



# Mehiläinen Yhtiöt Oy announces a recommended cash tender offer for all shares in Pihlajalinna Plc

Pihlajalinna Plc

Inside information

5 November 2019 at 8:15 a.m. (EET)

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## Mehiläinen Yhtiöt Oy announces a recommended cash tender offer for all shares in Pihlajalinna Plc

Mehiläinen Yhtiöt Oy ("Mehiläinen" or the "Offeror") and Pihlajalinna Plc ("Pihlajalinna" or the "Company") have on 5 November 2019 entered into a combination agreement (the "Combination Agreement") pursuant to which Mehiläinen will make a voluntary recommended public cash tender offer for all issued and outstanding shares in Pihlajalinna (the "Tender Offer"). In the Tender Offer, Pihlajalinna's shareholders will be offered a cash consideration of EUR 16.00 for each issued and outstanding share in Pihlajalinna (the "Offer Price"), valuing Pihlajalinna's total equity at approximately EUR 362 million. The non-conflicted members of Pihlajalinna's Board of Directors have unanimously decided to recommend that the shareholders of Pihlajalinna accept the Tender Offer.

### Key highlights and summary of the Tender Offer

- The Offer Price is EUR 16.00 in cash for each issued and outstanding share in Pihlajalinna.
- The Offer Price represents a premium of approximately:
  - 46.0 percent compared to the closing price (EUR 10.96) of the Pihlajalinna share on the official list of Nasdaq Helsinki Ltd ("Nasdaq Helsinki") on 4 November 2019, being the last trading day before the announcement of the Tender Offer; and
  - 50.1 percent compared to the volume-weighted average trading price of the Pihlajalinna share on the official list of Nasdaq Helsinki during the 3 months immediately preceding the announcement of the Tender Offer.
- The non-conflicted members of the Board of Directors of Pihlajalinna have unanimously decided to recommend that the shareholders of Pihlajalinna accept the Tender Offer.
- LocalTapiola General Mutual Insurance Company, MWW Yhtiö Oy, Fennia Mutual Insurance Company, LocalTapiola Mutual Life Insurance Company, Elo Mutual Pension Insurance Company, Leena Niemistö, funds advised by Fondita Fund Management Company Ltd., Ilmarinen Mutual Pension Insurance Company, Fennia Life Insurance Company Ltd., as well as certain other major shareholders of Pihlajalinna, have irrevocably undertaken to accept the Tender Offer, subject to certain customary conditions. Such undertakings concern approximately 63.2 percent of the shares and votes in Pihlajalinna in the aggregate.
- The completion of the Tender Offer is subject to certain conditions being fulfilled on or by the date of Mehiläinen's announcement of the final result of the Tender Offer. These include, among others, the obtaining of all necessary regulatory approvals and that the Tender Offer has been accepted with respect to shares representing, together with shares otherwise acquired by Mehiläinen prior to or during the offer period, more than 90 percent of the issued and outstanding shares and votes in Pihlajalinna.
- Once Mehiläinen has acquired more than 90 percent of the issued and outstanding shares in Pihlajalinna, it is the intention of Mehiläinen to initiate mandatory redemption proceedings in accordance with the Finnish Companies Act (624/2006, as amended) to acquire the remaining shares in Pihlajalinna, and thereafter to cause Pihlajalinna's shares to be delisted from Nasdaq Helsinki as soon as reasonably practicable.
- As required under applicable laws, Mehiläinen has, and will have at the completion of the Tender Offer, access to debt and equity funding in sufficient amounts to finance the payment of the aggregate Offer Price for all of the issued and outstanding shares in Pihlajalinna in connection with the Tender Offer (including in any mandatory redemption proceedings in accordance with the Finnish Companies Act). The debt financing is subject to customary certain funds financing conditions.
- Mehiläinen will on or about 9 January 2020 publish a tender offer document (the "Offer Document") with detailed information regarding the Tender Offer.
- The offer period under the Tender Offer is expected to commence on or about 9 January 2020 and to expire on or about 19 March 2020, unless Mehiläinen extends the offer period in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws, in order to satisfy the conditions to completion of the Tender Offer, including obtaining merger control clearance. The Tender Offer is currently expected to be completed towards the end of the second quarter of 2020 or at the latest during the third quarter of 2020. For further information, see "Authority approvals" below.

### Commenting on the Tender Offer, Janne-Olli Järvenpää, CEO of Mehiläinen:

"Pihlajalinna is an outstanding company, which superbly complements the service offering, capabilities and geographical network of the 110-year old Mehiläinen. Together we have the opportunity to offer improved customer service and the highest quality health and social care services for our private, corporate and public sector customers across Finland."

The combination also enables us to increase investments in digital services and the international expansion initiated by Mehiläinen. We are also excited about the possibilities that this combination brings with respect to increasing focus on quality work and personnel development. We are very impressed by the innovative, entrepreneurial and customer-oriented culture at Pihlajalinna and we believe it will align extremely well with Mehiläinen's core values and way of operating."

#### **Commenting on the Tender Offer, Mikko Wirén, Chairman of the Board of Directors of Pihlajalinna:**

"When I founded Pihlajalinna in 2001, my aim was to create a company that would challenge the very traditional health and social care service business both within the private and the public sector. The growth of the company to one of the leading Finnish businesses within its field has exceeded our wildest aspirations. Together with our fantastic staff, customers and management, we have succeeded in creating something completely new and exceptional on the market.

The tender offer by Mehiläinen comes at a time when Pihlajalinna has successfully overcome the challenges it has faced during the past couple of years, and today we are looking firmly into the future. After careful consideration, the Board of Directors of Pihlajalinna recommends that the shareholders accept the tender offer, and all major shareholders have expressed their support for the combination. We believe that the transaction is beneficial not only to the customers, personnel and shareholders, but also to all Finns. The combination would create a company with adequate scope and scale to serve the demanding procurement organizations comprising municipalities, hospital districts and the contemplated counties, as well as to bring Finnish know-how in health and social care to the international markets. Together we have the opportunity to provide treatment and care of the highest quality for the needs of an ageing Finland."

#### **Background and strategic rationale**

Mehiläinen believes that the combination will bring immediate benefits to all customer segments of both companies. Together, Mehiläinen and Pihlajalinna can offer private, corporate and public sector customers a comprehensive and complementary service offering and physical network across Finland. Private individuals will benefit from a comprehensive physical network combined with a broader service offering, and occupational healthcare customers will have access to a truly nationwide combined service network of over 200 occupational health stations.

Adequate scope and scale are required in order for health and social care service providers to be able to offer best in class quality, effectively exploit digitalization and to develop innovative services. Together, Mehiläinen and Pihlajalinna will have the resources and capabilities that enable even greater investments in digital solutions, knowledge management and service innovation. The scale of the combined company will also support the international expansion targeted by Mehiläinen. In line with Mehiläinen's growth strategy, the combination is therefore a logical step and response to the anticipated changes in market dynamics and increasing customer requirements.

The combination of Mehiläinen and Pihlajalinna is expected to ensure the necessary scale and capabilities required to meet the ever-stricter national quality and minimum volume requirements, in particular within the provision of public secondary healthcare services to public organizations with responsibility for organizing or producing public health and social care services. Further, the combination seeks to ensure adequate scale in light of the contemplated reform of social services, healthcare and regional government (known as the SOTE reform) to provide high-quality services to the large procurement organizations comprising municipalities, hospital districts and the contemplated counties. Pihlajalinna has been successful with its joint venture model in realizing significant economic benefits to its municipal customers as well as improved access to primary and secondary healthcare services. The combined experience and best practices of Mehiläinen and Pihlajalinna are expected provide significant value to the existing public sector customers of both companies.

The proposed combination of Mehiläinen and Pihlajalinna will strengthen the innovation capabilities of the combined company and increase resources in digital healthcare. The combination will enable Mehiläinen to bring even better health and wellness applications for its customers in both private and occupational healthcare, as well as for the customers of public providers. Knowledge and innovation management, increased patient empowerment, early risk detection, fast access to care and better adherence to treatment with digital patient pathways, treatment guidelines and quality metrics will ultimately result in better health for the society.

Subject to completion of the Tender Offer, Mehiläinen intends to integrate Pihlajalinna into its operations. The specific initiatives to be implemented pursuant to such integration will be determined following completion of a separate detailed review of the respective operations of the companies. Mehiläinen, however, intends to change the composition of the Board of Directors of Pihlajalinna as soon as practically possible after the completion of the Tender Offer. Further, as part of the process for obtaining merger control clearance, it cannot be ruled out that the Offeror will be required to offer remedies in order to obtain merger control clearance, including potential divestments of select units or operations of Pihlajalinna and/or Mehiläinen. For further information, see "Authority approvals" below.

#### **The Tender Offer in brief**

Mehiläinen and Pihlajalinna have on 5 November 2019 entered into the Combination Agreement pursuant to which Mehiläinen will make a voluntary recommended public tender offer for all issued and outstanding shares in Pihlajalinna. A summary of the main terms of the Combination Agreement is provided under "The Combination Agreement" below.

Mehiläinen and Pihlajalinna have undertaken to comply with the recommendation on procedures to be followed in Finnish public tender offers issued by the Finnish Securities Market Association (the "**Helsinki Takeover Code**").

On the date of this announcement, neither Mehiläinen nor any of its group companies hold any shares in Pihlajalinna. Mehiläinen reserves the right to acquire shares in Pihlajalinna before, during and/or after the offer period in public trading on Nasdaq Helsinki or otherwise.

#### **The Offer period**

The offer period under the Tender Offer is expected to commence on or about 9 January 2020 and to expire on or about 19 March 2020. Mehiläinen reserves the right to extend the offer period from time to time in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws, in order to satisfy the conditions to completion of the Tender Offer, including obtaining merger control clearance. The Tender Offer is currently expected to be completed towards the end of the second quarter of 2020 or at the latest during the third quarter of 2020. For further information, see "Authority approvals" below.

The detailed terms and conditions of the Tender Offer as well as instructions on how to accept the Tender Offer will be included in the Offer Document, which Mehiläinen expects to publish on or about 9 January 2020. Shareholders in Pihlajalinna will receive further instructions for accepting the Tender Offer in January 2020. The shareholders should be contacted by their book-entry account operators or asset managers with instructions for accepting the Tender Offer. Shareholders in Pihlajalinna do not need to take any actions prior to January 2020.

#### **The Offer Price**

The Offer Price is EUR 16.00 in cash for each issued and outstanding share in Pihlajalinna. Assuming that all issued and outstanding shares in Pihlajalinna would be tendered in the Tender Offer, the total aggregate consideration payable by the Offeror would equal EUR 361,922,160.

The Offer Price represents a premium of approximately:

- 46.0 percent compared to the closing price (EUR 10.96) of the Pihlajalinna share on Nasdaq Helsinki on 4 November 2019, being the last trading day before the announcement of the Tender Offer;
- 50.1 percent compared to the volume-weighted average trading price of the Pihlajalinna share on Nasdaq Helsinki during the 3 months immediately preceding the announcement of the Tender Offer; and
  - 52.7 percent compared to the volume-weighted average trading price of the Pihlajalinna share on Nasdaq Helsinki during the 12 months immediately preceding the announcement of the Tender Offer.

Should the number of issued and outstanding shares in Pihlajalinna on the date hereof change as a result of a share issue, reclassification, stock split or any other similar transaction with dilutive effect, or should Pihlajalinna distribute a dividend or otherwise distribute funds or any other assets to its shareholders, or should a record date with respect to any of the foregoing occur prior to the completion of the Tender Offer, the Offer Price shall be reduced accordingly on a euro-for-euro basis.

#### *Recommendation by the Board of Directors of Pihlajalinna*

The non-conflicted members of the Board of Directors of Pihlajalinna have unanimously, subject to the terms and conditions of the Combination Agreement and its fiduciary duties under Finnish laws and regulations (including the Helsinki Takeover Code), decided to recommend that the shareholders of Pihlajalinna accept the Tender Offer. The complete statement of the Board of Directors of Pihlajalinna, prepared pursuant to the Finnish Securities Markets Act (746/2012, as amended) and the Helsinki Takeover Code, will be published before the commencement of the offer period and appended to the Offer Document. In order to support its assessment of the Tender Offer, the Board of Directors of Pihlajalinna has obtained a fairness opinion from HLP Corporate Finance Oy, according to which the Offer Price is fair from the perspective of the shareholders of Pihlajalinna. The complete fairness opinion will be attached to the statement of the Board of Directors of Pihlajalinna.

#### *Support by major shareholders of Pihlajalinna*

LocalTapiola General Mutual Insurance Company, MWW Yhtiö Oy, Fennia Mutual Insurance Company, LocalTapiola Mutual Life Insurance Company, Elo Mutual Pension Insurance Company, Leena Niemistö, funds advised by Fondita Fund Management Company Ltd., Ilmarinen Mutual Pension Insurance Company, Fennia Life Insurance Company Ltd., as well as certain other major shareholders of Pihlajalinna, have irrevocably undertaken to accept the Tender Offer, subject to certain customary conditions. Such undertakings concern approximately 63.2 percent of the shares and votes in Pihlajalinna in the aggregate.

#### *Conditions to Completion of the Tender Offer*

The completion of the Tender Offer is conditional on the fulfillment or waiver by Mehiläinen of the following conditions (the “**Closing Conditions**”) on or by the date on which Mehiläinen announces the final result of the Tender Offer:

a) the valid tender of shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the offer period, more than ninety percent (90%) of the issued and outstanding shares and voting rights in Pihlajalinna, calculated in accordance with Section 1, Chapter 18 of the Finnish Companies Act;

b) the receipt of all necessary regulatory approvals, permits and consents, and that any conditions set or remedies required in such approvals, permits, consents or clearances, including any requirements for the disposal of any assets or operations of Mehiläinen or Pihlajalinna or any reorganization of the business of Mehiläinen or Pihlajalinna, are satisfactory to Mehiläinen in that they do not result in

(1) a requirement to divest or discontinue occupational healthcare operations or assets of Mehiläinen and/or Pihlajalinna with aggregate gross sales exceeding twenty million euros (EUR 20,000,000) or aggregate adjusted EBITDA exceeding three million euros (EUR 3,000,000), or a requirement to reorganize Mehiläinen and/or Pihlajalinna that has the equivalent effect; or

(2) a requirement to divest or discontinue private healthcare operations or assets of Mehiläinen and/or Pihlajalinna with aggregate gross sales exceeding twenty million euros (EUR 20,000,000) or aggregate adjusted EBITDA exceeding three million euros (EUR 3,000,000), or a requirement to reorganize Mehiläinen and/or Pihlajalinna that has the equivalent effect; or

(3) a requirement to divest or discontinue any operations or assets of Mehiläinen and/or Pihlajalinna with aggregate gross sales or aggregate adjusted EBITDA exceeding ten percent (10%) of the total consolidated gross sales or adjusted EBITDA of Pihlajalinna, or a requirement to reorganize Mehiläinen and/or Pihlajalinna that has the equivalent effect;

provided in each case that to the extent it is likely that the relevant divestment, discontinuation or other reorganization measure will not result in any actual decrease in gross sales or adjusted EBITDA on the basis that Mehiläinen and/or Pihlajalinna will without unreasonable delay be able to replace such gross sales or adjusted EBITDA, then to such extent such gross sales or adjusted EBITDA will not be taken into account when calculating whether the thresholds referred in (1)-(3) above have been met;

c) no material adverse change having occurred after the signing date of the Combination Agreement;

d) Mehiläinen not, after the signing date of the Combination Agreement, having received information previously undisclosed to it that constitutes a material adverse change;

e) no information made public by Pihlajalinna or disclosed by Pihlajalinna to Mehiläinen in the due diligence being materially inaccurate, incomplete, or misleading, and Pihlajalinna not having failed to make public any information that should have been made public by it under applicable laws and regulations or the rules of Nasdaq Helsinki, provided that, in each case, the information made public, disclosed or not disclosed or the failure to disclose information constitutes a material adverse change;

f) no court or regulatory authority of competent jurisdiction having given an order or issued any regulatory action preventing the completion of the Tender Offer in accordance with its terms (excluding for the avoidance of doubt any proposal made by the Finnish Competition and Consumer Authority to the Finnish Market Court to prohibit or not approve the transaction contemplated by the Tender Offer);

g) the Board of Directors of Pihlajalinna having issued the recommendation and the recommendation remaining in full force and effect and not having been withdrawn, modified or conditioned, save for any modification so long as the recommendation to accept the Tender Offer is upheld and the change is not detrimental to Mehiläinen;

- h) the Combination Agreement not having been terminated and remaining in force;
- i) the undertakings issued by each of the major shareholders to accept the Tender Offer remaining in force in accordance with their terms, save for withdrawals, breaches or terminations of such undertakings to the extent that the withdrawn, breached or terminated undertakings individually or in the aggregate concern less than five percent (5%) of the Shares; and
- j) the external financing provided to Mehiläinen and/or its affiliates for the purposes of the Tender Offer remaining available to Mehiläinen in accordance with its terms (such terms being in compliance with applicable laws and regulations), save for situations where the unavailability of such financing is due to a breach of the terms thereof by Mehiläinen and/or its affiliates.

The Offeror may only invoke any of the above Closing Conditions to withdraw the Tender Offer if the circumstances which give rise to the right to invoke any of the Closing Conditions have significant meaning to the Offeror in the view of the Tender Offer, as referred to in the Regulations and Guidelines 9/2013 of the Finnish Financial Supervisory Authority.

#### *Authority approvals*

Mehiläinen will, as soon as reasonably practicable, make all submissions, notifications and filings required to obtain all necessary regulatory approvals from relevant authorities in all jurisdictions where required under applicable laws and regulations. According to information currently available to Mehiläinen, Mehiläinen expects the Tender Offer to be subject to a merger control clearance by the European Commission, and that the handling of the case will be referred to the national competition authority of Finland, the Finnish Competition and Consumer Authority (the "FCCA").

According to information currently available to Mehiläinen, Mehiläinen believes that it is more likely than not that the FCCA will, after the first phase of the notification proceedings ("Phase I Investigation"), initiate continued phase II proceedings ("Phase II Investigation") before clearance is obtained. It is possible that the Phase I Investigation can be completed by the end of the initial offer period, although there can be no guarantees that that will be the case. If the Phase I Investigation has not been completed by the end of the initial offer period, or if the FCCA initiates the Phase II Investigation, Mehiläinen will extend the offer period in accordance with, and subject to, the terms and conditions of the Tender Offer and applicable laws, in order to satisfy the Closing Conditions, including obtaining merger control clearance.

Based on currently available information, Mehiläinen expects to obtain merger control clearance and to complete the Tender Offer towards the end of the second quarter of 2020 or at the latest during the third quarter of 2020. Mehiläinen will use its reasonable best efforts to obtain merger control clearance subject to the Closing Conditions described above. However, the length of the merger control clearance process is not within the control of the Offeror, and there can be no assurances that clearance will be obtained within the estimated timeframe, or at all. As part of the process for obtaining merger control clearance, it cannot be ruled out that the Offeror will be required to offer remedies in order to obtain merger control clearance, including potential divestments of certain units or operations of Pihlajalinna and/or Mehiläinen. The Offeror will announce, by way of stock exchange releases, the submission of the merger control notification to the European Commission, the referral of the case to the FCCA or any other decision of the European Commission, any decision by the FCCA to initiate the Phase II Investigation, any application by the FCCA for an extension from the Finnish Market Court for investigating the case, as well as the final decision of the European Commission or the FCCA, as applicable.

#### *Financing*

As required under applicable laws, the Offeror has, and will have at the completion of the Tender Offer, access to debt and equity funding in sufficient amounts to finance the payment of the aggregate Offer Price for all of the issued and outstanding shares in Pihlajalinna in connection with the Tender Offer (including in any mandatory redemption proceedings in accordance with the Finnish Companies Act). The debt financing is subject to customary certain funds financing conditions. The debt financing for the Tender Offer has been arranged by Barclays Bank PLC and Nordea Bank Abp.

#### *Future plans concerning the shares*

It is the intention of Mehiläinen, subject to Mehiläinen acquiring more than ninety percent (90%) of the issued and outstanding shares and voting rights in Pihlajalinna, to initiate mandatory redemption proceedings in accordance with the Finnish Companies Act to acquire the remaining shares in Pihlajalinna, and thereafter to cause Pihlajalinna's shares to be delisted from Nasdaq Helsinki as soon as reasonably practicable.

#### *The Combination Agreement*

The Combination Agreement between Mehiläinen and Pihlajalinna sets forth the principal terms under which the Offeror will make the Tender Offer.

Under the Combination Agreement, the Board of Directors of Pihlajalinna has, in the event of a possible superior competing offer or proposal, undertaken not to modify, cancel or change its recommendation for the Tender Offer unless, after taking advice from external legal counsel and financial advisor, the Board of Directors of Pihlajalinna, on the basis of its fiduciary duties and due to materially changed circumstances, determines in good faith that the acceptance of the Tender Offer would no longer be in the best interest of the holders of outstanding shares. The Board of Directors may modify, cancel or change its recommendation for the Tender Offer in accordance with the above only if the Board of Directors has complied with certain agreed procedures allowing Mehiläinen to negotiate with the Board of Directors and enhance its offer. If Mehiläinen enhances its offer such that the enhanced offer, in the reasonable opinion of the Board of Directors is no less favorable to the shareholders of Pihlajalinna than the relevant competing offer or proposal, the Board of Directors of Pihlajalinna shall confirm and uphold its recommendation (as amended based on the enhanced Tender Offer) for the Tender Offer, as enhanced.

Pihlajalinna has undertaken (i) not to, directly or indirectly, solicit, knowingly encourage, facilitate, promote, provide information with respect to Pihlajalinna to any person in connection with, or otherwise cooperate, with any competing offer or proposal and (ii) to cease any discussions, negotiation or other activities relating to any competing offer or proposal, except if such measures are required for the Board of Directors to comply with its fiduciary duties towards Pihlajalinna's shareholders under applicable laws and regulations.

Mehiläinen has undertaken to make all submissions, notifications and filings necessary to obtain the required merger control clearance and to use its reasonable best efforts to obtain such clearance, subject to the Closing Conditions described above, so that the Tender Offer could be completed by the agreed longstop date, being 30 November 2020.

The Combination Agreement further includes certain customary representations, warranties and undertakings by both parties, such as conduct of business by Pihlajalinna in the ordinary course of business before the completion of the Tender Offer, and cooperation by the parties in making the necessary regulatory filings.

It is the intention of the Mehiläinen, subject to Mehiläinen acquiring more than ninety percent (90%) of the issued and outstanding shares and voting rights in Pihlajalinna, calculated in accordance with Section 1, Chapter 18 of the Finnish Companies Act, to cause the shares of Pihlajalinna to be delisted from Nasdaq Helsinki as soon after the completion of the Tender Offer as may be permitted and is reasonably practicable under applicable laws and regulations.

The Combination Agreement may be terminated and the Tender Offer abandoned by Mehiläinen or Pihlajalinna under certain circumstances, including,

among others, if a court or authority issues an order, which is in effect and makes illegal or prohibits the consummation of the Tender Offer, or if the Tender Offer has not been completed by the agreed longstop date being 30 November 2020, or upon a material breach of any of Pihlajalinna's or Mehiläinen's warranties, undertakings or obligations under the Combination Agreement, provided that such breach cannot be or has not been cured within a certain agreed time.

## Advisers

Mehiläinen has appointed Access Partners Oy, Barclays Bank Plc and Nordea Bank Abp as its financial advisers and Avance Attorneys Ltd as its legal adviser in connection with the Tender Offer. Nordea Bank Abp acts as the arranger of the Tender Offer.

Pihlajalinna has appointed HLP Corporate Finance Oy as its financial adviser and Merilampi Attorneys Ltd. as its legal adviser in connection with the Tender Offer.

## Press conference and further information

Pihlajalinna and Mehiläinen will host a press conference for media and analysts regarding the announcement and the Tender Offer.

**Date:** Tue 5 November 2019 at 10:30–11:30 a.m. (EET)

**Place:** Hotel Kämp, cabinet Paavo Nurmi, Pohjoisesplanadi 29, 00100 Helsinki, Finland.

The press conference will begin immediately after the press conference regarding Pihlajalinna's interim report.

The chairman of the Board of Pihlajalinna, **Mikko Wirén**, CEO **Joni Aaltonen**, vice-chairman of the Board **Leena Niemistö** and Chief Financial Officer **Tarja Rantala** as well as the CEO of Mehiläinen, **Janne-Olli Järvenpää**, Chief Medical Officer **Kaisla Lahdensuo** and chairman of the Board **Andreas Tallberg** will be present at the conference.

The Chairman of the Board of Pihlajalinna, Mikko Wirén, will be available for telephone interviews on 5 November 2019 between 12:00 a.m. and 2:00 p.m. (EET).

In addition, the CEO of Mehiläinen, Janne-Olli Järvenpää will be available for telephone interviews on 5 November 2019 between 12:30 a.m. and 1:30 p.m. (EET).

## Contacts for media inquiries:

Mehiläinen

- Janne-Olli Järvenpää, CEO of Mehiläinen Oy
- Requests for contacts through Mehiläinen's communications: Manager Laura Martinsuo (tel. +358 40 196 2892, [laura.martinsuo@mehilainen.fi](mailto:laura.martinsuo@mehilainen.fi))

Pihlajalinna

- Mikko Wirén, Chairman of the Board of Directors of Pihlajalinna Plc
- Requests for contacts through Pihlajalinna's communications: Communications manager Taina Lehtomäki (tel. +358 50 451 3678, [taina.lehtomaki@pihlajalinna.fi](mailto:taina.lehtomaki@pihlajalinna.fi))

## Mehiläinen in brief:

The Mehiläinen Group is a well-known and highly regarded private provider of healthcare and social care services in Finland, offering comprehensive high-quality services to private, corporate, municipal and insurance customers. Now 110 years old, the Mehiläinen Group is a rapidly developing and growing forerunner in its sector. The Mehiläinen Group provides help, support, and care for more than 1.2 million customers every year with revenue of EUR 916 million in 2018. The Mehiläinen Group's services are produced at over 440 locations by more than 18,800 employees and private practitioners.

## Pihlajalinna in brief:

Pihlajalinna is one of the leading private social and healthcare services providers in Finland. The company provides social and healthcare services as well as wellbeing services for households, companies, insurance companies and public sector entities in private clinics, health centres, dental clinics, hospitals and fitness centres around Finland. Pihlajalinna provides general practitioner and specialised care services, including emergency and on-call services, a wide range of surgical services, occupational healthcare and dental care services, in private clinics and hospitals. The company, in cooperation with the public sector, offers social and healthcare service provision models to public sector entities with the aim of providing high quality services for public pay healthcare customers.

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#### **Information to shareholders in the United States**

Shareholders in the United States are advised that the shares in the Company are not listed on a U.S. securities exchange and that the Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "SEC") thereunder.

The Tender Offer will be made for the issued and outstanding shares in the Company, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States in compliance with Section 14(e) of the Exchange Act and the applicable rules and regulations promulgated thereunder, including Regulation 14E (in each case, subject to any exemptions or relief therefrom, if applicable) and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this stock exchange release has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to the Company's shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of the Company to whom an offer is made. Any information documents, including this stock exchange release, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to the Company's other shareholders.

To the extent permissible under applicable law or regulations, including Rule 14e-5 under the Exchange Act, the Offeror and its affiliates or its brokers and its brokers' affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of this stock exchange release and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer and combination, directly or indirectly, purchase or arrange to purchase, the shares in the Company or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of the Company of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of the Company, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in this stock exchange release. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of shares in the Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of shares in the Company is urged to consult its independent professional adviser immediately regarding the tax consequences of accepting the Tender Offer.

It may be difficult for the Company's shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and the Company are located in non-U.S. jurisdictions, and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. The Company's shareholders may not be able to sue the Offeror or the Company or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and the Company and their respective affiliates to subject themselves to a U.S. court's judgment.

#### **Forward-looking statements**

This stock exchange release contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this stock exchange release.