



Pihlajalinna

Pihlajalinna and Pohjola Hospital will be combined

Pihlajalinna Plc

Stock Exchange Release

14 January 2022 at 11.25 a.m.

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The Finnish Competition and Consumer Authority (FCCA) has today unconditionally approved the acquisition of Pohjola Hospital by Pihlajalinna. The transaction is an essential part of Pihlajalinna's growth strategy, and it strengthens service offering of the combined entity in all specialized health care services. The combination also facilitates geographic expansion of Pihlajalinna's network of locations especially in the capital region and in other centers of growth. The growth potential is further enhanced by a new five-year service agreement with Pohjola Insurance that is signed in connection with the acquisition. The transaction will be completed on 1.2.2022.

The net debt-free purchase price, paid in cash, is EUR 31.8 million as announced before. Pohjola Hospital's net revenue was EUR 59.4 million in 2020 and EUR 74.2 million in 2019.

– This business arrangement combines two reputable companies and their committed and highly skillful personnel. We can offer our customers high quality services in all specialties of health care. Our treatment chain is comprehensive and smooth, all the way from the first meeting with an expert and a medical assessment of the clinical need to eventual post-operation rehabilitation. Furthermore, we offer our customers extensive preventive health care and well-being services, for example, through our sport centers, summarizes **Joni Aaltonen**, CEO of Pihlajalinna.

Together Pohjola Hospital and Pihlajalinna form a notable health care operator with a strong capacity to offer services to all customers in Finland. Demand for health care services will grow due to ageing of population, growth in the number of private health insurances, reform of social and welfare system and backlog in care caused by covid pandemic.

– Pohjola Hospital, that is known for its unique expertise in treatment of musculoskeletal disorders and accidents and its customer service, complements Pihlajalinna in an excellent manner. In the future we can provide more comprehensive services to even larger group of customers. We are partners with all insurance companies in health care and well-being. This transaction further improves our possibilities of developing services, digitalization and creating concepts. Pihlajalinna, strengthened with Pohjola Hospital, is an attractive work community to health care professionals, Aaltonen continues.

Pohjola Hospital will continue to operate under its own brand until the completion of the transaction after which operations will be carried under Pihlajalinna brand.

On 2 July 2021 Pihlajalinna reported that Pihlajalinna Terveys Ltd, part of Pihlajalinna Group, has agreed to acquire the entire stock of shares of Pohjola Hospital Ltd from Pohjola Insurance Ltd. The acquisition required a merger control clearance from the FCCA.

Pohjola Hospital, established in 2013, is a chain of hospitals specializing in orthopaedics, i.e. treatment of musculoskeletal disorders and accidents. More detailed financial information for the company is presented in stock exchange release published on 2 July 2021. Pohjola Hospital operates in five cities with university hospitals: Helsinki, Tampere, Turku, Oulu and Kuopio. The company employs approximately 270 people and more than 300 individual subcontracted professionals.

Further information:

Joni Aaltonen, CEO of Pihlajalinna Plc

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Pihlajalinna in brief

20-year-old Pihlajalinna is one of the leading private social and health care services providers in Finland. Pihlajalinna's almost 6000 professionals provide services in over 140 locations across Finland. Extensive digital services complement our service network. We provide services to private individuals, companies and public sector entities, such as municipalities and hospital districts. Pihlajalinna is under Finnish ownership, and we pay all our taxes in Finland. For more information: www.pihlajalinna.fi