

Remuneration Report



Remuneration Report

Terveystalo’s remuneration principles are based on performance, fairness and competitiveness. Remuneration supports the achievement of Terveystalo’s strategic goals and the long-term financial success of the Company. The remuneration policy and the decision-making process is described in more detail in the Remuneration Policy for Governing Bodies. In the Annual General Meeting 2024, the Remuneration Report 2023 was given an advisory approval, and no further aspects were presented. Thus, the Remuneration Report 2024 is mainly similar, but the targets and results of the incentive schemes are introduced broader.

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

Remuneration development 2020–2024

Total remuneration, EUR ¹⁾ (rounded to the nearest thousand)	2020	2021	2022	2023	2024
Chair of the Board	101,000	102,000	102,000	109,000	112,000
Vice Chair of the Board	67,000	69,000	59,000	65,000	68,000
Other members of the Board, on average	57,000	56,000	57,000	56,000	60,000
CEO	367,000	640,000	834,000	637,000	1,007,000
Salary development of employees, on average ²⁾	62,000	62,000	68,000	70,000	70,000

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

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

the short-term incentives earned from 2023 and paid in the beginning of 2024 are on higher level.

The remuneration level of the Board of Directors was reviewed and determined to correspond to the market level by the decision of the AGM in 2020, 2022 and 2024.

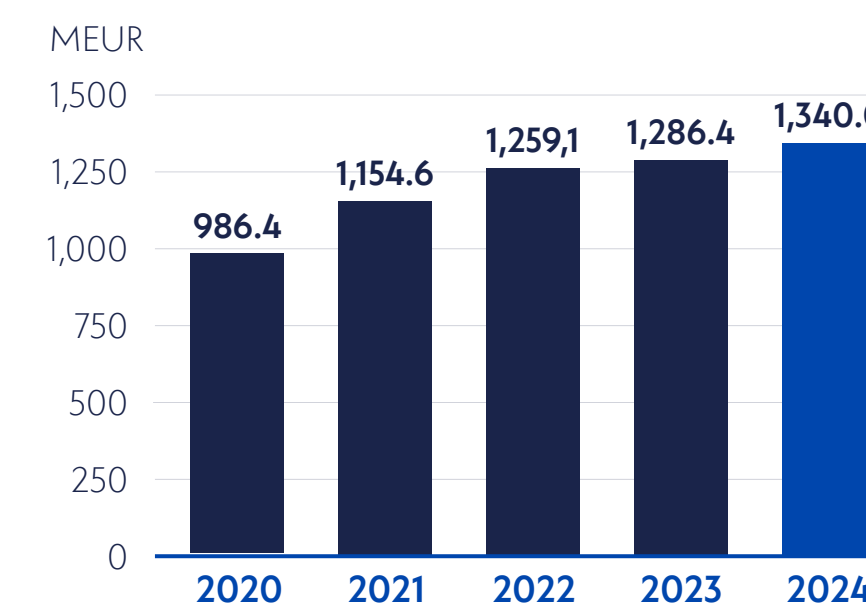
In accordance with the Remuneration Policy, remuneration of the CEO is strongly based on performance, and a significant share of the overall remuneration of the CEO consists of short-term and long-term incentives. The targets of the incentive schemes are directly linked to the Company performance. A CEO change took place at the end of 2019, and in 2020, remuneration of the CEO exceptionally only consisted of the base salary. In 2021, the CEO’s remuneration included short-term incentives for the year 2020. As a part of the Company’s mitigation measures

due to the COVID-19 pandemic, the CEO’s short-term incentive earning opportunity was restricted to 50% of the normal level. In 2023, the overall compensation level was significantly impacted by the low outcome of short-term incentives from 2022. The total remuneration of the CEO for 2024 is again at a higher level, due to good financial development in 2023 and higher incentives paid in 2024. The CEO’s base salary was also adjusted during 2024 to reflect the market level.

The average salary development of employees has shown a rising trend. Approximately 65% of the personnel is covered by collective agreements, and the general increases determined in the collective agreements mainly guide the salary development of this personnel group.

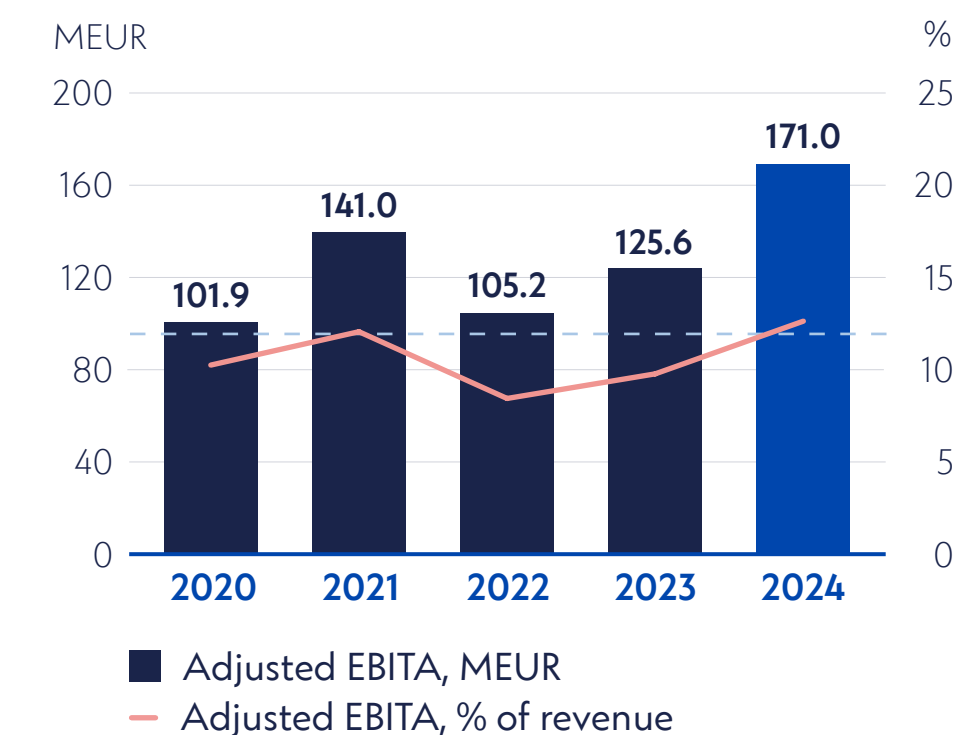
Revenue

Target of at least 5% growth annually



Adjusted EBITA and EBITA-%

Target 12% of revenue in 2025



Remuneration of the Board of Directors for the financial year 2024

Terveystalo's Annual General Meeting, held on 26 March, 2024, resolved in accordance with the proposal of the Shareholders' Nomination Board that the Chair of the Board of Directors be paid an annual remuneration of EUR 90,000, the Vice Chair an annual remuneration of EUR 53,000, the members an annual remuneration of EUR 42,300, and the Chair of the Audit Committee an annual remuneration of EUR 53,000. In addition, an attendance fee of EUR 675 will be paid for members of the Board of Directors and Committee members residing in Finland, EUR 1,400 for members residing elsewhere in Europe, and EUR 2,800 for members residing outside of Europe for each Board

and Committee meeting that they attend. For Board and Committee meetings that are held by telephone or other electronic means, the attendance fee is EUR 675. Travel costs are reimbursed based on the company's travel policy.

The annual remuneration of the Board is paid as a combination of company shares (40 percent) and cash (60 percent). The Company will reimburse the transaction costs and capital transfer tax related to trading. Attendance fees are paid in cash.

The following table presents the remuneration paid to the Board of Directors during the financial year 2024.

Name	Annual fee, total, EUR ¹⁾	Annual fee in shares, EUR	Annual fee in cash, EUR	Other financial benefits, EUR ²⁾	Meeting fees of the board of directors and board committees, EUR	In total, EUR
Kari Kauniskangas	90,000	35,997	54,003	540	21,250	111,690
Kristian Pullola	53,000	21,198	31,802	318	13,975	67,293
Matts Rosenberg	53,000	21,198	31,802	318	14,625	67,943
Carola Lemne	42,300	16,912	25,388	254	19,800	62,354
Sofia Hasselberg	42,300	16,912	25,388	254	23,900	66,454
Ari Lehtoranta	42,300	16,912	25,388	254	12,650	55,204
As members of the Board from 26 March, 2024						
Teija Sarajärvi	42,300	16,912	25,388	254	8,100	50,654
As members of the Board until 26 March, 2024						
Katri Viippola					5,850	5,850

¹⁾ Total annual compensation consists of stock award (40%) and cash compensation (60%).

²⁾ Other financial benefits include transfer tax fees for the annual fees paid in shares.

Remuneration of the CEO for the financial year 2024

The following table presents the remuneration paid to the CEO during the financial year 2024.

Name	Fixed annual salary (including taxable benefits), EUR	Short-term incentives, EUR	Remuneration based on long-term incentive schemes, EUR	In total, EUR
Ville Iho, CEO	452,005	402,192	152,981	1,007,177

At the target level, CEO's short-term incentive corresponds to 100 percent of the annual base salary. At the maximum level, the short-term incentive can be 150 percent of the annual base salary.

In 2024, the CEO's compensation consisted of the fixed annual salary and the short-term incentive paid for 2023, corresponding to 89 percent of the fixed annual salary, and the long-term incentive paid from 2021–2023, corresponding to 34 percent of the fixed annual salary.

The 2023 short-term incentive was based on 40 percent weight on adjusted EBITA, on 40 percent weight on the profit improvement program started in 2022 and on 20 percent weight on eNPS score. The outcome of EBITA was between target and maximum levels, profit improvement program reached the maximum level, and eNPS was below minimum level. Short-term incentive resulted a total outcome of 106 percent of the target level.

CEO's short-term incentive targets and results for 2023 (paid in 2024)

KPI	Weight	Result	Result, total % of target	Result, EUR
Adjusted EBITA	40%	above target level		
Profit improvement program	40%	maximum level	106%	402,192
eNPS	20%	below minimum level		

The long-term incentive 2021–2023 was based on 60 percent weight on relative Total Shareholder Return (TSR) and on 40 percent weight on Digital Footprint, which consisted of two components: Productivity and Digital Sales. The outcome of the relative TSR measurement was below minimum, but the Digital Footprint's outcome was between target and maximum level. Thus, the long-term incentive 2021–2023 resulted a total outcome of 47 percent of the target.

Based on the 2024 short-term incentive program, the CEO will receive a payment of EUR 577,662 in

the spring of 2025, which corresponds to 123 percent of the fixed annual salary. In the performance period 2024, the short-term incentives were based on the following indicators: 80 percent weight on adjusted EBITA, 10 percent weight on eNPS score, and 10 percent weight on medical quality score PEI (Patient Enablement Instrument) measuring the patients' ability to deal with their illness after the appointment. The outcome of EBITA was between target and maximum levels, eNPS was below the minimum level, and PEI reached the maximum level. Thus, the 2024 STI resulted a total outcome of 128 percent of the target.

CEO's short-term incentive targets and results for 2024 (paid in 2025)

KPI	Weight	Result	Result, total % of target	Result, EUR
Adjusted EBITA	80%	above target level		
eNPS	10%	below minimum level	128%	577,662
PEI (Patient Enablement Instrument)	10%	maximum level		

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

Long-term incentive plan	Grant date	Earning opportunity on target level (100%) (number of shares granted)	Earning opportunity on maximum level (200%) (maximum number of shares granted)	Pay-out year (subject to the achievement of performance targets)	Performance criteria	Result, % of target	Number of shares paid
Performance Share Plan (PSP) 2021–2023	28.4.2021	44,000	88,000	2024	TSR 60% Digital Footprint 40%	47%	20,827
Performance Share Plan (PSP) 2022–2024	9.2.2022	37,543	75,086	2025	TSR, absolute 50% TSR, relative 50%		
Performance Share Plan (PSP) 2023–2025	10.2.2023	44,000	88,000	2026	TSR, absolute 50% TSR, relative 50%		
Performance Share Plan (PSP) 2024–2026	13.2.2024	44,000	88,000	2027	TSR, absolute 50% TSR, relative 50%		

In the performance periods 2022–2024, 2023–2025, and 2024–2026 the performance criteria for the share-based long-term incentive schemes were based on the absolute and relative Total Shareholder Return (TSR). The weight of both criteria is 50 percent.

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

Terveystalo Oyj

Jaakonkatu 3 A, 6th floor
00100 Helsinki
Exchange: 030 633 11
www.terveystalo.com