



Pihlajalinna

PRE-SILENT INFO Q3/2023

2 OCTOBER 2023

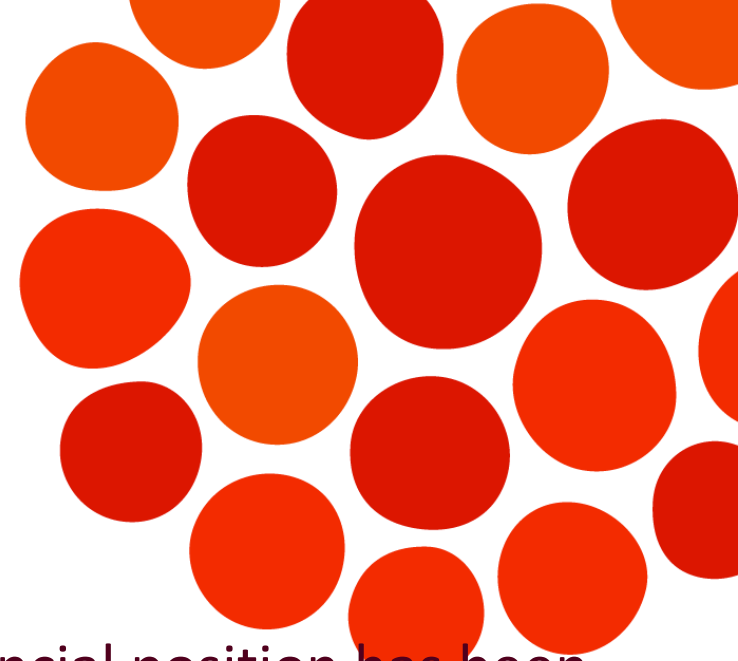
Q3/2023 ACTUALS

- Tuomas Hyyryläinen started as the CEO on September 1, 2023
- Negotiations continues with the wellbeing services county of South Ostrobothnia about the complete outsourcing contract continuation until the end of the agreement period in 2030. 11 September 2023, the regional council of the wellbeing services county of South Ostrobothnia decided to send the outsourcing agreement of Pihlajalinna's subsidiary Kuusiolinna Terveys Oy back to the preparation evaluation. Over the last two years, the annual turnover of Kuusiolinna Terveys has been around EUR 100 million per year and adjusted EBITA has averaged 1.1 %
- Service referrals and the cost liability for demanding specialised care under complete outsourcing agreement continue in South Ostrobothnia, where negotiations are still ongoing, and in Central Finland, where the remaining portions of costs separated on July 1, 2023. The costs in Pirkanmaa have been eliminated in H1/2023. The removal of already agreed-upon responsibilities has an impact of approximately EUR 40 million compared to the year 2022
- Jämsän Terveys will continue to provide social and healthcare services in the Jämsä area according to the agreement until August 2025. With the wellbeing service county of Central Finland has agreed for the gradual transfer of services to the welfare area's responsibility already during H1/2024. The healthcare services at Jokilaakso Hospital will continue as per the service agreement until the year 2025. The impact of gradually transferred services on the turnover in 2024 is estimated to be approximately EUR 20 million compared to 2023
- Pihlajalinna and the insurance specialist Fennia announced to deepen the partnership on 18.9. Pihlajalinna remains the main partner for Fennia in the coming four-year period from 2024 to 2027. Pihlajalinna estimates the annual revenue of the co-operation to be approximately EUR 25-30 million.



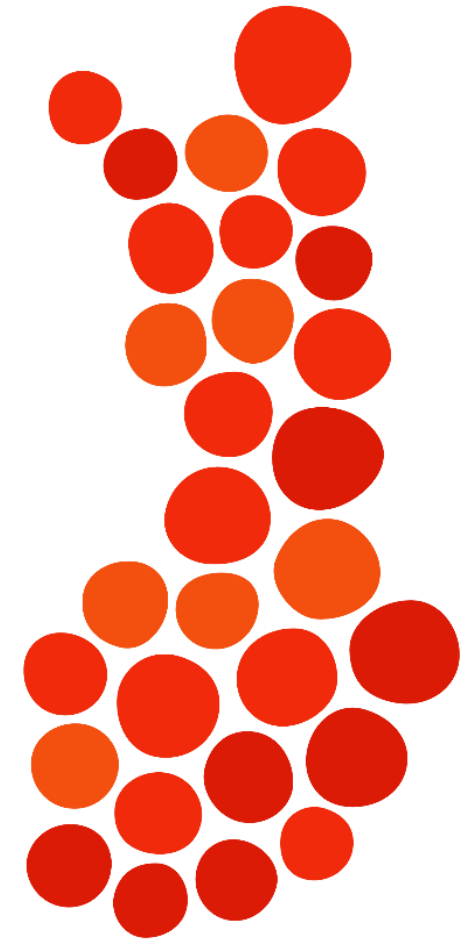
Q3/2023 FREQUENTLY DISCUSSED TOPICS

- Demand for private healthcare services has remained strong, especially in surgical operations with a high volume
- Pihlajalinna has continued to invest in recruiting professionals, and the availability of services has remained strong
- Pihlajalinna's measures to strengthen profitable growth and financial position has been continued
- Salary and overall cost inflation continues, for example the collective agreement for the private social service sector (SOSTES) will increase wages for 5.9% effective from 1.9.2023 and the collective agreement for the healthcare service sector (TPTES) increases the wages 2.95% effective from 1.11.2023
- Cost inflation has not yet affected consumer behavior; the share of private customers in Pihlajalinna's customer base is just slightly over 10%.



ACTIVATION OF THE NEW GOVERNMENT PROGRAMME

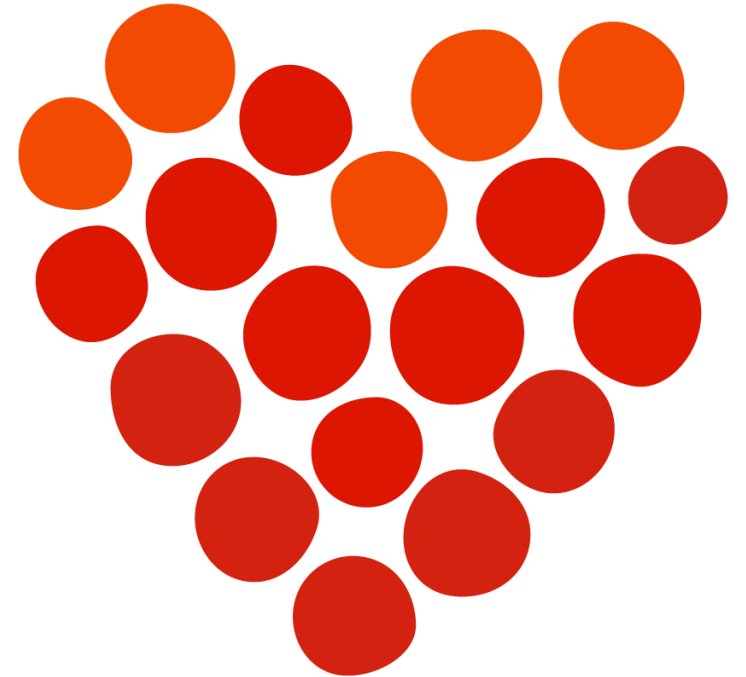
- The actions taken by the Finnish government to reduce healthcare queues are progressing, and we anticipate that they will increase the demand for private healthcare services
- Over 170,000 citizens are waiting for non-urgent care, and more than 20,000 for urgent care.
 - On September 22, 2023, the Ministry of Social Affairs and Health announced that the reimbursement for private doctor appointments from KELA (Social Insurance Institution of Finland) will increase from 8 euros to an average of 30 euros. The reform will come into effect starting from the beginning of 2024.
 - The activation of service vouchers and other purchased services is evident in the wellbeing services counties, including the Western Uusimaa, which announced on August 28th that they are allocating 800,000 euros for service vouchers for the remainder of 2023. HUS also announced on September 11th about the clearance of queues, especially in joint replacement, spine, and neurosurgery



Pihlajalinna

PIHLAJALINNA PUBLISHES Q3/23 RESULT ON 3 NOVEMBER

- Pihlajalinna's silent period will start 4 October 2023
- Pihlajalinna publishes the Interim Report for January-September 2023 on Friday 3 November 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

- 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