 30, 2021

REVENUE GROWTH DRIVEN BY STRONG, BROAD-BASED DEMAND

July–September 2021 in brief

- Revenue increased by 13.7 percent year-on-year to EUR 273.1 (240.2) million.
- Adjusted²⁾ earnings before interest, taxes, and amortization (EBITA) increased by 1.9 percent to EUR 31.5 (30.9) million, representing 11.5 (12.9) percent of revenue. The cost saving measures in comparison period had an impact on the relative profitability.
- Adjusted items affecting comparability were EUR 2.3 (0.6) million.
- Profit for the period was EUR 14.5 (16.1) million.
- Earnings per share (EPS) were EUR 0.11 (0.13).
- Cash flow from operating activities was EUR 30.7 (8.6) million.
- Feelgood Svenska AB was included in the Group's consolidated result for the first time. Revenue (Sweden and others segment) was EUR 13.5 million and EBITA EUR -1.6 million.

January–September 2021 in brief

- Revenue increased by 17.0 percent year-on-year¹⁾ to EUR 827.1 (706.7) million.

- **Adjusted²⁾ earnings before interest, taxes, and amortization (EBITA) increased by 58.3 percent to EUR 99.1 (62.6) million, representing 12.0 (8.9) percent of revenue.**
- Adjusted items affecting comparability were EUR 3.3 (3.7) million.
- Profit for the period was EUR 54.6 (23.4) million.
- Earnings per share (EPS) were EUR 0.43 (0.18).
- **Net debt/adjusted EBITDA was 2.6 (3.4).**
- Cash flow from operating activities was EUR 109.1 (77.4) million.

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

1) The figures for the comparison period were affected by the COVID-19 pandemic and the related restrictions. Cost saving measures were implemented in the comparison period, which improved profitability. Compared to January-September 2019, revenue increased by 7.0% (1–9/2019: EUR 760.4 million) and adjusted earnings before interest, taxes and amortization (EBITA) increased by 19.8% (1–9/2019: EUR 82.7 million)

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

CEO Ville Iho: Demand is strong, growth is restricted by supply

In the third quarter of 2021, we saw strong, broad based demand for healthcare services and Terveystalo's revenue grew by 13.7% to EUR 273.1 (240.2) million. The number of appointments booked by private customers continued to grow in particular. The demand was solid in preventive occupational healthcare and public sector customer group as well. The number of digital appointments continued to grow, which indicates that remote appointments will remain as a part of our customers daily life going forward as well. Services related to COVID-19 continued to increase revenue as testing volumes remained at a high level. The past quarter marked the first time that Feelgood in Sweden was included in the consolidated financial figures and had revenue of approximately EUR 13.5 million. Our profitability was solid: adjusted EBITA grew by 1.9% to EUR 31.5 (30.9) million, representing 11.5% margin. The cost saving measures in comparison period had an impact on the relative profitability, while seasonally low operating volume weighed down on Sweden and others segment profitability. Revenue and EBITA both also increased compared to the corresponding period in 2019; revenue by 16.7% and adjusted EBITA by 29.0%.

As the demand has strengthened, the supply bottlenecks have returned. The booking rates of appointments grew to a record level, 96% on average, in the third quarter. Such a high network-wide utilization rate means we are unable to meet all demand. For several years now, we have been investing in intelligent supply and demand management to improve access to services. Active customer steering and digital services that support local physical service provision enable the entire network to operate at higher utilization rates. In addition we have managed to increase self-service rates and improve booking conversion. We continue to invest in developing our processes and intelligent platform, since there is still lot of untapped potential.

The integration of Feelgood has progressed according to plan and we have made progress in building our shared growth strategy and business plans. With almost double the customer base and our complementary capabilities, we can create added value for our customers and professionals while also improving operational efficiency. Our goal is to develop the Swedish occupational healthcare market and achieve growth in that market both organically and through additional acquisitions. As part of the growth strategy, Feelgood made an acquisition to complement its business operations by acquiring Dalarnas Företagshälsan, the fourth-largest provider of occupational healthcare services in Sweden. In the future, we also see potential for scaling our digital solutions in the Feelgood platform and expanding the range of services in the Swedish market towards more integrated chains of care.

Our business has developed as planned in all customer groups. In the corporate and consumer business, our goal is to solidify our position as the market leader and accelerate growth in targeted areas. Terveystalo + Nightingale Well-being Membership concept is an excellent example of a new growth product, a subscription-based service that supports preventive healthcare and health partnerships with customers. We are excited to see how this new concept will be received.

In the public sector customer group, market is active and there is appetite for new types of services. As an example of new concept, Kannelmäki health center opened its doors at the beginning of October. Terveystalo produces services for the district's 20,000 residents. Our goal is a health center with no queues, one that maintains a high level of clinical quality while delivering a good customer and employee experience. We have also developed a new remote service platform,

specifically with the public sector's needs in mind. Our aim is to grow in remote and digital services also in the public sector.

Queues for treatment in the public healthcare system are becoming longer in the aftermath of the COVID-19 pandemic. There are plenty of queues for surgeries that exceed the statutory six-month limit, with cataract surgery and hip replacement surgery being the most congested by a clear margin. The Finnish state has promised funding of EUR 450 million to address the treatment backlog, but the decisions on the use of the funds have yet to be made. The Finnish healthcare system is unique and, thanks to the multiple funding and production models used, it has the ability to adapt to challenging fluctuations in the demand for treatment. We have several existing solutions that make it possible to clear the treatment queues faster, including the broader use of the service voucher system for services such as surgeries, increasing the use of services purchased from private sector service providers as well as targeted Kela compensation. Access to care within a reasonable period of time can be guaranteed for people in Finland provided there is the courage to make quick decisions and take advantage of the existing system.

With our extensive network, digital platform and diverse expertise, we are prepared to help the public sector in clearing the queues for treatment. Our view is that in clearing the queues for treatment – and subsequently meeting the growing demand for health services – the help of private sector service providers will inevitably be needed. Instead of principles, the focus should be on people in need of care. At Terveystalo, we work toward a future where more and more people have fast and unhindered access to healthcare and well-being services.

Our equity is growing every quarter and further strengthening our financial position. In November, we will pay our shareholders the second dividend for 2020 (EUR 0.13 per share). In addition, we are launching a EUR 13.5 million share repurchase program to ensure an optimal capital structure.

At Terveystalo, we work toward a future where more and more people have fast and unhindered access to healthcare and well-being services.

Toward a better tomorrow,
Ville Iho

Outlook

- The market environment has normalized and the demand for health services is strong. Demand, however, varies between different services and could be restricted by supply.
- The demand for COVID-19 related services is expected to remain active, despite a decline in volumes from previous peak levels. Predicting the volume is, however, difficult. The overall demand for health services is expected to grow substantially. The demand for digital services is expected to continue to grow.
- Demand from corporate customers for preventive and statutory occupational health services is expected to develop favorably. The demand for medical care varies between different services, but the overall demand is strong. Significant changes in the employment rate may be reflected in the underlying demand.
- In the private customer segment, overall demand is expected to develop favorably and grow substantially. However, demand varies between different specialties. Significant changes in consumer confidence may be reflected in the underlying demand.
- Demand from the public sector is expected to remain strong in occupational health, service sales, and staffing services. Revenue from the outsourcing business is expected to remain stable.
- Demand in the Swedish occupational healthcare market is expected to develop favorably.

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

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

During the third quarter of 2021, Terveystalo's service production was still characterized by various COVID-19-related services as well as well-being and digital services, which saw substantial year-on-year growth in demand.

The company's liquidity and financing situation has remained strong. During the review period, the company fulfilled the covenant requirement included in the financing agreement that reflects relative indebtedness. Terveystalo continues the

increased reporting of explanatory financial information on the company's liquidity, assets, and liabilities as well as the maturity of loans in Note 13.

Key figures

Terveystalo Group, MEUR	7-9/ 2021	7-9/ 2020	Change, %	1-9/ 2021	1-9/ 2020	Change, %	2020
Revenue	273.1	240.2	13.7	827.1	706.7	17.0	986.4
Adjusted EBITDA * ¹⁾	48.6	46.1	5.4	146.9	108.3	35.7	162.8
Adjusted EBITDA, % * ¹⁾	17.8	19.2	-	17.8	15.3	-	16.5
EBITDA ¹⁾	46.2	45.5	1.5	143.6	104.6	37.3	158.3
EBITDA, % ¹⁾	16.9	19.0	-	17.4	14.8	-	16.1
Adjusted earnings before interest, taxes and amortization (EBITA) * ¹⁾	31.5	30.9	1.9	99.1	62.6	58.3	101.9
Adjusted EBITA, % * ¹⁾	11.5	12.9	-	12.0	8.9	-	10.3
EBITA ¹⁾	29.1	30.3	-4.0	95.8	58.9	62.6	97.4
EBITA, % ¹⁾	10.7	12.6	-	11.6	8.3	-	9.9
Adjusted EBIT * ¹⁾	23.6	23.4	0.7	79.6	40.1	98.6	71.6
Adjusted EBIT, % * ¹⁾	8.6	9.7	-	9.6	5.7	-	7.3
EBIT	21.2	22.9	-7.2	76.3	36.4	109.5	67.2
EBIT, %	7.8	9.5	-	9.2	5.1	-	6.8
Return on equity (ROE), % ¹⁾	-	-	-	13.0	7.2	-	8.2
Equity ratio, % ¹⁾	-	-	-	43.1	40.7	-	42.1
Earnings per share (EUR)	0.11	0.13	-9.7	0.43	0.18	133.9	0.36
Net debt ¹⁾	-	-	-	529.8	528.0	0.3	490.9
Gearing, % ¹⁾	-	-	-	86.5	96.2	-	85.9
Net debt/adjusted EBITDA (last 12 months) * ¹⁾	-	-	-	2.6	3.4	-	3.0
Total assets	-	-	-	1,424.4	1,351.0	5.4	1,361.0
Adjusted EBITDA (last 12 months), excluding IFRS 16 * ¹⁾	-	-	-	155.7	111.1	40.1	118.0
Net debt, excluding IFRS 16 ¹⁾	-	-	-	355.1	349.9	1.5	312.4
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16 * ¹⁾	-	-	-	2.3	3.1	-	2.6
Average personnel in person-years	-	-	-	5,645	5,023	12.4	4,900
Personnel (end of period)	-	-	-	9,622	8,226	17.0	8,253
Private practitioners (end of period)	-	-	-	5,191	5,210	-0.4	5,057

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

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

Operating environment

The COVID-19 pandemic continued to influence the Finnish healthcare market in the review period. While the demand for health services was strong, the number of appointments related to acute infections was still slightly below the normal level. In privately produced healthcare services, the demand for remote services continued to grow and the demand for COVID-19 testing remained high. The distribution of COVID-19 vaccines began in late 2020 and the mass vaccinations of the

working-age population started in May 2021. To date (October 19, 2021), approximately 76% of Finns have received their first COVID-19 vaccination and 67% of the population has received two doses.

In Sweden, demand for occupational health services was stable during the review period, although the existing pandemic restrictions slowed down the launch of various occupational health projects until the end of the quarter..

The contraction of non-urgent care in the private and public healthcare sectors during the period when Covid-19 related restrictions have been in place has resulted in a significant treatment gap in other illnesses. The clearing of the queues for non-urgent care in the public sector will require more extensive use of private healthcare services in the aftercare of the pandemic. According to the Finnish Institute for Health and Welfare (THL), 140,032 patients were waiting for treatment at the end of August 2021. Of those waiting for treatment, 9,539 (6.8%) had been waiting for non-urgent specialized care for more than six months.. At the end of August 2021, the number of people who had waited for treatment for more than six months had decreased by 8,189 compared to a year earlier.

The Government's proposal on the reform of social and healthcare services was approved by the Parliament at the end of June. Under the proposal, the responsibility for the organization of social and healthcare services will be transferred to the 21 well-being services counties to be established and the City of Helsinki. As a result of these reforms, some of Terveystalo's outsourcing agreements for public services will need to be renegotiated so that the new contractual terms will enter into force at the beginning of 2026 at the latest. Furthermore, there will be restrictions on the subcontracting practices for public services produced as outsourced services, but these will not have a significant impact on Terveystalo.

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

Revenue

Revenue for the third quarter increased by 13.7% year-on-year to EUR 273.1 (240.2) million. Revenue increased year-on-year in all customer groups. Revenue from corporate customers increased by 9.0% due to the increased demand for preventive occupational health services and sales of COVID-19 testing services to corporate customers. Revenue from private customers increased by 6.0%. This was mainly driven by COVID-19-related services, the growth of well-being services and services relating to certain specialties. Revenue from public sector customers increased by 9.1%. Revenue from service sales to public sector customers increased substantially and revenue from staffing services grew slightly as growth was hindered by the shortage of physicians. Revenue from the outsourcing business decreased slightly due to the expiry of outsourcing contracts at the end of 2020 and the decrease in the compensation related to the COVID-19 care expenses. Revenue from insurance companies developed favorably. The number of appointments associated with various infections were still at a lower level than usual but, compared to the early part of the year, the number of appointments grew substantially in all customer groups. The demand for specialist medical services in fields such as orthopedics, gynecology, ophthalmology, and dermatology continued to grow. Imaging revenue increased year-on-year, while revenue from surgical operations decreased slightly year-on-year due to changes in the sales mix. The demand for well-being services remained good, with revenue increasing by 10% to EUR 22.5 (20.4) million. The number of digital appointments** grew by 32% to approximately 261,500 (198,800) appointments. In the third quarter, we performed approximately 135,800 (76,800) COVID-19 tests*. Acquisitions had an effect of EUR 17.3 million on revenue growth compared to the reference period. There were 66 (66) working days in July–September.

The external revenue of the Sweden and others segment amounted to EUR 13.5 million.

Revenue for January–September grew by 17.0% year-on-year and amounted to EUR 827.1 (706.7) million.

The external revenue of the Sweden and others segment represented EUR 13.5 million of that total.

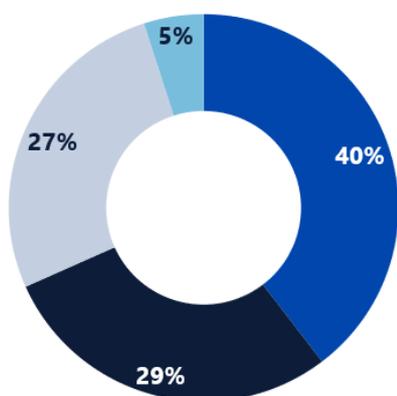
*Excludes sample taking services

** Does not include digital appointments in Sweden and others segment

MEUR	7-9/ 2021	7-9/ 2020	Change, %	1-9/ 2021	1-9/ 2020	Change, %	2020
Corporate customers	108.1	99.2	9.0	349.0	297.5	17.3	418.8
Private customers	78.8	74.3	6.0	243.8	212.1	15.0	295.4
Public sector customers	72.8	66.7	9.1	220.7	197.2	12.0	272.2
Outsourcing	29.3	30.9	-5.2	88.0	90.1	-2.3	121.4
Staffing services	20.9	20.2	3.2	64.0	61.5	4.1	83.1
Service sales, occupational health and others	22.6	15.6	44.9	68.8	45.6	50.9	67.7
Finland in total	259.6	240.2	8.1	813.6	706.7	15.1	986.4
Sweden and others*	13.5	0.0	>200.0	13.5	0.0	>200.0	0.0
Total	273.1	240.2	13.7	827.1	706.7	17.0	986.4

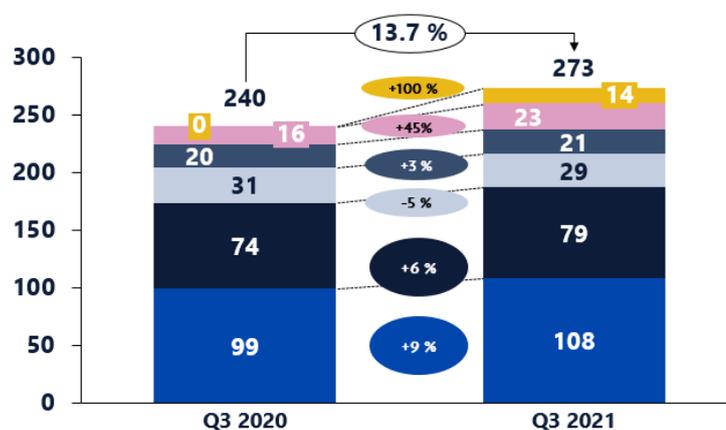
*Consists of the Group's business operations in Sweden, Estonia and the Netherlands. Estonia and the Netherlands did not have a significant effect on revenue during the reporting period.

Q3/21 revenue breakdown, %



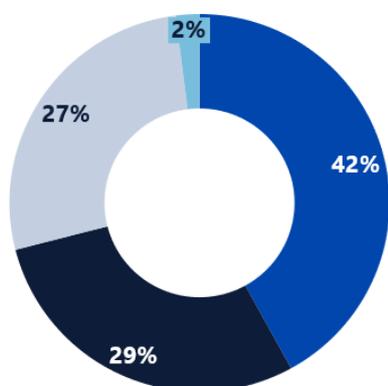
- Corporate
- Private
- Public
- Sweden and others

Q3/21 revenue breakdown, M€



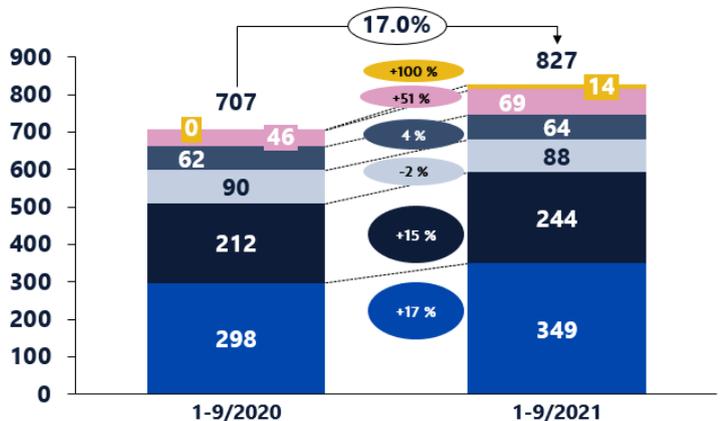
- Corporate
- Private
- Outsourcing
- Staffing
- Service sales, OH and others
- Sweden and others

1-9/21 revenue breakdown, %



- Corporate
- Private
- Public
- Sweden and others

1-9/21 revenue breakdown, M€



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

Revenue breakdown

Corporate customers

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health customers, excluding municipal occupational healthcare customers, which are included in the public sector customer group. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational health services in Finland in terms of revenue and the number of end users. Terveystalo provides occupational healthcare services for over 24,000 companies in Finland, which have approximately 630,000 occupational health customers.

Revenue from corporate customers in the third quarter increased by 9.0% year-on-year and amounted to EUR 108.1 (99.2) million.

Revenue from preventive occupational health services¹⁾ increased year-on-year, as basic occupational health services, such as guidance and counseling, health examinations, and disability risk assessments, returned to normal levels. Revenue was also increased by COVID-19 testing services offered to companies, with nearly 86,900 (53,300) COVID-19 tests performed. The demand for medical appointments not associated with COVID-19 was on a par with the comparison period but still slightly below the 2019 level, even though the number of medical appointments showed a clear growing trend during the quarter. The demand for well-being services²⁾ continued to grow, with revenue increasing by approximately 8% year-on-year. The strongest growth was again seen in mental well-being services. Remote occupational health appointments grew by 27% year-on-year and exceeded 200,800 (158,600) appointments.

Revenue from corporate customers in January–September increased by 17.3% and amounted to EUR 349.0 (297.5) million.

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

²⁾ Well-being services include, for example, physiotherapy, mental well-being services (psychologists and psychotherapists), nutritional therapy, work ability coaching, and massage services at Relä hierojat (Terveystalo's subsidiary).

Private customers

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

Revenue for the third quarter from private customers increased by 6.0% year-on-year, amounting to EUR 78.8 (74.3) million.

The demand for general practitioner appointments has normalized and grew clearly compared to the previous quarter. The demand for specialist medical services in fields such as orthopedics, gynecology, ophthalmology, and dermatology continued to grow. The demand for well-being services, such as mental well-being and physical therapy services, remained strong with revenue growing by 17% year-on-year. Nearly 26,800 (8,900) COVID-19 tests were performed for private customers during the quarter, which increased revenue from laboratory services in particular. Revenue from surgical operations decreased slightly year-on-year, while revenue from imaging services grew year-on-year and also exceeded the 2019 level. The demand for appointments for oral health services continued to recover and revenue grew clearly year-on-year. Revenue from insurance companies developed favorably. The proportion of remote appointments continued to grow,

with digital appointments increasing by 36% year-on-year and amounting to approximately 27,600 (20,300). The number of occupational healthcare customers using private services and revenue from that segment grew substantially year-on-year.

Revenue from private customers in January–September increased by 15.0% year-on-year and amounted to EUR 243.8 (212.1) million.

Public sector customers

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

Revenue for the third quarter from public sector customers increased by 9.1% year-on-year, amounting to EUR 72.8 (66.7) million.

Revenue from the outsourcing business decreased by 5.2% to EUR 29.3 (30.9) million. Revenue decreased due to the expiry of several minor partial outsourcing agreements at the turn of the year the decrease in the compensation related to the COVID-19 care expenses. Revenue was increased mainly by the invoicing of additional services related to COVID-19.

Revenue from staffing services increased by 3.2% to EUR 20.9 (20.2) million. The demand for staffing services remained high, with the growth of revenue being restricted mainly by the limited supply of physicians. The demand for nurse staffing services was also strong, mainly in services related to COVID-19.

Revenue from service sales as well as services provided for municipal occupational health customers and other public sector customers increased by 44.9% to EUR 22.6 (15.6) million. This resulted mainly from the strong sales of COVID-19-related services as well as our occupational health business that increased through acquisitions and new agreements. Digital appointments grew by 67% and exceeded 33,200 (19,900) appointments. Revenue from well-being services grew by 3% percent year-on-year. Approximately 22,600 (15,300) COVID-19 tests¹⁾ were performed for public sector customers during the quarter. In addition to testing, we served as a partner to public healthcare services in sample collection, and activity in this area remained high.

Revenue from public sector customers in January–September increased by 12.0% year-on-year and amounted to EUR 220.7 (197.2) million.

1) Excludes sample taking services

Sweden and others

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

The external revenue of the Sweden and others segment in the third quarter amounted to EUR 13.5 million. The third quarter is seasonally the weakest quarter due to the effect of the summer holidays on occupational healthcare activity and volumes. While large customers have postponed occupational health projects due to COVID-19, alternative projects have been started with small and medium-sized customers.

External revenue for January–September amounted to EUR 13.5 million.

Financial performance

Adjusted earnings for the third quarter of 2021 before interest, taxes and amortization (EBITA) increased by 1.9% to EUR 31.5 (30.9) million, representing 11.5% (12.9%) of revenue. Profitability was improved by increased revenue from all main customer groups and weakened by higher expenses. Material expenses and service purchasing increased by 3.7% year-on-year and amounted to EUR 112.2 (108.1) million. Employee benefit expenses increased by 30.6% year-on-year and amounted to EUR 92.1 (70.6) million. Expenses were increased by higher personnel costs due to services related to COVID-19 as well as personnel costs attributable to acquisitions. Additionally, personnel costs in the comparison period were reduced by temporary layoffs, the temporary reduction in pension contributions and the postponement of recruitment. Other operating expenses increased by 43.7% to EUR 23.7 (16.5) million mainly due to higher IT, marketing and administrative costs. Cost cuts and freezes were made in the comparison period, which temporarily reduced costs.

Adjusted EBITDA increased by 5.4% year-on-year to EUR 48.6 (46.1) million.

Adjusted EBIT amounted to EUR 23.6 (23.4) million. Operating profit (EBIT) came to EUR 21.2 (22.9) million, and profit before tax was EUR 18.7 (20.0) million. Operating profit was weakened by a write-down related to investments.

Net financial expenses remained largely unchanged at EUR 2.5 (2.5) million. Financial expenses during the review period were increased by a write-down on a loan receivable as well as exchange rate differences. Taxes on income increased to EUR 4.2 (3.9) million. Profit for the third quarter amounted to EUR 14.5 (16.1) million, and earnings per share were EUR 0.11 (0.13).

Cash flow from operating activities in the third quarter increased to EUR 30.7 (8.6) million, mainly due to a decrease in committed net working capital.

Cash flow from investing activities was EUR -14.2 (-5.4) million. The differences to the comparison period were mainly higher cash flows related to acquisitions as well as higher capital expenditure on tangible and intangible assets. In the comparison period, capital expenditure on fixed assets was lower due to reassessments related to COVID-19.

Cash flow from financing activities amounted to EUR -11.5 (-28.6) million. The difference to the comparison period was mainly attributable to the drawing down of loans in the reporting period and the payment of dividends in the comparison period. Cash flow from financing activities for the reporting period also includes acquisitions of shares in non-controlling interests in Feelgood.

In the Sweden and others segment in the third quarter, adjusted earnings before interest, taxes and amortization (EBITA) amounted to EUR -1.6 million, representing -11.4% of revenue. Seasonally low operating volume weighed down on profitability, with the lower activity not being coupled with corresponding flexibility in expenses.

In January–September 2021, the Group's adjusted earnings before interest, taxes and amortization (EBITA) increased by 58.3% to EUR 99.1 (62.6) million, representing 12.0% (8.9%) of revenue. Profitability was improved by increased revenue from all main customer groups, while higher expenses had a negative impact on profit. Material expenses and service purchasing increased by 8.7% year-on-year and amounted to EUR 352.9 (324.7) million. Employee benefit expenses increased by 19.0% year-on-year and amounted to EUR 268.4 (225.6) million. Expenses were increased by higher personnel costs due to services related to COVID-19 as well as personnel costs attributable to acquisitions. Personnel costs in the comparison period were reduced by temporary layoffs, temporary reductions in pension contributions and the postponement of recruitment. Other operating expenses increased by 19.7% to EUR 64.4 (53.8) million mainly due to higher IT, marketing and administrative costs. Costs in the comparison period were reduced by cost adjustment measures.

Adjusted EBITDA increased by 35.7% year-on-year to EUR 146.9 (108.3) million.

Adjusted operating profit amounted to EUR 79.6 (40.1) million. Operating profit (EBIT) came to EUR 76.3 (36.4) million, and profit before tax was EUR 69.0 (28.7) million.

Net financial expenses decreased slightly and amounted to EUR 7.0 (7.2) million. Taxes on income increased to EUR 14.3 (5.3) million. Profit for the period was EUR 54.6 (23.4) million, and earnings per share were EUR 0.43 (0.18).

Cash flow from operating activities increased to EUR 109.1 (77.4) million. Cash flow from operating activities was favorably affected by higher revenue and the improved result, while higher trade receivables and the resulting higher amount of committed net working capital had a negative effect.

Cash flow from investing activities was EUR -80.7 (-22.6) million. The change from the comparison period was mainly attributable to increased investments in acquisitions. Cash flow from financing activities amounted to EUR -66.3 (-30.7) million. The difference to the comparison period was mainly attributable to the repayment of short-term loans in the reporting period.

In the Sweden and others segment in January–September 2021, adjusted earnings before interest, taxes and amortization (EBITA) amounted to EUR -1.6 million, representing -11.4% of revenue. Seasonally low operating volume in the third quarter weighed down on profitability, with the lower activity not being coupled with corresponding flexibility in expenses.

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 39.2 (64.8) million. The total assets of the Group amounted to EUR 1,424.4 (1,351.0) million.

Equity attributable to owners of the parent company totaled EUR 610.5 (548.9) million. The increase was due to the growth of retained earnings. A non-controlling interest of EUR 1.6 (0.0) million was established in connection with the Feelgood acquisition. The dividend of EUR 0.13 per share decided on by the Annual General Meeting, totaling EUR 16.5 million, was paid on April 7, 2021.

Gearing (including lease liabilities) was 86.5% (96.2%) and net debt amounted to EUR 529.8 (528.0) million.

During the review period, the company fulfilled the covenant requirement included in its financing agreement that reflects relative indebtedness. In the second quarter, the company entered into a new short-term financing agreement of EUR 70 million, under which EUR 55 million was drawn down during the review period. At the end of the review period, the unused part of credit based on financing agreements and bank accounts with a credit facility amounted to EUR 67.5 million.

Return on equity for the review period was 13.0% (7.2%). The equity ratio was 43.1% (40.7%).

Investments and acquisitions

Net investments* including M&A for the review period January 1–September 30, 2021, amounted to EUR 93.2 (26.2) million. The Group's net cash capital expenditure, excluding acquisitions, amounted to EUR 27.1 (21.6) million and the corresponding non-cash capital expenditure came to EUR 1.4 (3.7) million. The investments consisted mainly of investments in IT system projects (including ERP and EMR), digital application and service development, medical equipment, and the network. With respect to gross investments, the relative proportions of investments in intangible and tangible assets remained at the same level as in the comparison period.

In January–September, Terveystalo Group made eight acquisitions to complement its business. The Group acquired Espoon Keskuksen Hammaslääkärit Oy (dental health services), Attentio Oy (rehabilitation and therapy services), Keltaisen Kartanon Kuntoutus Oy (auxiliary business name Nuorten Sutela, advanced child welfare services), Helsinki Hospital Oy (demanding surgical services), Fysiopiste Mervi Nivukoski (physical therapy), Sivupersoonaa Oy (speech therapy and sign language interpretation) and Dalarnas Företagshälsa AB (occupational health).

On June 14, 2021, Terveystalo acquired 72.1% of the share capital of Feelgood Svenska AB (publ), the parent company of the Sweden-based Feelgood Group. At the same time, Terveystalo made a recommended mandatory cash offer to the remaining shareholders of Feelgood to tender all of their shares in Feelgood to Terveystalo for a consideration of SEK 5.70 (approximately EUR 0.57) in cash per share. On July 27, 2021, Terveystalo announced that, at the end of the extended acceptance period on July 26, 2021, Terveystalo owned in aggregate 97.4 percent of the shares and votes in Feelgood. Terveystalo further announced that the acceptance period of the offer will not be further extended and, accordingly, the offer was closed. Feelgood's shares were delisted from Nasdaq Stockholm on August 6, 2021. Terveystalo has initiated a mandatory redemption procedure concerning Feelgood's remaining shares, and the right of possession to the remaining shares will be obtained before the end of the year. At the end of September, Terveystalo's shareholding amounted to 97.4%.

On September 10, 2021, Terveystalo signed an agreement on the acquisition of Jyväskylä Hoitokoti Ankkuri Oy and its subsidiaries (Ankkuri child welfare services).

On September 22, 2021, Terveystalo announced it had signed an agreement to acquire the Åland-based company Medimar Scandinavia Ab with owners who represent over 80 percent of the company's shares. Terveystalo's goal is to acquire all shares and thereby reach 100 percent ownership of Medimar.

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

Personnel

The number of Terveystalo's employed staff on September 30, 2021 was 9,622 (8,226). Of the increase, 673 employees were attributable to the Feelgood acquisition. The number of personnel was also increased by recruitment related to services associated with COVID-19 and digitalization. In person-years, the average number of staff was 5,645 (5,023). The number of private practitioners was 5,191 (5,210).

Seasonal variation and the impact of the number of business days

Terveystalo's revenue from corporate and private customers has typically been lower during the vacation seasons, particularly in July and August. The number of business days has an effect on the revenue and earnings development, particularly when comparing quarterly performance. Revenue from public sector customers is distributed evenly with the exception of staffing services. 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.

Events after the reporting period

The acquisition of Ankkuri child welfare services was completed on October 1, 2021.

On 28 October, 2021, Terveystalo Plc's Board of Directors decided on the distribution of a second dividend for the financial year 2020, amounting to EUR 0.13 per share. The Board of Directors also decided on the record date and payment date of the dividend pursuant to the authorization granted by the Annual General Meeting of March 25, 2021. The dividend will be paid to shareholders registered in the company's list of shareholders maintained by Euroclear Finland Oy on the record date of 1 November, 2021, and the dividend payment date will be 10 November, 2021.

On 28 October, 2021, Terveystalo Plc's Board of Directors decided to launch a buyback program for Terveystalo shares based on the authorisation granted by Annual General Meeting on 25 March 2021. The aggregate purchase price of all Terveystalo shares to be acquired under the buyback program shall not exceed EUR 13.5 million. The maximum amount of Terveystalo shares that can be repurchased is 1,000,000 shares corresponding to approximately 0.8 per cent of the total number of shares in Terveystalo. The purpose of the share buyback program is to reduce the unrestricted equity capital of Terveystalo, and consequently, to optimize the Company's capital structure.

The most significant short-term risks and uncertainty factors

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

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

- The global pandemic and the related restrictive measures may have a significant impact on consumer behavior, demand for healthcare services, and the company's expected financial development. The Emergency Powers Act and other regulations pertaining to emergency circumstances give the public sector the power to intervene in service production and even take private sector resources into public use if necessary.
- The restrictions complicate supply chain operations globally, which reduces the availability of the personal protective equipment necessary in service provision, among other things.
- 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.
- The development and implementation of information system projects and services, service products, and operating models involves risks. The company is gradually replacing its operating systems and support systems as well as creating new digital customer solutions, which increases the overall risk related to information systems. Risk management is an essential aspect of the systems integration and deployment processes.
- 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.
- The company may not be able to find suitable acquisition targets or expansion opportunities under favorable terms, and the integration of acquisition targets is not necessarily realized as planned.
- The company's business is very dependent on functioning information systems, data communication and external service providers. Interruptions can result from hardware failure, software failure or cyber threats. Long-lasting malfunction of information systems or payment transfers can lead to significant loss of sales and decline in customer satisfaction.
- Endangered information security or privacy can lead to losses and claims for damages and endanger reputation.
- Corporate responsibility aspects are increasingly important for customers, such as ensuring the responsibility of the product supply chain, fair and equal treatment of employees, avoidance of corruption and protection of the environment. Possible failures associated with corporate responsibility would mean negative publicity for Terveystalo and could cause operational and financial damage. Challenges related to Terveystalo's corporate responsibility work include communicating the corporate responsibility principles to the key stakeholders and ensuring the responsibility of the product and service supply chain.
- The company is a party to, and may become a party to, legal action or administrative procedures initiated by the authorities, patients or third parties. According to the company's opinion, its currently pending legal obligations and court cases are not significant in nature.

Risk management at Terveystalo and risks related to the company's business are described in more detail at <https://www.terveystalo.com/en/investors/Corporate-governance/Risk-management-and-risks/> and in the company's Annual Review.

Financial reporting and General Meeting of Shareholders 2022

In 2022, Terveystalo Plc will publish financial reports as follows:

Financial Statements Bulletin 2021 on Thursday, February 10, 2022

Annual Review 2021 (including sustainability) in week 7, 2022

Interim Report for January–March 2022 on Thursday, April 28, 2022

Half-Year Report for January–June 2022 on Tuesday, July 19, 2022

Interim Report for January–September 2022 on Thursday, October 27, 2022

The Financial Statements Bulletin 2021 and financial reviews 2022 will be published at approximately 9:00 a.m. EET. Financial reports are published in Finnish and English.

Terveystalo's Financial Statements and the Report of the Board of Directors will be published as a part of the Annual Review 2021.

The Annual General Meeting of Terveystalo Plc will be held on Thursday, April 7, 2022 in Helsinki.

Briefing

Terveystalo will arrange a webcast in English on its result on October 28, 2021, starting at 11:30 EEST. You can watch the webcast online at: <https://terveystalo.videosync.fi/2021-10-28-terveystalo-q3>

Helsinki, October 27, 2021

Terveystalo Plc

Board of Directors

For further information, please contact:

Ilkka Laurila, CFO

Tel. +358 30 633 1757

Vice President, Communications Kati Kaksonen

Tel. +358 10 345 2034

kati.kaksonen@terveystalo.com

Distribution:

Nasdaq Helsinki Oy

Main media

www.terveystalo.com

Terveystalo in brief

In terms of revenue and network, Terveystalo is the largest private health service provider in Finland. Terveystalo aims to empower people to lifelong health and well-being and build a healthier society. Terveystalo offers comprehensive well-being services, primary healthcare and specialized medical care services for corporate and private customers as well as the public sector. Terveystalo's digital appointments are available 24/7, regardless of time and place. Health and well-being services are also provided by Terveystalo's over 300 clinics across Finland.

In 2020, Terveystalo had approximately 1.2 million individual customers. The number of customer appointments was approximately 6.9 million, with more than a quarter of these being conducted via remote channels. Terveystalo employs over 13,000 healthcare and well-being professionals. Terveystalo is a Key Flag company and member of Association for Finnish Work. www.terveystalo.com

Consolidated statement of comprehensive income

EUR mill.	Note	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Revenue	4	273.1	240.2	13.7	827.1	706.7	17.0	986.4
Other operating income		1.1	0.5	97.5	2.2	2.0	11.0	2.7
Materials and services	5	-112.2	-108.1	3.7	-352.9	-324.7	8.7	-447.6
Employee benefit expenses	6	-92.1	-70.6	30.6	-268.4	-225.6	19.0	-310.2
Depreciation, amortization and impairment losses		-25.0	-22.7	10.3	-67.3	-68.2	-1.3	-91.2
Other operating expenses	7, 9	-23.7	-16.5	43.7	-64.4	-53.8	19.7	-73.0
Operating profit		21.2	22.9	-7.2	76.3	36.4	109.5	67.2
Financial income		0.1	0.1	22.6	0.2	0.2	9.9	0.2
Financial expenses		-2.5	-2.6	-0.7	-7.2	-7.4	-1.9	-10.3
Net finance income and expenses		-2.5	-2.5	-1.3	-7.0	-7.2	-2.2	-10.0
Share of result in associated companies		-0.0	-0.4	-89.2	-0.3	-0.5	-46.6	-0.6
Profit before taxes		18.7	20.0	-6.5	69.0	28.7	140.4	56.6
Income tax expense	8	-4.2	-3.9	7.9	-14.3	-5.3	169.6	-10.8
Profit for the period		14.5	16.1	-9.9	54.6	23.4	133.7	45.8
Profit attributable to:								
Owners of the parent company		14.5	16.1	-9.7	54.7	23.4	133.9	45.8
Non-controlling interests		-0.0	-0.0	>200.0	-0.0	-0.0	>200.0	-0.0
Other comprehensive income								
<i>Items that may be reclassified to profit or loss</i>								
Translation differences from foreign operations		-0.3	-	-	-0.3	-	-	-
Other comprehensive income for the period, net of tax		-0.3	-	-	-0.3	-	-	-
Total comprehensive income		14.2	16.1	-12.1	54.3	23.4	132.3	45.8
Total comprehensive income attributable to:								
Owners of the parent company		14.2	16.1	-11.9	54.3	23.4	132.4	45.8
Non-controlling interest		-0.0	-0.0	>200.0	-0.0	-0.0	>200.0	-0.0
Earnings per share for profit attributable to the shareholders of the parent company, in euro								
Basic earnings per share		0.11	0.13	-9.9	0.43	0.18	133.7	0.36
Diluted earnings per share		0.11	0.13	-9.9	0.43	0.18	133.7	0.36

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

Consolidated statement of financial position

EUR mill.	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS				
Non-current assets				
Property, plant and equipment	10	70.5	68.5	67.6
Right-of-use assets	12	168.7	172.3	172.4
Goodwill	11	835.5	780.0	781.8
Other intangible assets	11	167.3	150.9	152.2
Investment properties		0.5	0.5	0.5
Investments in associates		0.7	1.7	2.2
Loan receivables		0.1	0.5	0.3
Deferred tax assets		5.1	4.4	4.4
Other non-current assets		0.8	-	-
Total non-current assets		1,249.2	1,178.9	1,181.3
Current assets				
Inventories		6.7	7.7	6.8
Trade and other receivables		129.3	98.9	95.1
Cash and cash equivalents	13	39.2	64.8	77.1
Total current assets		175.2	171.4	179.0
Non-current assets held for sale		-	0.8	0.8
TOTAL ASSETS		1,424.4	1,351.0	1,361.0
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital		0.1	0.1	0.1
Invested non-restricted equity reserve		492.8	492.8	492.8
Treasury shares		-6.7	-6.7	-6.7
Retained earnings		124.4	62.7	85.3
Equity attributable to equity holders of the Company total		610.5	548.9	571.4
Non-controlling interest		1.6	0.0	-
TOTAL EQUITY		612.2	548.9	571.4
Non-current liabilities				
Non-current financial liabilities	13	285.0	327.7	302.3
Non-current lease liabilities	12, 13	128.5	139.1	141.1
Deferred tax liabilities		28.2	26.8	26.0
Provisions		7.3	8.0	7.7
Other liabilities		13.7	9.3	9.4
Total non-current liabilities		462.8	510.9	486.6
Current liabilities				
Current financial liabilities	13	109.4	87.0	87.2
Current lease liabilities	12,13	46.1	38.9	37.3
Current tax liabilities		9.1	4.3	13.5
Provisions		2.1	2.3	2.4
Trade and other payables		182.8	158.6	162.7
Total current liabilities		349.5	291.1	303.1
TOTAL LIABILITIES		812.3	802.1	789.6
TOTAL EQUITY AND LIABILITIES		1,424.4	1,351.0	1,361.0

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

Consolidated statement of changes in equity

Equity attributable to owners of the parent company							
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Equity 1 Jan 2021	0.1	492.8	-6.7	85.3	571.4	-	571.4
Comprehensive income							
Profit for the period	-	-	-	54.7	54.7	-0.0	54.7
Other comprehensive income				-0.3	-0.3	-0.0	-0.3
Transactions with owners							
Share-based payments	-	-	-	1.3	1.3	-	1.3
Dividend	-	-	-	-16.5	-16.5	-	-16.5
Transactions with non-controlling interest							
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	12.8	12.8
Transactions with non-controlling interest	-	-	-	-	-	-11.1	-11.1
Equity 30 Sep 2021	0.1	492.8	-6.7	124.4	610.5	1.6	612.2

Equity attributable to owners of the parent company							
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Equity 1 Jan 2020	0.1	492.8	-6.7	55.1	541.2	0.0	541.2
Comprehensive income							
Profit for the period	-	-	-	23.4	23.4	0.0	23.4
Transactions with owners							
Share-based payments	-	-	-	0.9	0.9	-	0.9
Equity repayment	-	-	-	-16.5	-16.5	-	-16.5
Equity 30 Sep 2020	0.1	492.8	-6.7	62.7	548.9	-	548.9

Equity attributable to owners of the parent company							
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
Equity 1 Jan 2020	0.1	492.8	-6.7	55.1	541.2	0.0	541.2
Comprehensive income							
Profit for the period	-	-	-	45.8	45.8	0.0	45.8
Transactions with owners							
Share-based payments	-	-	-	0.9	0.9	-	0.9
Dividend	-	-	-	-16.5	-16.5	-	-16.5
Equity 31 Dec 2020	0.1	492.8	-6.7	85.3	571.4	-	571.4

Consolidated statement of cash flows

EUR mill.	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Cash flows from operating activities					
Profit before taxes	18.7	20.0	69.0	28.7	56.6
Adjustments for					
Non-cash transactions					
Depreciation, amortization and impairment losses	25.0	22.7	67.3	68.2	91.2
Change in provisions	0.0	-0.4	-0.8	1.2	1.0
Other non-cash transactions	1.3	-0.1	1.2	-0.7	-0.8
Gains and losses on sale of property, plant, equipment and other changes	0.0	0.0	0.0	0.0	0.0
Net finance expenses	2.5	2.5	7.0	7.2	10.0
Changes in working capital					
Trade and other receivables	-5.8	-17.3	-18.3	-1.4	5.3
Inventories	0.0	0.2	0.2	-2.1	-1.2
Trade and other payables	-8.4	-18.7	1.6	-7.0	-1.4
Interest received	0.1	0.1	0.2	0.2	0.2
Income taxes paid	-2.5	-0.3	-18.3	-16.8	-17.2
Net cash from operating activities	30.7	8.6	109.1	77.4	143.7
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	-2.6	-	-53.4	-0.2	-2.0
Acquisition of property, plant and equipment	-7.2	-2.3	-14.8	-10.4	-13.0
Acquisition of intangible assets	-4.3	-2.8	-12.5	-11.5	-20.1
Investments to associates	-	-	-	0.0	-0.5
Proceeds from sale of available-for-sale financial assets	-	-	-	0.0	0.0
Acquisition of business operation, net of cash acquired	-0.1	-0.4	-0.1	-0.6	-0.6
Long-term loans granted	-	-	-	-0.2	-0.2
Proceeds from sale of property, plant and equipment	0.0	0.1	0.1	0.3	0.4
Dividends received	0.0	0.0	0.0	0.0	0.0
Net cash from investing activities	-14.2	-5.4	-80.7	-22.6	-36.0
Cash flows from financing activities					
Acquisition of non-controlling interest	-11.1	-	-11.1	-	-
Repayment of non-current borrowings	-0.1	-0.1	-15.8	-15.8	-41.5
Proceeds from current borrowings	15.1	-	60.1	40.0	40.0
Repayment of current borrowings	-1.2	-	-41.6	-	-
Payment of lease liabilities	-11.2	-9.5	-30.6	-28.3	-37.7
Payment of hire purchase liabilities	-1.5	-1.3	-4.5	-4.1	-5.5
Interests and other financial expenses paid	-1.6	-1.2	-6.4	-6.0	-10.0
Dividends paid	-	-16.5	-16.5	-16.5	-16.5
Net cash from financing activities	-11.5	-28.6	-66.3	-30.7	-71.2
Net change in cash and cash equivalents	5.0	-25.4	-37.9	24.2	36.5
Cash and cash equivalents at the beginning of the period	34.2	90.2	77.1	40.6	40.6
Cash and cash equivalents at the end of the period	39.2	64.8	39.2	64.8	77.1

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

Notes to the interim financial statements

1. Basis of accounting principles

These interim financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting -standard and should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended 31 December 2020. The accounting principles adopted are consistent with those of the annual financial statements for 2020 with the exception for segment reporting, translating foreign functional currency into presentation currency and defined benefit plans.

A fourth operating segment, Sweden and other, was formed in the Group due to the Feelgood acquisition. The operating segment consists of the Group's operations in Sweden, Estonia and Netherlands. The new operating segment also constitutes a new reportable segment. The operating segments in Finland are presented as one reportable segment as described in the financial statements as at and for the year ended 31 December 2020. The Group's reportable segments are:

- Finland
- Sweden and other

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

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

As part of the Feelgood acquisition, the Group assumed defined benefit plans under which the Group itself has the obligation to pay the retirement benefits. The present value of the obligation is recognized in other non-current liabilities in the statement of financial position. Actuarial gains and losses related to remeasurement of a defined benefit plan are recognized in other comprehensive income. Interests and all other expenses related to defined benefit plans are recognized in the statement of income.

IFRS interpretation committee (IFRIC) finalized in April 2021 its agenda decision Configuration or Customization Costs in a Cloud Computing Arrangement. In this agenda decision the interpretation committee considered, whether, applying IAS 38, the customer recognizes an intangible asset in relation to configuration or customization of the application software, and if an intangible asset is not recognized, how the customer accounts for the configuration or customization costs. IFRIC agenda decisions have no effective date, so they are expected to be applied as soon as possible. As Terveystalo has cloud computing arrangements in place, it has started to analyze, if this agenda decision has an impact to the accounting principles applied to implementation costs in cloud computing arrangements. The Group will undertake this analysis during the fall 2021, and the possible impacts will be implemented retrospectively in the financial statements 2021 at the latest.

All presented figures have been rounded. Financial ratios have been calculated using exact figures.

2. Use of judgments and estimates and information about the COVID-19 outbreak on financial reporting

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mainly the same as those that applied to the consolidated financial statements for 2020.

Due to the uncertainty caused by the epidemic, Terveystalo has assessed the impacts of the coronavirus on the reported figures and forecasts as described below. In the current situation, these forecasts strongly rely on assessments made by the Group management.

Because of the uncertainty in the economic operating environment, the credit loss risk of trade receivables and the impairment risk of assets were assessed in light of the latest forecasts in connection with the financial reporting on the third quarter. The risk of credit losses for trade receivables was not found to have increased significantly and no indications were noted of heightened impairment risk of assets.

The Group's liquidity and financing situation have remained strong. During the review period, the Group fulfilled the covenant requirement included in the financing agreement that depicts relative indebtedness. Terveystalo continues the increased reporting of explanatory financial information on the Group's liquidity, assets, and liabilities as well as the maturity of loans in Note 13.

3. Events after the reporting period

The acquisition of Ankkuri child welfare services was completed on October 1, 2021.

On October 28, 2021, Terveystalo Plc's Board of Directors decided on the distribution of a second dividend for the financial year 2020, amounting to EUR 0.13 per share. The Board of Directors also decided on the record date and payment date of the dividend pursuant to the authorization granted by the Annual General Meeting of March 25, 2021. The dividend will be paid to shareholders registered in the company's list of shareholders maintained by Euroclear Finland Oy on the record date of 1 November, 2021, and the dividend payment date will be 10 November, 2021.

On 28 October, 2021, Terveystalo Plc's Board of Directors decided to launch a buyback program for Terveystalo shares based on the authorisation granted by Annual General Meeting on 25 March 2021. The aggregate purchase price of all Terveystalo shares to be acquired under the buyback program shall not exceed EUR 13,5 million. The maximum amount of Terveystalo shares that can be repurchased is 1,000,000 shares corresponding to approximately 0.8 per cent of the total number of shares in Terveystalo. The purpose of the buyback program is to optimize capital structure by reducing Terveystalo Plc's equity, as the repurchased shares will be cancelled. The repurchases will reduce funds available for distribution.

4. Revenue and segment information

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

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health care customers, excluding municipal occupational health care customers. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational healthcare services in Finland in terms of revenue and the number of end-users. Terveystalo provides occupational healthcare services for over 24,000 companies.

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

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

Disaggregation of revenue

EUR mill.	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Corporate	108.1	99.2	9.0	349.0	297.5	17.3	418.8
Private	78.8	74.3	6.0	243.8	212.1	15.0	295.4
Public	72.8	66.7	9.1	220.7	197.2	12.0	272.2
<i>Outsourcing</i>	29.3	30.9	-5.2	88.0	90.1	-2.3	121.4
<i>Staffing services</i>	20.9	20.2	3.2	64.0	61.5	4.1	83.1
<i>Service sales, such as occupational health and others</i>	22.6	15.6	44.9	68.8	45.6	50.9	67.7
Finland	259.6	240.2	8.1	813.6	706.7	15.1	986.4
Sweden and other*	13.5	0.0	>200.0	13.5	0.0	>200.0	0.0
Total	273.1	240.2	13.7	827.1	706.7	17.0	986.4

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

Timing of satisfying performance obligations

EUR mill.	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
At a point in time	243.0	208.5	16.6	736.6	614.2	19.9	861.8
Over time	30.1	31.7	-4.9	90.5	92.5	-2.2	124.5
Total	273.1	240.2	13.7	827.1	706.7	17.0	986.4

Balances in the statement of financial position

EUR mill.	30 Sep 2021	30 Sep 2020	Change, %	31 Dec 2020
Contract assets	43.2	31.3	38.2	5.6
Contract liabilities	3.1	1.4	114.7	2.2

Segment information

Revenue EUR mill.	7-9/2021	1-9/2021
Finland	259.6	813.5
Sweden and other	13.6	13.7
Internal eliminations	-0.0	-0.1
Total	273.1	827.1

Adjusted EBITA EUR mill.	7-9/2021	1-9/2021
Finland	33.0	100.7
Sweden and other	-1.6	-1.6
Total	31.5	99.1

Depreciations EUR mill.	7-9/2021	1-9/2021
Finland	15.7	46.4
Sweden and other	1.4	1.4
Total	17.1	47.8

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

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.	30 Sep 2021
Finland	1,170.4
Sweden and other	72.8
Total	1,243.2

5. Materials and services

EUR mill.	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Purchase of materials	-7.3	-7.4	-2.1	-24.4	-25.9	-5.8	-35.5
Change in inventories	0.0	-0.2	-113.6	-0.2	2.3	-109.9	1.3
External services	-104.9	-100.5	4.4	-328.2	-301.0	9.0	-413.4
Total	-112.2	-108.1	3.7	-352.9	-324.7	8.7	-447.6

6. Employee benefit expenses

EUR mill.	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Salaries and fees	-76.5	-59.4	28.6	-222.3	-189.4	17.3	-261.6
Share-based payments	-0.5	-0.3	64.3	-1.3	-0.9	57.3	-0.9
Other personnel expenses	-15.2	-10.8	40.4	-44.8	-35.3	26.7	-47.6
Total	-92.1	-70.6	30.6	-268.4	-225.6	19.0	-310.2

7. Other operating expenses

EUR mill.	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Rents, leases and premises	-5.4	-3.7	45.7	-13.4	-12.5	7.5	-16.3
IT expenses	-7.4	-6.0	21.9	-21.5	-18.4	17.1	-25.2
Other operating expenses	-10.9	-6.7	62.2	-29.4	-22.9	28.4	-31.5
Total	-23.7	-16.5	43.7	-64.4	-53.8	19.7	-73.0

8. Income taxes

Income taxes in the statement of income

EUR mill.	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Current tax for the reporting year	-5.2	-5.1	2.1	-16.8	-9.6	75.9	-15.8
Income taxes for prior periods	0.1	-0.0	>200.0	0.1	0.0	181.1	-0.0
Change in deferred taxes	1.0	1.2	-21.2	2.4	4.2	-42.2	5.1
Total income taxes	-4.2	-3.9	7.9	-14.3	-5.3	169.6	-10.8

9. Share-based payments

During the review period, Terveystalo granted a new long-term incentive plan to the members of executive team and other key persons. The plan consists of a Performance Share Plan for Terveystalo's management and other key personnel, a Bridge plan for the President and CEO, and of a Restricted Share Plan. Vesting period for the Performance Share Plan is three years and the rewards are conditional on the fulfillment of a three-year service condition and performance conditions tied to financial targets set separately. The reward is granted and settled in Terveystalo shares on top of which Terveystalo pays taxes and tax-related expenses. The program's impact to the result for the nine months ended 30 September 2021 has been EUR 0.8 million and the expected total cost of the program is EUR 4.7 million. 64 persons are included in the arrangement.

10. Property, plant and equipment

1-9/2021	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2021	2.1	127.4	49.5	1.8	180.8
Business combination	-	2.3	0.3	0.0	2.7
Additions	-	9.1	1.6	4.1	14.8
Disposals	-	-0.3	-	-	-0.3
Translation differences	-	0.0	0.0	0.0	0.0
Transfers between items	-	1.1	2.8	-3.9	-
Acquisition cost 30 Sep 2021	2.1	139.7	54.2	2.0	198.0
Accumulated depreciation and impairment losses 1 Jan 2021	-1.1	-88.1	-24.1	-	-113.3
Depreciation for the reporting period	-0.0	-10.2	-4.1	-	-14.3
Accumulated depreciation and impairment losses 30 Sep 2021	-1.1	-98.3	-28.2	-	-127.6
Carrying amount 1 Jan 2021	1.0	39.3	25.5	1.8	67.6
Carrying amount 30 Sep 2021	1.0	41.4	26.1	2.0	70.5

1-9/2020	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2020	2.1	115.6	44.1	1.9	163.8
Additions	-	9.3	5.0	-	14.3
Disposals	-	-0.4	-	-0.6	-1.0
Acquisition cost 30 Sep 2020	2.1	124.5	49.1	1.3	177.0
Accumulated depreciation and impairment losses 1 Jan 2020	-1.1	-74.3	-19.0	-	-94.4
Depreciation for the reporting period	-0.0	-10.4	-3.8	-	-14.2
Accumulated depreciation and impairment losses 30 Jun 2020	-1.1	-84.7	-22.8	-	-108.5
Carrying amount 1 Jan 2020	1.0	41.3	25.1	1.9	69.5
Carrying amount 30 Sep 2020	1.0	39.8	26.4	1.3	68.5

2020	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2020	2.1	115.6	44.1	1.9	163.8
Business combination	-	0.0	-	-	0.0
Additions	-	12.4	5.1	0.0	17.5
Disposals	-	-0.5	-0.0	-	-0.5
Transfers between items	-	-0.1	0.3	-0.1	-
Acquisition cost 31 Dec 2020	2.1	127.4	49.5	1.8	180.8
Accumulated depreciation and impairment losses 1 Jan 2020	-1.1	-74.3	-19.0	-	-94.4
Depreciation for the reporting period	-0.0	-13.8	-5.1	-	-18.9
Accumulated depreciation and impairment losses 31 Dec 2020	-1.1	-88.1	-24.1	-	-113.3
Carrying amount 1 Jan 2020	1.0	41.3	25.1	1.9	69.5
Carrying amount 31 Dec 2020	1.0	39.3	25.5	1.8	67.6

11. Intangible assets

1-9/2021	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2021	849.8	154.2	82.9	80.9	1,167.8
Business combination	54.1	10.4	6.0	4.5	74.9
Additions	-	-	-	12.5	12.5
Translation differences	-0.3	0.0	0.0	0.0	-0.3
Acquisition cost 30 Sep 2021	903.5	164.6	88.8	98.0	1,255.0
Accumulated amortizations and impairment losses 1 Jan 2021	-68.0	-97.3	-29.2	-39.3	-233.9
Amortization for the reporting period	-	-7.4	-3.3	-7.6	-18.3
Accumulated amortizations and impairment losses 30 Sep 2021	-68.0	-104.7	-32.5	-46.9	-252.1
Carrying amount 1 Jan 2021	781.8	56.9	53.6	41.6	933.9
Carrying amount 30 Sep 2021	835.5	59.9	56.3	51.1	1,002.8

1-9/2020	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2020	847.2	153.7	82.9	61.0	1,144.9
Business combination	0.8	0.2	-	-	1.0
Additions	-	-	-	11.3	11.3
Reclassifications	-	-	-	-0.0	-0.0
Acquisition cost 30 Sep 2020	848.0	154.0	82.9	72.3	1,157.1
Accumulated amortizations and impairment losses 1 Jan 2020	-68.0	-79.5	-25.1	-31.1	-203.7
Amortization for the reporting period	-	-13.3	-3.1	-6.1	-22.5
Accumulated amortizations and impairment losses 30 Sep 2020	-68.0	-92.8	-28.2	-37.2	-226.2
Carrying amount 1 Jan 2020	779.2	74.2	57.8	29.9	941.2
Carrying amount 30 Sep 2020	780.0	61.2	54.7	35.1	930.9

2020	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2020	847.2	153.7	82.9	61.0	1,144.9
Business combination	2.5	0.5	-	-	3.0
Additions	-	-	-	19.9	19.9
Disposals	-	-	-	-0.0	-0.0
Acquisition cost 31 Dec 2020	849.8	154.2	82.9	80.9	1,167.8
Accumulated amortizations and impairment losses 1 Jan 2020	-68.0	-79.5	-25.1	-31.1	-203.7
Amortization for the reporting period	-	-17.8	-4.1	-8.2	-30.2
Accumulated amortizations and impairment losses 31 Dec 2020	-68.0	-97.3	-29.2	-39.3	-233.9
Carrying amount 1 Jan 2020	779.2	74.2	57.8	29.9	941.2
Carrying amount 31 Dec 2020	781.8	56.9	53.6	41.6	933.9

12. Right of-use-assets and lease liabilities

12.1 Right-of-use assets

1-9/2021			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2021	234.9	38.9	273.8
Business combination	12.8	0.5	13.3
Additions	17.3	1.3	18.6
Disposals	-2.1	-	-2.1
Acquisition cost 30 Sep 2021	262.8	40.8	303.6
Accumulated depreciation and impairment losses 1 Jan 2021	-76.8	-24.6	-101.4
Depreciation for the reporting period	-30.8	-2.7	-33.5
Accumulated depreciation and impairment losses 30 Sep 2021	-107.6	-27.3	-134.9
Carrying amount 1 Jan 2021	158.1	14.3	172.4
Carrying amount 30 Sep 2021	155.3	13.4	168.7

1-9/2020			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2020	214.7	37.9	252.6
Additions	15.6	1.0	16.6
Disposals	-5.8	-0.3	-6.1
Acquisition cost 30 Sep 2020	224.5	38.7	263.2
Accumulated depreciation and impairment losses 1 Jan 2020	-38.3	-21.1	-59.4
Depreciation for the reporting period	-28.8	-2.7	-31.5
Accumulated depreciation and impairment losses 30 Sep 2020	-67.1	-23.8	-90.0
Carrying amount 1 Jan 2020	176.4	16.8	193.2
Carrying amount 30 Sep 2020	157.4	14.9	172.3

2020			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2020	214.7	37.9	252.6
Additions	26.2	1.3	27.5
Disposals	-6.0	-0.3	-6.3
Acquisition cost 31 Dec 2020	234.9	38.9	273.8
Accumulated depreciation and impairment losses 1 Jan 2020	-38.3	-21.1	-59.4
Depreciation for the reporting period	-38.5	-3.5	-42.0
Accumulated depreciation and impairment losses 31 Dec 2020	-76.8	-24.6	-101.4
Carrying amount 1 Jan 2020	176.4	16.8	193.2
Carrying amount 31 Dec 2020	158.1	14.3	172.4

12.2. Lease liabilities

1-9/2021			
EUR mill.	Premises	Other lease liabilities	Total
Carrying amount 1 Jan 2021	161.7	16.8	178.5
Transactions	24.9	1.8	26.7
Payment of lease liabilities	-27.9	-2.7	-30.6
Carrying amount 30 Sep 2021	158.7	15.9	174.6

1-9/2020			
EUR mill.	Premises	Other lease liabilities	Total
Opening balance 1 Jan 2020	178.7	19.4	198.1
Transactions	9.8	0.7	10.5
Payment of lease liabilities	-27.7	-2.8	-30.5
Carrying amount 30 Sep 2020	160.7	17.4	178.1

2020			
EUR mill.	Premises	Other lease liabilities	Total
Opening balance 1 Jan 2020	178.7	19.4	198.1
Transactions	17.1	1.0	18.1
Payment of lease liabilities	-34.1	-3.6	-37.7
Carrying amount 31 Dec 2020	161.7	16.8	178.5

13. Financing

13.1 Liquidity

EUR mill.	30 Sep 2021	31 Dec 2020
Cash and cash equivalents	39.2	77.1
Committed undrawn revolving facilities	67.5	48.0
Repayment of the interest-bearing liabilities in the following 12 months *	-106.0	-90.9
Liquidity	0.7	34.2

* Includes only the future repayments and interests of the loans from financial institutions and hire purchase liabilities. The Group has an extension option for EUR 55 million loan from a financial institution maturing in June 2022. Using the extension option allows Terveystalo to defer the payment until January 2023.

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

EUR mill. 30 Sep 2021	Financial assets and liabilities at fair value	Financial assets and liabilities at amortized cost	Carrying amount	Fair value	Fair value hierarchy
Financial assets					
Non-current					
Loan receivables	0.1	-	0.1	0.1	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
Current					
Cash and cash equivalents	-	39.2	39.2	39.2	
Interest rate derivatives	0.8	-	0.8	0.8	Level 2
Total	1.8	39.2	41.0	41.0	
Financial liabilities					
Non-current					
Loans from financial institutions	-	275.6	275.6	275.6	
Hire purchase liabilities	-	9.4	9.4	9.4	
Contingent considerations	3.6	-	3.6	3.6	Level 3
Current					
Loans from financial institutions	-	103.9	103.9	103.9	
Hire purchase liabilities	-	5.5	5.5	5.5	
Contingent considerations	2.9	-	2.9	2.9	Level 3
Interest rate derivatives	1.7	-	1.7	1.7	Level 2
Total	8.2	394.4	402.6	402.6	

EUR mill. 31 Dec 2020	Financial assets and liabilities at fair value	Financial assets and liabilities at amortized cost	Carrying amount	Fair value	Fair value hierarchy
Financial assets					
Non-current					
Loan receivables	0.3	-	0.3	0.3	Level 2
Current					
Cash and cash equivalents	-	77.1	77.1	77.1	
Total	0.3	77.1	77.4	77.4	
Financial liabilities					
Non-current					
Loans from financial institutions	-	290.5	290.5	290.5	
Hire purchase liabilities	-	11.8	11.8	11.8	
Contingent considerations	1.0	-	1.0	1.0	Level 3
Current					
Loans from financial institutions	-	81.4	81.4	81.4	
Hire purchase liabilities	-	5.8	5.8	5.8	
Contingent considerations	0.9	-	0.9	0.9	Level 3
Interest rate derivatives	1.1	-	1.1	1.1	Level 2
Total	3.1	389.5	392.6	392.6	

Financial assets and liabilities classified at fair value hierarchy level 3 consist of unquoted equity investments and contingent considerations from business combinations. The measurement of unquoted equity investments is based on the managements estimate of future cash flows arising from the investments and the measurement of contingent considerations is based on the amounts specified in purchase agreements and the management estimate on whether the consideration will be realized. The effect on earnings arising from the changes of fair values of financial assets and liabilities classified at fair value hierarchy level 3 has been EUR 0.3 million (2020: EUR 0.5 million).

13.3 Maturity analysis of liquidity risk

30 Sep 2021

EUR mill.	Carrying amount	Contractual cash flows	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	379.6	381.5	100.2	43.7	237.6	-
Lease liabilities	174.6	181.4	47.3	40.2	67.5	26.3
Hire purchase liabilities	14.8	15.2	5.7	4.8	4.7	-
Trade payables	45.3	45.3	45.3	-	-	-
Interest rate derivatives	1.7	1.9	1.1	0.8	0.0	-
Total	616.1	625.3	199.7	89.5	309.8	26.3

31 Dec 2020

EUR mill.	Carrying amount	Contractual cash flows	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	371.9	383.5	84.9	44.3	254.3	-
Lease liabilities	178.5	193.1	42.1	37.5	79.3	34.2
Hire purchase liabilities	17.6	18.2	6.0	5.2	6.9	-
Trade payables	40.1	40.1	40.1	-	-	-
Interest rate derivatives	1.1	1.2	0.5	0.5	0.1	-
Total	609.3	636.1	173.6	87.5	340.6	34.2

14. Business combinations

During the nine months ended 30 Sep 2021, the Group has made seven corporate acquisitions and one business acquisitions. The acquisition of Feelgood Svenska AB group is presented separately, whereas other smaller acquisitions are disclosed in aggregate.

Acquisition of Feelgood Svenska AB group

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

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

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

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

Consideration transferred

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

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

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

Cash flow impact of the acquisition

EUR million	
Cash paid	47.2
Less: cash and cash equivalents acquired	-2.7
Cash flow impact at the acquisition date	44.5
Acquisition of non-controlling interests	11.1
Total cash flow impact of the acquisition	55.6

The non-controlling interest from the acquisition has been recognized at fair value. The fair value of the non-controlling interest was determined based on the consideration of SEK 5.70 offered by Terveystalo Healthcare in the cash offer and the number of shares held by the minority at the acquisition date. After the acquisition date, Terveystalo has acquired Feelgood shares from the minority for the total amount of EUR 11.1 million. At the reporting date, the carrying amount for the non-controlling interest amounted to EUR 1.6 million.

The accounting for the business combination is provisional at the reporting date. The fair value measurement of the assets acquired and the liabilities assumed is partly ongoing at the reporting date and are subject to adjustments until the valuation is finalized. Furthermore, a detailed review of Feelgood's accounting principles is ongoing at the reporting date. Customer relationships, trademarks and technology related intangible assets were recognized in the preliminary determination of fair values and the combined preliminary fair value of these assets was measured at EUR 18.0 million. A deferred tax liability of EUR 3.7 million was recognized for the beforementioned assets. The fair values of customer relationships and trademarks have been determined through the use of income approach which requires and estimate or forecast of expected future cash flows. The fair value of technology has been determined using the estimated replacement cost. The acquisition resulted preliminary in a goodwill amounting to EUR 41.4 million. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is not deductible for tax purposes.

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

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

The revenue recognized from the acquisition during the nine months ended 30 September 2021 was EUR 13.5 million and the impact to the result of the period was EUR -1.8 million.

If the acquisition had occurred on 1 January 2020, management estimates that the Group's consolidated revenue during the nine months ended 30 Sep 2021 would have been EUR 866.6 million and the consolidated result for the period would have been EUR 54.9 million.

Other acquisitions

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

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

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

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

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

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

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

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

Consideration transferred

EUR mill.	
Purchase price, payable in cash	11.9
Contingent consideration	4.8
Total consideration transferred	16.7

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	2.7
Intangible assets	2.9
Property, plant and equipment	0.7
Right-of-use assets	3.2
Inventories	0.2
Trade and other receivables	2.5
Financial liabilities	-0.8
Lease liabilities	-3.2
Trade and other payables	-3.6
Deferred tax liabilities	-0.6
Total identifiable net assets acquired	4.0

Goodwill	12.7
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As a result of these business combinations, a preliminary goodwill amounting to EUR 12.7 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 0.4 million of the recognized goodwill is deductible in taxation. The cash flow impact of the acquisitions was EUR 9.0 million.

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

The fair value of the acquired trade and other receivables amounted to EUR 2.5 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 0.5 million related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed revenue recognized from the acquisitions during the nine months ended 30 September 2021 was EUR 6.4 million. Impact to the result for the period has not been material.

If the acquisition had occurred on 1 January 2021, management estimates that the Group's consolidated revenue during the nine months ended 30 September 2021 would have been EUR 832.3 million and the consolidated result for the period would have been EUR 54.0 million.

Business combinations during 2020

During the year 2020, the Group acquired three businesses and has made two corporate acquisitions.

On 31 March 2020 Suomen Terveystalo Oy acquired the business from Varkauden fysiokeskus. Acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.1 million. The contingent consideration is tied to the future sales to be incurred.

On 1 August 2020 Suomen Terveystalo Oy acquired the occupational health business activities of Keski-Satakunnan Työterveydenhuolto.

On 30 August 2020 Suomen Terveystalo Oy acquired the business of Keski-Lapin Hammashuolto. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 30 thousand. The contingent consideration is tied to the future sales to be incurred.

On 31 October 2020 Terveystalo Healthcare Oy acquired 100 percent of the shares of the medical center MedInari Oy.

On 31 December 2020 Terveystalo Healthcare Oy acquired 100 percent of the shares of the sleep clinic Vitalmed Oy. The acquisition includes a contingent consideration that was treated as a part of the consideration transferred and recognized as a liability at the date of the acquisition with a fair value of EUR 0.4 million. The contingent consideration is tied to the future sales to be incurred.

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

Consideration transferred

EUR mill.	
Purchase price, payable in cash	2.4
Contingent consideration	0.5
Total consideration transferred	2.9

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	0.1
Intangible assets	0.5
Trade and other receivables	0.1
Trade and other payables	-0.2
Deferred tax liabilities	-0.1
Total identifiable net assets acquired	0.5

Goodwill	2.5
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As a result of these business combinations, a goodwill amounting to EUR 2.5 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 0.5 of the goodwill recognized is tax deductible as it was recognized from business acquisitions.

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

The fair value of the acquired trade and other receivables amounted to EUR 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 thousand related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed recognized revenue from this acquisition during 2020 was EUR 0.5 million. The impact of the business combinations during the year to the result for the period has not been material.

If the acquisition had occurred on 1 January 2020, management estimates that the Group's consolidated revenue in 2020 would have been EUR 989.0 million and the consolidated result for the period would have been EUR 45.8 million.

15. Group's key financial ratios

Terveystalo Group, EUR mill.	7-9/2021	7-9/2020	Change, %	1-9/2021	1-9/2020	Change, %	2020
Revenue	273.1	240.2	13.7	827.1	706.7	17.0	986.4
Adjusted EBITDA, * ¹⁾	48.6	46.1	5.4	146.9	108.3	35.7	162.8
Adjusted EBITDA, % * ¹⁾	17.8	19.2	-	17.8	15.3	-	16.5
EBITDA ¹⁾²⁾	46.2	45.5	1.5	143.6	104.6	37.3	158.3
EBITDA, % ¹⁾	16.9	19.0	-	17.4	14.8	-	16.1
Adjusted EBITA * ¹⁾	31.5	30.9	1.9	99.1	62.6	58.3	101.9
Adjusted EBITA, % * ¹⁾	11.5	12.9	-	12.0	8.9	-	10.3
EBITA ¹⁾	29.1	30.3	-4.0	95.8	58.9	62.6	97.4
EBITA, % ¹⁾	10.7	12.6	-	11.6	8.3	-	9.9
Adjusted operating profit (EBIT) * ¹⁾	23.6	23.4	0.7	79.6	40.1	98.6	71.6
Adjusted operating profit (EBIT), % * ¹⁾	8.6	9.7	-	9.6	5.7	-	7.3
Operating profit (EBIT)	21.2	22.9	-7.2	76.3	36.4	109.5	67.2
Operating profit (EBIT), %	7.8	9.5	-	9.2	5.1	-	6.8
Return on equity (ROE), % ¹⁾	-	-	-	13.0	7.2	-	8.2
Equity ratio, % ¹⁾	-	-	-	43.1	40.7	-	42.1
Earnings per share (€)	0.11	0.13	-9.7	0.43	0.18	133.9	0.36
Net debt ¹⁾	-	-	-	529.8	528.0	0.3	490.9
Gearing, % ¹⁾	-	-	-	86.5	96.2	-	85.9
Net debt/Adjusted EBITDA (LTM) * ¹⁾	-	-	-	2.6	3.4	-	3.0
Total assets	-	-	-	1,424.4	1,351.0	5.4	1,361.0
Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	-	-	-	155.7	111.1	40.1	118.0
Net debt, excluding IFRS 16 ¹⁾	-	-	-	355.1	349.9	1.5	312.4
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	-	-	-	2.3	3.1	-	2.6
Average personnel FTE	-	-	-	5,645	5,023	12.4	4,900
Personnel (end of period)	-	-	-	9,622	8,226	17.0	8,253
Private practitioners (end of period)	-	-	-	5,191	5,210	-0.4	5,057

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

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

16. Calculation of financial ratios and alternative performance measures

Financial ratios

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

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

Alternative performance measures to the statement of financial position

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

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

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

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

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

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

Alternative performance measures to the statement of income

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

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

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

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

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

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

17. Reconciliation of alternative performance measures

Adjusted EBITDA, EUR mill.	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Profit (loss) for the period	14.5	16.1	54.6	23.4	45.8
Income tax expense	4.2	3.9	14.3	5.3	10.8
Share of profits in associated companies	0.0	0.4	0.3	0.5	0.6
Net finance expenses	2.5	2.5	7.0	7.2	10.0
Depreciation, amortization and impairment losses	25.0	22.7	67.3	68.2	91.2
Adjustments*	2.3	0.6	3.3	3.7	4.5
Adjusted EBITDA	48.6	46.1	146.9	108.3	162.8

Adjusted EBITDA, %	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Adjusted EBITDA	48.6	46.1	146.9	108.3	162.8
Revenue	273.1	240.2	827.1	706.7	986.4
Adjusted EBITDA, %	17.8	19.2	17.8	15.3	16.5

EBITDA, EUR mill.	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Profit (loss) for the period	14.5	16.1	54.6	23.4	45.8
Income tax expense	4.2	3.9	14.3	5.3	10.8
Share of profits in associated companies	0.0	0.4	0.3	0.5	0.6
Net finance expenses	2.5	2.5	7.0	7.2	10.0
Depreciation, amortization and impairment losses	25.0	22.7	67.3	68.2	91.2
EBITDA	46.2	45.5	143.6	104.6	158.3

EBITDA, %	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
EBITDA	46.2	45.5	143.6	104.6	158.3
Revenue	273.1	240.2	827.1	706.7	986.4
EBITDA, %	16.9	19.0	17.4	14.8	16.1

Adjusted EBITA, EUR mill.	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Profit (loss) for the period	14.5	16.1	54.6	23.4	45.8
Income tax expense	4.2	3.9	14.3	5.3	10.8
Share of profits in associated companies	0.0	0.4	0.3	0.5	0.6
Net finance expenses	2.5	2.5	7.0	7.2	10.0
Amortization and impairment losses	7.9	7.5	19.6	22.6	30.3
Adjustments*	2.3	0.6	3.3	3.7	4.5
Adjusted EBITA	31.5	30.9	99.1	62.6	101.9

Adjusted EBITA, %	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Adjusted EBITA	31.5	30.9	99.1	62.6	101.9
Revenue	273.1	240.2	827.1	706.7	986.4
Adjusted EBITA, %	11.5	12.9	12.0	8.9	10.3

EBITA, EUR mill.	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Profit (loss) for the period	14.5	16.1	54.6	23.4	45.8
Income tax expense	4.2	3.9	14.3	5.3	10.8
Share of profits in associated companies	0.0	0.4	0.3	0.5	0.6
Net finance expenses	2.5	2.5	7.0	7.2	10.0
Amortization and impairment losses	7.9	7.5	19.6	22.6	30.3
EBITA	29.1	30.3	95.8	58.9	97.4

EBITA, %	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
EBITA	29.1	30.3	95.8	58.9	97.4
Revenue	273.1	240.2	827.1	706.7	986.4
EBITA, %	10.7	12.6	11.6	8.3	9.9

Adjusted operating profit (EBIT), EUR mill.	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Profit (loss) for the period	14.5	16.1	54.6	23.4	45.8
Income tax expense	4.2	3.9	14.3	5.3	10.8
Share of profits in associated companies	0.0	0.4	0.3	0.5	0.6
Net finance expenses	2.5	2.5	7.0	7.2	10.0
Adjustments*	2.3	0.6	3.3	3.7	4.5
Adjusted operating profit (EBIT)	23.6	23.4	79.6	40.1	71.6

Adjusted operating profit, (EBIT), %	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Adjusted operating profit (EBIT)	23.6	23.4	79.6	40.1	71.6
Revenue	273.1	240.2	827.1	706.7	986.4
Adjusted operating profit (EBIT), %	8.6	9.7	9.6	5.7	7.3

Operating profit (EBIT), EUR mill.	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Profit (loss) for the period	14.5	16.1	54.6	23.4	45.8
Income tax expense	4.2	3.9	14.3	5.3	10.8
Share of profits in associated companies	0.0	0.4	0.3	0.5	0.6
Net finance expenses	2.5	2.5	7.0	7.2	10.0
EBIT	21.2	22.9	76.3	36.4	67.2

Operating profit, (EBIT), %	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
EBIT	21.2	22.9	76.3	36.4	67.2
Revenue	273.1	240.2	827.1	706.7	986.4
EBIT, %	7.8	9.5	9.2	5.1	6.8

Return on equity, %	30 Sep 21	30 Sep 20	31 Dec 20
Profit/loss for the period (LTM)	77.1	39.5	45.8
Equity (including non-controlling interest) (average)	591.8	545.1	556.3
Return on equity, %	13.0	7.2	8.2

Equity ratio, %	30 Sep 21	30 Sep 20	31 Dec 20
Equity (including non-controlling interest)	612.2	548.9	571.4
Total assets	1,424.4	1,351.0	1,361.0
Advances received	3.1	1.4	2.2
Equity ratio, %	43.1	40.7	42.1

Gearing, %	30 Sep 21	30 Sep 20	31 Dec 20
Interest-bearing liabilities	569.0	592.8	568.0
Interest-bearing receivables and cash and cash equivalents	39.3	64.8	77.1
Equity	612.2	548.9	571.4
Gearing, %	86.5	96.2	85.9

Net debt/Adjusted EBITDA (LTM)	30 Sep 21	30 Sep 20	31 Dec 20
Interest-bearing liabilities	569.0	592.8	568.0
Interest-bearing receivables and cash and cash equivalents	39.3	64.8	77.1
Adjusted EBITDA (LTM)	201.5	156.1	162.8
Net debt/Adjusted EBITDA (LTM)	2.6	3.4	3.0

Adjusted EBITDA (LTM), excluding IFRS 16	30 Sep 21	30 Sep 20	31 Dec 20
Profit (loss) for the period	77.1	39.5	45.8
Income tax expense	19.8	9.1	10.8
Share of profits in associated companies	0.3	0.6	0.6
Net finance expenses	9.9	11.0	10.0
Depreciation, amortization and impairment losses	90.3	91.2	91.2
Adjustments*	4.1	4.7	4.5
IFRS 16 lease expense adjustment	-45.8	-45.0	-44.8
Adjusted EBITDA (LTM), excluding IFRS 16	155.7	111.1	118.0

Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	30 Sep 21	30 Sep 20	31 Dec 20
Interest-bearing liabilities	394.4	414.7	389.5
Interest-bearing receivables and cash and cash equivalents	39.3	64.8	77.1
Adjusted EBITDA (LTM)	155.7	111.1	118.0
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	2.3	3.1	2.6

Adjustments*, EUR mill.	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Acquisition related expenses ⁽¹⁾	2.0	0.1	2.5	0.3	0.5
Restructuring related expenses ⁽²⁾	0.1	0.3	0.3	1.2	1.6
Gains and losses on sale of assets, net	-	-	-	-0.1	-0.1
Strategic projects and other items affecting to comparability	0.2	0.2	0.6	2.2	2.5
Adjustments	2.3	0.6	3.3	3.7	4.5

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

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

²⁾ Including restructuring of network and business operations.

18. Collateral and other contingent liabilities

EUR mill.	30 Sep 2021	30 Sep 2020	31 Dec 2020
Business mortgages	12.1	-	-
Total	12.1	-	-
Securities for own debts			
Deposits	0.2	0.2	0.2
Guarantees	0.8	0.7	0.7
Total	1.0	0.9	0.9