



## **Insider information: Pihlajalinna's complete outsourcing agreement in the wellbeing services county of South Ostrobothnia will end in 2025**

Pihlajalinna Plc

Insider information

30 October 2023 at 6:25 p.m.

### **Insider information: Pihlajalinna's complete outsourcing agreement in the wellbeing services county of South Ostrobothnia will end in 2025**

Today, 30 October 2023, the regional council of the wellbeing services county of South Ostrobothnia has decided to terminate the outsourcing agreement of Pihlajalinna's subsidiary Kuusiolinna Terveys Oy valid until 2030 at the end of 2025. They also decided that the cost liability for demanding specialised care will remain with Pihlajalinna until the end of 2025.

In the wellbeing services county of South Ostrobothnia, the interpretation of social and healthcare legislation differed from that of, for example, the wellbeing service counties of Pirkanmaa, Central Finland, and Lapland, where comprehensive outsourcing agreements continue with certain modifications until the end of the contract period. As an example of this, the cost liability for demanding specialised care has been transferred to the wellbeing service county.

Pihlajalinna is disappointed with the decision of the regional council to terminate the contract and believes that the matter requires a comprehensive legal assessment, and the implementation requirements should be negotiated.

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

Pihlajalinna released the insider information on 30 August 2023, in which it informed about the intention of the wellbeing services county of South Ostrobothnia to terminate the outsourcing agreement prematurely by the end of 2025. Also, Pihlajalinna released the insider information on 11 September 2023, in which it informed about the regional council of the wellbeing services county of South Ostrobothnia decision to send Pihlajalinna's complete outsourcing agreement back to the preparation.

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#### **Further information:**

Tuula Lehto  
Vice President, Communications and Sustainability  
tel. +358 40 588 5343, [tuula.lehto@pihlajalinna.fi](mailto:tuula.lehto@pihlajalinna.fi)

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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](http://www.pihlajalinna.fi).