

From the CEO

Annual General Meeting 2021

CEO Joni Aaltonen

15 April 2021

- One of Finland's leading providers of social, healthcare and wellbeing services
- Market leader in the complete outsourcing of social and healthcare services in Finland
- The Group pays all of its taxes to Finland
- Extensive range of services offered to both private and public sector customers
- Strong geographical presence in Pirkanmaa, South Ostrobothnia, Central Finland, Pohjois-Savo and the Helsinki Metropolitan Area
- Listed on the main list of Nasdaq Helsinki in 2015
- 5995 employees in Finland
- 14 141 shareholders (12/2020), approximately 95 per cent in Finnish ownership

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- Private clinics, hospitals, dental clinics
 - Social and healthcare outsourcing
 - Housing services
 - Fitness centres
 - Responsible doctor services and remote consultation services

Pihlajalinna's services

**Pihlajalinna serves
individuals,
businesses, insurance
companies and
public entities**



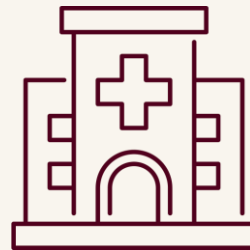
Public social and
healthcare services



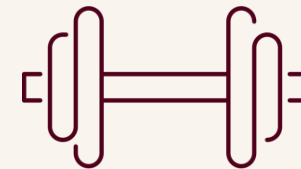
Occupational
healthcare services



Housing services for the
elderly and special groups



Private clinics and
specialised medical care



Physiotherapy and
fitness centres



Extensive
remote services



Our mission

**We help
Finns to live
a better life.**

Our values



Ethics



Energy



Open-mindedness

Vision

We bring
wellbeing to
everyone.



Strategic priorities

1. The renewal of private services

Pihlajalinna will strengthen its multichannel services and business in the private sector through new service concepts and digital innovation.

2. Cooperation in social and healthcare services

Pihlajalinna will engage in close cooperation with the future wellbeing services counties and build a strong market position in public healthcare.

3. The strengthening of digitalization

Pihlajalinna has a strong focus on digitalisation in the development of personnel, the customer experience and operational performance.

Objectives

- Pihlajalinna offers the most attractive and diverse range of services.
- Pihlajalinna is the number one choice of consumers and professionals.
- Pihlajalinna's services are easy to access and available without a delay.
- Pihlajalinna ensures profitable growth.

Long-term financial objectives: net debt remains less than 3 times EBITDA and operating profit (EBIT) over 7 per cent of revenue.

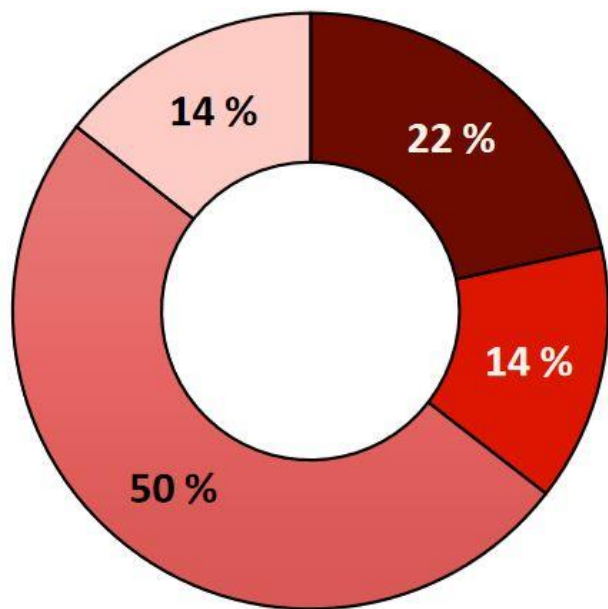


Financial Statements 2020

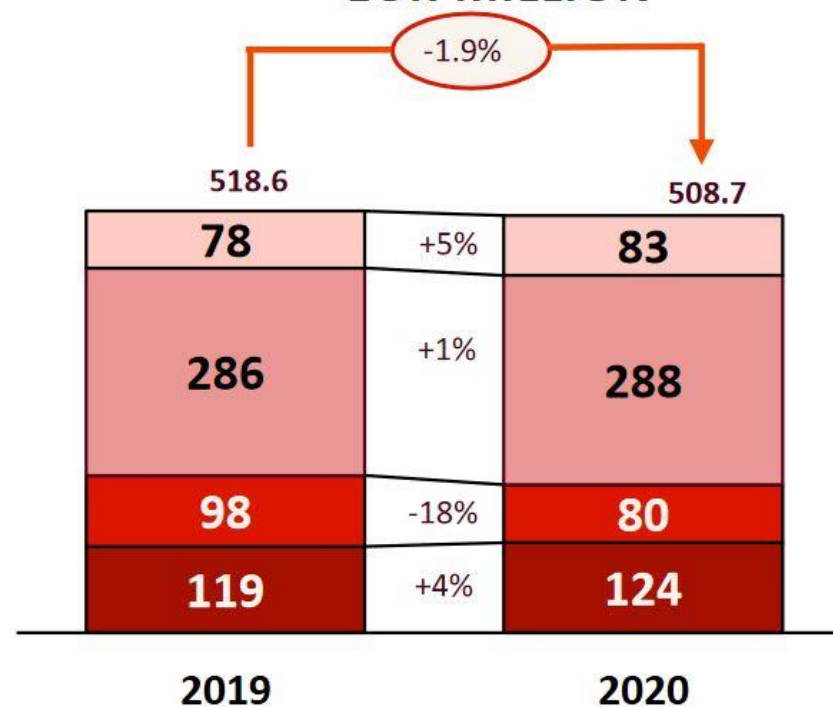
- Revenue amounted to EUR 508.7 (518.6) million – a decrease of 1.9%
- EBITDA was EUR 52.4 (47.8) million – an increase of 9.6%
- EBIT was EUR 18.2 (10.2) million – an increase of 78.4%
 - Operating profit adjustments EUR 2.6 (10.6) million
- IFRS 3 costs and amortisation related to M&A had a negative effect of EUR 3.2 (5.2) million on operating profit
- Earnings per share (EPS) was EUR 0.39 (0.15)
- Pihlajalinna won a public bidding competition for the sale of Työterveys Virta Oy's entire share capital and occupational healthcare services. Pihlajalinna's position in North Ostrobothnia will be significantly strengthened by the acquisition.
- In early 2021, the company won a significant proportion of a competitive bidding process for the outpatient clinic, surgery and inpatient services of the Northern Ostrobothnia Hospital District.
- Pihlajalinna is the public sector's largest partner in the early stages of COVID-19 vaccinations.

Revenue by customer group 2020

REVENUE BY CUSTOMER GROUP
2020, %

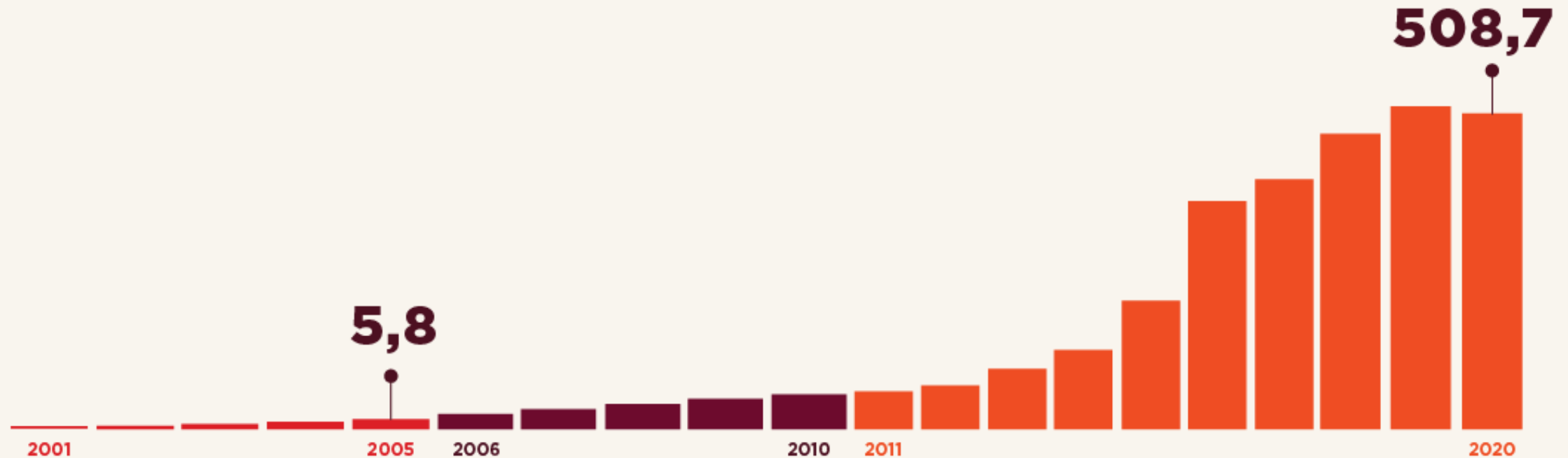


REVENUE BY CUSTOMER GROUP,
EUR MILLION



- Corporate customers
- Private customers
- Complete outsourcing
- Other services to public sector

Growth in Pihlajalinna's revenue and business operations



Regional
physician recruiting starts

Growing outsourcing
business and an expanding
range of service offerings

Comprehensive service offerings
for the public and private sectors

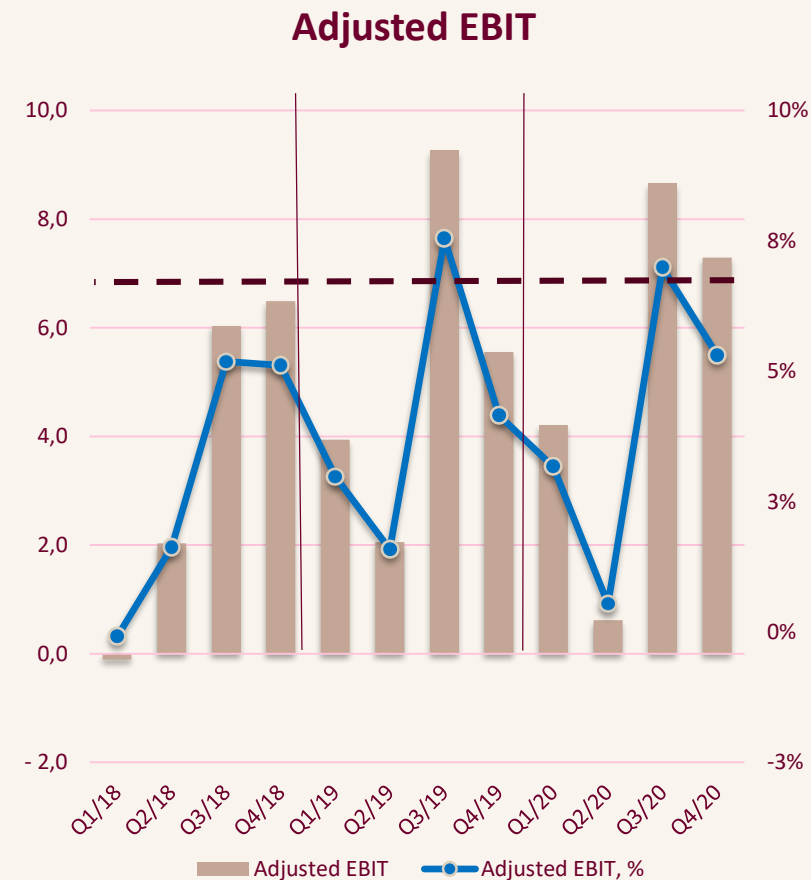
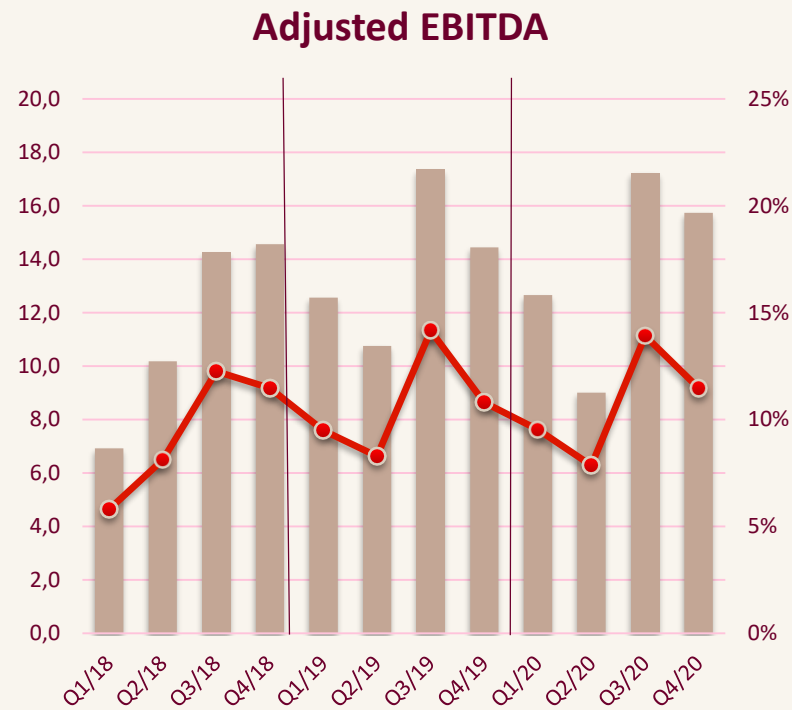


Outlook for 2021

It is still hard to assess and predict the financial impacts of the duration of the COVID-19 situation. National or regional restrictions aimed at preventing a third wave of COVID-19 and potential delays in COVID-19 vaccinations may have a negative impact on consumer demand. At the same time, extensive COVID-19 testing, the start of vaccinations, working through the queues in the public sector and the release of other pent-up demand help compensate for the decline in consumer demand.

Pihlajalinna's consolidated revenue is expected to increase clearly and adjusted EBIT is expected to improve clearly compared to 2020.

Consolidated Revenue and profitability, EUR million



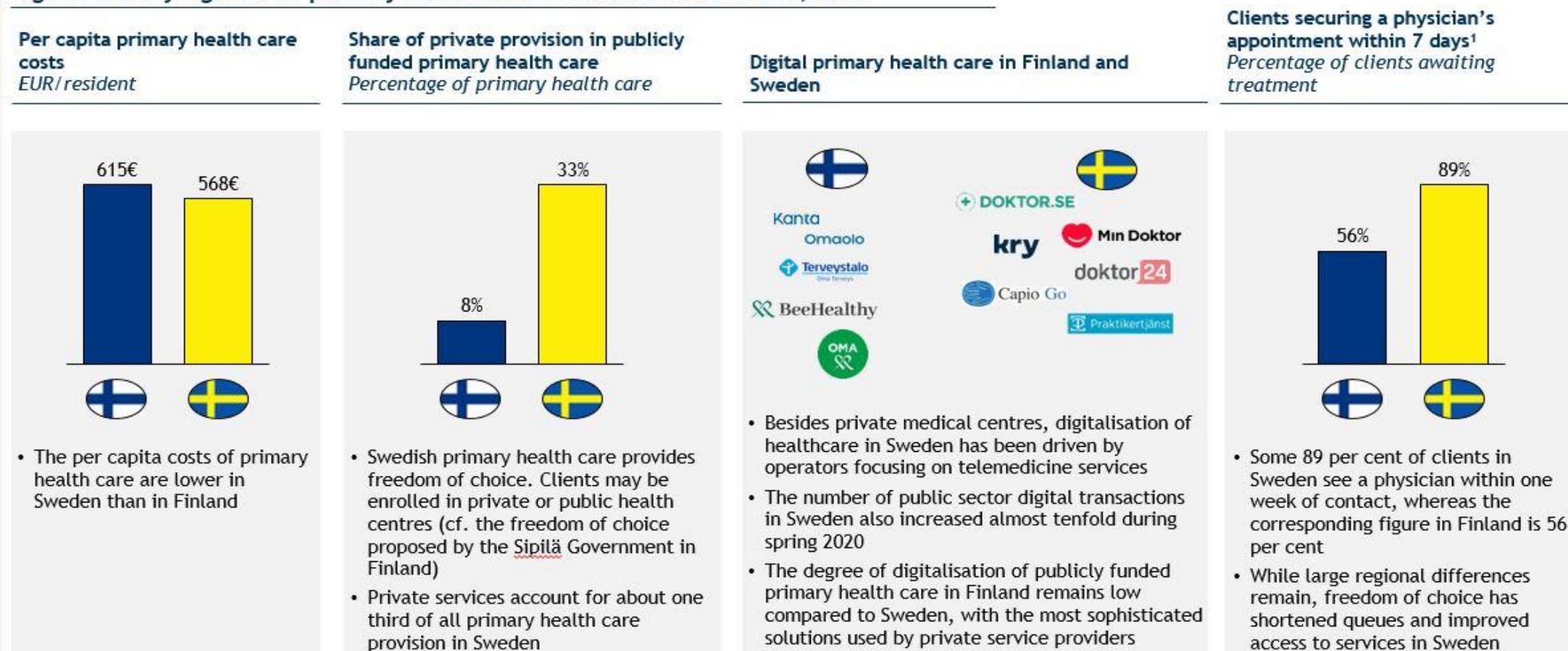
Operating profit adjustments 2020: EUR 2,6 million
 Operating profit adjustments 2019: EUR 10,6 million

Market review

- While the focus of the reform of social, healthcare and rescue services is on public services, they will continue to be complemented by private and third-sector service provision. The objectives of the reform include equality, faster access to care and shifting the focus of healthcare towards preventive services. The sustainability of municipal finances also requires mitigating the upward pressure on social and healthcare service expenses.
- The progress of the reform of social and healthcare services still involves significant risks. These risks are related to, for example, political decision-making, the implementation and funding of the reforms as well as constitutional questions.
- The COVID-19 epidemic continues to make changes in the operating environment less predictable to a significant degree.
- Currently, about 8,000 people are waiting for access to health care services outside the deadlines of the care guarantee legislation. In February 2021, 28,417 people had been waiting for specialist care for more than three months.
- The demand for occupational healthcare services has not decreased as a result of the COVID-19 epidemic. The social responsibility of employers has been emphasised during the epidemic, as evidenced by, for example, the willingness of businesses to purchase COVID-19 testing services.
- Many municipalities and other public sector entities have divested, or are in the process of divesting, the occupational healthcare providers they currently own.

Swedish primary health care applying a freedom of choice format achieves good access to care at a lower investment level than in Finland

Figure 47. Key figures for primary health care in Finland and Sweden, 2019



VALOR

1) Data for Finland from 2019, Sweden from 2018
Source: Finnish Institute for Health and Welfare, Finnish Cultural Foundation, news review, VALOR analysis

Increase in voluntary health insurance policies continues

- The number of voluntary health insurance policies grew by more than 50 per cent between 2009 and 2020.
- A total of 1.25 million people in Finland now have voluntary health insurance.
- The number of policies grew by almost 8 per cent annually between 2014 and 2016. The most rapid growth was in insurance policies taken out by adults as private individuals, with an increase of 26 per cent.

Pihlajalinna's financial reporting in 2021

- Interim report January–March: Friday, 7 May 2021
- Half-year financial report January–June: Friday, 13 August 2021
- Interim report January–September: Thursday, 4 November 2021



Thank you!