PRE-SILENT INFO H1/2023

11 JULY 2023

Q2/2023 ACTUALS 1/2

- Tuomas Hyyryläinen appointed as Pihlajalinna’s new CEO as of 1 September
- The General Annual Meeting elected Jukka Leinonen as Pihlajalinna’s new Chair of the Board
- Pihlajalinna’s efficiency improvement program continues
    - Progress in the integration of the new operating model
    - Progress in the strategic project on work ability management – sickness-related absences are decreasing but are still at the higher level compared to pre-COVID-19
    - Efficiency impacts are weakened compared to 2022 due to lack of the COVID-19 services
- Efficiency improvement program is responding to general cost inflation by evaluating service pricing, business structure as well as cutting the general costs
    - Pihlajalinna’s measures to strengthen profitable growth and financial position continue, the effects of the measures will become evident gradually during 2023.

Q2/2023 ACTUALS 2/2

- Despite the discontinuing special healthcare costs from Pirkanmaa wellbeing service county as of Q1/23, the other wellbeing service counties special healthcare costs from the H1/23 are burdening the Q2/23
- The collective agreement for the healthcare service sector (TPTES) was signed at the end of May
    - The wage increases for 2023 are 2.95% in total and are effective from 1 November 2023.
    - Also, 450 euro/employee lump sum was paid in June – over half of the company’s 7,000 employees are part of the agreement
- The collective agreement for the private social service sector was signed after weeks of industrial actions, minimum wages will increase 5.8% in 2023
    - Industrial actions were targeted substantially also to Pihlajalinna’s operations
- The rise in interest rates will increase the company's financial costs, even though the margins of the company's loan package decreased at the beginning of the year and the interest hedging came into force at the end of Q1/23

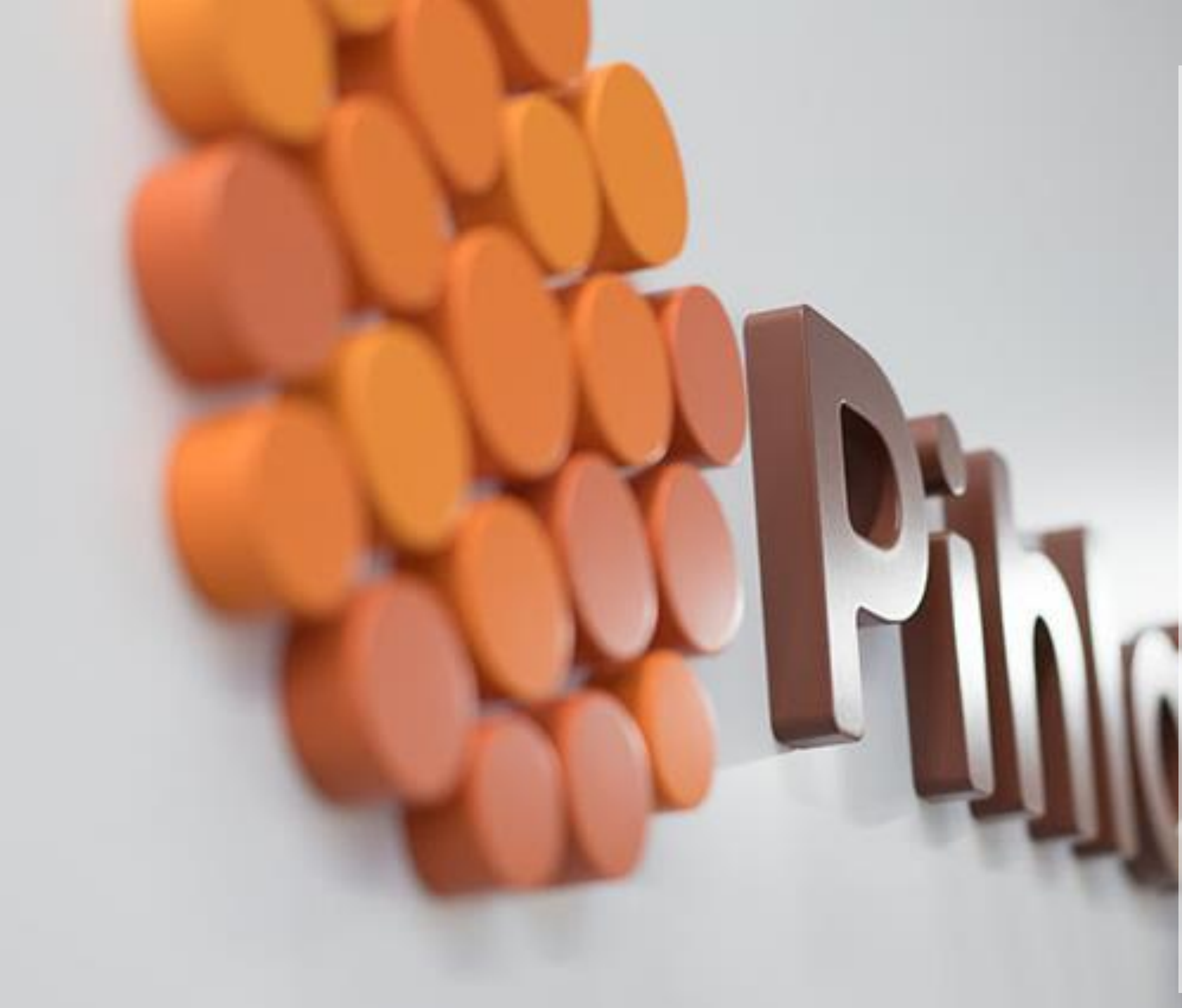
NEW GOVERNMENT PROGRAM

- Government program registrations reflect the opportunities offered by private health service activities in solving the challenges of public health care
  - Extensive service voucher usage to relieve the treatment queues
  - New reimbursement for private general practitioners recetions
- A strong notice for wellbeing service counties
  - Treatment queues must be fixed – from 1 September treatment guarantee will shorten from 3 months to 14 days
  - The financial situation must be sustainable by the end of 2025

Pihlajalinna

PIHLAJALINNA PUBLISHES H1/23 RESULT ON 11 AUGUST

- Pihlajalinna publishes the Half Year Financial Report for January-June 2023 on Friday 11 August approximately at 8 a.m.
- Pihlajalinna will organise a live webcast meeting at 10 a.m.
- More detailed invitation will be sent close to the event. Webcast will be held in Finnish.
- Welcome!



Thank You!

Upcoming events

- Half Year Financial Report January–June: Friday, 11 August 2023
- Interim Report January–September: Friday, 3 November 2023

Please contact:

Vice President,
Communications and sustainability
Tuula Lehto
+358 40 588 5343, tuula.m.lehto@pihlajalinna.fi

Chief Financial Officer
Tarja Rantala
+358 40 774 9290, tarja.rantala@pihlajalinna.fi