



Insider information: The wellbeing services county of Southern Ostrobothnia proposes the termination of Pihlajalinna's complete outsourcing agreement

Pihlajalinna Plc

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30 August 2023 at 6:25 p.m.

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Today, 30 August 2023, the wellbeing services county of Southern Ostrobothnia has published a proposal for the premature termination of the outsourcing agreement of Pihlajalinna's subsidiary Kuusiolinna Terveys Oy until the end of 2025. According to its terms, the agreement is valid until the year 2030. The wellbeing services county regional board will address the matter on 4 September 2023, after which the proposal will be reviewed in the regional council of the wellbeing services county on 11 September 2023.

Pihlajalinna owns Kuusiolinna Terveys together with the Southern Ostrobothnia wellbeing services county. Pihlajalinna's ownership share is 97 percent. The joint company has produced social and wellbeing services for Alavus, Kuortane, Soini and Ähtäri municipality areas since 2016. Over the last two years, the annual turnover of Kuusiolinna Terveys has been around 100 million euros per year and adjusted EBITA has averaged 1.1 percent.

The schedule for the decision proposal is related to the requirement for the wellbeing services counties to assess, by the end of October 2023, the possibility of continuation of service agreements transferred from municipalities in accordance with the new social and healthcare legislation. Pihlajalinna considers the preparation process carried out within the wellbeing services county of Southern Ostrobothnia as exceptional and believes that the grounds presented for contract termination are unequivocally in violation of the law. For example, the wellbeing services county of Pirkanmaa has decided on the continuation of a similar agreement based on the Procurement Act and the social and healthcare legislation and agreed on the necessary changes in the services in accordance with the terms of the original agreement.

Pihlajalinna will provide information on the progress of the case in accordance with the decision-making schedule of the wellbeing services county of Southern Ostrobothnia.

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Pihlajalinna in brief

Pihlajalinna is one of the leading providers of private healthcare and wellbeing services in Finland. The

Group produces private clinic and hospital services, occupational healthcare services and residential and welfare services. To the wellbeing services counties Pihlajalinna offers social and healthcare service production models, in which the cooperation between the public and private sectors guarantees effective services for citizens. Approximately 7,500 employees and more than 2,100 practitioners work at Pihlajalinna. In 2022, Pihlajalinna's revenue was 690.5 million euros. Pihlajalinna's shares are listed on Nasdaq Helsinki Oy. Read more www.pihlajalinna.fi.