



Pihlajalinna's Annual Report 2025

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Pihlajalinna's Annual Report 2025

Pihlajalinna's Annual Report 2025 comprises four sections: Year 2025, the Board of Directors' report, the Audited financial statements, and the Remuneration Report. In addition to the Report of the Board of Directors, the Board of Directors' report also includes Pihlajalinna's Sustainability Statement, which complies with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The Corporate Governance Statement is included as part of the Board of Directors' report.

The Annual Report covers all companies within the Pihlajalinna Group. Pihlajalinna's Annual Report 2025 is published in Finnish and English. Unless otherwise stated, figures in brackets refer to the corresponding period of the previous year.

Pihlajalinna in brief

Pihlajalinna is a reformer in healthcare, delivering value-based care pathways and building the most attractive corporate culture in the sector.

Pihlajalinna provides customer-driven and impactful service models for its partners: insurance companies, corporate companies, wellbeing services counties and other public sector operators. The Group offers comprehensive and high-quality private clinic, hospital and remote services, occupational healthcare services, and value-based social and healthcare solutions for the public sector.

Services are used by private individuals through insurance partnerships, employer-provided occupational health services and purchases made by wellbeing services counties. In addition, the Group serves self-pay private customers.

In line with its renewed strategy in 2025, Pihlajalinna advances value-based healthcare built on needs driven care, aiming to curb the growth of

healthcare costs. Pihlajalinna's services are founded on value-based and cost-effective care delivery, creating value for its partners. More information on Pihlajalinna's strategy is available on the company's website at pihlajalinna.fi/en/investors.

Pihlajalinna aims to be the most attractive workplace for healthcare professionals, where the best experts in the industry thrive and commit for the long term. The Group invests in smooth everyday operations and a predictable customer flow, enabling professionals to focus on meaningful clinical work.

Pihlajalinna contributes to health and wellbeing in Finland and pays all its taxes to Finland. The Group employs approximately 6,800 professionals, and its headquarters are located in Tampere. Pihlajalinna's shares are listed on Nasdaq Helsinki Ltd.

Strategic ambition and focus areas

Pihlajalinna's strategic ambition is to be a reformer of healthcare that thrives with our partners and our professionals. Pihlajalinna succeeds by building more effective care pathways and a human-oriented work community.

Partnerships

The most committed partner for insurance companies, corporations and the public sector's success.

Effective care pathways

Reformer of customer-driven, effective care pathways.

The most desirable work community

The most attractive corporate culture in the industry.

Pihlajalinna 2025

Revenue

652.3 MEUR

Adjusted EBITA

65.3 MEUR

Adjusted EBITA margin

10.0 %

Personnel

The number of personnel

4,540

The number of practitioners

2,251

Customer satisfaction

Group Healthcare Services

84 NPS

Highlights of 2025

23 January 2025 Pihlajalinna's impact-based remote care pathway, Pihlajalinna Sydänkaista, was ranked among the top three in the Finnish Medical Association's prestigious Quality Award 2025 competition. Reaching the finals reflects successful outcomes-driven development in healthcare.

7 April 2025 Pihlajalinna's partner Visiba's Red Robin AI tool received medical device certification. Red Robin has been supporting efficient insurance company guidance in the assessment of care needs at Pihlajalinna since 2022.

30 April 2025 Pihlajalinna published its medium-term strategic objectives for the next three years. Under the updated strategy, the focus of Pihlajalinna's business is increasingly shifting towards Private Healthcare Services, primarily provided to insurance, corporate, and public sector partners.

21 May 2025 At Pihlajalinna, the Pihlis principles were defined to encapsulate key workplace skills, describing the Pihlajalinna way of working and interacting both with colleagues and with customers.

30 May 2025 Pihlajalinna divested the companies providing special housing services to Esperi Care. During 2025, Pihlajalinna reduced its residential care units in order to streamline its business.

1 September 2025 Kela's freedom-of-choice pilot for people aged 65 and over began and service production began at selected Pihlajalinna medical centres across Finland.

23 September 2025 Pihlajalinna and The South Savo Wellbeing Services County entered into a historic agreement on a pilot collaboration in surgical services at Savonlinna Hospital.

27 October 2025 The county executive of the Wellbeing Services County of Pirkanmaa selected Pihlajalinna as the service provider for the outsourcing of Northern Pirkanmaa. The outsourcing covers services for approximately 18,000 residents in the municipalities of Parkano and Kihniö as well as Ruovesi and Virrat from spring 2026.

29 October 2025 Pihlajalinna was selected to provide occupational healthcare services for a total of approximately 11,000 employees of Lassila & Tikanoja, Restel, and Onni, starting on 1 January 2026.

31 October 2025 Pihlajalinna's new operating model and the corresponding Management Team were confirmed. The new operating model consists of health services, medical leadership, commercial operations and group services that support these functions. The new operating model and executive management team came into effect on 1 January 2026.

17 December 2025 The results from the first year of the Pihlajalinna Sydänkaista pilot were published in cooperation with Stora Enso. Absences caused by cardiovascular diseases among employees participating in the pilot decreased by up to 99 per cent.

31 December 2025 During the year, Pihlajalinna transferred the service production of Jämsän Terveys and Jokilaakso Hospital in Central Finland to the Wellbeing Services County, gradually transferred Kuusioinlahti Terveys's business operations in South Ostrobothnia by the end of the year, and adapted its operations in Northern Pirkanmaa to meet the needs of the Wellbeing Services County.

CEO's review

The year 2025 was a year of operational development for Pihlajalinna. We renewed our strategy and clarified our ambition to be a reformer of healthcare, succeeding through value-based care pathways together with our partners and professionals.

We focused on strengthening our profitability and securing new growth opportunities in a changing business environment. Pihlajalinna's adjusted EBITA reached an all-time high of EUR 65.3 million, achieving a 10 per cent margin. We demonstrated that our development measures provide a solid foundation for profitable growth.

In Private Healthcare Services, revenue increased to EUR 465.2 million (EUR 451.5 million), with particularly strong growth in insurance company sales. During the year, we achieved several notable successes in our corporate customer relationships and further developed our services to meet the needs of our partners'. In addition, we continued to develop our value-based services. For example, through a care pathway specialised in cardiovascular disease, we reduced sickness absences in client organisation's high-risk group by 99 per cent.

In Public Services, 2025 was a year of significant changes. We transferred the service production of Jämsän Terveys and Jokilaakso Hospital to the Wellbeing Services County of Central Finland, gradually handed over the Kuusioinlinna Terveys operations in South Ostrobothnia, and adjusted our operations in Northern Pirkanmaa to meet the needs of the wellbeing services county. We also divested our residential care units to streamline our business portfolio. As expected, the segment's revenue decreased year on year, but adjusted EBITA improved to EUR 26.7 (21.5) million. Through effective day-to-day operational management, we ensured efficient service delivery and an excellent customer experience.

We demonstrated our role as a strong and experienced partner to the wellbeing services counties. The Pirkanmaa Wellbeing Services County selected us as the service provider for the outsourcing of Northern Pirkanmaa, effective from spring 2026. With the South Savo Wellbeing Services County, we agreed on a completely new type of partnership pilot for surgical services at Savonlinna Hospital, bringing together private and public sector operators.

We clarified our operating model and, amid ongoing change, continued to invest in leadership and people management. We strengthened personnel

competence through a comprehensive learning offering. The development of a people-oriented culture continued together with our employees through the Pihlis Principles we defined jointly. These principles guide how we operate in our day-to-day work and how we engage with one another and with our customers every day.

Sustainability embedded in everything we do

We are now publishing our second Sustainability Statement in accordance with the CSRD directive, providing comprehensive information on the company's impacts, risks and opportunities. Our sustainability programme is an integral part of our everyday business operations and is also strongly reflected in the incentive schemes for our key personnel.

Our sustainability work took consistent steps forward during 2025. Among other achievements, the corporate sustainability rating agency EcoVadis awarded us gold status for the first time. We also committed to the Science Based Targets initiative (SBTi) and to setting science-based emissions reduction targets. Our daily operations are guided by the ISO 9001 quality management certification and the ISO 14001 environmental management certification.

Systematic sustainability efforts increasingly support our cooperation with our partners.

Thank you for 2025

Despite a challenging healthcare market, 2025 was a successful year for us in many ways. We succeeded in supporting our partners with cost-effective and efficient care pathways at a time when rising healthcare costs are challenging all operators in the sector.

Warm thanks to all Pihlajalinna employees and our partners for 2025. Strong collaboration creates value for all of us. We will continue the determined development of our business in line with our strategy to ensure profitable growth. We will do this through value-based care pathways, keeping our partners and professionals at the centre of everything we do.

TUOMAS HYYRYLÄINEN

President and CEO



Information for shareholders

Pihlajalinna's financial reporting in 2026

- Interim Report January–March: Tuesday, 28 April 2026
- Half-Year Report January–June: Thursday, 23 July 2026
- Interim Report January–September: Friday, 28 October 2026
- Financial Statements Release January–December: February 2027

The interim reports will be published at approximately 8:00 a.m. in Finnish and English, and they will be available on Pihlajalinna's website at pihlajalinna.fi/en/investors. Pihlajalinna's management organises information events for analysts and the media on a regular basis. Pihlajalinna complies with a silent period of 30 days and a closed window before the publication of results.

Investors Website

Additional information about Pihlajalinna as an investment is available on Pihlajalinna's website at pihlajalinna.fi/en/investors. The site includes information about the company's largest shareholders and the investment banks and stockbrokers that follow Pihlajalinna.

Contact details

Tuula Lehto, EVP, Communications, Marketing and Sustainability,
+358 40 588 5343, tuula.m.lehto@pihlajalinna.fi
Tarja Rantala, CFO, +358 40 7749290, tarja.rantala@pihlajalinna.fi

Annual General Meeting

Pihlajalinna Plc's Annual General Meeting will be held on Tuesday 31 March 2026 at 11:00 a.m. at Sokos Hotel Tornin's congress centre, con-

ference room Raide 3, at Ratapihankatu 43, 33100 Tampere. The notice of the General Meeting, information on registration and instructions for advance voting have been published in a stock exchange release on 6 March 2026 and can be found on the company's website at pihlajalinna.fi/en/investors/corporate-governance/general-meeting/annual-general-meeting-2026.

Shareholders can also exercise their right to vote by voting in advance. Instructions for advance voting are set out in section C of the notice to the General Meeting. Shareholders may ask questions referred to in Chapter 5, Section 25 of the Finnish Companies Act concerning the matters on the agenda of the meeting also in writing before the meeting. Instructions for posing written questions are set out in section C of the notice to the General Meeting.

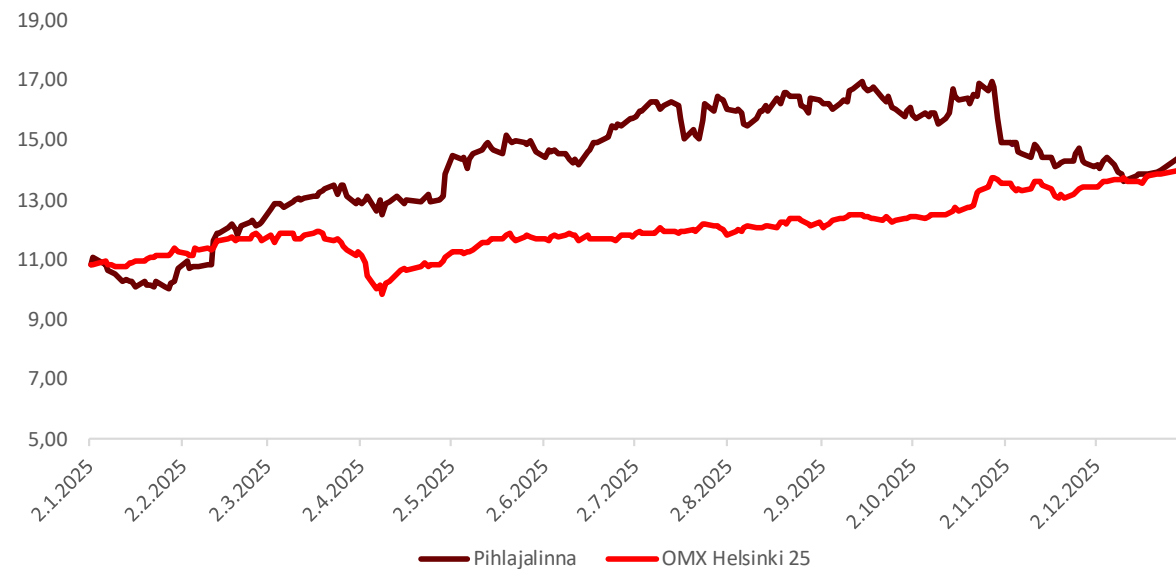
Right to participate

A shareholder who is registered in the company's shareholders' register maintained by Euroclear Finland Oy on the record date of the General Meeting, 19 March 2026, has the right to participate in the General Meeting.

Payment of dividend

The Board of Directors proposes to the Annual General Meeting that, based on the balance sheet confirmed for the financial period ending 31 December 2025, EUR 0.53 per share will be distributed as a dividend. The dividend will be paid to shareholders who, on the dividend payment record date of 2 April 2026, are registered in the company's shareholders' register maintained by Euroclear Finland Oy. The Board of Directors proposes that the dividend be paid on 13 April 2026.

Pihlajalinna's share price development in 2025





Report by the Board of Directors 1 January—31 December 2025

Report by the Board of Directors

1 Jan–31 Dec 2025

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Report by the Board of Directors

1 Jan–31 Dec 2025

The operating environment

According to the Finnish Institute for Health and Welfare, the financial situation of the wellbeing services counties has moved in a more positive direction. The reform measures and adjustment solutions adopted by the wellbeing services counties are reflected in an improvement in their economic situation. Structural reforms and the implementation of service networks are progressing unevenly across the counties. Finland's population is ageing rapidly and becoming increasingly concentrated in regional urban centres. By the year 2040, the number of people aged over 85 will almost double. The demographic shift, the growing need for services, and delays in structural reforms are slowing the efforts to balance the finances of the wellbeing services counties.

The wellbeing services counties must be able to cover their deficits by the 2026 deadline. However, the Finnish Government has proposed a legislative amendment that would allow counties which fully balance their finances to cover their deficits only by the end of 2027 or 2028. The evaluation procedures initiated in the wellbeing services counties of East Uusimaa, Central Finland and Lapland are continuing. Amendments to the Act on the Funding of Wellbeing Services Counties are also being proposed, in line with the Government Programme, to further develop the funding model from the beginning of 2027. A draft for the Government's legislative proposal is undergoing a public consultation during February–March.

Queues for non-urgent specialised medical care have remained long nationwide, and Valvira has issued an order to HUS Helsinki University Hospital and nine wellbeing services counties requiring them to ensure access to non-urgent specialised care meets statutory standards by 30 April 2026 at the latest. A substantial region-specific penalty has been set to enforce compliance.

Kela's freedom-of-choice pilot for people aged 65 and over began in September 2025, and its utilisation rate increased sharply towards the end of the year. Under the pilot, people aged 65 or over are reimbursed by Kela for appointments with a general practitioner in the

private sector at a price that is equal to the customer fee in public primary care. There are more than 1.3 million people over the age of 65 in Finland, and according to Kela, only 3.3 per cent had received reimbursements for doctor's visits under the pilot by the end of the year. A change to Kela reimbursements for other private healthcare doctor's appointments took effect at the beginning of 2026. The reimbursement for a doctor's visit decreased from EUR 30 to EUR 8, and the same reimbursement level applies to remote appointments.

According to Statistics Finland, in December 2025 consumers' assessments of their current financial situation improved slightly compared with the same period the year before. However, consumer confidence in the economy remains low. Statistics Finland reports that in December 2025 there were 51,000 more unemployed people than in December 2024. Unemployment is now at its highest level since 2009.

The collective agreement period in the private social services sector ended on 31 December 2025. Negotiations for a new agreement have been ongoing since November, but employee organisations announced at the end of January that the talks had been suspended without results. The collective bargaining agreement for private healthcare service sector is valid until 30 April 2026. Wages in social and healthcare services in the private sector have increased faster than the general development of earnings between 2023 and 2024.

The private sector produces more than half of all appointments with physicians. According to the occupational health statistics of Kela, approximately 2.1 million workers are covered by occupational healthcare services, and private clinics are the most significant providers of occupational healthcare services. According to the health insurance statistics of the financial sector, over 1.3 million Finns have private medical expenses insurance.

Pihlajalinna's outlook for 2026

Pihlajalinna's revenue declines as expected by approximately EUR 83 million from 2025 levels due to the expiry of outsourcing agreements and the divestment of residential care units.

In 2026, Pihlajalinna will focus on organic growth and further improvement in profitability. The new operating model which entered into effect at the beginning of the year, will ensure that development and growth align with our strategy and respond to the transformation of our business.

- The Group estimates revenue to be approximately EUR 570-600 million (EUR 652.3 million in 2025).
- The Group estimates the adjusted operating profit before the amortisation and impairment of in-tangible assets (EBITA) to be 9-10 per cent of revenue (10,0 per cent of revenue in 2025).

Development in demand and general economic environment may have a more significant impact on Pihlajalinna's financial result than currently expected.

Pihlajalinna's medium-term strategic objectives

In 2025, Pihlajalinna published an updated strategy, according to which Pihlajalinna's ambition is to be a healthcare reformer that succeeds together with its partners and professionals. Pihlajalinna achieves this by building more effective care pathways and fostering a human-oriented work community. Pihlajalinna's medium-term strategic objectives are:

- Revenue at least EUR 700 million
- Adjusted EBITA 12 per cent of revenue
- Net debt/adj. EBITDA ratio below 2.5x
- Net Promoter Score (NPS) continues to be over 80
- Employee Net Promoter Score (eNPS) exceeds 30

- A dividend at least 1/3 of the annual earnings per share, taking into consideration the company's financial position and financial needs.

Consolidated revenue and result

Revenue

Pihlajalinna's revenue was EUR 652.3 (704.4) million, a decrease of -7.4 per cent. In Public Services, changes in outsourcing agreements and the divestments of residential care units decreased revenue by a total of EUR -49,4 million. Pihlajalinna's comparable organic revenue¹⁾ decrease was EUR -1.4 million, or -0.2 per cent.

¹⁾ Changes in outsourcing agreements and divestments have been excluded from the comparison period revenue.

Profitability

Adjusted operating profit before amortisation and impairment of intangible assets (EBITA) was EUR 65.3 (55.2) million. Adjusted EBITA margin was 10.0 (7.8) per cent. Net adjustments to EBIT amounted to EUR 5.9 (-0.8) million. Profitability improved due to enhanced service processes and strong offering in Private Healthcare Services and in Public Services, profitability increased due to clarification of contract obligations and the implementation of improvement measures.

In May, Pihlajalinna divested four special housing service units to Esperi Care Oy, in September, two residential care units to Mehiläinen and in October-November, three smaller residential care units to Attendo. These transactions resulted in a sales gain of EUR 8.5 million, which has been recognised as an adjustment item in EBITDA.

Profitability was negatively affected by a total of EUR 5.3 million in non-recurring costs related to the operating model renewal and the associated change negotiations, EUR 4.0 million in write-downs related to premises, EUR 2.5 million in write-downs of tangible assets and by EUR 1.5 million in provisions for renovation and maintenance responsibilities recognised based on management's assessment, total of EUR 13.3 million. These items have been treated as adjustments to both EBITDA and operating profit.

Pihlajalinna's EBIT was EUR 52.7 (48.5) million, an increase of 8.7 per cent.

The Group's net financial expenses amounted to EUR -7.0 (-9.8) million. Profit before taxes was EUR 45.8 (38.6) million.

Profit for the financial year was EUR 38.6 (30.2) million. Earnings per share (EPS) was EUR 1.58 (1.13). Earnings per share was increased by the sales gain from the divestment of residential care units, changes in non-controlling interests and previously unrecognised deferred tax assets from tax losses and net interest expenses.

Reporting segments

Pihlajalinna has two reportable segments: Private Healthcare Services and Public Services. The reporting structure follows Pihlajalinna's business model and organisational structure.

The Private Healthcare Services operating segment consists of private clinic, diagnostics, hospital, occupational healthcare, remote and fitness center services. These comprehensive care path services are provided by Pihlajalinna to corporate customers, insurance companies, the public sector, and private customers through its nationwide network of medical centers and diverse digital channels.

The Public Services operating segment consists of social and healthcare services produced primarily for the public sector, which include outsourcing and housing services, mainly remotely produced responsible doctor services, as well as a wide range of staffing and recruitment services.

Private Healthcare Services

Revenue

Revenue from Private Healthcare Services was EUR 465.2 (451.5) million, an increase of 3.0 per cent. Revenue increased especially among insurance company customers and occupational healthcare services. Exceptionally low procurement volumes from the public sector decreased revenue. The number of doctor visits under Kela's freedom-of-choice pilot exceeded our average market share. Appointment volumes at Pihlajalinna's private clinics increased by 0.7 per cent.

Profitability

Adjusted EBITA was EUR 38.6 (33.6) million, an increase of 14.7 per cent. The adjusted EBITA margin was 8.3 (7.4) per cent. Profitability improved due to enhanced efficiency in service processes and the successful expansion of the service offering. Profitability was challenged by low public-sector procurement volumes, generally weak demand and the high utilisation rate of fixed-price occupational healthcare agreements. Conversion, defined as the ratio of diagnostics revenue to revenue from appointments, decreased slightly from

the comparison financial year. Net adjustments totalled EUR 6.2 (0.7) million.

Profitability was negatively affected by a total of EUR 3.6 million in non-recurring costs related to the operating model renewal and the associated change negotiations, as well as EUR 2.5 million in write-downs of tangible assets recognised based on management's assessment. These items have been treated as adjustments to both EBITDA and operating profit.

Operating profit (EBIT) was EUR 26.0 (25.8) million, an increase of 0.6 per cent.

Public Services

Revenue

Revenue from Public Services was EUR 199.2 (267.6) million, a decrease of -25.6 per cent. Changes in outsourcing agreements and the divestments of residential care units decreased revenue by a total of EUR -49.4 million. Revenue from responsible physician services and workforce services also decreased. Comparable organic revenue¹⁾ in Public Services decreased by -8.2 per cent.

Profitability

Adjusted EBITA was EUR 26.7 (21.5) million, an increase of 23.9 per cent. Adjusted EBITA margin was 13.4 (8.0) per cent. Profitability increased due to clarification of contract obligations and the implementation of improvement measures. Net adjustments totalled EUR -0.3 (-1.5) million.

In May, Pihlajalinna divested four special housing service units to Esperi Care Oy; in September, two residential care units to Mehiläinen; and in October-November, three smaller residential care units to Attendo. These transactions resulted in a sales gain of EUR 8.5 million, which has been recognised as an adjustment item in EBITDA.

Profitability was negatively affected by a total of EUR 1.8 million in non-recurring costs related to the operating model renewal and the associated change negotiations, EUR 4.0 million in write-downs related to premises and by provisions of EUR 1.5 million for renovation and maintenance responsibilities recognised based on management's assessment, total of EUR 7.3 million. These items have been treated as adjustments to both EBITDA and operating profit.

EBIT amounted to EUR 26.7 (22.7) million, an increase of 17.9 per cent.

¹⁾ Changes in outsourcing agreements and divestments have been excluded from the comparison period revenue.

Consolidated statement of financial position and cash flow

Statement of financial position

Pihlajalinna Group's total statement of financial position was EUR 598.1 (630.2) million. Consolidated cash and cash equivalents were EUR 30.7 (30.9) million. Consolidated net debt totalled EUR 271.7 (296.6) million. Net debt to adjusted EBITDA was 2.5 (2.9). Net debt to adjusted EBITDA excluding IFRS 16 was 1.0 (1.46). The Group's equity ratio was 32.2 (26.8) per cent.

Cash flow

Net cash flow from operating activities was EUR 75.6 (100.8) million. The change in net working capital was EUR -18.4 (-2.1) million. Transfer of outsourcing agreements to the wellbeing services counties in Public Services has changed the Group's working capital structure. Compared to Public Services, Private Healthcare Services tie up significantly more working capital in accounts receivable.

Net cash flow from investing activities was EUR -5.7 (-12.3) million. Investments in tangible and intangible assets were EUR -16.5 (-11.0) million. The divestment of residential care units improved cash flow from investing activities by EUR 8.4 million during the financial year. The Group's cash flow after investments (free cash flow) was EUR 69.9 (88.6) million.

Net cash flow from financing activities was EUR -70.1 (-82.2) million. The change in financial liabilities, including changes in credit limits, was EUR -12.8 (-32.6) million. During the financial year, Pihlajalinna amortised its long-term loan by a total of EUR 10.0 (30.0) million. During the financial year, Pihlajalinna paid hybrid bond interests of EUR -2.4 (-2.4) million which have been recognised as a deduction from retained earnings, net of tax. Interest paid and other financial expenses amounted to EUR -9.3 (-11.9) million. Due to refinancing, the financial expenses paid in the comparison period were increased by non-recurring expenses and interest payments.

Financing arrangements

Pihlajalinna Group's financing arrangement comprises a EUR 100 million long-term loan and a EUR 60 million revolving credit facility for general financing needs. The financing agreement negotiated in 2024

was originally for three years, maturing in June 2027, with two option years. In June 2025, Pihlajalinna exercised one of the option years, and the loan will now mature in June 2028. The agreement also includes the possibility of one further option year.

The financing arrangement includes customary financial covenants, namely leverage (ratio of net debt to pro forma EBITDA) and gearing. IFRS 16 lease liabilities are excluded from the covenant calculations. At the end of the financial year, the Group met all financial covenants under the agreement.

The loan margin of the financing arrangement is also linked to Pihlajalinna's key sustainability targets: patient satisfaction, access to surgical treatment and employee satisfaction. These sustainability objectives have a minor impact on the loan margin depending on the number of targets achieved. The sustainability targets for 2025 were met, resulting in loan margin reduction also for the next 12 months.

At the end of the financial year, Pihlajalinna had EUR 70 million in unused committed credit limits, consisting of a EUR 10 million credit limit agreement and a EUR 60 million unused revolving credit facility.

The Group has an interest rate swap agreement with a nominal value of EUR 65 million to convert the floating interest rate of the financing arrangement to a fixed rate. Cash flow hedge accounting is applied to the interest rate swap, meaning that the effective portion of the change in fair value is recognised in other comprehensive income. The interest rate swap began in March 2023 and remains valid until 25 March 2027.

Hybrid bond

On 27 March 2023, Pihlajalinna issued a hybrid bond of EUR 20 million. The hybrid bond bears a fixed interest rate of 12.00 percent per annum until 27 March 2026 (Reset Date), and from the Reset Date, the interest rate will be floating as defined in the terms and conditions of the hybrid bond.

The hybrid bond is an instrument subordinated to the company's other debt obligations. The hybrid bond does not have a specified maturity date. Pihlajalinna is entitled to redeem the hybrid bond on the Reset Date and thereafter on each interest payment date. The hybrid bond will be treated as equity in Pihlajalinna's IFRS consolidated financial statements. The hybrid bond does not confer to its holders the rights of a shareholder or dilute the holdings of the current shareholders.

Acquisitions and capital expenditure

Gross investments, including acquisitions, totalled EUR 46.6 (31.3) million. Gross investments consisting of development, additional and replacement investments, amounted to EUR 13.9 (14.0) million. Gross investments in right-of-use assets were EUR 32.3 (14.0) million, and gross investments in M&A transactions amounted to EUR 0.3 (3.1) million.

The divestments of Pihlajalinna's residential care units decreased right-of-use assets by EUR 8.6 million.

Investment commitments for the Group's development, additional and replacement investments amounted to approximately EUR 4.7 (3.5) million. The commitments relate to business premises as well as additional and replacement investments in clinical equipment and information system projects.

Personnel

At the end of the financial year, the number of personnel amounted to 4,540 (6,493), a decrease of -30 per cent. The Group's average personnel as full-time equivalents were 3,928 (4,416), a decrease of -11 per cent. In Public Services the transfer of outsourcing agreements to the wellbeing services counties, particularly the transfer of Kuusimäki Terveydenhuoltoalue's social services on 1 September 2025, and the divestments of residential care units reduced the Group's number of personnel.

At the end of the reporting period, Public Services employed 1,648 (3,428) people and Private Healthcare Services 2,856 (3,065) people. Converted into average full-time equivalents, Public Services employed 1,824 (2,417) people and Private Healthcare Services 2,104 (1,999) people.

In September, Pihlajalinna initiated a Group-wide reform to renew its operational model, and the related change negotiations began simultaneously. The negotiations ended in October, and a total of 88 roles, primarily administrative, were reduced from the Group and 92 positions were subject to substantial changes.

The Group's employee benefit expenses totalled EUR 289.6 (321.2) million, a decrease of EUR -31.6 million.

During the financial year, the sickness-related absences rate among personnel was 5.4 (5.6) per cent.

During the financial year the number of practitioners was 2 251 (2 145).

Share-based incentive schemes

Performance Share Plan (PSP)

Pihlajalinna's Board of Directors has established a long-term share-based incentive plan for key employees of the Group. The Performance Share Plan 2025–2029 consists of three performance periods, covering the financial years 2025–2027, 2026–2028 and 2027–2029.

The Board of Directors decides annually on the commencement and details of every performance period. One performance period under the programme, covering 2025–2027, has been commenced. The potential rewards will be paid partly in Pihlajalinna shares and partly in cash. The programme is accounted for in full as an equity-settled share-based payment.

The target group for the 2025–2027 performance period consists of approximately 24 key employees, including the members of the Group Management Team and the CEO. The performance criteria for the 2025–2027 period are relative Total Shareholder Value (rTSR), annual revenue growth, return on capital employed and the rate of sickness-related absences. The value of the rewards to be paid under the plan corresponds to a maximum total of 553,000 Pihlajalinna shares including the proportion payable cash.

Research and development

Increases to intangible assets totalled EUR 5.6 (2.0) million during the financial year. In 2025, Pihlajalinna made substantial progress in the development of its IT and digital capabilities, focusing on service modernisation and the strengthening of data-driven management. Customer journeys for insurance partners were further developed to better support business and customer requirements. In addition, the service portal for organisational customers was renewed and introduced in a pilot phase. As part of this renewal, data-driven management tools for occupational health services were comprehensively redesigned for use by both customers and professionals.

During the year, Pihlajalinna's data lake was completed and achieved Class B certification as a patient information system. This significantly enhances data governance and enables broader and more systematic utilisation of data in service development. Information security was further reinforced through technical and administrative measures,

and employee information security training was updated to address increasing regulatory and operational requirements.

In 2026, development efforts will increasingly focus on data-driven operational improvement and enhancement of the user experience of digital services. The scope and utilisation of the data lake will be expanded, and data and artificial intelligence will be leveraged to support the automation of value-based care pathways and to improve process efficiency. Key priorities include improving customer journeys, particularly for individual customers, and strengthening co-operation with insurance partners to enhance the efficiency and continuity of customer pathways.

Furthermore, in 2026 the data-driven management tools offered to organisational customers will be expanded to support collaboration with wellbeing services counties and work ability management. The systematic development of information security capabilities will continue.

Pihlajalinna's key intangible assets are a highly skilled, motivated, and well-being-oriented workforce, as well as customer satisfaction and partnerships with suppliers that have been built over many years. These resources enable Pihlajalinna to maintain its competitive advantage and are a central part of the Pihlajalinna's strategy.

Risk management, risks and uncertainties in business operations

Pihlajalinna's risk management goals, principles and operating methods are described as a part of the Corporate Governance Statement in section *Risk management*. As part of sustainability reporting, the management of Pihlajalinna's significant impacts, risks, and opportunities (IRO) can be found on section *General disclosures* (ESRS2).

Pihlajalinna's operations are subject to strategic, operational, financial and damage-related risks. The aim of Pihlajalinna's risk management is to operate as systematically as possible and to integrate risk management into normal business processes. The Group invests in quality management systems and in managing occupational safety and work ability risks. Pihlajalinna seeks to limit potential adverse impacts, and the assessment of sustainability-related risks plays an important role in risk management.

Pihlajalinna operates only in Finland. Uncertainty in world politics has indirect impacts on the Group's operations through slowing economic growth, potential supply-chain disruptions, inflation and changes in market interest rates.

In all its operations, Pihlajalinna takes data protection, information security and related requirements into account. Information security incidents or compromised data protection may lead to significant reputational harm and claims for compensation, among other consequences.

The company has identified uncertainties related to the availability of personnel in the social and healthcare sector, the development of wages and wage harmonisation. In addition, a high level of sickness-related absences among personnel may reduce the company's profitability and complicate the provision of services.

Pihlajalinna has identified risks related to growth projects, including acquisitions, digital development, and information system projects. Successful implementation of these projects is a prerequisite for profitable growth in line with the company's strategy.

Monitoring and forecasting compliance with the covenants of the company's financing agreements form a significant part of the company's risk management.

General cost inflation and wage inflation affect the cost level and, consequently, Pihlajalinna's business operations and profitability. In addition, inflation and changes in interest rates influence consumers' disposable income and employment trends, which in turn affect the demand for private healthcare services. Increases in prices and changes in terms of private medical expense insurance may also affect demand for private healthcare services.

The most significant risks and uncertainties in social and healthcare services are linked to the policies and legislation implemented in the Finnish society.

The tax audit concerning the compensation scheme has been completed during the financial year. The company was ordered to pay a total of EUR 0.7 million in late-payment interest and other penalty charges. The company has appealed against the decision. Also a tax audit related to value-added taxation is ongoing in the Pihlajalinna Group. Companies subject to the tax audit have received tax audit reports at the beginning of the year. Responses have been submitted, and appeals will be made.

Changes to complete outsourcing agreements and to residential care services

Jämsän Terveys Oy's agreement with the Wellbeing Services County of Central Finland expired in August 2025. The expiration of the service agreement decreased the Group's revenue by approximately EUR 19 million from 2024 levels.

The primary and specialised care services provided by Jokilaakson Terveys Oy at Jokilaakso Hospital ended in accordance with the sub-contracting agreement in August 2025. The expiration of the service agreement decreased the Group's revenue by approximately EUR 4 million from 2024 levels.

Kuusiolinnaterveys Oy's agreement with the Wellbeing Services County of South Ostrobothnia expired in December 2025. It was agreed with the Wellbeing Services County of South Ostrobothnia that the services would gradually transfer to the wellbeing services county during 2025. This change and other changes in the service agreement during 2025 decreased the Group's revenue by approximately EUR 19 million from 2024 levels.

Pihlajalinna and the Wellbeing Services County of Pirkanmaa have agreed that the service production of Kolmostien Terveys will continue until the end of April 2026. Pihlajalinna was selected as the service provider for the complete outsourcing of services in Northern Pirkanmaa starting from April 2026.

The expiration of contracts and the commencement of the Northern Pirkanmaa complete outsourcing arrangement will, on a net basis, reduce the Group's revenue by approximately EUR 72 million from the 2025 levels.

In addition, the divestments of Pihlajalinna's residential care units during the 2025 financial year will reduce the Group's revenue by approximately EUR 11 million from the 2025 levels.

Pending legal proceedings

Pihlajalinna is involved in certain pending legal proceedings concerning employment relationships and other matters, but they are not expected to have a significant financial impact on the Group.

The company's subsidiary Jämsän Terveys Oy has taken legal action in the district court against the City of Jämsä, a former client. The dispute concerns mainly COVID-19-related costs which the City of Jämsä failed to pay in breach of the service agreement. The District Court of Central Finland considered the case and rendered its decision in late

December 2024. The court ruled the City of Jämsä must pay Jämsän Terveys the claimed COVID-19-related costs, with interest. Other aspects of the dispute, such as the impact of the transfer of personnel on the annual fee, were settled by the parties before the court hearing. The City of Jämsä appealed the decision to the Vaasa Court of Appeal, which granted the City permission to proceed further. Accordingly, the decision of the District Court of Central Finland is not legally binding. The Court of Appeal issued its decision in the dispute on 17 February 2026. The Court of Appeal dismissed the appeal lodged by the City of Jämsä against the District Court's decision with respect to the main claim.

Shareholders' Nomination Board

The Shareholders' Nomination Board is comprised of Chair Sari Heinen (LocalTapiola-Group), Mikko Wirén (MWW Yhtiö Oy), Hanna Hartikainen (Fennia Mutual Insurance Company) and Carl Petterson (Elo Mutual Pension Insurance Company). The Chair of the Board of Directors of Pihlajalinna Plc Jukka Leinonen participated in the work of the Nomination Board as an expert.

Board of Directors

The Annual General Meeting on 24 April 2025 resolved that the number of the members of the Board of Directors shall be fixed at six members instead of the previous seven. Kim Ignatius, Heli Iisakka, Tiina Kurki, Jukka Leinonen, Leena Niemistö and Mikko Wirén were re-elected to serve as members of the Board of Directors until the next Annual General Meeting. The Annual General Meeting elected Jukka Leinonen as the Chair of the Board and Leena Niemistö as the Vice-Chair of the Board.

Committees nominated by the Board

Pihlajalinna Plc Board of Directors appointed the following members to its committees:

- Audit Committee: Kim Ignatius (chair), Heli Iisakka and Tiina Kurki
- People and Sustainability Committee: Leena Niemistö (chair), Jukka Leinonen and Mikko Wirén.

It was agreed that all members of the Board of Directors may join any of the committee meetings.

Remuneration of the members of the Board of Directors

The Annual General Meeting of 24 April 2025 resolved that the following annual remuneration will be paid to the members of the Board of Directors elected for the term of office ending at the 2026 Annual General Meeting: EUR 66,000 per year to the Chair of the Board of Directors, EUR 44,000 per year to the Vice-Chair and to the Chair of the Audit Committee and to the Chair of the People and Sustainability Committee, and EUR 33,000 per year to the other members.

The AGM resolved that annual remuneration shall be paid in company shares and in cash, with approximately 40 per cent of the remuneration used to acquire shares in the name and on behalf of the members of the Board of Directors, and the remainder paid in cash. The remuneration could be paid either entirely or partially in cash if the member of the Board of Directors was, on the day of the AGM, 24 April 2025, in possession of over EUR 1,000,000 worth of company shares. The company was responsible for the expenses and transfer tax arising from the acquisition of the shares. If the term of a Board member ends before the Annual General Meeting of 2026, the Board is entitled to decide on the possible recovery of the remuneration in a manner it deems appropriate.

The AGM further decided that Chair of the Board shall be paid a meeting fee of EUR 1,000 in cash for each meeting of the Board of Directors and its committees, and that the other members of the Board shall be paid EUR 660 per meeting. In addition, reasonable travel expenses will also be reimbursed to the members of the Board in accordance with the company's travel policy.

Board authorisations

The Annual General Meeting of 24 April 2025 authorised the Board of Directors to decide on the acquisition of a maximum of 2,260,000 shares, which is approximately 10 per cent of the Group's current number of shares. Own shares may be repurchased based on the authorisation only by using unrestricted equity. Targeted share acquisition is possible. The authorisation is effective until the next Annual General Meeting, or until 30 June 2026 at the latest.

The Annual General Meeting also authorised the Board of Directors to decide on a share issue and other special rights conferring an entitlement to shares under Chapter 10, Section 1 of the Limited Liability Companies Act. The number of shares to be issued cannot exceed 2,260,000 shares, which corresponds to approximately 10 per cent of

all the shares in the Group. The authorisation concerns both the issuance of new shares and the sale or transfer of the Group's own shares. The authorisation permits a targeted share issue. The authorisation is effective until the next Annual General Meeting, or until 30 June 2026 at the latest.

Repurchase and transfer of own shares

In March and May 2025, Pihlajalinna conveyed a total of 101,236 own shares without consideration to key persons based on the performance-based earning period 2024 of the share-based incentive programme in accordance with the terms and conditions of the plan.

In May, Pihlajalinna conveyed a total of 7,114 of its own shares to the members of the Board of Directors as part of their annual remuneration.

With the authorisation of the Annual General Meeting 2025, Pihlajalinna started repurchasing its own shares on 19 June 2025 and completed the repurchase on 16 July 2025. The shares were repurchased for use as part of the remuneration payments under the Group's incentive programme and for the annual remuneration of the members of the Board of Directors. During the period, Pihlajalinna acquired a total of 107,235 own shares for an average price of EUR 15.8529 per share. The total amount used for the repurchase was EUR 1.7 million.

Following the repurchase of shares and transfer of shares mentioned above, Pihlajalinna held 140,050 own shares on 31 December 2025, corresponding to 0.62 per cent of the total number of shares.

During the financial year, a subsidiary of the Pihlajalinna Group repurchased its own shares worth EUR 1.4 million. The repurchased shares were cancelled during the financial year.

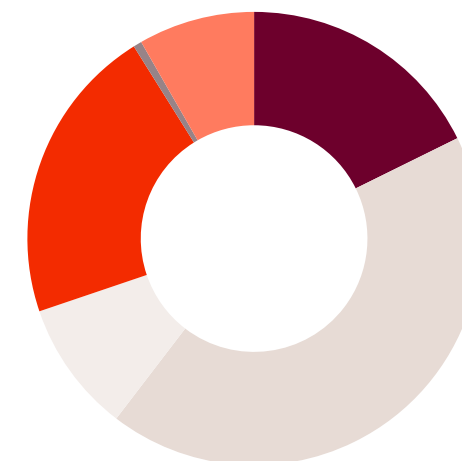
Shares and shareholders

Pihlajalinna's share is listed in the Nasdaq Helsinki main market under the trading code PIHLIS. The total number of shares in the Group is 22,620,135. On 31 December 2025, 22,480,085 of the shares were outstanding and 140,050 were held by the company which corresponds to 0.62 per cent of all shares and votes. At the end of the financial year, the company had 16,322 (15,202) shareholders.

Share-related information, outstanding shares	2025	2024
No. of shares outstanding at end of period	22,480,085	22,478,951
Average no. of shares outstanding during period	22,514,581	22,511,765
Highest price, EUR	17.30	11.85
Lowest price, EUR	10.00	6.88
Average price, EUR ¹⁾	14.50	8.29
Closing price, EUR	14.60	10.50
Share turnover, 1,000 shares	4,785	3,184
Share turnover, %	21.3	14.1
Market capitalisation at end of period, EUR million	328.2	236.0

¹⁾ average rate weighted by trading level

Distribution of shareholding by size range, 31 Dec 2025



Distribution of shareholding by sector 31 Dec 2025

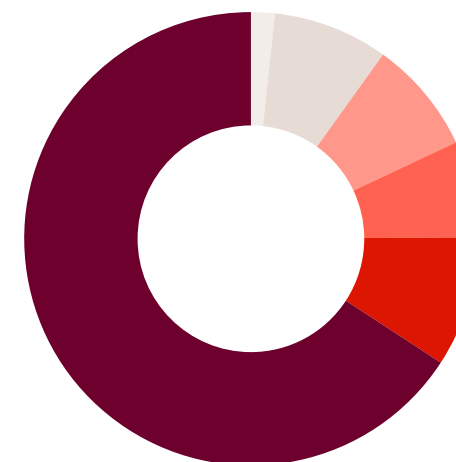
	Number of shareholders	% of shareholders	Number of shares	Percentage of shares, %
Private companies	448	2.7 %	3,997,438	17.7 %
Financial and insurance institutions	29	0.2 %	9,660,813	42.7 %
Public entities	6	0.0 %	2,134,175	9.4 %
Households	15,754	96.6 %	4,815,141	21.3 %
Non-profit organisations	43	0.3 %	132,331	0.6 %
Foreign shareholders	33	0.2 %	12,330	0.1 %
Total	16,313	100.0 %	20,752,228	91.7 %
Nominee registered	9		1,867,907	8.3 %
Outstanding shares			22,620,135	100.0 %

Shares and shareholders

Major shareholders 31 Dec 2025

	Number of shares	Percentage of shares and votes
1 LOCALTAPIOLA GENERAL MUTUAL INSURANCE COMPANY	3,809,028	16.8 %
2 FENNIA MUTUAL INSURANCE COMPANY	2,357,965	10.4 %
3 MWW YHTIÖ LTD	2,319,010	10.3 %
4 LOCALTAPIOLA MUTUAL LIFE INSURANCE COMPANY	2,291,385	10.1 %
5 SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	1,290,047	5.7 %
6 ELO MUTUAL PENSION INSURANCE COMPANY	1,267,161	5.6 %
7 ILMARINEN MUTUAL PENSION INSURANCE COMPANY	828,431	3.7 %
8 NIEMISTÖ LEENA KATRIINA	710,881	3.1 %
9 VIPUNEN CAPITAL OY	360,000	1.6 %
10 NORDEA LIFE ASSURANCE FINLAND LTD	352,266	1.6 %
10 largest, total	15,586,174	68.9 %
Other shareholders	7,033,961	31.1 %
Total	22,620,135	100.0 %

Distribution of shareholding by size range, 31 Dec 2025



Distribution of shareholding by size range, 31 Dec 2025

Shares per shareholder	Number of shareholders	% of shareholders	Number of shares	Percentage of shares, %
1 - 100	9,965	61.1 %	394,760	1.7 %
101 - 1 000	5,621	34.4 %	1,847,804	8.2 %
1 001 - 10 000	659	4.0 %	1,842,897	8.1 %
10 001 - 100 000	59	0.4 %	1,560,186	6.9 %
100 001 - 500 000	10	0.1 %	2,100,580	9.3 %
500 001 -	8	0.0 %	14,873,908	65.8 %
Total	16,322	100.0 %	22,620,135	100.0 %
of which nominee-registered shares	8		1,867,907	8.3 %
Outstanding shares			22,620,135	100.0 %

The Board of Directors' proposal for profit distribution and the Annual General Meeting 2026

The parent company's total distributable funds amount to EUR 213,414,518.25 of which the profit for the financial year 2025 is EUR 6,877,277.88. The Board of Directors proposes that a dividend of EUR 0.53 per share be paid for the financial year ended on 31 December 2025. On the financial statement date, 31 January 2025, the total number of outstanding shares was 22,480,085. In accordance with the Board of Directors' proposal, the total dividend would be EUR 11,914,445.05.

No material changes have taken place in the company's financial position after the end of the financial year. The company's liquidity position is good and, in the view of the Board of Directors, the proposed distribution does not jeopardise the company's ability to fulfil its obligations.

Earnings per share for the financial year was EUR 1.58. The proposed dividend of EUR 0.53 per share corresponds to 33 per cent of earnings per share and to an effective dividend yield of 3.63 per cent.

Pihlajalinna Plc's Annual General Meeting is planned to be held on 31 March 2026 in Tampere. The Board of Directors will decide on the notice of the General Meeting and the included proposals later.

Calculation of the parent company's distributable funds:

EUR	31 Dec 2025
Reserve for invested unrestricted equity	183,190,483.50
Retained earnings	23,346,756.87
Result for the period	6,877,277.88
Total	213,414,518.25

Events after the balance sheet date

On 12 February 2026, Pihlajalinna announced that it will exercise its right to redeem the EUR 20 million hybrid bond issued on 27 March 2023. The hybrid bond will be redeemed in full in accordance with its terms on the redemption date, 27 March 2026.

On 12 February 2026, Pihlajalinna announced that its Board of Directors has decided to launch a new earnings period for the Group's long-term incentive programme for key employees covering 2026–2028. The earning period is part of the company's ongoing incentive

programme. The performance criteria for the 2026–2028 earning period are tied to relative Total Shareholder Value (rTSR), annual revenue growth, return on capital employed and the rate of sickness-related absence.

On 12 February 2026, Pihlajalinna announced that Heikki Tarkkila (Lic.Med.) has been appointed Chief Commercial Officer and a member of the Group Management Team. Tarkkila assumed his role on 1 March 2026.

Calculation of key financial figures and alternative performance measures

Key figures

Earnings per share (EPS)	$\frac{\text{Profit for the financial period attributable to owners of the parent company - Hybrid bond interest expenses net of tax}}{\text{Average number of shares during the financial year}}$
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Alternative performance measures

Equity per share	$\frac{\text{Equity attributable to owners of the parent company}}{\text{Number of shares at the end of the financial period}}$
Dividend per share	$\frac{\text{Dividend distribution for the financial year (or proposal)}}{\text{Number of shares at the end of the financial period}}$
Dividend/result, %	$\frac{\text{Dividend per share}}{\text{Earnings per share (EPS)}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend per share}}{\text{Closing price for the financial year}} \times 100$
P/E ratio	$\frac{\text{Closing price for the financial year}}{\text{Earnings per share (EPS)}}$
Share turnover, %	$\frac{\text{Number of shares traded during the period}}{\text{Average number of shares}} \times 100$
Return on equity (ROE), %	$\frac{\text{Profit for the period}}{\text{Equity (average)}} \times 100$
Return on capital employed, % (ROACE)	$\frac{\text{Profit before taxes + financial expenses}}{\text{Total statement of financial position - non-interest-bearing liabilities (average)}} \times 100$
Equity ratio, %	$\frac{\text{Equity}}{\text{Total statement of financial position - prepayments received}} \times 100$

Return on equity indicates how much return on equity has been accumulating during the financial year. It reflects the company's ability to manage the capital invested in the company by the owners.

Return on capital employed measures the relative profitability of the company, that is the return that has been obtained for the capital invested in the company that requires interest or other returns.

Equity ratio measures the company's solvency, loss tolerance and the ability to cope with commitments in the long term. It reflects how much of the company's assets have been financed with equity.

Gearing, %	$\frac{\text{Interest-bearing net debt - cash and cash equivalents}}{\text{Equity}} \times 100$	Gearing describes the indebtedness of the company. It reflects what the ratio of the owners' own capital invested in the company is and the interest-bearing debts borrowed from financiers.
EBITDA	Operating profit + depreciation, amortisation and impairment	EBITDA shows how much of the company's revenue is left over after deducting operating expenses. Assessments of whether EBITDA is sufficiently high should consider the company's financial expenses, depreciation requirements and intended profit distribution.
EBITDA, %	$\frac{\text{Operating profit + depreciation, amortisation and impairment}}{\text{Revenue}} \times 100$	
Adjusted EBITDA ¹⁾	Operating profit + depreciation, amortisation and impairment + adjustment items	Adjusted EBITDA provides significant additional information on profitability by eliminating items that do not necessarily reflect the profitability of the company's operative business. Adjusted EBITDA improves comparability between periods.
Adjusted EBITDA, % ¹⁾	$\frac{\text{Operating profit + depreciation, amortisation and impairment + adjustment items}}{\text{Revenue}} \times 100$	
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA) ¹⁾	Operating profit + adjustment items + amortisation and impairment of intangible assets	
Adjusted EBITA, % ¹⁾	$\frac{\text{Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA)}}{\text{Revenue}} \times 100$	
Net debt/Adjusted EBITDA ¹⁾	$\frac{\text{Interest-bearing net debt - cash and cash equivalents}}{\text{Adjusted EBITDA}}$	The key figure describes how quickly the company would get its financial liabilities paid at the current rate of earnings, if the EBITDA were used in full to pay the financial liabilities, if the company does not, for example, invest or distribute dividends.
Cash flow after investments	Net cash flow from operating activities + net cash flow from investing activities	

Adjusted operating profit (EBIT) ¹⁾	Operating profit + adjustment items		Adjusted operating profit provides significant additional information on profitability by eliminating items that do not necessarily reflect the profitability of the company's operating business. Adjusted operating profit improves comparability between periods.
Adjusted operating profit, % ¹⁾	$\frac{\text{Adjusted operating profit (EBIT)}}{\text{Revenue}}$	x 100	
Profit before taxes	Profit for the financial year + income tax		
Gross investments	Increase in tangible and intangible assets and in right-of-use assets		
Comparable revenue for the previous period	Revenue from the previous period - items affecting comparability		
Comparable organic revenue growth	Revenue for the period - comparable revenue for the previous period	x 100	Organic growth of revenue refers to the growth of existing business that has not been achieved through mergers or acquisitions. Comparable organic growth is calculated excluding changes in outsourcing agreements and divestments.
Comparable organic revenue growth, %	$\frac{\text{Organic comparable revenue growth}}{\text{Comparable revenue for the previous period}}$	x 100	

¹⁾ Pihlajalinna has changed the definition of adjustment items affecting comparability effective from 1 January 2025. The change simplifies the previous definition. The comparison figures have not been adjusted, as the change does not materially affect the adjusted key figures reported for the year 2024.

Pihlajalinna's definition of adjustment items affecting comparability effective from 1 January 2025:

Items affecting comparability are non-recurring and material events that are not part of normal day-to-day operations. Items affecting comparability include, among other items, costs related to business acquisitions, costs related to restructuring measures, impairment of assets, and gains and losses arising from the sale or dis-continuation of business operations. Items affecting comparability only include events with an impact on profit or loss of more than EUR 0.1 million.

Pihlajalinna's definition of adjustment items affecting comparability that was used until 31 December 2024:

Significant transactions that are not part of the normal course of business, are related to business acquisition costs (IFRS 3), are infrequently occurring events or valuation items that do not affect cash flow are treated as adjustment items affecting comparability between review periods. According to Pihlajalinna's definition, such items include, for example, restructuring measures, impairment of assets and the remeasurement of previous assets held by subsidiaries, the costs of closing businesses and business locations, gains and losses on the sale of businesses, costs arising from operational restructuring and the integration of acquired businesses, costs related to the termination of employment relationships as well as fines and corresponding compensation payments. Pihlajalinna has also presented costs according to the IFRS Interpretations Committee's Agenda Decision concerning cloud computing arrangements, and reversals of amortisation, as adjustment items. Cloud computing arrangements costs and reversals of amortisation according to the IFRS Interpretations Committee's Agenda Decision has not been presented as adjustment items since 1 Jan 2024.

According to the updated definition, adjusted operating profit before amortisation of intangible assets (EBITA) for the financial year 1 January–31 December 2024 would have been EUR 54.4 million.

Key financial figures

Scope of operations	2025	2024	2023	2022	2021
Revenue, EUR million	652.3	704.4	720.0	690.5	577.8
Change, %	-7.4	-2.2	4.3	19.5	13.6
Organic revenue growth, EUR million*	-1.4	50.9	75.4	34.9	58.1
Change, %	-0.2	7.8	12.0	6.0	11.4
Gross investments, EUR million*	46.6	31.1	66.4	234.5	44.8
% of revenue	7.1	4.4	9.2	34.0	7.8
Employee benefit expenses, EUR million	289.6	321.2	322.8	296.6	255.2
Personnel at the end of the period (NOE)	4,540	6,493	6,880	7,016	6,297
Average number of personnel (FTE)	3,928	4,416	4,821	4,851	4,746
Profitability	2025	2024	2023	2022	2021
EBITDA, EUR million	109.3	101.5	72.5	54.4	62.6
EBITDA, %	16.8	14.4	10.1	7.9	10.8
Adjusted EBITDA, EUR million*	108.6	100.7	80.6	64.2	65.3
Adjusted EBITDA, %	16.7	14.3	11.2	9.3	11.3
Operating profit (EBIT), EUR million	52.7	48.5	20.6	8.9	27.9
Operating profit, %	8.1	6.9	2.9	1.3	4.8
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA), EUR million*	65.3	55.2	37.8	26.7	37.3
Adjusted EBITA, %	10.0	7.8	5.2	3.9	6.5
Net financial expenses, EUR million	-7.0	-9.8	-12.4	-7.4	-3.7
% of revenue	-1.1	-1.4	-1.7	-1.1	-0.6
Profit before tax, EUR million	45.8	38.6	8.2	1.5	24.2
% of revenue	7.0	5.5	1.1	0.2	4.2
Income tax, EUR million	-7.2	-8.5	-3.6	6.1	-5.1
Profit for the period	38.6	30.2	4.6	7.7	19.1
Cash flow after investments, EUR million	69.9	88.6	0.0	-18.6	24.9
Return on equity (ROE), %*	21.3	19.2	3.4	6.2	16.1
Return on capital employed (ROCE), %*	10.9	9.7	4.0	2.3	8.8

Financing and financial position	2025	2024	2023	2022	2021
Interest-bearing net financial debt, EUR million	271.7	296.6	352.7	385.7	194.7
% of revenue	41.6	42.1	49.0	55.9	33.7
Equity ratio, %*	32.2	26.8	22.0	18.6	26.9
Gearing, %*	141.1	175.5	243.9	313.8	158.8
Net debt/adjusted EBITDA*	2.5	2.9	4.4	6.0	3.0

Share related information

	2025	2024	2023	2022	2021
Earnings per share (EPS)	1.58	1.13	0.19	0.42	0.89
Equity per share, EUR*	8.48	7.59	6.56	5.50	5.27
Dividend per share, EUR (board proposal)	0.53	0.38	0.07		0.30
Dividend per share, %*	33.5	33.6	37.3		33.7
Effective dividend yield, %*	3.63	3.62	0.99		2.37
Number of shares at year-end	22,480,085	22,478,951	22,566,155	22,549,644	22,594,235
Average number of shares	22,514,581	22,511,765	22,557,957	22,560,271	22,589,383
Market capitalisation, EUR million	328.2	236.0	159.3	192.1	285.6
Dividends paid, EUR million (board proposal)	11.9	8.5	1.6		6.8
P/E ratio*	9.22	9.29	37.60	20.19	14.21
Closing price at year-end, EUR	14.60	10.50	7.06	8.52	12.64

* Alternative performance measure

Reconciliations with alternative key figures and ratios

Pihlajalinna publishes a wide range of alternative performance measures, i.e. key figures that are not based on financial reporting standards, because they are considered to be significant for investors, the management and the Board of Directors in assessing the group's financial position and profitability. The alternative performance measures should not be considered to be replacements for the key figures defined in IFRS standards. The table below presents the reconciliation calculations for the alternative performance measures and the justifications for their presentation.

Reading notes:

/ divide by the next number/numbers

- deduct the next number/numbers

+ add the next number/numbers

Return on equity (ROE), %

EUR million	1-12/2025	1-12/2024
Profit for period	38.6	30.2
Equity (average) x 100	180.8	156.8
Return on equity (ROE), %	21.3	19.2

Return on capital employed (ROACE), %

EUR million	1-12/2025	1-12/2024
Profit before taxes +	45.8	38.6
Financial expenses	8.0	10.9
Profit before taxes + financial expenses	53.8	49.6
Total statement of financial position - non-interest-bearing liabilities (average of beginning and end of the period)	495.7	509.1
Return on capital employed (ROACE), %	10.9	9.7

Equity ratio, %

EUR million	1-12/2025	1-12/2024
Equity/	192.6	169.0
Total statement of financial position -	598.1	630.2
Equity ratio, %	32.2	26.8

Gearing, %

EUR million	1-12/2025	1-12/2024
Interest-bearing financial liabilities -	302.3	327.5
Cash and cash equivalents/	30.7	30.9
Equity x 100	192.6	169.0
Gearing, %	141.1	175.5

Net debt/adjusted EBITDA

EUR million	1-12/2025	1-12/2024
Interest-bearing financial liabilities -	302.3	327.5
Cash and cash equivalents	30.7	30.9
Net debt/	271.7	296.6
Adjusted EBITDA	108.6	100.7
Net debt/adjusted EBITDA	2.5	2.9

EBITDA and Adjusted EBITDA

EUR million	1-12/2025	1-12/2024
Profit for period	38.6	30.2
Income tax	-7.2	-8.5
Financial expenses	-8.0	-10.9
Financial income	1.1	1.1
Depreciation, amortisation and impairment	-56.6	-53.0
EBITDA	109.3	101.5
IFRS 3 costs -	1.0	0.0
Other EBITDA adjustments	-1.7	-0.8
Total EBITDA adjustments	-0.7	-0.8
Adjusted EBITDA	108.6	100.7

EBITDA, %

EUR million	1–12/2025	1–12/2024
EBITDA/	109.3	101.5
Revenue x 100	652.3	704.4
EBITDA, %	16.8	14.4

Adjusted EBITDA, %

EUR million	1–12/2025	1–12/2024
Adjusted EBITDA/	108.6	100.7
Revenue x 100	652.3	704.4
Adjusted EBITDA, %	16.7	14.3

Operating profit (EBIT) and Adjusted operating profit (EBIT)

EUR million	1–12/2025	1–12/2024
Profit for the period	38.6	30.2
Income tax	-7.2	-8.5
Financial expenses	-8.0	-10.9
Financial income	1.1	1.1
Operating profit (EBIT)	52.7	48.5
Adjustments to amortisation and impairment	6.6	0.0
Total EBITDA adjustments	-0.7	-0.8
Total operating profit (EBIT) adjustments	5.9	-0.8
Adjusted operating profit (EBIT)	58.6	47.7
PPA amortisation	1.7	2.1
Amortisation and impairment of other intangible assets	5.0	5.3
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA)	65.3	55.2

Operating profit (EBIT), %

EUR million	1–12/2025	1–12/2024
Operating profit/	52.7	48.5
Revenue x 100	652.3	704.4
Operating profit (EBIT), %	8.1	6.9

Adjusted operating profit (EBIT), %

EUR million	1–12/2025	1–12/2024
Adjusted operating profit/	58.6	47.7
Revenue x 100	652.3	704.4
Adjusted operating profit (EBIT), %	9.0	6.8

Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA), %

EUR million	1–12/2025	1–12/2024
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA) /	65.3	55.2
Revenue x 100	652.3	704.4
Adjusted (EBITA), %	10.0	7.8

Cash flow after investments

EUR million	1–12/2025	1–12/2024
Net cash flow from operating activities	75.6	100.8
Net cash flow from investing activities	-5.7	-12.3
Cash flow after investments	69.9	88.6

Profit before taxes

EUR million	1–12/2025	1–12/2024
Profit for period	38.6	30.2
Income tax	-7.2	-8.5
Profit before taxes	45.8	38.6

Gross investments

EUR million	1–12/2025	1–12/2024
Property, plant and equipment at end of period	52.3	62.8
Transfer to investment properties		0.8
Right-of-use assets at end of period	174.8	185.1
Other intangible assets at end of period	14.8	15.7
Goodwill at end of period	253.8	254.9
Depreciation, amortisation and impairment for the period	56.6	53.0
Property, plant and equipment at beginning of period	62.8	65.8
Right-of-use assets at beginning of the period	185.1	203.9
Other intangible assets at beginning of period	15.7	21.1
Goodwill at beginning of period	254.9	251.8
Proceeds from sale of tangible assets during period	-12.7	-1.6
Gross investments	46.6	31.3

Organic revenue growth, %

EUR million	1–12/2025	1–12/2024
Revenue for previous period	704.4	720.0
The impact of divestments on revenue during the period -	-7.4	-4.8
Contractual changes in complete outsourcing agreements -	-42.1	-62.5
Covid-19 services and write-downs of revenue -	0.0	0.7
Other	-1.3	0.0
Comparable revenue for previous period (B)	653.7	653.3
Revenue from M&A transactions during period (C)	0.0	0.0
Revenue growth due to M&A transactions, %	0.0	0.0
Revenue for period (A)	652.3	704.4
Comparable organic revenue growth (A-B-C)	-1.4	51.1
Organic revenue growth, %	-0.2	7.8
Revenue change	52.1	-15.5
Revenue change, %	-7.4	-2.2

Description of adjustment items applied to adjusted EBITDA and adjusted operating profit

EUR million	1–12/2025	1–12/2024
EBITDA	109.3	101.5
Adjustments to EBITDA		
Dismissal-related expenses		0.7
Costs related to restructuring measures	5.3	
Classification of receivables as contingent assets according to IAS 37 / return as receivables		-1.5
Gains on the sale of businesses	-8.5	
IFRS 3 costs	1.0	0.0
Provisions for property renovation and maintenance responsibilities	1.5	
Other items with cash flow effect		0.1
Other items with no cash flow effect		-0.1
Adjustments to EBITDA in total	-0.7	-0.8
Adjusted EBITDA	108.6	100.7
Depreciation, amortisation and impairment	-56.6	-53.0
Adjustments to depreciation, amortisation and impairment		
Right-of-use premises write-downs	1.8	
Property and land areas write-downs	2.2	
Write-downs on property, plant and equipment	2.5	
Adjustments to depreciation, amortisation and impairment in total	6.6	
Adjustments to operating profit in total	5.9	-0.8
Adjusted operating profit (EBIT)	58.6	47.7
PPA amortisation	1.7	2.1
Other amortisation and impairment of intangible assets	5.0	5.3
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA)	65.3	55.2
Operating profit (EBIT)	52.7	48.5

The adjustment items are presented in the income statement items as follows:

EUR million	1–12/2025	1–12/2024
Revenue		-1.5
Other operating income	-8.5	-0.1
Materials and services		
Employee benefit expenses	2.4	0.7
Other operating expenses	5.4	0.2
Share of profit in associated companies and joint ventures		
EBITDA adjustment items total	-0.7	-0.8
Depreciation, amortisation and impairment	6.6	
Operating profit (EBIT) adjustment items total	5.9	-0.8



Corporate Governance Statement 2025

Corporate Governance Statement

I INTRODUCTION

The Corporate Governance of Pihlajalinna Plc (the Company) is based on applicable legislation, the Company's Articles of Association and the rules and regulations applied to companies listed on Nasdaq Helsinki. The Company complies with the Finnish Corporate Governance Code 2025 issued by the Securities Market Association. The Finnish Corporate Governance Code is available on the www.cgfinland.fi/en website maintained by the Securities Market Association.

Pihlajalinna did not depart from the recommendations of the Corporate Governance Code in 2025.

This Corporate Governance Statement was approved by Pihlajalinna Plc's Audit Committee on 3 March 2026 and by the Board of Directors on 5 March 2026.

II CORPORATE GOVERNANCE

General Meeting

The General Meeting is Pihlajalinna's highest decision-making body. According to the Company's Articles of Association, the Annual General Meeting is held annually within six (6) months of the end of the financial year. The Annual General Meeting decides on the matters determined by the Limited Liability Companies Act and the Articles of Association. These matters include, among other things, the approval of the Financial Statements, the distribution of profit shown in the Balance Sheet and the election of members of the Board of Directors, the Auditor and Sustainability Reporting Assurer and their remuneration. The Annual General Meeting of Shareholders also decides upon discharge of the Board of Directors and of the CEO from liability.

The Board of Directors is responsible for the invitations to the General Meeting and decides its venue and timing.

According to the Articles of Association, the notice of a General Meeting shall be delivered to shareholders no earlier than three (3) months and no later than three (3) weeks prior to the date of the Meeting, but no later than nine (9) days prior to the record date of the Meeting. The notice shall be delivered to shareholders by sending

the notice by post to their addresses registered in the Company's register of shareholders or by publishing a notice on the website of the Company or in at least one national daily newspaper determined by the Board of Directors. The notice of the General Meeting will be published as a separate release. The Agenda, the proposals of the Board of Directors and other General Meeting material will be available on the Company's website at least three weeks prior to the General Meeting.

Each shareholder has the right to have a matter within the remit of a General Meeting, under the Limited Liability Companies Act, to be discussed by the General Meeting if he or she requests this in writing from the Board of Directors by the date announced on the Company website. The date will be announced on the Company's website no later than by the end of the financial year preceding the Annual General Meeting.

The Company's Chair of the Board, members of the Board of Directors, the CEO and the Auditor attend the General Meeting. In addition, any candidates for the Board of Directors attend the General Meeting that decides on their election. If a member of the Board of Directors or a candidate is not present at the General Meeting, the Company informs the General Meeting of their absence at the beginning of the Meeting.

After the General Meeting, its decisions are published in a stock exchange release. The minutes of the General Meeting are published on the Company's website within two weeks of the General Meeting. The documents of the General Meeting must be kept on the Company's website for at least five years from the Meeting.

Pihlajalinna's Articles of Association are available on the Company's website at <https://www.pihlajalinna.fi/en/investors/corporate-governance/articles-of-association>. Any amendments to the Articles of Association require the decision of the General Meeting.

Pihlajalinna Plc's Annual General Meeting 2025 was held on 24 April 2025. The General Meeting was attended by 81 shareholders in person or by proxy. Approximately 65 per cent of the Company's shares and votes were represented in the meeting.

Board of Directors

The composition and election procedure of the Board of Directors

The Board of Directors is elected on an annual basis by the Annual General Meeting. According to the Company's Articles of Association, the General Meeting shall appoint a minimum of four (4) and a maximum of ten (10) members on the Board of Directors.

The General Meeting shall elect the Chair and Vice-Chair of the Board of Directors. The term of office of a member of the Board of Directors shall expire at the close of the first Annual General Meeting following the election. In case the Chair and Vice-Chair of the Board of Directors resign or become otherwise unable to act as chair during their term of office, the Board of Directors may elect a new Chair from among its members for the remaining term of office.

Shareholders' Nomination Board

The Shareholders' Nomination Board is tasked with preparing future proposals on the election and remuneration of the members of the Board of Directors to the General Meetings.

The Nomination Board consists of four members nominated by the shareholders of the Company. In addition, the Chair of the Board of Directors of the Company participates in the work of the Nomination Board as an expert. The right to nominate members is vested with the four shareholders of the Company having the largest share of the votes represented by all the shares in the Company annually on 1 September based on the Company's shareholders' register held by Euroclear Finland Ltd. However, if a shareholder who has distributed his/her holdings e.g. into several funds and has an obligation under the Finnish Securities Markets Act to take these holdings into account when disclosing changes in his/her share of ownership makes a written request to such effect to the Chair of the Board of Directors no later than on 31 August. Such shareholder's holdings in several funds or registers will be combined when calculating the share of votes that determines the nomination right. Should a shareholder not wish to exercise his/her nomination right, the right shall be transferred to the

next largest shareholder who otherwise would not be entitled to nominate a member.

The Chair of the Board of Directors shall, on 1 September each year, request the four largest shareholders of the Company, based on their shareholding, to nominate one member each to the Nomination Board. The Nomination Board elects a Chair from among its members. The term of office of the members of the Nomination Board expires annually when the new Nomination Board has been appointed.

The Charter of the Shareholders' Nomination Board is available on the Company's website at <https://www.pihlajalinna.fi/en/investors/corporate-governance/nomination-board>.

The four largest registered shareholders of Pihlajalinna Plc (based on the shareholders' register held by Euroclear Finland Ltd on 1 September 2025) appointed the following representatives to the Shareholders' Nomination Board:

- Sari Heinonen, President, appointed by LocalTapiola General Mutual Insurance Company and LocalTapiola Mutual Life Insurance Company
- Hanna Hartikainen, Chief Executive Officer, appointed by Fennia Mutual Insurance Company
- Mikko Wirén, Managing Director, appointed by MWW Yhtiö Oy
- Carl Pettersson, Chief Executive Officer, appointed by Elo Mutual Pension Insurance Company.

The Shareholders' Nomination Board elected Sari Heinonen as its Chair. Jukka Leinonen, Chair of Pihlajalinna Plc's Board of Directors, served on the Shareholders' Nomination Board as an expert.

The Shareholders' Nomination Board convened 3 times in 2025. The attendance rate was 100 %. The Nomination Board submitted 19 January 2026 its proposal to Pihlajalinna's Board of Directors for presentation at the Annual General Meeting. The proposals have been published in a stock exchange release.

The qualifications and independence of the Board members and the diversity of the Board of Directors

The Board of Directors shall have sufficient and versatile expertise and experience with respect to its duties. In preparing a proposal for the composition of the Board of Directors, attention shall be paid to

the requirements placed by the Company's operations and its development stage. A person to be elected to the Board of Directors shall have the qualifications required by the duties and the possibility to devote a sufficient amount of time to the work. The number of the members and the composition of the Board of Directors shall make it possible for the Board of Directors to fulfil its duties in an efficient manner.

For the versatile support and development of the Company's business, the composition of the Company's Board of Directors should be sufficiently diverse. The Company's objective is that women and men are equally represented on the Board of Directors as defined in the Corporate Governance Code. The overall aim of the Board composition is to achieve sufficiently extensive qualifications, expertise and experience. The sufficient diversity of the Board of Directors, including age and gender, as well as educational and professional background, is considered in the preparation of a proposal for the composition of the Board of Directors.

The majority of the members of the Board of Directors must be independent of the Company. In addition, at least two of the members representing this majority shall be independent of major shareholders of the Company. The members of the Board of Directors must provide the Board of Directors with sufficient information for the evaluation of their qualifications and independence and inform the Board of Directors about any changes in this information. The members of the Board shall not act as representatives of persons who have proposed them to the Board or who otherwise belong to their interest groups.

The duties and responsibilities of the Board of Directors are defined in the Limited Liability Companies Act, the Company's Articles of Association and the Charter of the Board of Directors. The Board of Directors conducts an annual evaluation of its operations and working methods and updates its Charter as needed.

Any matters that are far-reaching from the viewpoint of the Company's business shall be considered and decided by the Board of Directors. According to its Charter, the Board of Directors, among other things:

- reviews and decides on the Group's strategy, annual plan and budget, as well as the related targets, and monitors their implementation;
- decides on the Company's dividend policy;
- approves the Group's key policies, including remuneration, risk management and disclosure policies, insider and related-party

guidelines, the code of conduct as well as the Group's governance framework and monitors compliance therewith;

- reviews and approves the Company's financial statements and the Board of Directors' report (including the Corporate Governance Statement and the Sustainability Report) for the financial year, as well as the half-year financial report and interim reports for the relevant periods;
- reviews and approves the remuneration report for the financial year;
- reviews and approves the Group's significant investments and corporate transactions;
- approves the Group's external financing agreements and issuances of debt instruments;
- confirms the principles of the Company's internal control and risk management;
- reviews the material risks affecting the Company's operations and their management, and supervises the adequacy, relevance and efficiency of the Company's administrative processes;
- appoints and dismisses the CEO and any possible deputy CEO and decides on the terms of their employment;
- confirms, based on the CEO's proposal, the members of the Group's Management Team;
- approves the incentive schemes of the CEO and other management and the Company's remuneration principles;
- convenes the General Meeting.

The members of the Board of Directors are provided with sufficient information on the Group's operations, operating environment and financial position, and new Board members must be introduced to the Company's operations at the beginning of their term. The Board of Directors is regularly informed of matters considered by Pihlajalinna Group's Management Team, receives profit and loss reports and auditor's reports and regularly (at least once a year) hears the auditor's opinions of the Company's financial situation and its developments.

The Board of Directors convenes regularly. The timing of the Board Meetings will be confirmed in advance for the Board's entire term of office. When necessary, the Board holds additional meetings that can be organised as conference calls. At least one of the meetings is a strategy meeting and in at least one meeting the Board meets the Company's auditor. In meetings marked on the annual calendar, the Board of Directors conducts an internal discussion without the presence of management.

The proposal for the composition of the Board of Directors was prepared by the Company's largest shareholders in 2025. Represented

on the Nomination Board were the LocalTapiola Group, Fennia Mutual Insurance Company, MWW Yhtiö Oy (Mikko Wirén) and Elo Mutual Pension Insurance Company, which together represented approximately 48 per cent of the Company's shares.

The principles regarding the composition of the Board of Directors were observed in the Board of Directors elected in 2025. The Board of Directors has three female Board members and three male Board members (four male members until 24 April 2025). The members of the Board represent versatile experience from managerial and board duties. All members of the Board elected in 2025 hold a master's degree and one has a doctoral degree. The members of the Board of Directors have versatile industry-specific expertise as well as economic and business skills. Their age distribution is from 53 to 69 years.

Members of the Board of Directors in the financial year 2025

The members of the Board of Directors up to the Annual General Meeting of 24 April 2025 were Jukka Leinonen (Chair), Leena Niemistö (Vice-Chair), Kim Ignatius, Heli Iisakka, Hannu Juvonen, Tiina Kurki ja Mikko Wirén.

The Annual General Meeting 2025 decided that the number of members of the Board of Directors shall be six (6). The following individuals were elected as members of the Board of Directors: Kim Ignatius, Heli Iisakka, Tiina Kurki, Jukka Leinonen, Leena Niemistö and Mikko Wirén. The General Meeting elected Jukka Leinonen as the Chair of Pihlajalinna Plc's Board of Directors and Leena Niemistö as the Vice-Chair.

During the financial year 2025, the Board of Directors convened 13 times. The average attendance rate during the period was 100 %.

Members of the Board of Directors

JUKKA LEINONEN

Chair of the Board since 2023

M.Sc. (Eng.)

Finnish citizen, b. 1962

Independent of the Company and its major shareholders

Principal occupation: Board Professional



LEENA NIEMISTÖ

Member of the Board since 2014

Vice-Chair of the Board until 2018 and again since 2019

D.Med.Sc., Specialist in Psychiatry

Finnish citizen, b. 1963

Independent of the Company and its major shareholders

Principal occupation: Board Professional



KIM IGNATIUS

Member of the Board since 2023

M.Sc. (Econ)

Finnish citizen, b. 1956

Independent of the Company and its major shareholders

Principal occupation: Board Professional



HELI IISAKKA

Member of the Board since 2022

M.Sc. (Econ.)

Finnish citizen, b. 1968

Independent of the Company and its major shareholders

Principal occupation: Colliers Finland Oy, Chief Financial Officer



TIINA KURKI

Member of the Board since 2023

M.Sc. (Econ)

Finnish citizen, b. 1970

Independent of the Company and its major shareholders

Principal occupation: Alma Media Plc, Executive Vice President, Alma Media Solutions



MIKKO WIRÉN

Member of the Board since 2016

Chair of the Board 2016-2023

Lic.Med.

Finnish citizen, b. 1972

Not independent of the Company, not independent of major shareholders

Principal occupation: MWW Yhtiö Oy, CEO



More information on the Members of the Board of Directors is available in the Investors section of the Pihlajalinna website at <https://www.pihlajalinna.fi/en/investors/corporate-governance/board-of-directors>.

Information on the remuneration of the members of the Board of Directors is presented in a separate Remuneration Report for Governing Bodies.

Board Committees

The Board of Directors may appoint committees and other permanent or temporary bodies to perform duties specified by the Board of Directors. The Board of Directors confirms the charters of its committees as well as the guidelines and authorisations of any other bodies appointed by the Board of Directors. The Board of Directors has established from among its members an Audit Committee and a People and Sustainability Committee. These committees have written charters approved by the Board of Directors.

Audit Committee

Pihlajalinna Plc's Board of Directors has established from among its members an Audit Committee which monitors the Company's reporting process of financial statements and the efficiency of the Company's internal control, potential internal audit and risk management systems. The Audit Committee also reviews the description of the main features of the internal control and risk management systems in relation to the financial reporting process, which is included in the Company's Corporate Governance Statement, monitors the statutory audit of the financial statements and consolidated financial statements and evaluates the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company. The members of the Audit Committee must have the expertise and experience necessary to perform the responsibilities of the Committee and at least one of the members must have special expertise in accounting or auditing.

The Audit Committee comprises three to five members who are elected from among the members of the Board of Directors. The majority of the members of the Audit Committee must be independent of the Company, and at least one member must be independent of major shareholders of the Company.

The Board of Directors has confirmed a written Charter for the Audit Committee, according to which the Committee has the following duties, among other things:

- to monitor the Company's financial standing and financing situation;
- to evaluate the effects of exceptional or extensive business transactions;

CORPORATE GOVERNANCE STATEMENT

SUSTAINABILITY STATEMENT

- to review significant changes to recognition principles and items recognized in the balance sheet;
- to monitor the quality and reliability of the Company's financial statements reporting process, the financial statements and other financial reports;
- to evaluate the use and presentation of alternative performance measures;
- to monitor the Company's financial reporting process and M&A processes;
- to engage in quarterly discussions with the financial management and the auditors on the Company's financial results and stock exchange release before the approval of the Board of Directors;
- to discuss significant financial risks and the management's measures regarding the monitoring, management and reporting of risks;
- to monitor the Company's internal control, potential internal audit and risk management systems, plans and reports as well as the efficiency of these functions;
- to familiarize itself with the principles concerning the monitoring and assessment of related party transactions;
- to review the Corporate Governance Statement, including the description of the main features of the internal control and risk management systems related to the financial reporting process;
- To support the Company's Board of Directors in the appropriate management of functions related to sustainability and ESG criteria, as well as the management of ESG risks;
- to regularly review sustainability-related reporting and processes, as well as risks and controls relating to sustainability;
- to monitor the statutory audit of the financial statements and consolidated financial statements and the assurance of the sustainability report;
- to evaluate the independence of the statutory auditor or audit firm and sustainability reporting auditor and the provision of related services;
- to evaluate the auditor's qualifications and performance;
- to prepare a proposal for a resolution on the election of the auditor and sustainability reporting auditor;
- to maintain communication with the auditor and sustainability reporting auditor and review the reports prepared by the auditor for the Audit Committee and the management's responses to the reports;

- to monitor compliance with laws and regulations and the Company's policies, as well as the effectiveness of the Company's compliance system;
- to monitor and evaluate the development of sustainability (CSRD obligations and the EU Taxonomy);
- to review the Board of Directors' report in its entirety;
- to monitor and evaluate the results of the Group's ESG assessments and analyses (EcoVadis, COP, etc.).

The Audit Committee regularly provides the Board of Directors with a summary of matters considered by the Committee.

Work on the committee is subject to remuneration as determined by the General Meeting.

On 24 April 2025, the Board elected Kim Ignatius (Chair), Heli Iisakka and Tiina Kurki as the members of the Audit Committee.

The Audit Committee convened six times during the financial year 2025. The attendance rate of the Committee members was 100 %.

People and Sustainability Committee

Pihlajalinna Plc's Board of Directors has established from among its members a People and Sustainability Committee, which assists the Board by preparing matters pertaining to the remuneration and nomination of the Company's CEO and other management, as well as the Company's remuneration principles. The Committee also prepares matters concerning organisational development and sustainability for the Board.

The People and Sustainability Committee comprises three to five members who are elected from among the members of the Board of Directors. The majority of the members of the Committee must be independent of the Company. The CEO or other executives of the Company may not be appointed to the People and Sustainability Committee.

The Board of Directors has confirmed a written Charter for the People and Sustainability Committee, according to which the Committee has the following duties, among other things:

- to prepare matters related to the remuneration and other financial benefits of the CEO and other management;
- to prepare proposals related to the Company's incentive plans;

- to evaluate the remuneration of the CEO and other management and to ensure the appropriateness of the Company's remuneration systems;
- to answer any questions at the General Meeting that are related to the remuneration report and within the scope of the People and Sustainability Committee's duties;
- to prepare matters related to the nomination of the CEO and other management and to look for prospective successors for them and specify the personal profiles;
- to plan the remuneration of other personnel and organisational development;
- to review the results of personnel surveys and monitor the diversity of the personnel;
- to steer and evaluate the process of talent identification and development;
- to monitor and evaluate the development of the operating environment, regulations and stakeholder support;
- to monitor and evaluate sustainability-related target setting in the short and long term;
- to review and prepare personnel-related matters for the sustainability programme, including issues relating to occupational safety, work ability, equality and diversity;
- to review and prepare other matters of relevance to the sustainability programme, including quality, impact, data protection and the environment;
- to review and prepare matters pertaining to corporate governance;
- to monitor and evaluate the results of the Group's ESG assessments and analyses (EcoVadis, COP, etc.).

Work on the committee is subject to remuneration as determined by the General Meeting.

On 24 April 2025, the Board of Directors elected Leena Niemistö (Chair), Jukka Leinonen and Mikko Wirén as the members of the People and Sustainability Committee.

The People and Sustainability Committee convened five times during the financial year 2025. The attendance rate of the Committee members was 100 %.

Attendance at Meetings by the Board of Directors and Committee Members in 2025:

Name	Board meetings ⁽¹⁾	Audit Committee meetings ⁽¹⁾	People and Sustainability Committee meetings ⁽¹⁾
Kim Ignatius <small>Board member</small>	13/13	6/6	-
Heli Iisakka <small>Board member</small>	13/13	6/6	-
Hannu Juvonen ⁽²⁾ <small>Board member</small>	3/3	-	2/2
Tiina Kurki <small>Board member</small>	13/13	6/6	-
Jukka Leinonen <small>Chair</small>	13/13	-	5/5
Leena Niemistö <small>Vice-chair</small>	13/13	-	5/5
Mikko Wirén <small>Board member</small>	13/13	-	5/5

1) Attendance rates cover meetings held during each member's term of office.
2) Member of the Board of Directors until 24 April 2025.

Pihlajalinna holdings of the members of Pihlajalinna Plc's Board of Directors on 31 December 2025:

	Number of Shares
Mikko Wirén, total	2,326,271
MWW Yhtiö Oy	2,319,010
Mikko Wirén	7,261
Leena Niemistö	710,881
Jukka Leinonen	17,158
Heli Iisakka	4,528
Kim Ignatius	4,332
Tiina Kurki	3,579
Hannu Juvonen (until 24 April 2025)	0

CEO

The Board of Directors appoints the Chief Executive Officer and decides on the terms and conditions of his or her service contract. The CEO is in charge of the Company's operational management and Pihlajalinna Group's business in accordance with the instructions and orders issued by the Board of Directors. The CEO is responsible for ensuring that the Company's accounting practices comply with the law and that the financial matters are handled in a reliable manner. The Management Team assists the CEO in leading the Company's operations.

Tuomas Hyryläinen was the CEO of Pihlajalinna Plc during the financial year 2025. Pihlajalinna Plc does not have a Deputy CEO.

Group Management Team

Pihlajalinna Group's Management Team assists the CEO in operative business management. The Management Team prepares and steers the development of the Group's business, processes and joint Group functions and promotes cooperation and the flow of information between the various parts of the organisation. It also prepares the Group's strategic planning and budgeting, monitors the implementation of plans and reporting and prepares acquisitions and other major investments. In addition, the Management Team monitors and evaluates the profitability of the Company's businesses as well as the functioning of its internal control and reporting systems. The Management Team convenes regularly by invitation of the CEO. The Management Team regularly evaluates its operations and working methods.

Group Management Team (31 December 2025):

Tuomas Hyryläinen
b. 1977, M.Sc. (Econ.)
employed by the Company since 2023
Chief Executive Officer



Heikki Färkkilä
b. 1980, M.Sc. (Technology)
employed by the Company since 2024
EVP, Strategy and Group Operations



Seppo Kariniemi
b. 1983, MBA
employed by the Company since 2022
EVP, Public Services



Tuula Lehto
b. 1973, M.Sc. in Political Science
employed by the company since 2022
EVP, Communications and Sustainability



Jaakko Liljeroos
b. 1979, LL.M
employed by the company since 2024
EVP, Chief Legal Officer



Lauri Muhonen
b. 1984, eMBA
employed by the company since 2024
EVP, Chief Information Officer



Tarja Rantala
b. 1972, M.Sc. (Econ.)
employed by the Company since 2014
EVP, Chief Financial Officer



Sari Riihijärvi
b. 1977, D.Med.Sc., Specialist
employed by the Company since 2021
EVP, Chief Medical Officer



Mika Videman
b. 1967, Master of Science,
Employed by the Company since 2024
EVP, People and Culture



In 2025, the Group Management Team also included Anu Kallio, Chief Operating Officer, Private Healthcare Services (until 18 September 2025).

The Management Team has met regularly, on a weekly basis. The table below presents the direct and indirect Pihlajalinna shareholdings of the CEO and other members of Pihlajalinna Group's Management Team (31 December 2025).

	Number of shares
Tuomas Hyyryläinen, CEO	46,232
Tarja Rantala	23,805
Seppo Kariniemi, total	11,349
Seppo Kariniemi	8,549
SSK Sijoitus Oy	2,800
Sari Riihijärvi	9,346
Heikki Färkkilä	7,181
Tuula Lehto	7,017
Jaakko Liljeroos	4,000
Lauri Muhonen	4,000
Mika Videman, total	1,374
Videman Renewal Oy	1,374

III INTERNAL CONTROL AND RISK MANAGEMENT MECHANISMS

Internal Control

The purpose of the Group's internal control systems is to ensure that the Company's operations comply with the applicable laws and regulations and the Company's business principles. The goal of internal control associated with the financial reporting process is to ensure that the financial reports published by the Company are prepared in accordance with the accounting principles applied by the Company and that they provide materially correct information regarding the Group's financial position and that financial reporting is accurate and reliable.

The Group's financial development is monitored by Group-wide reporting systems. The systems cover financial information, the budget approved by the Board of Directors, monthly financial forecasts and operational performance indicators. The Group Management Team analyses the result and deviations, is responsible for budgeting and forecasting together with the CEO, monitors the integration and development of completed M&A transactions and other investments. The business controller function and financial management analyse and produce financial reports as well as prepare separate analyses for

use by the management, the Audit Committee and the Board of Directors. The Group's financing is centralized.

The Group's financial management issues guidelines and instructions on the preparation of the financial statements and interim financial statements and, together with the Group communications function and the Chief Legal Officer, is responsible for the Group's regular disclosure obligations.

Pihlajalinna's financial and HR management functions have defined and documented control targets and control points (process-specific control catalogues) related to financial management, reporting and HR administration processes. The appropriateness and effectiveness of control targets and control points are evaluated at least once a year in cooperation with auditors. Internal control observations are analysed and, as a result, guidelines, practices and potentially also control points are updated.

The control measures consist of automated and manual reconciliation of processes, controls, analytical checks and instructions aimed at ensuring the accuracy of financial reporting. Further key control mechanisms include the administration of access rights to information systems and reporting systems as well as the controlled implementation of authorisations and changes to systems. The financial management function processes and regularly reports to the Board of Directors on exceptional items and items subject to management judgment and analyses the underlying reasons behind changes to forecasts.

The CEO and the chief executives of the subsidiaries are in charge of ensuring that accounting and administration in the areas they are responsible for comply with the law and that the Group's guidelines are adhered to. The Group's legal department is in charge of issuing operational guidelines and instructions in its area of responsibility. The auditors audit the accounting and administration of the parent company and the subsidiaries annually. In all Group companies, auditing is conducted by a firm of authorised public accountants. The auditor of the parent company is responsible for the coordination of audit focus areas, the analysis of audit observations from the point of view of the consolidated financial statements and communication with the Group's financial management and the CEO. The detailed auditing results are reported annually to the Group management, the Audit Committee and the Board of Directors.

The Audit Committee verifies that accounting, financial administration, finance, the internal audit and auditing are organised appropriately. The Board of Directors reviews and approves half-year reports, interim reports and financial statements bulletins.

Internal controls related to sustainability reporting are described in more detail in the Board of Directors report as a part of the sustainability statement in section *General Information (ESRS2)*.

Internal audit

The purpose of Pihlajalinna's internal audit is to assess the appropriateness and performance of the Company's internal control system, risk management, management processes and administrative processes. The internal audit supports organisational development and enhances the fulfilment of the Board of Directors' supervisory duty.

The internal audit assists the organisation in achieving its objectives by evaluating and surveying its functions and supervising compliance with Company guidelines and instructions. To this end, the internal audit produces analyses, estimates, recommendations and information for use by the Board of Directors and senior management. The assessments are reported upon completion to the CEO, the CFO and the management in charge of the function being assessed. They are also reported regularly to the Board's Audit Committee.

The internal audit function is based on internal standards (IIA). The internal audit function is independent of the rest of the organisation. The point of departure for the internal audit is primarily management-oriented, and the work is coordinated in cooperation with the external audit. The annual audit plan and audit report are presented to the Audit Committee. The internal audit function also audits other areas by request of the Board of Directors and Pihlajalinna's Management Team.

Pihlajalinna's internal audit activities continued in 2025 in accordance with the cooperation previously organised with PwC. PwC's follow-up audit again focused on information security. The audit evaluated the identified information security management systems and security controls.

Risk management

Pihlajalinna's Risk Management Policy defines the goals, principles, operating methods and responsibilities of risk management. Risk management at Pihlajalinna has been carried out at the Group, business unit, service and process level in accordance with the Risk Management Policy approved by Pihlajalinna's Board of Directors. Furthermore, the Group invests in the management of occupational safety and health risks and in quality management systems, such as ISO 9001 and ISO14001.

The goal of Pihlajalinna's risk management is to promote the achievement of the Group's strategic and operational targets, customer and patient safety, shareholder value, the Group's operational profitability and the realisation of responsible operating methods. Risk management is used to ensure that the risks affecting the Company's operations are known, assessed and monitored, and that measures are implemented to control the risks. Internal risk reporting is included in the regular business reporting as well as in business planning and decision-making. The material risks and their management are reported to stakeholders regularly and, when necessary, on a case-by-case basis.

The assessment of sustainability-related risks plays an important role in risk management. This component has covered the identification and assessment of impacts and risks in terms of business risk assessment, human rights risk assessment, and double materiality assessment (DMA). These areas will be integrated into the Group's general risk management process in the coming financial years.

Pihlajalinna's risk management principles emphasise the necessary obligations related to operations and the resulting opportunities for organising risk management, standard-based quality management tools and self-monitoring. Risk management supports the management system and the day-to-day management of services. Risk management is integrated into the service processes and the process owner is responsible for the risk management. The aim is to minimise the impact on Pihlajalinna's operations in the event of a risk materialising.

In 2025, Pihlajalinna's Management Team evaluated risk management processes and the need for their updates, considering the prevailing risk environment as well as the new operating model that entered into force on 1 January 2026.

In 2025, Pihlajalinna's risk management project identified the key targets of risk management measures to be the changing operating environment in normal and exceptional circumstances, resources and supervisory work, organisation, strategy and prioritisation, systems and processes and their development, personnel availability and work ability, data protection, information security, particularly from the perspective of cybersecurity, and patient safety, particularly from the perspective of self-monitoring.

Group management and operative management are responsible for risk management according to their reporting responsibilities. In addition, risk management specialists guide and develop the group's risk management. The Group Management Team regularly discusses the

key risks related to the Group's business operations. Everyone working at Pihlajalinna must also know and manage risks related to their responsibilities. The appropriateness and effectiveness of the company's risk management are evaluated as part of the company's annual risk management process.

IV OTHER INFORMATION REQUIRED

Insider administration and principles

Pihlajalinna Plc complies with the Nasdaq Helsinki Ltd Guidelines for Insiders in effect at any given time, subject to the additional specifications concerning Pihlajalinna and referred to in Pihlajalinna's Insider Guidelines. The Pihlajalinna insider guidelines, which specify the insider guidelines of Nasdaq Helsinki Ltd, are approved annually by the Board of Directors.

The Company's insider information and the managers' and their related parties' transactions in Company's financial instruments are administered according to applicable legislation and the Insider Guidelines of the Company. When necessary, the Company sets up project-specific insider lists which includes every person who receives project-specific inside information.

The insider lists are not public. The Company's insider lists are maintained in the Insider Elements by Euroclear service provided by Euroclear Finland Ltd.

In addition to the insider lists, the Company creates and maintains a list of persons discharging managerial responsibilities and related parties (natural or legal persons) who have the duty to notify their transactions related to Company's financial instruments to the Company and the Financial Supervisory Authority within three business days after the transaction. The company publishes the notified transactions in a release no later than two business days after receiving the notification from a person discharging managerial responsibilities or a person closely associated with them. Persons discharging managerial responsibilities include Pihlajalinna's members of the Board of Directors and members of the Management Team.

Executives at Pihlajalinna and non-executive persons defined by the Company are prohibited from all trading in the Company's securities or related derivatives and other financial instruments on their own account or for the account of a third party during the period of 30 calendar days before the publication of the Company's annual financial statements, interim report and half year financial report (closed window) or on the publication date of the aforementioned information.

Pihlajalinna Plc has published its insider principles (insider and related party principles) on the Company's website.

Related parties and principles for related party transactions

Pihlajalinna complies with the legislation pertaining to related party transactions and, in accordance with the Corporate Governance Code for listed companies, ensures compliance with the requirements for the monitoring, assessment, decision-making and disclosure of related party transactions. Pihlajalinna's Guidelines on Related Party Transactions, which describe the principles for the monitoring and assessment of related party transactions, is approved annually by Pihlajalinna's Board of Directors, which is responsible for monitoring and assessing related party transactions.

The purpose of Pihlajalinna Plc's Guidelines on Related Party Transactions is to ensure that any business transactions involving persons belonging to the Company's related parties are made independently and based on market terms. The Company assesses and verifies that any related party transactions are in the best interests of the Company overall and that any conflicts of interest are duly taken into account when making decisions on related party transactions. The principles of the Guidelines on Related Party Transactions are observed throughout the Group and in the decision-making concerning all of the Group companies.

Pihlajalinna Plc's related parties include the Group's executives, such as the members, deputy members (if any) and secretary of the Board of Directors, the CEO, Deputy CEO and members of the Management Team, and the aforementioned persons' spouses and common-law spouses and other people living in the same household. In addition, related parties include organisations in which an above-mentioned related party, either alone or together with other related parties, exercises significant influence or control. Related parties also include the Company's subsidiaries, associated companies and joint ventures and their CEOs, Board members and potential deputy members, as well as organisations controlled by any of these parties.

Pihlajalinna Plc maintains a related party register of major business transactions between the Company and its related parties, the parties involved and the key terms of such transactions. The information entered in the register is collected annually from the persons belonging to the Company's related parties by means of control surveys. The Company's related party register is not public, and any information entered in it will not be disclosed to third parties, with the exception

of any authorities and the auditor entitled to receive such information. People considered as related parties are obliged to notify the Company's related party administration of any related party transactions which are being planned, or which have come to their knowledge. Such notification must be made without delay after receiving such information. The results of the monitoring of related party transactions are regularly reported to the Board's Audit Committee.

Pihlajalinna may carry out transactions with related parties provided that the transactions are part of Pihlajalinna's ordinary course of business and implemented under arms-length terms in compliance with the decision-making procedure specified in Pihlajalinna's internal policies and guidelines. Related party transactions that are not part of Pihlajalinna's ordinary course of business or are not implemented under arms-length terms are decided on by Pihlajalinna's Board of Directors, with due consideration given to the regulations concerning conflicts of interest.

Any related party transactions will be processed in accordance with the Guidelines on Related Party Transactions approved by Pihlajalinna's Board of Directors. Any major transactions to be executed with Pihlajalinna's management and its related parties shall always be approved by the Board of Directors.

Pihlajalinna reports on related party transactions annually in its financial statements. Related party transactions that are of material significance from the shareholder's perspective and are not part of the Company's ordinary course of business or are not implemented under arms-length terms are disclosed in accordance with the Securities Markets Act and the rules of the Nasdaq Helsinki Ltd stock exchange.

Pihlajalinna Plc has published its principles concerning related party transactions (insider and related party principles) on the Company's website.

Auditors and auditing

According to the Articles of Association, the Company shall have one (1) Auditor that shall be a firm of authorised public accountants with an APA-certified Auditor acting as the Auditor with principal responsibility.

The auditor will annually submit an auditor's report to Pihlajalinna's Annual General Meeting. When the Company's Board of Directors reviews the financial statements, the principal auditor provides a statement on the implementation of the audit and on their audit observations.

Pihlajalinna Plc's Annual General Meeting on 24 April 2025 resolved, in accordance with the Board's proposal, to appoint Ernst & Young Oy as the Company's auditor for a term ending at the conclusion of the Annual General Meeting 2026. The responsible auditor appointed by Ernst & Young was Johanna Winqvist-Ilkka, APA.

Ernst & Young Oy has been the auditor of Group companies during the financial year 2025. The following fees have been paid to the auditor (amounts in thousands of euros):

Auditor's fees	2025	2024 ¹⁾
Auditing, Ernst & Young Oy	360	328
Statements, Ernst & Young Oy	90	64
Non-audit services, Ernst & Young Oy	0	48
Total	450	441

1) The Company's auditor for the financial year 2024 was KPMG Oy Ab.



Sustainability Statement 2025

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Basis for preparation of the sustainability statement (BP-1)

Pihlajalinna Plc's sustainability statement has been prepared in accordance with the requirements laid down in chapter 7 of the Accounting Act and the European Sustainability Reporting Standards (ESRS). The 2025 statement covers the period from 1 January to 31 December 2025, and is consolidated with the 2025 financial statements, applying the same consolidation scope. The Group companies are listed in the notes to the consolidated financial statements.

No information related to industrial design or copyright, know-how or innovation results has been omitted. The targets and metrics presented in the report have not been validated by a third party other than the assurance provider. The sustainability topics and KPIs reported in the sustainability statement are based on the requirements of the ESRSs and Pihlajalinna's double materiality assessment (DMA), conducted in late 2023 and updated in spring 2025 in connection with Pihlajalinna's new strategy. Pihlajalinna's Board of Directors has approved the material themes and sustainability topics based on the DMA. The DMA includes impacts, risks and opportunities which cover Pihlajalinna's own operations and the material parts of the upstream and downstream value chain. The policies, actions, targets, and metrics extending to Pihlajalinna's value chain are described in the sections connected to the relevant standards. More detailed information

on Pihlajalinna's DMA process and its results is provided in section ESRS 2, under IRO-1: Process to identify and assess material impacts, risks, and opportunities.

Coverage of the upstream and downstream value chain

The data in the sustainability statement is reported for the entire Pihlajalinna Group, covering Pihlajalinna's own operations and partially the upstream and downstream value chain. Pihlajalinna's material sustainability topics extend to consumers and end-users. The sustainability topics extend to upstream and downstream value chain workers through service providers and suppliers. The material sustainability topics extend to consumers in the downstream value chain through Pihlajalinna's own services and service partners. The sustainability topics extend to the environment in the upstream and downstream value chain through the personnel, individual customers, and procurement activities through the supply chains of suppliers and service providers. The sustainability statement covers the material sustainability topics in the value chain.

Boundaries and foundations of reporting (BP-2)

Time horizons

This sustainability statement complies with the time horizons defined by the ESRS standards. Short term (1 year) describes the current financial year, medium term the following 1–5 years and long term the period beyond 5 years.

Value chain estimation sources and outcome uncertainty

Pihlajalinna Group's sustainability statement for 2025 has been prepared following the structures and principles of the ESRSs. Comparative information on the disclosure requirements related to the material sustainability matters is presented for the first reporting period, 2024. Changes to the previous sustainability statement are related to, among other things, the update of the DMA. Information concerning this is provided in IRO-1: Process to identify and assess material impacts, risks, and opportunities. In addition, with regard to the ESRS 2 SBM-3 disclosure requirement, the relevant topic-specific information is presented in connection with the reporting on the topical standards.

Pihlajalinna's energy and greenhouse gas (GHG) calculations and measurement are based on the GHG Protocol Corporate Standard

(version 2004) and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (version 2011). The consolidation approach to emissions accounting is operational control. Accordingly, the energy-related emissions of leased facilities are included in Pihlajalinna's Scope 1 and 2 emissions. Pihlajalinna's emissions accounting includes estimated and indirect data, with the most significant uncertainties arising from spend-based procurement emissions and estimates of individual customers' travel and personnel commuting. These categories represent over two-thirds of the total emissions, which is why the reported total emissions involve material uncertainty. These metrics are partially based on proxies, sector averages, and internal assumptions, increasing measurement uncertainty. Key sources of uncertainty include limited data availability, spend-based modelling limitations, and variability in survey data. Preparing the estimates required assumptions about the emission intensity of service purchases, customer travel behaviour, and personnel commuting patterns. Accuracy will improve as data collection becomes more precise and spend-based accounting develops. Key development actions include improving data accuracy and availability, especially in the upstream value chain. Development measures concerning emissions accounting will be specified further during future financial years. A more detailed description of emissions accounting in section E1, under E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions.

Changes and corrections to the preparation and presentation of sustainability information

The completion rate of Pihlajalinna's Code of Conduct training covered in 2024 all employees and practitioners. In 2025, the reporting practice was revised so that the completion rate only includes employees in permanent, full-time or part-time employment. The change was made because the boundary provides more accurate information on the effectiveness of the training. The completion rate reported in 2024 was 59 per cent. The restated comparison figures are presented in section G1, table G1: Targets and metrics related to business conduct.

Effective from 2025, the basis of preparation regarding work-related accidents has been changed. Incidents rejected by the occupational accident insurance company and incidents for which no compensation was paid are eliminated from the figures. The figure reported for work-related accidents for 2024 was 319 accidents. The figure reported for 2024 was based on all incidents reported to the insurance company. The restated comparison figures are presented in section S1, under S1-14: Health and safety metrics.

The basis of preparation concerning the median annual wage was changed in 2025 to take into account employment relationships that began and ended mid-year and annualising the wage so that the median reflects the wage level more accurately. In calculating the median wage for 2024, wages were not annualised, and the reported

median wage of employees was EUR 33,942.75. The restated comparison figures are presented in section S1, under S1-16: Compensation metrics.

The basis of preparation for the employee turnover rate was changed in 2025 to also include employment relationships for which the reason for termination is "fixed-term employment ends" to better reflect the change in the number of employees, including changes in fixed-term employment relationships in connection with the transfers of outsourcing arrangements to wellbeing services counties. For the previous financial year, the reported turnover rate was 10.7 per cent and the number of terminated employment relationships was 1,148. The restated comparison figures are presented in section S1, under S1-6: Characteristics of the undertaking's employees.

The number of patient injury notices (0.04) and the number of cases of patient injury subject to compensation (0) reported for 2024 have been restated. This is due to a change in Pihlajalinna's patient insurance. The restated comparison figures are presented in section S4, table S4: Targets and metrics related to consumers and end-users.

The GHG emissions Pihlajalinna reported for 2024 have been restated. This applies to Scope 1 (446.09 tCO2eq), Scope 2 location-based (2,841.64 tCO2eq), Scope 2 market-based (1,899.38 tCO2eq), Scope 3 (27,769.23 tCO2eq) emissions, Scope 3 biogenic emissions (55.66 tCO2eq) and the emissions intensity based on location-based (44.6 t CO2eq / MEUR) and market-based (42.8 tCO2eq / MEUR) emissions. This is due to refinement in the Pihlajalinna emissions calculation method. The restated comparison figures are presented in section E1, under E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions.

ESRS content index

ESRS Standard	Disclosure requirement (DR)		Sustainability statement sections
ESRS2 General disclosures	BP-1	General basis for preparation of sustainability statements	Basis for preparation of the sustainability statement (BP-1)
	BP-2	Disclosures in relation to specific circumstances	Boundaries and foundations of reporting (BP-2)
	GOV-1	The role of the administrative, management and supervisory bodies	The role of senior management in sustainability management (GOV-1)
	GOV-2	Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies	Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies (GOV-2)
	GOV-3	Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes (GOV-3)
	GOV-4	Statement on due diligence	Statement on sustainability due diligence (GOV-4)
	GOV-5	Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting (GOV-5)
	SBM-1	Strategy, business model and value chain	Strategy, business model and value chain (SBM-1)
	SBM-2	Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material sustainability topics in Pihlajalinna's activities and their interaction with strategy (SBM-3)
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Process to identify and assess material impacts, risks and opportunities (IRO-1)
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	List of disclosure requirements in ESRS (IRO-2) Table: Management of Pihlajalinna's material impacts, risks and opportunities (IRO)

CORPORATE GOVERNANCE STATEMENT

SUSTAINABILITY STATEMENT

ESRS E1 Climate change	ESRS 2, GOV-3	Integration of sustainability- related performance in incentive schemes	Integration of sustainability- related performance in incentive schemes (GOV-3)
	ESRS 2, IRO-1	A description of relevant climate-related impacts, risks and opportunities identification and assessment processes	Description of the processes to identify and assess material impacts, risks and opportunities related to climate change (IRO-1)
	ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities related to climate change and their management (SBM-3)
	E1-1	Transition plan for climate change mitigation	Transition plan for climate change mitigation (E1-1)
	E1-2	Policies related to climate change mitigation and adaptation	Policies related to climate change mitigation and adaptation (E1-2)
	E1-3	Actions and resources in relation to climate change policies	Actions and resources in relation to climate change policies (E1-3)
	E1-4	Targets related to climate change mitigation and adaptation	Targets related to climate change mitigation and adaptation (E1-4)
	E1-5	Energy consumption and mix	Energy consumption and mix (E1-5)
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)	
ESRS S1 Own workforce	ESRS 2, SBM-2	Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
	ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities related to own workforce and their management (SBM-3)
	S1-1	Policies related to own workforce	Management of material topics and policies (S1-1)
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	Engaging with own workforce (S1-2)
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Actions (S1-4)
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets and metrics (S1-5)
	S1-6	Characteristics of the undertaking's employees and S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	Characteristics of the undertaking's employees (S1-6)
	S1-9	Diversity metrics	Diversity metrics (S1-9)
	S1-10	Adequate wages	Adequate wages (S1-10)
	S1-14	Health and safety metrics	Health and safety metrics (S1-14)
S1-16	Compensation metrics (pay gap and total compensation)	Compensation metrics (S1-16)	
S1-17	Incidents, complaints and severe human rights impacts	Incidents, complaints and serious human rights complaints (S1-17)	
ESRS S4 Consumers and end-users	ESRS 2, SBM-2	Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
	ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities related to consumers and end-users and their management (SBM-3)
	S4-1	Policies related to consumers and end-users	Management of material topics and policies (S4-1)
	S4-2	Processes for engaging with consumers and end-users about impacts	Engaging with consumers and end-users (S4-2)
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Actions (S4-4)
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets and metrics (S4-5)	
ESRS G1 Business conduct	ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	The role of the administrative, management and supervisory bodies (ESRS2 GOV-1)
	ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Description of the processes to identify and assess material impacts, risks, and opportunities related to business conduct (IRO-1)
	G1-1	Corporate culture and business conduct policies and corporate culture	Business conduct policies and corporate culture (G1-1)
	G1-5	Political influence and lobbying activities	Political influence and lobbying activities (G1-5) Table: Policies

The role of senior management in sustainability management (GOV-1)

By managing sustainability consistently, Pihlajalinna wants to ensure that the Group operates sustainably and ethically while also promoting and enabling the achievement of its sustainability targets. In addition to legislation, the charters of the Board of Directors and its committees define their responsibilities in addressing sustainability themes and the related impacts, risks, and opportunities. The CEO, supported by the Management Team, oversees the company's day-to-day management in line with the instructions and orders issued by the Board.

The Board of Directors and senior management play a key role in responsible governance, oversight, and regulatory compliance of the business. Good governance competencies are an essential part of the expertise of Board members, gained through board roles and executive positions in large companies and in highly regulated industries. In addition, the Board of Directors and senior management have broad experience of the Group's material sustainability topics and of assessing related risks and opportunities.

The Group Management Team discussed in 2024 and 2025, together with the Group's shop stewards, ways to increase employee representation in the Group's senior administration. As of the end of 2025, the matter remains under consideration by the shop stewards, and a decision will be made in the following financial years.

Board of Directors

At the end of the financial year (31 December 2025), Pihlajalinna's Board of Directors had six members: Jukka Leinonen (Chair), Leena Niemistö (Vice Chair), Kim Ignatius, Heli Iisakka, Tiina Kurki and Mikko Wirén. The regular secretary of the Board of Directors was Chief Legal Officer Jaakko Liljeroos.

Pihlajalinna's Board of Directors has extensive and diverse expertise in management in several sectors, including the social and healthcare sector and medicine. The Board members also have backgrounds in public healthcare administration and advocacy organisations. Several of the members also serve on the boards of other listed companies, which provides additional expertise in environmental and social responsibility and corporate governance. The Board of Directors is well-versed in sustainability and the requirements of sustainability reporting from the perspectives of different industries, such as telecommunications, the food industry, environmental and property business, retail, pharmaceuticals and logistics. Although Pihlajalinna operates

only in Finland, the members of the Board also have experience in international business and its management.

Pihlajalinna's Board of Directors is the highest body responsible for sustainability themes. The Board of Directors approves the Group's key policies and principles guiding the Group's operations and internal control, such as the Pihlajalinna Code of Conduct, human rights principles, anti-corruption and bribery policies, the Personnel Policy, the Non-Discrimination Policy, the Risk Management Policy and the Environmental Policy. It reviews and approves the key targets and outcomes related to sustainable business. The principles, policies and targets are regularly reviewed and updated as necessary when the operating environment changes. The Board approves the sustainability programme and strategic sustainability targets and monitors their progress through regular reviews. The Board of Directors approves the sustainability statement and is the highest body responsible for sustainability-related impacts, risks and opportunities. The double materiality assessment, which was updated in spring 2025, was reviewed by the Audit Committee.

The Executive Vice President, Communications and Sustainability regularly updates the Board of Directors on the progress of sustainability targets related impacts, risks and opportunities. In addition, the Board reviews the Group's key risks and their control at least once a year and reviews the big picture annually.

Board diversity and assessment of independence

To diversely support and develop Pihlajalinna's business, the Group's Board of Directors must have be sufficiently diverse. The overall aim of the Board composition is to achieve sufficiently extensive qualifications, skills and experience. The sufficient diversity of the Board of Di-

rectors, including age and gender, as well as educational and professional background, is taken into account in the preparation of a proposal for the composition of the Board. When the proposal is prepared, each Board member candidate confidentially provides the information required for assessing their qualifications and time use, in accordance with instructions provided by the Group.

The proposal concerning the composition of the Board of Directors is prepared by the Shareholders' Nomination Board, which consists of representatives appointed by the largest shareholders. The Board is responsible for assessing the independence of its members. According to the Finnish Corporate Governance Code, a majority of the members shall be independent of the company and its significant shareholders. Independence during this financial year was 83 per cent. At least two independent Board members must also be independent of the company's significant shareholders. Kim Ignatius, Heli Iisakka, Tiina Kurki, Jukka Leinonen and Leena Niemistö are independent of the company and its significant shareholders.

Committees

The Board of Directors has two committees: the Audit Committee and the People and Sustainability Committee. The committees have a clear division of responsibilities in their agendas in the whole of sustainable development and sustainability. The Audit Committee is responsible for sustainability reporting as well as its oversight and development. The Committee reviews the Board of Directors' report, including the sustainability statement, in its entirety. The People and Sustainability Committee is responsible for monitoring developments in the operating environment and for guiding and overseeing the Group's sustainability programme and its targets.

Board's gender distribution and diversity				
	2025	%	2024	%
Non-executive members	6	100	7	100
Male	3	50	4	57
Female	3	50	3	43
Other	0	0	0	0
Other members	0	0	0	0
Representation of employees	0	0	0	0
Board's gender distribution (ratio of female to male members)	1.0		0.75	
Percentage of Board members who are independent		83		86



Group Management Team

All of the quantitative data relating to senior management concern the composition as of 31 December 2025. In addition to the CEO, the Management Team has representation of the Group's businesses and corporate functions.

Pihlajalinna's operations focus on Finland, and the Management Team has extensive experience in the conduct of business in Finland and abroad. The Management Team also has extensive industry, product and service expertise from Finnish and international business. Pihlajalinna's Management Team has comprehensive expertise and skill with regard to key areas relating to business and sustainability. The skills are at a high level in terms of quality, clinical value, ethical business, data protection and personnel, for example.

At Pihlajalinna, the CEO is responsible for ensuring that the impacts, risks, and opportunities of Pihlajalinna's material sustainability topics are monitored and implemented as planned. The CEO, together with the Management Team is responsible for setting Pihlajalinna's sustainability targets, monitoring progress and supervising operating practices that address the material impacts, risks and opportunities. In addition, the Management Team reviews the overall progress of sustainability efforts and sustainability-related topics at least twice a year. Sustainability-related matters are presented by the Executive Vice President, Communications and Sustainability, who is a member of the Management Team. The Management Team also supervises the implementation of approved sustainability actions. No separate procedures are used for managing impacts, risks and opportunities; supervision is part of normal risk management and internal control.

The Executive Vice President, Communications and Sustainability is responsible for the implementation of sustainability matters and provides the Board of Directors or its committees with updates on the

progress of sustainability targets and sustainability-related impacts, risks and opportunities. In addition, the director in charge of the relevant area is responsible for the control of the impacts, risks and opportunities of different areas of sustainability topics. The Executive Vice President, Communications and Sustainability is responsible for sustainability reporting and strategic-level progress. Personnel well-being is overseen by the Executive Vice President, People and Culture, while the Chief Medical Officer is responsible for the health and safety of customers and the Chief Legal Officer is responsible for ethics-related matters.

Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies (GOV-2)

Management and subject matter experts present different aspects of sustainability to the Board of Directors and its committees. The reviews provide information about the most material sustainability impacts, risk and opportunities, as well as up-to-date insights about sustainability and related regulations. The Executive Vice President, Communications and Sustainability, who is a member of the Management Team, is responsible for presenting sustainability-related matters to the Board of Directors, its committees and the Management Team. A presentation is given to the Board of Directors at least once a year, to the People and Sustainability Committee and the Management Team at least twice a year, and to the Audit Committee on a quarterly basis.

The Executive Vice President, Communications and Sustainability and the experts responsible for the risk management process, report annually to the Board of Directors and quarterly to the Management Team on Pihlajalinna's risk management results, including material sustainability risks, as part of the normal risk management and self-monitoring process. During 2025, the Executive Vice President, Communications and Sustainability and subject-matter experts reported to the administrative, management and supervisory bodies on the results and effectiveness of the approved policies, actions, metrics and targets related to material impacts, risks and opportunities. Such reviews are held twice a year.

During the reporting period, Pihlajalinna continued the systematic integration of human rights perspectives into the Group's broader risk management process. This work will continue systematically in the coming financial years. The aim is to ensure that human rights impacts are identified, prevented and managed as part of the company's normal business operations. This supports the strengthening

Management Team's gender distribution and diversity				
	2025	%	2024	%
Pihlajalinna Group Management Team	9	100	10	100
Male	6	67	6	60
Female	3	33	4	40
Other	0	0	0	0
Other members	0	0	0	0
Representation of employees	0	0	0	0
Management Team's gender distribution	0.5		0.66	

of sustainability and improves comprehensive risk management. Regarding the themes presented in this report and to be developed further, as well as the results and effectiveness of the policies, actions, metrics and targets set for them, the Board of Directors will receive updates from the Executive Vice President, Communications and Sustainability twice a year moving forward.

Impacts, risks and opportunities concerning the Group have been taken into account as part of strategy work, the risk management process and major business decisions by discussing them at the level of the Management Team and Board of Directors and its committees in the processes of preparing the strategy and business decisions. More information is provided under SBM-1: Strategy, business model and value chain, SBM-2: Interests and views of stakeholders, and SBM-3: Material sustainability topics in Pihlajalinna's activities and their interaction with strategy. The overall framework will be further systematised, and the annual action calendars are being refined, taking into account the Group-wide operating model change that entered into effect on 1 January 2026.

Sustainability topics discussed in the meetings of the Board of Directors, its committees and the Group Management Team in the financial year 2025:

- Update of the double materiality assessment
- Sustainability reporting and related regulatory development
- Verification of sustainability reporting
- Emissions accounting and transition plan draft
- Customer experience and satisfaction
- Personnel wellbeing, development and results of the personnel survey
- Data protection and information security
- Risk management
- Internal control and internal audit
- Remuneration and the Remuneration Policy
- Reports made via the whistleblowing channel
- Sickness-related absences
- Targeting of Pihlajalinna's own occupational healthcare

Integration of sustainability-related performance in incentive schemes (GOV-3)

Pihlajalinna's Remuneration Policy describes the principles of remuneration and the total remuneration of the administrative, management and supervisory bodies. The Remuneration Policy and any material amendments to it are prepared by the People and Sustainability Committee of Pihlajalinna's Board of Directors. Pihlajalinna's updated Remuneration Policy was approved by the Annual General Meeting on 24 April 2025. The Board of Directors reviews and approves the Remuneration Policy to be presented to the General Meeting and any material amendments to it. The Board of Directors of Pihlajalinna decides on the remuneration paid to the CEO in accordance with the Remuneration Policy. The People and Sustainability Committee prepares remuneration-related matters, if necessary, with the assistance of independent external experts.

The maximum level of remuneration available under the CEO's short-term remuneration scheme in 2025 was 60 per cent of the fixed annual salary (2024: 60 per cent). The remuneration is based on Pihlajalinna's adjusted EBITA with a weight of 60 per cent (60 per cent), organic revenue growth with a weight of 30 per cent (30 per cent) and personnel satisfaction, as measured by the eNPS, with a weight of 10 per cent (10 per cent). In addition, the CEO takes part in the long-term share-based incentive plan, in which the remuneration available is tied from 2025 onwards to Pihlajalinna's Return on capital employed (ROCE) with a weight of 40 per cent, Total Shareholder Value (rTSR) with a weight of 30 per cent, annual revenue growth with a weight of 20 per cent and the development of the sickness absence per cent with a weight of 10 per cent.

For the other members of the Management Team, the remuneration available in the long-term share-based incentive plan is tied to the same metrics as used for the CEO. The maximum level of remuneration available under the short-term remuneration scheme in 2025 was 35–40 per cent (25–40 per cent) of fixed annual salary. The remuneration is based, on a weighted basis, on the Group's adjusted EBITA and organic revenue growth and personnel satisfaction. In addition, there are targets related to the respective areas of responsibility, and of these, customer satisfaction (NPS), sickness-related absence rate (SPO) and personnel satisfaction (eNPS) are linked to sustainability. These targets are also used to assess the management's performance, and they are key metrics from the point of view of Pihlajalinna's material sustainability topics (S4 Consumers and end-users and S1 Own workforce). For the members of Pihlajalinna's Management Team, the share of variable remuneration components linked to

sustainability-related targets was 10 per cent (10 per cent) in the short-term remuneration scheme and 10 per cent (40 per cent) in the long-term remuneration scheme. Climate-related perspectives have not been integrated into the remuneration of the administrative, management and supervisory bodies.

Description and implementation of the remuneration of the Board of Directors

Pihlajalinna's General Meeting decides on the fees paid to the members of Pihlajalinna Plc's Board of Directors. The proposal for the remuneration of the Board members is prepared by the Shareholders' Nomination Board. Board members can be paid annual or monthly fees, for instance, and a meeting fee for meetings of the Board of Directors or its committees. In 2025 and 2024, the remuneration of the Board of Directors was paid in shares and in cash. No sustainability-related metrics have been integrated into the remuneration of the members of the Board of Directors.

Description of the remuneration of the CEO

Pihlajalinna's Board of Directors appoints the Chief Executive Officer and decides on the terms and conditions of their service contract. Before decision-making by the Board, the matter is prepared by the People and Sustainability Committee of the Board of Directors. The CEO is not a member of the People and Sustainability Committee and does not take part in decision-making in matters concerning their remuneration. In accordance with the Remuneration Policy, the remuneration of the CEO is based on a fixed monthly salary including fringe benefits and separately decided variable remuneration components, such as a long-term share-based incentive plan and a short-term incentive plan, for example.

Follow-up

The Board of Directors' People and Sustainability Committee monitors the implementation of the Remuneration Policy and, if necessary, submits proposals for actions to the Board to ensure its effective execution. The Board of Directors submits the Remuneration Policy to the General Meeting for review as necessary, however at least once every four years. In addition, the Board of Directors annually presents the Annual General Meeting with a remuneration report, enabling shareholders to assess the implementation of the Remuneration Policy within Pihlajalinna. The General Meeting decides on the approval of the Remuneration Report. The decision of the General Meeting regarding the remuneration report is of an advisory nature.

Core elements of due diligence	Sections in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-4: Statement on sustainability due diligence ESRS 2 SBM-1: Strategy, business model and value chain
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2: Interests and views of stakeholders ESRS 2 IRO-1: Process to identify and assess material impacts, risks and opportunities S1-2: Engaging with own workforce S4-2: Engaging with consumers and end-users G1-5: Political influence and lobbying activities
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1: Process to identify and assess material impacts, risks and opportunities ESRS 2 SBM-3: Material sustainability topics in Pihlajalinna's activities and their link with the strategy, and topic-specific SBM-3 GOV-5: Risk management and internal controls over sustainability reporting S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
d) Taking actions to address those adverse impacts	E1-3: Actions and resources in relation to climate change policies S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns S1-4: Actions S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns G1-1: Business conduct policies and corporate culture
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 SBM-2: Interests and views of stakeholders S1-5: Targets and metrics S4-5: Targets and metrics

Statement on sustainability due diligence (GOV-4)

Pihlajalinna's due diligence is part of the Group's operating and governance practices. With regard to governance, the process sets requirements for the transparency of the organisation, ethical management and stakeholder engagement in decision-making. In addition, Pihlajalinna's due diligence process has been expanded into safeguarding human rights so as to prevent activities infringing fundamental rights. This includes working conditions, prevention of discrimination and prevention of other human rights infringements. During the reporting period, progress was made with the integration of human rights perspectives into the Group's risk management process, and with the more detailed specification of remedies and monitoring metrics, among other things. The development efforts will continue in a planned and systematic manner in the coming financial years, and the aim is to strengthen the management of human rights impacts as part of comprehensive risk management. The attached table outlines the stages of the due diligence process and indicates where each of them is described in the sustainability report.

Risk management and internal controls over sustainability reporting (GOV-5)

Sustainability reporting follows Pihlajalinna's statutory reporting, risk management and internal control principles. The sustainability team under Group services is centrally responsible for sustainability reporting. Sustainability reporting is carried out by persons specialising in sustainability reporting and reporting standards. In order to ensure the accuracy and timeliness of the reported data, Pihlajalinna has deployed a governance model that defines the roles and responsibilities for sustainability reporting. The capabilities required for producing data have been identified and defined in the different areas of Pihlajalinna's operations so that all reported areas are covered at a sufficient level. Experts from finance, HR, procurement, medical services, legal and IT, among others, contribute to the process.

The Board of Directors has the ultimate responsibility for the appropriateness of internal control related to reporting. It prepares and annually approves the financial statements and the Board of Directors' report, including the sustainability statement. The Audit Committee assists in monitoring the effectiveness of the principles of internal

control and risk management. The Audit Committee supervises the financial statements as well as financial and sustainability reporting processes to ensure high quality and integrity. Pihlajalinna's Board of Directors assesses the level of internal control at least once a year. The Board of Directors may also use an external service provider for separate internal audit assignments.

The internal control of sustainability reporting is based on risk identification, analysis and focusing control on the most material identified risks, and best practices of internal control. The reporting data is generated within business processes, and all participants are responsible for its accuracy. Reporting-related risks and their prioritisation have been assessed through the findings of the process participants, and any risks have been addressed immediately. No critical risks emerged during the reporting process.

Pihlajalinna's sustainability reporting involves risks related to the accuracy and interpretation of data, human error and the correctness and repeatability of reported data, which may be affected by incomplete data, manual work stages, unclear responsibilities or inadequate documentation. The reporting schedule may involve risks related to insufficient resources, for example. Risks are mitigated and managed by following the principles of internal control and the sustainability reporting governance model, which clearly define the roles and responsibilities related to the process, as well as the identified risks and their management. Pihlajalinna has deployed a reporting system that supports the management and traceability of reported data. Operating practices related to the reporting process, progress monitoring and reviews by the Audit Committee support the management of schedules. Resource needs are taken into account in the planning of the process and the engagement of internal stakeholders. Pihlajalinna has identified the increasing need for new expertise also with regard to other responsibility topics and sustainability reporting and has systematically increased operational resources in these areas.

The business areas and Group functions are responsible for ensuring transparency in the data required for reporting. The governance model roles ensure data accuracy, compliance with schedules and submission to the person responsible for sustainability reporting in the business areas and Group functions. Accuracy and timeliness are ensured by internal controls that are embedded in common business processes and the systematic monitoring of which is part of internal control reporting. Sustainability reporting risks and findings have so far been handled separately and not yet integrated into the Group's broader risk management processes. Alignment of the Group's risk management and sustainability reporting processes and risks is re-

viewed as part of continuous development efforts, and the development will continue in the coming financial years. The Executive Vice President, Communications and Sustainability reports to the Audit Committee and Management Team on sustainability reporting and potential risk observations as necessary in connection with the presentation of sustainability topics.

Strategy, business model and value chain (SBM-1)

Pihlajalinnna is a private social and healthcare service provider. The Group offers private clinic and hospital services, as well as services related to occupational healthcare and insurance cooperation. Pihlajalinnna offers social and healthcare service production models for wellbeing services counties. Individual customers use Pihlajalinnna's services either directly or through partners, i.e. corporate customers, insurance companies or the public sector, and they are provided with a wide range of on-site, remote and digital services.

Pihlajalinnna's shares are listed on Nasdaq Helsinki Ltd, and 91.7 per cent (98.5 per cent) of the shares are held by Finnish shareholders. All the Group's business operations are in Finland. Pihlajalinnna pays all of its taxes to Finland. Pihlajalinnna's head office is located in Tampere. At the end of the financial year 2025, the Group had 4,540 (6,493) employees and 2,251 (2,145) practitioners. The decrease in the number of personnel is mainly due to the gradual transfers of outsourcing arrangements to wellbeing services counties and the divestment of service housing units, in connection with which employees have been transferred to the service of a new employer. Pihlajalinnna's values are energy, ethics and open-mindedness. Pihlajalinnna wants to be a value-based and responsible industry pioneer that offers quick and high-quality care. This goal is promoted by developing multichannel services.

In 2025, Pihlajalinnna concentrated on developing its business and further strengthening profitability in accordance with its strategy. There were no significant changes in Pihlajalinnna's services, markets served or customer groups during the reporting period. In 2025, Pihlajalinnna divested part of its housing and care services business. More information is provided in the consolidated financial statements in note 28: Acquired business operations and divestments.

Private clinic and hospital services

Pihlajalinnna's private clinic and hospital network covers all of Finland, focusing on the biggest regional centres. In addition to general practitioners, specialists and nurses' appointments and emergency and on-call services, the services offered include, among other things, surgical operations, physiotherapy and examination services.

Occupational health services

For corporate customers in occupational healthcare, Pihlajalinnna offers services that help maintain work ability with the aim of supporting organisations and helping them achieve their goals. In addition to statutory preventive services, Pihlajalinnna offers medical care services. The services are provided at Pihlajalinnna's private clinics and hospitals and through remote service channels.

Examinations

Pihlajalinnna provides an extensive range of laboratory and imaging services. Imaging examinations include, for example, magnetic, X-ray and ultrasound examinations. The services also cover clinical physiological examinations.

Remote services

Pihlajalinnna invests in multichannel services. Remote services equalise regional differences and bring cost efficiency. Pihlajalinnna's remote services include assessment of the need for care, general practitioner and medical specialist services and various service concepts, such as a national disease clinic (Kansantautiklinikka), responsible doctor services and mental health Mielen Pihlajalinnna.

Fitness centre services

Forever fitness centres offer diverse wellbeing services. Fitness centre services complement Pihlajalinnna's preventive occupational healthcare services and rehabilitation services carried out after specialised care procedures.

Services for the public sector

Pihlajalinnna produces value-based social and healthcare services for wellbeing services counties. Outsourcing services include care units, health centres and complete and partial outsourcings and remote services, such as responsible doctor services. In addition, Pihlajalinnna offers outsourced service production, such as services produced with service vouchers and procurement packages that cover a specified number of surgical procedures.

The link between the impacts, risks and opportunities with the Group's business model and value chain is described in more detail in section ESRS 2, under SBM-3: Material sustainability topics in Pihlajalinnna's activities and their interaction with strategy, and in the figure: Pihlajalinnna's value chain. The cost structure and revenues of the business segments in accordance with the IFRS 8 disclosure requirements are described in the consolidated financial statements, in note 1: Segment information, and note 2: Revenue from contracts with customers.

Targets related to sustainability

Pihlajalinnna has set targets for promoting sustainable development. Private clinic and hospital services aim at quick, needs-based and high-quality care for individual customers. High-quality assessment of need for care facilitates the optimum use of healthcare resources. Occupational health services focus on maintaining the work ability of companies' employees and providing cost-effective solutions for companies. Extensive geographical coverage aims for equality of services between regions. Pihlajalinnna wants to be the most committed partner for insurance companies', corporate customers' and the public sector's success. Insurance company collaboration, for example, focuses particularly on cooperation to achieve mutual goals and continuously improve value-based services, to ensure quick and appropriate care for individual customers as well as cost-effective solutions.

Pihlajalinnna wants to be the most desirable workplace for healthcare professionals, where the best talent in the industry has a high level of job satisfaction and to which they want to make a long-term commitment. Pihlajalinnna's aim is to reduce GHG emissions, improve energy efficiency and develop stakeholder dialogue, as well as create targets and measures with supplier partners to reduce emissions from procurement.

Pihlajalinnna's sustainability-related targets are described in the following subsections: E1-4: Targets related to climate change mitigation and adaptation, S1-5: Targets and metrics, and S4-5: Targets and metrics. Pihlajalinnna's current services support sustainability-related targets by promoting access to care, reducing emissions and strengthening preventive healthcare. Partners' needs guide the development of services towards more value-based and equal promotion of health.

Strategy

Pihlajalinnna's view is that the healthcare sector needs to shift its focus from service volumes to overall cost-effectiveness and new types of care pathways which, through cooperation with partners, namely insurance companies, companies and the public sector, deliver the greatest possible health benefits at the most reasonable total cost. The ageing of the population and the increasing prevalence of chronic diseases drive up the demand for healthcare services, which increases the importance of cost management.

Pihlajalinnna's strategy is based on reforming customer-driven and results-oriented care pathways as well as developing value-based services aimed at improving the quality and outcomes of care. Value-

based care pathways are medically necessary and timely, enabling optimised and resource-efficient care. Pihlajalinna's strategy emphasises that the Group's success is built in cooperation with partners and professionals. Pihlajalinna wants to be the most desirable workplace for the professionals in the industry. The aim is to offer smooth daily life and a predictable customer flow, and to build an attractive corporate culture founded on human-centred leadership and shared principles.

Ambition

We are a reformer of healthcare. We thrive with our partners and our professionals. We succeed by building more value-based care pathways and a human-oriented work community.

Focus areas

Partnerships: The most committed partner for insurance companies', corporate customers' and the public sector's success

Value-based care pathways: Reformer of customer-driven, effective care pathways

The most desirable work community: The most attractive corporate culture in the industry

Enablers

Operational quality and productivity
Service and commercial development
Offering and network
Digital and data

Pihlajalinna's sustainability programme

Pihlajalinna's sustainability work is grounded in the UN Sustainable Development Goals, international commitments, the business strategy and the company's values. Based on these, Pihlajalinna has established the sustainability programme's focus areas, which guide practical measures and development efforts.

One key tool of sustainability work is the double materiality assessment, which combines stakeholder views and an assessment of the impacts of business operations. This approach ensures that sustainability efforts are focused on themes that are both externally and internally material and significant. The DMA is updated regularly, at intervals of 2–3 years, to ensure that it corresponds to changes in the operating environment and supports strategic decision-making. Sustainability work is not separate from Pihlajalinna's other operations. Instead, it is overarching and guiding work.

Pihlajalinna's sustainability programme outlines the key themes of sustainability, for which concrete metrics and targets have been set. The progress of the targets and actions is monitored by means of management reviews, for example. The three main themes of the sustainability programme support the business strategy and Sustainable Development Goals:

Value-based health

Value-based health means that Pihlajalinna's high-quality and cost-effective healthcare services are accessible to everyone. Clinical quality and value are Pihlajalinna's key strategic priorities.

Pihlajalinna professionals with a high level of wellbeing

Behind the wellbeing of Pihlajalinna professionals is meaningful work in a work community that is managed with high quality and has a high level of wellbeing. At Pihlajalinna, professionals are treated equally and fairly, and their personal and professional development is ensured.

Sustainable business

Sustainable business means sustainably produced healthcare services and that investing in sustainable development promotes the wellbeing of individual customers, the personnel and the environment.

Sustainable Development Goals

Pihlajalinna is committed to upholding the UN Sustainable Development Goals (SDGs) in its activities. Of the 17 SDGs, Pihlajalinna has identified the four that are the most material to its operations. Pihlajalinna promotes these four goals in a purposeful manner as part of its sustainability programme. Progress related to the targets and actions is monitored by means of management reviews. The selected SDGs are as follows:

Good health and wellbeing (SDG 3) in the context of Pihlajalinna's operations means strengthening value-based healthcare services by providing high-quality social, health and wellbeing services through Pihlajalinna's private clinics, hospitals, fitness centres and housing services across Finland.

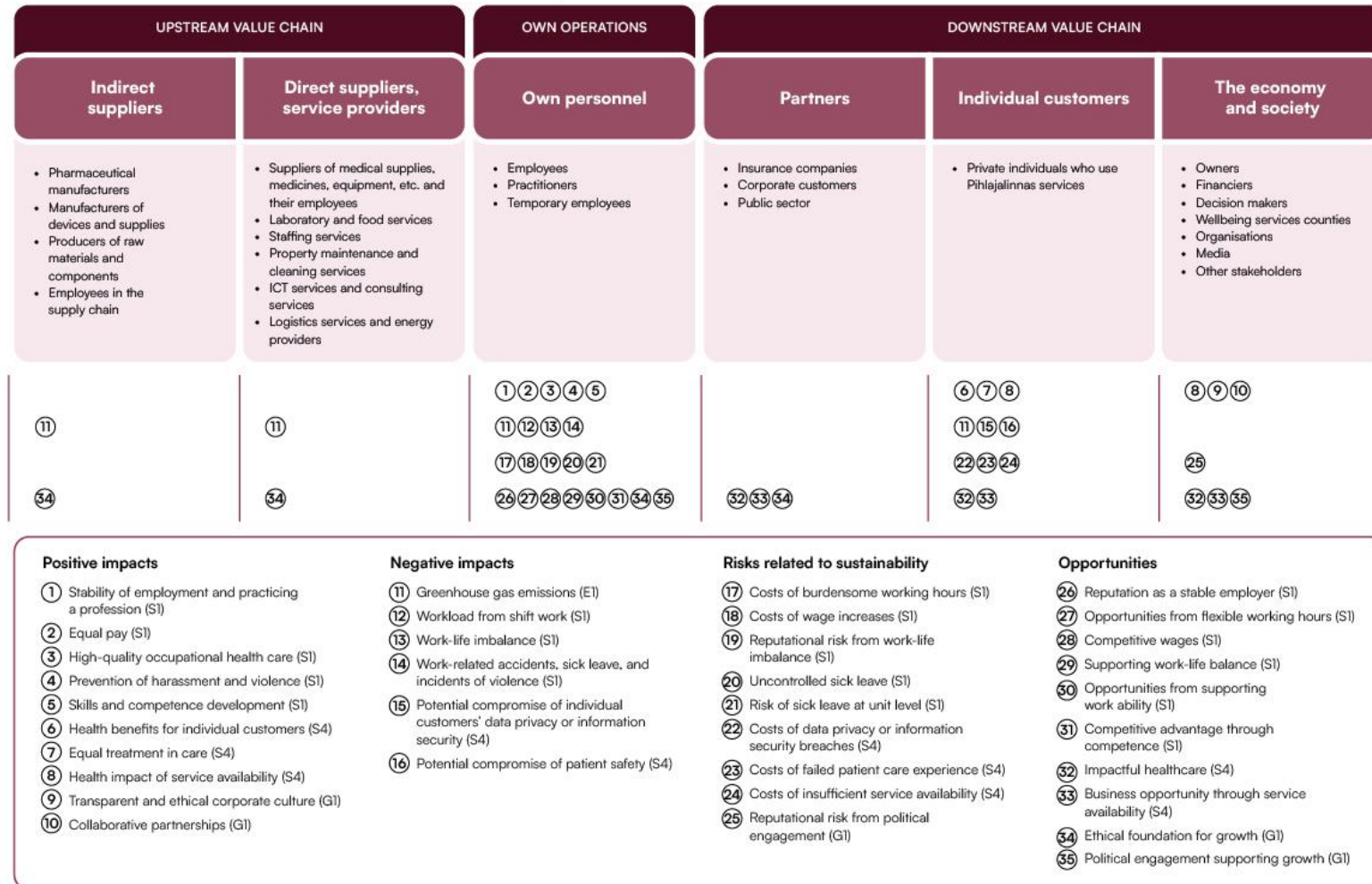
Decent work and economic growth (SDG 8). Pihlajalinna's actions to promote this goal include ensuring labour rights and occupational safety, the appropriate management of human rights risks in the Group's own operations and in its partner network, and developing diversity, equity and inclusion and increasing awareness in all activities, including training and recruitment.

Climate action (SDG 13) includes actions such as setting emission reduction targets and guiding personnel and customers towards more sustainable procedures and practices, such as digital solutions, sustainable procurement practices and stakeholder engagement.

Partnerships for the goals (SDG 17). Pihlajalinna is committed to creating value for its partners by developing healthcare services that are cost-effective from an overall perspective, and developing service models that enable timely care, the efficient allocation of resources and effective management of the total costs of healthcare.

Pihlajalinna's value chain is illustrated in the figure below. The figure shows the main features of the upstream and downstream value chain and as well as the location of material impacts, risks, and opportunities within the value chain. Activities related to the Pihlajalinna's own operations have been described earlier in this section.

Pihlajalinna's value chain



Interests and views of stakeholders (SBM-2)

Pihlajalinna provides social and healthcare services in Finland. The Group has various stakeholders whose expectations it aims to meet through open dialogue. Engagement with different stakeholders is ensured by using diverse communication channels. Important stakeholders include insurance companies, companies, consumers and the public sector. With professional and skilled personnel, Pihlajalinna can respond to the expectations of other stakeholders. Operating in the social services and healthcare sector also requires close engagement with the public authorities, decision-makers and industry organisations. As a listed company, Pihlajalinna creates value for its shareholders and engages in open dialogue with the media and the analysts and investors that follow the Group.

Pihlajalinna engages in active dialogue with various industry operators through meetings and its own channels. Pihlajalinna is a member of the Finnish Association of Private Care Providers (Hali), which represents companies and organisations that produce social and healthcare services. Hali is a member of the Confederation of Finnish Industries EK. Pihlajalinna is also a member of the industry association Lääkäripalveluyhdistys LPY.

Stakeholder views were collected in connection with the double materiality assessment carried out in 2023, supplementing the understanding of the impacts on stakeholders and the kind of information expected by stakeholders as the basis of their own decision-making. In addition to the Group's own personnel, the stakeholders that responded to the survey included individual customers, shareholders, the public authorities and decision-makers, partners and media.

The Executive Vice President, Communications and Sustainability, the Sustainability Manager, and the persons in charge of different functions, such as representatives of HR, inform the administrative, management and supervisory bodies of the views of affected stakeholders and Pihlajalinna's sustainability-related impacts. Pihlajalinna has not changed its business or strategy on the basis of the stakeholder analysis during the reporting period.

The strategy and business model play a significant role in the wellbeing of Pihlajalinna's own workforce. For example, growing the business and improving the efficiency of operations can, at least temporarily, have the effect of increasing the workload, but the strategic focus on wellbeing at work, competence development and the quality of leadership help to mitigate those effects. These efforts

Stakeholder	Interests and views of stakeholders	Purpose and development areas	Engagement channels
Individual customers	High-quality and value-based treatment and care Highly skilled and professional healthcare personnel Versatile remote services Smooth service process Reliability and data protection	Professional expertise and training of the personnel Development of multi-channel services Extensive and up-to-date data processing and information security Quality certifications Development of new services	Interaction in service delivery Customer service channels Customer and patient satisfaction surveys Feedback channels Social media
Partners: public sector entities, insurance companies and corporate customers	Effective assessment of need for care Cost management High-quality and value-based services Data protection and information security Partnership models	Professional expertise and training of the personnel Adequate resources Continuous development of remote channels Providing solutions in response to changes in the operating environment Value-based treatment and service models	Personal interaction Customer satisfaction surveys Co-creation
Personnel	Clear job descriptions and targets Excellent leadership and supervisory work Collaboration in statutory employer-employee cooperation Management of wellbeing at work and occupational safety and health Diversity, equity and inclusion High-quality tools and equipment Top-quality facilities Motivating remuneration model	Target-setting and development discussions at the individual and team level Development of leadership and supervisory work Active communication and open dialogue Personnel, non-discrimination and equality policies Development of tools and equipment	Personal interaction Personnel briefings Target-setting and development discussions Training and coaching Intranet Pihlis Pulse personnel survey Statutory employer-employee cooperation, occupational safety and health meetings and the Kimpassa forum Pihlajalinna Academy training portal Anonymous whistleblowing channel HSE Lite occupational safety and health reporting system
Shareholders	The company's strategic management and increasing shareholder value Transparent and regular communication Sharing insights on changes in the operating environment and their impacts Risk management Advancing sustainability Reliable sustainability reporting (CSDR) Timely and reliable financial reporting	Effective leadership, driving profitability and growth Consistent strategy and a goal-oriented roadmap Active communication on business and strategy development and progress Extensive monitoring and analysis of the operating environment Comprehensive risk management process Advancing sustainability efforts	Quarterly and annual reporting Quarterly results release webcasts Stock exchange announcements and corporate website Investor relations meetings Annual General Meeting
Media	Reliability, transparency, timeliness, and speed of communication	Timely responses to media inquiries Assigning the right experts for interviews Active dialogue Ensuring communication resources and expertise Disclosure Policy Trained spokespersons	Stock exchange and press releases E-mails and phone calls Social media Media meetings
Authorities and industry organisations	Seamless cooperation supporting shared industry goals Broad sharing of expertise	Open dialogue on industry-related topics Cooperation with the public authorities Sharing current themes and ideas	Corporate websites Active participation in networks Responding to information requests Personal meetings

are reflected in day-to-day operations in the adaptation of operating practices, for example, and they are monitored in section S1, under S1-2: Engaging with own workforce, and S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns, in accordance with the described processes.

Pihlajalinna's own personnel is the most essential group of the affected stakeholders. Pihlajalinna has integrated the UN Guiding Principles on Business and Human Rights into its Code of Conduct. The organisation is committed to respecting and promoting the rights of Pihlajalinna professionals, including non-discrimination, occupational health and safety, and freedom of association. These principles have been integrated into the Personnel Policy, and they guide both strategic decision-making and operational activities. The views, interests and rights of the personnel have a direct effect on strategic choices and the business model. Employee engagement takes place through personnel surveys, workshops and dialogue organised in connection with strategy processes, among other contexts. These mechanisms help to ensure that the views of personnel are taken into account in business development and decision-making.

One of the focus areas of Pihlajalinna's new strategy is to be the most desirable work community. The employee Net Promoter Score (eNPS) is one of Pihlajalinna's medium-term strategic targets. The aim is to be an attractive workplace where the personnel have a high level of job satisfaction and opportunities for professional development. More information on how Pihlajalinna's strategy and business model take into account the rights, views and wellbeing of its own workforce, and the impacts of the strategy and business model on personnel, is provided in section S1, especially under SBM-3: Material impacts, risks and opportunities related to own workforce and their management, S1-1: Management of material topics and policies, and S1-2: Engaging with own workforce.

The strategy and business model play a significant role in relation to consumers and end-users in that the availability, quality and safety of services, for example, may have a direct impact on the wellbeing and rights of individual customers. The strategy and business model support the mitigation and prevention of potential negative impacts on the one hand, and the strengthening of positive impacts through a focus on customer orientation, value-based care pathways and the offering and networks. This is reflected in the quality of services, for example, and performance in these focus areas is monitored through patient safety feedback channels and customer feedback. Individual customers are engaged in the development of operations, and engagement data is collected from them for use in individual development projects, and it will be used more extensively in the future.

One of the focus areas of Pihlajalinna's new strategy is value-based care pathways. The customer experience target (NPS) for the Group's healthcare services is one of Pihlajalinna's medium-term strategic targets. More information on how Pihlajalinna's strategy and business model take into account the rights, views and wellbeing of individual customers, and the impacts of the strategy and business model on individual customers is provided in section S4, especially under SBM-3: Material impacts, risks and opportunities related to consumers and end-users and their management, S4-1: Management of material topics and policies, and S4-2: Engaging with consumers and end-users.

Material sustainability topics in Pihlajalinna's activities and their interaction with strategy (SBM-3)

The material impacts, risks and opportunities identified in Pihlajalinna's double materiality assessment are presented under the ESRS standards E1 (Climate change), S1 (Own workforce), S4 (Consumers and end-users) and G1 (Business conduct) in this sustainability statement. Based on the results of the double materiality analysis, Pihlajalinna's material sustainability impacts are presented in the materiality matrix on the next page. The material impacts, risks and opportunities are also described in more detail in the figure: Pihlajalinna's value chain, and the table: Management of Pihlajalinna's material impacts, risks and opportunities (IRO). The management of the material impacts, risks and opportunities is described in more detail in each section of the sustainability statement.

The following were assessed to be non-material topics:

- ESRS E2 Pollution
- ESRS E3 Water and marine resources
- ESRS E4 Biodiversity and ecosystems
- ESRS E5 Resource use and circular economy
- ESRS S2 Workers in the value chain
- ESRS S3 Affected communities

The connection between the impacts, risks and opportunities and the strategy and business model

Pihlajalinna's material impacts, risks and opportunities are taken into account in the development of the strategy, business model, value chain and decision-making, as they are closely linked to Pihlajalinna's day-to-day operations and the monitored metrics and targets. Pihlajalinna operates in a target-oriented manner in a changing operating

environment in which maintaining personnel resources, skills and wellbeing is of paramount importance. The personnel are Pihlajalinna's most valuable asset, and the ambition of being the most desirable work community is one of the focus areas of Pihlajalinna's strategy. Monitoring and managing the impacts, risks and opportunities related to Pihlajalinna's own workforce is important for ensuring business continuity.

The health, privacy and equality of consumers and end-users are at the core of Pihlajalinna's strategy. Pihlajalinna wants to be a reformer of customer-driven and value-based care pathways and the most committed partner for insurance companies', corporate customers' and the public sector's success. This means that impacts, risks and opportunities associated with consumers and end-users can influence the success of the strategy. The current and anticipated impacts of Pihlajalinna's emissions do not affect its strategy or business model. Corporate governance and ethical business conduct guide decision-making and strengthen sustainability throughout the value chain. Corporate culture and political engagement can support sustainable business and strengthen stakeholder relations, and taking these factors into account is essential for Pihlajalinna to respond to the expectations of its stakeholders and adapt to the changing operating environment.

Currently, none of Pihlajalinna's material impacts, risks and opportunities require immediate changes to the strategy, business, value chains or decision-making. Instead, they are taken into account as part of responsible management and operations. Pihlajalinna actively monitors changes in the operating environment and assesses the development of impacts, risks and opportunities as part of its operational activities, so that it can proactively update its strategy and business model as necessary and take advantage of new opportunities.

Pihlajalinna's material negative impacts may, for example, weaken the wellbeing or working conditions of the personnel, and make climate change mitigation more difficult. As regards consumers and end-users, the material negative impacts are related to limitations in the availability of services, data protection or the weakening of patient safety, for example.

At the same time, the positive impacts support the wellbeing at work, competence development and equality of the personnel, and promote end-user health and safety. Positive impacts from the perspective of the environment can be reflected in sustainable procurement and emission reductions, for example. The positive impacts of corpo-

rate culture and political engagement are reflected in both the personnel and business relationships, and they promote sustainable and transparent operations throughout the value chain.

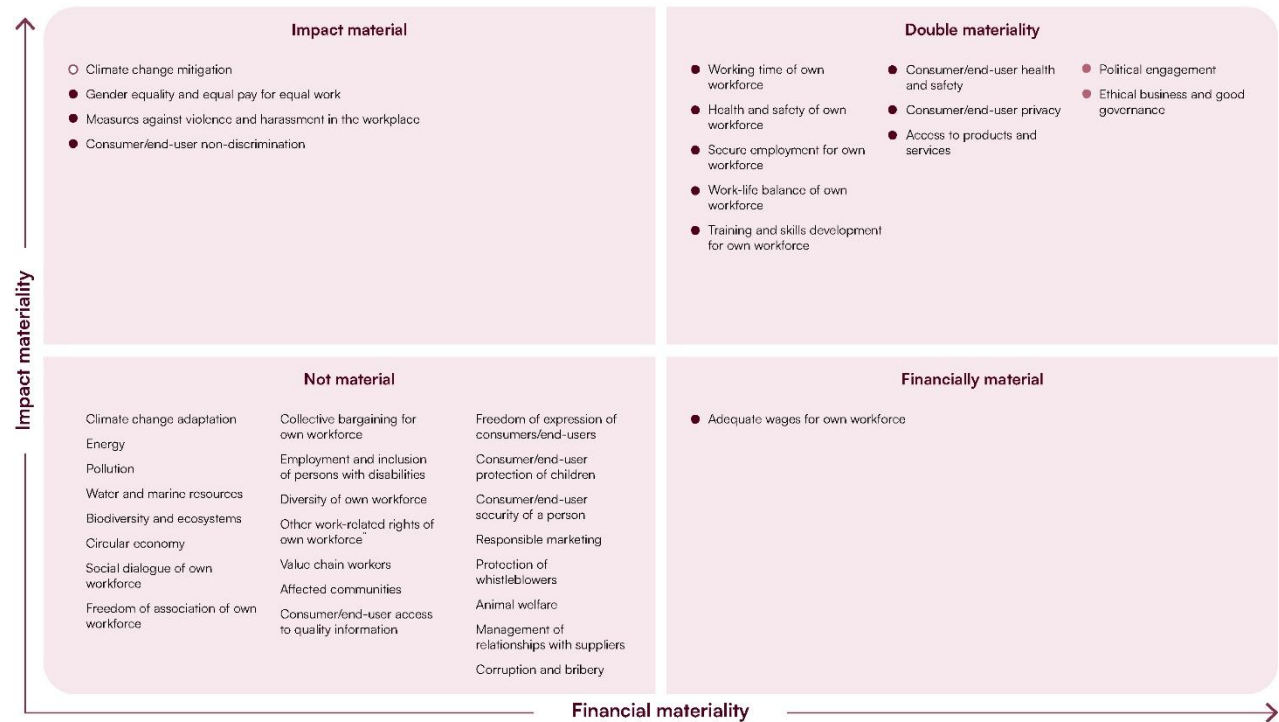
Pihlajalinna's material impacts are closely linked to its strategy and business model. Choices on service models, channels and growth may affect individual customers, personnel wellbeing and operational emissions. Strategic focus areas, such as value-based care pathways and investments in personnel, promote positive impacts for individual customers and the work community. Pihlajalinna strives to actively identify and manage the negative impacts that are typical of its industry, such as the personnel's workload and challenges related to wellbeing at work, by developing the working conditions, supporting the personnel's ability to cope with the demands of work and focusing on good leadership. At the same time, Pihlajalinna strengthens its positive impacts by, for example, promoting the competence and wellbeing of the personnel, developing customer-oriented services and complying with the Code of Conduct and transparency in its operations.

Pihlajalinna is connected to its material impacts through its activities and business relationships. Climate-related impacts arise particularly through procurement and travel by individual customers, generating emissions across the value chain as well as in Pihlajalinna's own operations, such as personnel's commuting. The material impacts on personnel stem mainly from Pihlajalinna's own operations, as personnel are central to the Group's core activities and working conditions directly affect them. The impacts on consumers and end-users mainly arise through Pihlajalinna's own services, although business relationships, such as insurance company partners, may also influence customer satisfaction. Corporate culture and political engagement form a part of Pihlajalinna's operations, but their implementation and impacts also extend to value chain actors and cooperation partners.

Pihlajalinna's operations involve material risks and opportunities related to, for example, the wellbeing of its workforce, the health of consumers and end-users, data protection and information security, and political engagement. These may have direct or indirect impacts on Pihlajalinna's financial position, result and cash flows.

During the financial year, no individual incidents were identified that would have led to material changes in Pihlajalinna's financial position or adjustments to the financial statements. However, some of the material risks and opportunities may materialise as part of normal business operations, for example through changes in wages, responding to customer requirements or changes in the regulatory environment. These may have impacts on personnel expenses, revenue or investments in future financial years, for example. Pihlajalinna monitors

Pihlajalinna's materiality matrix



○ Environment ● Social ● Governance

these risks and opportunities and assesses their potential impacts on financial statement items as part of continuous risk management.

Pihlajalinna has assessed the capacity of its strategy and business model to address material impacts, risks and opportunities related to sustainability perspectives. The assessment covers the short, medium and long term and is integrated into strategic planning. Developments are examined continuously, especially in connection with the annual planning of operations. The strategy demonstrates a strong capacity for managing risks and taking advantage of opportunities, and it is assessed qualitatively and quantitatively in relation to changes in the operating environment, such as climate change, regulation, customer behaviour and technological development.

Scenario thinking is utilised in strategy work to assess alternative directions of development and their impacts on the business. The credibility and competitiveness of the strategy are key from the perspective of stakeholders, such as personnel, individual customers and financing providers. The strategy emphasises partner value creation, being the most desirable work community and overall cost-effectiveness, which supports the resilience of the organisation and responding to the industry's sustainability challenges.

Risks or opportunities related to climate change mitigation or adaptation did not emerge as material in the DMA. In 2025, Pihlajalinna identified climate risks and opportunities related to the organisation's

operations and assessed the climate resilience of Pihlajalinna's strategy and business model by means of scenario analysis. Based on both the 1.5°C and 4.5°C scenarios, Pihlajalinna is subject to limited physical climate risks and transition risks in the short term but, in the longer term, the amount of physical climate risks increases, particularly in the 4.5°C scenario. More information is provided in section E1, under SBM-3: Material impacts, risks and opportunities related to climate change and their management.

Changes to material sustainability topics

The double materiality assessment conducted in 2023 and the material impacts, risks and opportunities reported based on that assessment were re-evaluated in spring 2025. Pihlajalinna also switched to a new reporting platform and, in connection with this transition, an updated methodology was adopted for the DMA. This is described in IRO-1: Process to identify and assess material impacts, risks and opportunities. Changes were made to some of the sustainability topics as a consequence of these processes. The descriptions of all impacts, risks and opportunities were reviewed and specified further.

In the re-evaluation of the DMA, attention was paid to the E1 standard's precise definition of climate change adaptation, and it was noted that, at present, no significant climate-related risks have been identified that would threaten Pihlajalinna's operations, and Pihlajalinna does not have material adaptation processes that could have impacts on people or nature.

The stability of the employment relationships of own workforce was not considered to be associated with a material risk, as Pihlajalinna offers permanent employment contracts where possible, and the original risk was associated with sickness-related absences. In addition, the risk associated with the health and safety of Pihlajalinna's own workforce was divided into short, and medium to long-term risks. The potential negative impact related to the work-life balance of Pihlajalinna's own workforce was categorised as material in the re-evaluation. In addition, incidents of violence and unauthorised presence were identified as significant drivers in incident reports, and they were categorised as material impacts on Pihlajalinna's own personnel.

The impacts, risks and opportunities related to consumers and end-users were also re-evaluated and, consequently, certain topics are no longer reported as material in 2025. These topics include the security of consumers and end-users, freedom of expression, access to quality information, protection of children and responsible marketing practices. Moving forward, the material topics of the security of person

and protection of children will be integrated into the sustainability topics of privacy, health and safety, as threats to the fundamental rights of individual customers have a direct impact on their wellbeing and privacy. Due to the changes in business operations, the freedom of expression of consumers and end-users is not a material topic as, at the end of 2025, it only concerns a limited number of services and thus a limited number of individual customers. Consumers' and end-users' access to quality information is addressed under the sustainability topic of privacy regarding patient data and under the sustainability topic of health and safety regarding care; service information is openly available on the website, and professionals share relevant information in interactions with customers. Pihlajalinna does not focus on consumer marketing, and it is not among the focus areas of the new strategy. Consequently, the impacts, risks and opportunities related to responsible marketing practices did not emerge as material in 2025. Risks and opportunities related to non-discrimination of consumers and end-users were not material in 2025, although they are important. Regarding the health and safety of consumers and end-users, Pihlajalinna's services and their development and the health benefits obtained from them were categorised as a material opportunity.

Process to identify and assess material impacts, risks and opportunities (IRO-1)

Pihlajalinna carried out its first double materiality assessment in 2023. The assessment was reviewed and partially updated in spring 2025. Changes to the strategy and business were taken into consideration in updating the assessment, and special attention was paid to interpreting the definitions set out in the standard. The methodology of the DMA was also partially updated.

The materiality assessment did not focus on specific measures, business relationships or geographical areas; instead, the assessment covered all Pihlajalinna's own operations and the value chain. As part of the double materiality assessment, Pihlajalinna identified impacts, risks and opportunities, taking into account the entire Group's location, activities, sector, value chain and business structure. The nature of operations affects the identified impacts, risks and opportunities with regard to patient safety, the quality of care and the workload of the personnel, for example. Industry regulation guides the assessment, particularly from the perspective of data protection, patient rights and ethical policies. When examining the business structure, attention has been paid to, for example, outsourcing arrangements and changes thereto, as well as working with cooperation partners. The impacts caused by the Group's own operations and value chain have been assessed separately for each topic. Thus, the assessment takes

into account impacts in which Pihlajalinna is involved through its own operations and as a result of its business relationships.

Geographic location was used as a criterion in assessing regional differences in the accessibility of services, access to care and the availability of resources across Finland. Pihlajalinna operates only in Finland, so all the impacts are concentrated in Finland. Primarily, the impacts take place in a similar manner in all facilities, but there is slight variation depending on whether they are an office, private clinic, hospital, service housing unit or a fitness centre. Pihlajalinna's business operations are described in more detail in SBM-1: Strategy, business model and value chain. For example, employee workload is most prevalent in care services rather than in standard office work. The impacts related to end-users materialise in both remote and on-site services. Themes related to climate change and business conduct have similar impacts across the entire Group's activities.

The DMA carried out in 2023 consisted of several phases. In the preliminary assessment, potential sustainability matters were screened on the basis of the ESRS standards and scientific research and narrowed down to a short list to be assessed by experts. The material sustainability topics identified in the assessment were described in detail and their materialities were assigned numerical values using the materiality assessment calculation model described in the ESRS 1 standard. A stakeholder survey was also carried out in 2023, with the participants including the Group's own personnel, individual customers, partners, shareholders, the public authorities and decision-makers, suppliers and media, among others. The results of the expert assessment were discussed with Pihlajalinna experts in a workshop and a double materiality assessment was conducted based on it, identifying the sustainability themes material to Pihlajalinna.

The update in 2025 was focused on reviewing the material impacts, risks and opportunities, but the evaluation also covered the preliminary assessment conducted in 2023 and the short list from which the material topics were identified. Short workshops were held regarding the impacts, risks and opportunities for which possible changes were identified, together with Pihlajalinna's internal experts, due to reinterpretation of the definitions in the reporting standard, the strategy update or changes in business operations, for example. The descriptions and scoring of certain impacts, risks and opportunities were specified further or revised. In 2025, it was not deemed necessary to carry out a new stakeholder survey. Instead, in updating the DMA, the results obtained in 2023 were utilised, along with signals received through active stakeholder dialogue during these years.

Pihlajalinna's Board of Directors has approved the choice of material topics, and the Group's sustainability reporting is verified by Ernst & Young Oy.

As part of the double materiality assessment, Pihlajalinna identified impacts, risks and opportunities related to the environment, taking into account the Group's location, activities, sector and business structure. Pihlajalinna operates in Finland and its sites are located in urban environments, mainly in office buildings and commercial premises. Pihlajalinna does not have its own production, construction, agriculture or forestry activities, and the Group's own operations, which consist of the production of social and healthcare services and fitness centre services, are not linked to significant water withdrawal or extraction of natural resources.

Based on the assessment, Pihlajalinna's impacts on pollution, water and marine resources, biodiversity and ecosystems are minor in its own operations. Potential impacts may occur in the upstream value chain, but Pihlajalinna is not aware of any significant environmental impacts in the supply chain. Waste volumes, including hazardous waste generated in the provision of healthcare services, have been assessed as non-material. The assessment is based on existing waste management data and general industry practices. Separate consultations with affected communities have not been organised for the time being.

Impact identification and assessment

The materiality assessment and its update have been prepared in accordance with the requirements of ESRS 1, using the criteria and time horizons defined in the standard. Based on the pre-screening, the materiality assessment determined which topics are likely to be material, and a numerical assessment was made. Impact materiality and financial materiality have been assessed for each topic. The topics have not been directly listed in order of priority, but the order can be determined on the basis of the materiality scores assigned to them.

In assessing the materiality of a negative impact, its scale, scope and irremediable character were assessed if the impact is potential. Together, these constitute the severity of the impact. The average severity of the impact is calculated based on this severity by dividing it by three. In assessing the materiality of a positive impact, its scale and scope were assessed, and the average of the scale and scope was divided by two to obtain the severity score. The severity score was combined with the likelihood assigned to it in a 5x5 matrix. The threshold value is defined in the matrix as a line above which the impacts are considered material. If the severity of an impact is very high,

it is considered material regardless of its likelihood. This means that unlikely but severe impacts are also material.

Identification and assessment of risks and opportunities

The assessment process also included an examination of how the identified negative and positive impacts, and dependencies with regard to the personnel, finances and nature, influence the sustainability risks and opportunities. In addition, a stakeholder consultation was carried out in 2023 at a general level in order to understand where the impacts occur. For the time being, sustainability-related risks have not been listed in order of priority relative to other risks.

The financial effects of risks and opportunities and the likelihood of the materialisation of the risks were also assessed in line with the methodology of the ESRS 1 standard. The financial assessment has considered the euro-denominated business risks and opportunities of different sustainability matters and topics, and the assessment has been verified by external experts. The financial significance was first assessed on a scale of 0–5 and then combined with the likelihood in a 5x5 matrix. The materiality threshold was defined in the matrix as a line above which risks and opportunities are considered material. The line is set so that the largest financial effects, as well as less significant but more likely risks and opportunities, are taken into account.

Level of detail in the materiality assessment

The DMA and its update were carried out generally at the standard level. With regard to the key topics, the impacts were detailed further to the sub-topic and sub-sub-topic level, and their materiality assessment was calculated. The analysis covers key functions and business relationships throughout the organisation, and the assumptions have been made with appropriate detail to ensure reliability. In future years, Pihlajalinna will deepen the assessment at the level of sub-topic, sub-sub-topic as well as individual impacts, and more thoroughly in its value chain. Pihlajalinna has used the science-based and generally accepted Sixth Assessment Report of the IPPC (2023) as its primary data source and sector-specific sources but intends to use sources even more comprehensively going forward.

Pihlajalinna conducted the 2023 double materiality assessment and the 2025 update to it in accordance with the ESRS reporting requirements and reports on material sustainability matters starting from 2025, using data on the year 2024. In the analysis, Pihlajalinna has utilised EFRAG guidelines and a clear process that includes an accurate scoring logic and assessed material sustainability topics with the help

of experts. Material topics are classified into environmental, social and governance themes in accordance with the ESRS.

The methods used include assessments of impacts and dependencies, surveys of risks and opportunities, and materiality scoring. The assumptions have been defined at an appropriate level of accuracy, and they are based on available data, industry-specific practices and the observations and experience of the experts involved.

Decision-making process

Pihlajalinna implemented the materiality assessment in cooperation with internal and external experts. Significant weight is assigned to the knowledge and experience of internal experts in the materiality scoring. Persons familiar with sustainability reporting, including the Sustainability Manager and the Executive Vice President, Communications and Sustainability, ensure that the reporting requirements are complied with and the scoring is carried out consistently for all topics. Pihlajalinna's Board of Directors has approved the results of the double materiality assessment. Internal control procedures, such as specifying the responsible roles and the documentation of the assessment process, enhance the transparency, consistency and reliability of the double materiality assessment process.

Impacts, opportunities and risks as part of risk management and management processes

Pihlajalinna has a business risk management plan in place. The owner of the Group's risk management is the Executive Vice President, Strategy and Group Operations. The participants in risk management include a comprehensive range of persons serving in managerial positions in different Group functions. Pihlajalinna has surveyed the impacts, risks and opportunities, as well as risk management practices and tools and the content of the ISO quality management standards regarding risk management. The risk management principles and policy have been prepared based on them.

The Management Team reviews the Group's Risk Management Policy annually and presents the matter to the Group's Board of Directors. Pihlajalinna's Board of Directors has approved the Risk Management Policy and the risks and opportunities annually presented by the Management Team. The Risk Management Policy defines the goals, objectives, procedures, principles and responsibilities of Pihlajalinna's risk management. The results of the regularly conducted risk analysis are reviewed by the Group Management Team.

As the risk management framework, Pihlajalinna uses the risk classification used in social and healthcare services, which defines the external and internal risks and risks caused to third parties. In addition, the individual customer, professionals, health, finances and environment are key considerations in accordance with Pihlajalinna's value creation model. The impact assessment of risks uses a five-step likelihood assessment that is reflected on the five-step risk impact scale in the themes finances, reputation, customer, personnel and data protection. The risk management measures and risk owners are always identified as part of the risk work to ensure risk management in the area of each operational responsibility. Risk management at Pihlajalinna has traditionally been carried out at the Group, business unit, service and process level. The key risks and disturbances are regularly identified and assessed, and continuity plans have been prepared for them so that if the risk materialises, Pihlajalinna's operations will continue with minimum disturbance.

The goal of Pihlajalinna's risk management is to promote the achievement the Group's strategic and operational targets, the profitability of business operations, sustainability and shareholder value. Risk management seeks to ensure that the risks affecting the Group's business operations are known, assessed and monitored, and the necessary practical measures are taken. The continuous anticipation of risks and the mitigation or reduction of adverse impacts are also part of the process.

The Group's general risk management principles have been approved by the Board of Directors. The Group's Chief Financial Officer, in conjunction with the operative management, is responsible for identifying financial risks and for practical risk management. The goal of the Group's financial risk management is to ensure sufficient liquidity, minimise financing costs and regularly produce information for the management about the Group's financial position and risks.

Pihlajalinna's process for identifying, assessing and managing impacts, risks and opportunities has been developed during the financial year. The risk management process has covered the identification and assessment of impacts regarding business risk assessment, human rights risk assessment and DMA as part of the big picture. These areas will be harmonised with the Group's general risk management process during future financial years. The opportunity identification, assessment and management process has not yet been systematically integrated into Pihlajalinna's general management process during the reporting period. Nevertheless, the identified opportunities are an integral part of business planning and strategy work.

Changes to the double materiality assessment methodology

Pihlajalinna partially updated the methodology of its DMA in spring 2025. The change mainly concerns the determination of the materiality threshold and the scores that the impact, risk or opportunity must be assigned to exceed these thresholds.

The update in 2025 was focused on reviewing the material impacts, risks and opportunities, but the evaluation also covered the preliminary assessment conducted in 2023 and the short list from which the material topics were identified. Short workshops were held regarding the impacts, risks and opportunities for which possible changes were identified, together with Pihlajalinna's internal experts, due to reinterpretation of the definitions in the reporting standard, the strategy update or changes in business operations, for example.

In 2023, the severity scores were multiplied by the likelihood to obtain a final impact materiality value between 0 and 5. The materiality threshold was 3. In the updated methodology, likelihood scores are assigned in a matrix to the severity scores given to each impact, risk and opportunity, and the impact, risk or opportunity must exceed the likelihood score to be considered material. This way, even unlikely but severe impacts, such as the risk of a data breach, are better taken into account, which supports comprehensive impact assessment and preparedness. In addition, this change in methodology improves the integration of impacts, risks and opportunities into Pihlajalinna's risk management framework.

Description of the processes to identify and assess material impacts, risks, and opportunities related to business conduct (G1 IRO-1)

The materiality assessment process and the process for managing impacts, risks and opportunities, also with regard to business conduct, is described in more detail in section ESRS 2, under IRO-1: Process to identify and assess material impacts, risks and opportunities.

Description of the processes to identify and assess material impacts, risks and opportunities related to climate change (E1 IRO-1)

Pihlajalinna Group's impacts on climate change and GHG emissions are described in section E1, under E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions. Pihlajalinna's impacts on the environment and society were identified in the DMA. The assessment took into account the

special characteristics of Pihlajalinna's business model and value chain. The identified material negative impacts include GHG emissions, which are caused particularly by commuting by the personnel, travel by individual customers, and procurement. Risks or opportunities related to climate change mitigation or adaptation did not emerge as material in the DMA. In 2025, Pihlajalinna identified climate risks and opportunities related to its operations and assessed the climate resilience of Pihlajalinna's strategy and business model by means of scenario analysis. Based on both the 1.5°C and 4.5°C scenarios, Pihlajalinna is subject to limited physical climate risks and transition risks in the short term but, in the longer term, the amount of physical climate risks increases, particularly in the 4.5°C scenario. More information is provided in section E1, under SBM-3: Material impacts, risks and opportunities related to climate change and their management.

List of disclosure requirements in ESRS (IRO-2)

Pihlajalinna has reported all mandatory disclosure requirements related to material sustainability topics in accordance with the ESRS. The ESRS content index is presented at the beginning of this sustainability statement.

Datapoints in cross-cutting and topical standards that derive from other EU legislation

The table below presents the datapoints of ESRS 2 and topical ESRSs derived from other European Union (EU) legislation in accordance with ESRS 2, Appendix B. The table indicates the location of the material datapoints in the sustainability statement and which datapoints are not material. The materiality assessment process and criteria is described in its entirety, including the evaluation of impacts, risks, and opportunities in section ESRS 2, under IRO-1: Process to identify and assess material impacts, risks and opportunities.

Disclosure requirement	Datapoint		SFDR reference	Pillar 3 reference	Climate Benchmark Standards Regulation reference	EU Climate Law reference	Materiality
ESRS 2 GOV-1	21 d	Board's gender distribution	X		X		The role of senior management in sustainability management (GOV-1)
ESRS 2 GOV-1	21 e	Percentage of board members who are independent			X		The role of senior management in sustainability management (GOV-1)
ESRS 2 GOV-4	30	Statement on due diligence	X				Statement on sustainability due diligence (GOV-4)
ESRS 2 SBM-1	40 d i	Involvement in activities related to fossil fuel activities	X	X	X		Non-material
ESRS 2 SBM-1	40 d ii	Involvement in activities related to chemical production	X		X		Non-material
ESRS 2 SBM-1	40 d iii	Involvement in activities related to controversial weapons	X		X		Non-material
ESRS 2 SBM-1	40 d iv	Involvement in activities related to cultivation and production of tobacco			X		Non-material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	Transition plan for climate change mitigation (E1-1)
ESRS E1-1	16 g	Undertakings excluded from Paris-aligned Benchmarks		X	X		Transition plan for climate change mitigation (E1-1)
ESRS E1-4	34	GHG emission reduction targets	X	X	X		Targets related to climate change mitigation and adaptation (E1-4)
ESRS E1-5	38	Energy consumption from fossil sources, disaggregated by source (only high climate impact sectors)	X				Non-material
ESRS E1-5	37	Energy consumption and mix	X				Energy consumption and mix (E1-5)
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	X				Non-material
ESRS E1-6	44	Gross Scopes 1, 2, 3 and Total GHG emissions	X	X	X		Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
ESRS E1-6	53-55	Gross GHG emissions intensity	X	X	X		Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
ESRS E1-7	56	GHG removals and carbon credits				X	Non-material
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Transitional provision applied
ESRS E1-9	66 a 66 c	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		X			Transitional provision applied
ESRS E1-9	67 c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		X			Transitional provision applied
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			X		Transitional provision applied
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				Non-material

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ESRS E3-1	9	Water and marine resources	X		Non-material
ESRS E3-1	13	Dedicated policy	X		Non-material
ESRS E3-1	14	Sustainable oceans and seas	X		Non-material
ESRS E3-4	28 c	Total water recycled and reused	X		Non-material
ESRS E3-4	29	Total water consumption in m3 per net revenue of own operations	X		Non-material
ESRS 2 SBM3 - E4	16 a i	Activities negatively affecting biodiversity-sensitive areas	X		Non-material
ESRS 2 SBM3 - E4	16 b	Material negative impacts with regards to land degradation, desertification or soil sealing	X		Non-material
ESRS 2 SBM3 - E4	16 c	Operations that affect threatened species	X		Non-material
ESRS E4-2	24 b	Sustainable land / agriculture practices or policies	X		Non-material
ESRS E4-2	24 c	Sustainable oceans / seas practices or policies	X		Non-material
ESRS E4-2	24 d	Policies to address deforestation	X		Non-material
ESRS E5-5	37 d	Non-recycled waste	X		Non-material
ESRS E5-5	39	Hazardous waste and radioactive waste	X		Non-material
ESRS 2 SBM3-S1	14 f	Risk of incidents of forced labour	X		Material impacts, risks and opportunities related to own workforce and their management (S1 SBM-3)
ESRS 2 SBM3-S1	14 g	Risk of incidents of child labour	X		Material impacts, risks and opportunities related to own workforce and their management (S1 SBM-3)
ESRS S1-1	20	Human rights policy commitments	X		Policies
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions		X	Policies
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X		Policies
ESRS S1-1	23	Workplace accident prevention policy or management system	X		Health and safety metrics (S1-14)
ESRS S1-3	32 c	Grievance/complaints handling mechanisms	X		Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)
ESRS S1-14	88 b, c	Number of fatalities and number and rate of work-related accidents	X	X	Health and safety metrics (S1-14)
ESRS S1-14	88 e	Number of days lost to injuries, accidents, fatalities or illness	X		Transitional provision applied
ESRS S1-16	97 a	Unadjusted gender pay gap	X	X	Compensation metrics (S1-16)
ESRS S1-16	97 b	Excessive CEO pay ratio	X		Compensation metrics (S1-16)
ESRS S1-17	103 a	Incidents of discrimination	X		Incidents, complaints and serious human rights complaints (S1-17)
ESRS S1-17	104 a	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X	X	Incidents, complaints and serious human rights complaints (S1-17)
ESRS 2 SBM3-S2	11 b	Significant risk of child labour or forced labour in the value chain	X		Non-material
ESRS S2-1	17	Human rights policy commitments	X		Non-material
ESRS S2-1	18	Policies related to value chain workers	X		Non-material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles or OECD guidelines	X	X	Non-material
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions		X	Non-material
ESRS S2-4	36	Human rights issues and incidents connected to upstream and downstream value chain paragraph 36	X		Non-material

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ESRS S3-1	16	Human rights policy commitments	X		Non-material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	X	X	Non-material
ESRS S3-4	36	Human rights issues and incidents	X		Non-material
ESRS S4-1	16	Policies related to consumers and end-users	X		Management of material topics and policies (S4-1)
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights principles or OECD guidelines	X	X	Management of material topics and policies (S4-1)
ESRS S4-4	35	Human rights issues and incidents	X		Management of material topics and policies (S4-1)
ESRS G1-1	10 b	United Nations Convention against Corruption	X		Policies
ESRS G1-1	10 d	Protection of whistle-blowers	X		Non-material
ESRS G1-4	24 a	Fines for violation of anti-corruption and anti-bribery laws	X	X	Non-material
ESRS G1-4	24 b	Standards of anti-corruption and anti-bribery	X		Non-material

Table: Management of Pihlajalinna's material impacts, risks and opportunities (IRO)

Sustainability matter	IRO name	Type (Location in value chain)	Description	Management lever
E1 Climate change				
Climate change mitigation	Greenhouse gas emissions	Actual negative impact (Whole value chain)	Pihlajalinna's activities cause GHG emissions that negatively impact the climate and the environment. Emissions from own operations include, among other sources, business travel and energy use. In the value chain emissions are caused by, for example, customer and personnel travel as well as procurement.	Enhancing remote service provision reduces emissions caused by customer travel. Pihlajalinna engages in dialogue with suppliers to reduce procurement-related emissions. The approval of the transition plan draft (aligned with the SBTi framework) together with the management and monitoring of the effectiveness of actions are and will remain key actions for controlling emissions.
S1 Own workforce				
Secure employment for own workforce	Stability of employment and practicing a profession	Actual positive impact (Own operations)	Pihlajalinna provides its personnel with stable employment relationships and the opportunity to practice their profession. This supports professional identity, which can promote wellbeing at work as well as job satisfaction.	Employees are hired on fixed-term contracts only when there is a legally valid and verifiable basis for doing so. Supervisors are supported in employment matters through centralised HR advisory services. Targeted training is provided to strengthen supervisors' leadership skills, for example in employment law and work ability management. This enhances their ability to support employees in demanding work situations. Pihlajalinna offers extensive opportunities for operating as a practitioner, especially as a doctor. The work can be customised flexibly based on the doctor's own interests, and work is supported by doctor customer account managers who support in daily operations and practical arrangements. Pihlajalinna is committed to the continuous development of digital tools to support smooth day-to-day operations.
	Reputation as a stable employer	Opportunity (Own operations)	A stable employment relationship supports personnel commitment, motivation and the development of professional competence. This can improve productivity and reduce employee turnover, resulting in savings in Pihlajalinna's recruitment and onboarding costs.	
Working time of own workforce	Workload from shift work	Actual negative impact (Own operations)	Shift and night work can increase workload, make it harder to balance work and personal life, and impair recovery. These factors can negatively affect personnel's wellbeing and work ability.	Pihlajalinna conducts initial health checks as well as periodic medical checks for work that involves a particular risk of illness. To ensure that these examinations are carried out, Pihlajalinna uses a monitoring system. The Group applies an active caring model. Pihlajalinna complies with labour legislation and collective agreements. Supervisors are offered support in employment-related matters through centralised HR advisory services. Targeted training is provided to strengthen supervisors' knowledge of employment-related matters and work ability management.
	Opportunities from flexible working hours	Opportunity (Own operations)	Flexible working time arrangements, implemented whenever feasible, support personnel in balancing work and personal life, help maintain work ability, and promote job satisfaction. This can extend working careers and reduce costs related to absences and employee turnover.	Reduced working hours to support longer working careers are arranged whenever feasible, considering the requirements of the job. Flexible working hours are available in some functions within the Pihlajalinna Group. In addition, duties that do not require physical presence at the workplace can be performed remotely.
	Costs of burdensome working hours	Risk (Own operations)	Shift and night work can, in some cases, lead to prolonged sick leaves and increased employee turnover. This increases recruitment and onboarding costs and places additional strain on the broader team, which can reduce efficiency and increase absences. Combined, these factors can weaken Pihlajalinna's short-term profitability.	Pihlajalinna conducts initial health checks as well as periodic medical checks for work that involves a particular risk of illness. To ensure that these examinations are carried out, Pihlajalinna uses a monitoring system. The Group applies an active caring model, which all supervisors have been trained to apply. This enables the early identification of reduced work ability and timely support. Occupational safety risk management identifies work-related hazards, risks, and adverse effects, and aims to eliminate or mitigate them in a systematic way. Workplace risks are assessed in Pihlajalinna's units at least once a year and whenever significant changes occur.
Adequate wages for own workforce	Competitive wages	Opportunity (Own operations)	Adequate and competitive wages support personnel commitment, reduces employee turnover and strengthens the employer brand. This can increase work motivation and productivity, fostering Pihlajalinna's robust business growth.	Pihlajalinna complies with labour legislation and collective agreements. Pihlajalinna has a role architecture for employees on a monthly salary contract. The wages of employees are based on, in addition to collective agreements, on the level of requirements of each role, the employee's competence and performance as well as the principles of equal treatment. Pihlajalinna recognises and rewards exemplary performance and significant achievements through various forms of rewarding. In addition, personnel benefits are offered to support wellbeing and job satisfaction.
	Costs of wage increases	Risk (Own operations)	Increasing wages raises personnel costs and may affect Pihlajalinna's short-term profitability at the unit level.	Pihlajalinna complies with labour legislation and collective agreements, creating a predictable basis for managing payroll costs and enabling preparation for future wage developments.

Sustainability matter	IRO name	Type (Location in value chain)	Description	Management lever
S1 Own workforce				
Health and safety of own workforce	Sick leave	Actual negative impact (Own operations)	In the social and health care sector, work can be both physically and mentally demanding, increasing the risk of long-term sick leave. Musculoskeletal disorders (MSDs) are common due to physical strain, such as moving patients and working long shifts. Pihlajalinna's operations include a significant amount of expert work, where musculoskeletal symptoms often stem from static computer-based tasks. The hectic nature of the work and time pressures cause psychological strain, which can increase mental health-related absences.	The wellbeing of personnel is supported through high-quality day-to-day management. At Pihlajalinna, the management of people's wellbeing is integrated into all management practices. Occupational health care is based on preventive measures and the active caring model, through which supervisors are trained to address employees' work ability concerns as early as possible. Pihlajalinna has an adjusted work operating model and Mental Care (Mielen huoli) services in place.
	Work-related accidents	Actual negative impact (Own operations)	The physical demands of work, the variety of work environments, and the unpredictable situations related to patient care can increase the risk of accidents among personnel. In addition, individual customers' potentially challenging or disruptive behaviour can cause mental strain and weaken personnel's sense of safety and wellbeing at work. Work-related accidents can lead to sick leaves, long-term reductions in work ability, and psychological strain.	The wellbeing of personnel is supported through high-quality day-to-day management. Pihlajalinna has a proactive occupational safety management and development tool HSE-Lite for reporting identified hazards and safety deviations. Occupational safety risk management identifies work-related hazards, risks, and adverse effects, and aims to eliminate or mitigate them in a systematic way. Workplace risks are assessed in Pihlajalinna's units at least once a year and whenever significant changes occur. The health impacts of identified risks are evaluated in workplace assessments conducted by occupational health services at least every five years or following significant changes. Regular safety walks are conducted at sites to familiarise employees with workplace safety and occupational health practices of their workplace and its surrounding environment. Pihlajalinna has an operational model for managing customer-related violence.
	Incidents of violence			
	High-quality occupational health care	Actual positive impact (Own operations)	As an industry expert, Pihlajalinna can provide its employees with high-quality health care. This supports the preservation of work ability and the prevention of illnesses, promoting the overall wellbeing and health of the personnel.	Pihlajalinna regularly reviews the content of its occupational health agreement to ensure that it supports personnel's work ability in the best possible way.
	Opportunities from supporting work ability	Opportunity (Own operations)	Investing in the health and safety of personnel can reduce sick leaves and support longer working careers, thereby enhancing the organisation's productivity and cost-effectiveness. In addition, the possibility of reductions in earnings-related pension contributions can bring significant savings in personnel costs.	The goal of promoting employee wellbeing is a healthy employee, a well-functioning work community, and the effective prevention of work-related illnesses. Pihlajalinna regularly reviews the content of its occupational health agreement to ensure that it supports personnel's work ability in the best possible way. Pihlajalinna continuously develops work processes, guidelines, and induction practices related to ensuring work ability and occupational safety.
	Uncontrolled sick leave	Risk (Own operations)	Unanticipated sick leaves may arise because of workload or work-related accidents. Such absences can increase earnings-related pension contribution and result in Pihlajalinna being placed in a higher contribution category. This can cause additional financial costs and reputational damage in the medium and long term, especially in situations where effective control measures are lacking.	Through Pihlajalinna's active caring model, efforts are made to address challenges related to work ability and job performance proactively and systematically. Pihlajalinna actively cooperates with pension insurance companies and the accident insurance company. Pihlajalinna continuously develops work processes, guidelines, and induction practices related to ensuring work ability and occupational safety.
	Risk of sick leave at unit level	Risk (Own operations)	At the unit level, high sickness rates can weaken short-term profitability due to increased personnel costs, the need for substitutes, and potential disruptions in operations.	

Sustainability matter	IRO name	Type (Location in value chain)	Description	Management lever
S1 Own workforce				
Gender equality and equal pay for equal work	Equal pay	Actual positive impact (Own operations)	Ensuring equal pay within the work community strengthens employees' sense of being valued and treated fairly. This promotes job satisfaction and a positive work atmosphere.	At Pihlajalinna, all decisions regarding remuneration, rewards and promotions are based on each employee's competence and achievements. Pihlajalinna conducts regular wage reviews. The wages of personnel are based on the employee's competence as well as the principles of equal treatment. For roles covered by collective agreements, remuneration is based on the wage categories stipulated by the applicable agreement. In addition, job-specific responsibility allowances, years of experience, and regional cost-of-living adjustments influence wages. Gender is never a factor in determining wages. For senior salaried employees, remuneration is based on factors such as the role and its level of responsibility, as well as competence, work experience, performance, and results.
Work-life balance of own workforce	Work-life imbalance	Potential negative impact (Own operations)	If the workload becomes unreasonable, it can impair recovery and make it difficult to balance work and private life. This increases the risk of mental and physical strain, burnout, sick leaves, and decreased work ability, particularly in the short term.	Work-life balance is supported through high-quality supervisory work and activities aligned with the active caring model. Supervisors are responsible for monitoring employees' working hours using time-tracking systems. Training is provided to supervisors with the aim of supporting employees' work ability throughout their careers, taking into account different life situations. Flexible working hours are available in some functions in Pihlajalinna. Remote work is possible for tasks that do not require physical presence at the workplace.
	Supporting work-life balance	Opportunity (Own operations)	Promoting work-life balance can strengthen the employer brand, increase personnel commitment, and extend careers. This supports productivity, reduces absences and employee turnover, and provides Pihlajalinna with financial benefits while strengthening its reputation as a responsible employer.	Pihlajalinna invests in strengthening supervisors' competencies, supports individual life situations through flexible working time arrangements when possible, and monitors work-life balance through Pihliksen pulssi -personnel survey. Pihlajalinna is a pilot workplace in the CARE4CAREER-project promoting gender equality, work-family balance, and family-friendly practices in working life.
	Reputational risk from work-life imbalance	Risk (Own operations)	If the organisation is unable to support work-life balance in the way the work community requires, it may weaken Pihlajalinna's reputation as an employer and negatively affect personnel commitment.	
Measures against violence and harassment in the workplace	Prevention of harassment and violence	Actual positive impact (Own operations)	Clear procedures and measures for preventing violence and harassment promote workplace safety, personnel satisfaction, and overall wellbeing at work.	Pihlajalinna has an operational model for managing harassment and inappropriate behaviour, which promotes personnel wellbeing when followed. In addition, Pihlajalinna has an operational model for the prevention of threat and violence situations. Training on these operational models is provided to personnel and supervisors.
Training and skills development for own workforce	Skills and competence development	Actual positive impact (Own operations)	Equal and equitable opportunities for training and competence development promote personnel wellbeing at work as well as their professional growth.	All employees at Pihlajalinna are covered by annual performance and development discussions. Pihlajalinna Academy is an online learning environment for the personnel that offers content to support competence development. The Group's training plan comprises training programmes based on the Group's strategy and the competence needs of the business areas, including Group-level trainings for specific target groups.
	Competitive advantage through competence	Opportunity (Own operations)	Investing in competence development strengthens personnel's competence, work motivation, and commitment. Equal opportunities for learning support wellbeing at work and professional development, which can improve productivity, reduce employee turnover, and strengthen the employer brand. This may, in turn, support Pihlajalinna's growth and competitiveness.	

Sustainability matter	IRO name	Type (Location in value chain)	Description	Management lever
S4 Consumers and end-users				
Privacy of consumers and end-users	Potential compromise of individual customers' data privacy or information security	Potential negative impact (Own operations, downstream value chain)	If customer or patient data held by Pihlajalinna is accessed by unauthorised parties, for example due to a cyberattack, data breach, or intrusion, it may, in the short term, result in the exposure of sensitive and confidential information. This can affect the privacy and data protection of the individuals concerned, potentially causing significant harm to wellbeing, such as psychological stress.	Pihlajalinna mitigates potential data breach impacts through robust information security planning, personnel training, and procedures aligned with regulatory guidelines. In the event of a data breach, individual customers are informed immediately and provided with details of the compromised data as well as instructions for managing the situation. Pihlajalinna provides guidance and training to personnel on communication related to customer privacy, data protection, and service security.
	Costs of data privacy or information security breaches	Risk (Own operations, downstream value chain)	The financial risk related to the privacy and data security of individual customers may materialise in the event of a cyberattack or data breach. In such cases, Pihlajalinna may be subject to compensation claims, regulatory investigations, and reputational damage, which can lead to financial losses in the short or medium term.	Pihlajalinna manages risks related to breaches of data protection and information security through Data Protection and Information Security Policy, internal control procedures, and a crisis management plan. An external Security Operations Centre (SOC) is in place to support continuous monitoring and rapid response to anomalies. In the event of a data breach, Pihlajalinna acts swiftly to limit damage, informs authorities and stakeholders, and implements corrective measures. A cybersecurity development plan guides information security development and monitoring related objectives.
Health and safety of consumers and end-users	Health benefits for individual customers	Actual positive impact (Own operations, downstream value chain)	Pihlajalinna promotes the health of individual customers by providing value-based and high-quality care and by facilitating quicker access to care. This generates health benefits for individual customers as well as savings for society and employers.	Pihlajalinna has a comprehensive network of hospitals and private clinics, remote services along with extensive diagnostic services which ensure quick availability and accessibility of services and support wellbeing services counties with the reduction of queues for care. Pihlajalinna aims for an excellent customer experience across its services. The systematic collection and processing of feedback enable the development of the Group's services, processes and operating models, with close attention to the needs of individual customers. Pihlajalinna uses the Net Promoter Score (NPS) to measure the customer experience.
	Potential compromise of patient safety	Potential negative impact (Own operations, downstream value chain)	A potential compromise of customer or patient safety, for example due to a medical error or delay, may in individual cases impair the health of an individual customer in the short, medium, or long term.	Negative impacts and risks related to customer and patient safety are managed through, for example, preventive processes, maintaining personnel's competence, meeting quality criteria, and ensuring the high quality of services. Risks are assessed as part of risk assessments and human rights risk assessments. Risk management measures are also developed based on findings from internal and external audits and through self-monitoring activities. In addition, Pihlajalinna's reporting system HaiPro is specifically designed to support operational development and learning from deviations and near misses.
	Costs of failed patient care experience	Risk (Own operations, downstream value chain)	Pihlajalinna emphasises the health, safety, and security of individual customers in its operations. Risks related to customer and patient safety, such as medical errors or delays, may affect reputation and customer satisfaction, as well as lead to increased oversight or liability for compensation in the short or medium term.	
	Value-based healthcare	Opportunity (Own operations, downstream value chain)	High-quality and value-based care, preventive work, and positive customer experiences can promote customer retention and new customer acquisition, while also strengthening Pihlajalinna's reputation in the short or medium term.	To ensure high-quality and value-based care as well as a positive customer experience, Pihlajalinna invests in the professional competence of its personnel, both in terms of subject-matter expertise and customer-oriented service. Pihlajalinna develops health-data-based services for at-risk groups in collaboration with partners.
Non-discrimination of consumers and end-users	Equal treatment in care	Actual positive impact (Own operations, downstream value chain)	Ensuring equal and non-discriminatory interactions can have a positive effect on the customer experience when individual customers feel they have been treated fairly and without prejudice. This can strengthen their sense of safety during care or service situations. Understanding the individual customer's situation enables individualised care and service experiences, which can improve the results of value-based care.	Personnel treat all individual customers equally, without allowing any characteristic to affect the service provided. Non-discrimination is embedded in Pihlajalinna's Code of Conduct and included in mandatory training. Equality for individual customers can be enhanced by improving access to services through remote options, even in areas where local services are not available. Pihlajalinna measures customer experience using the Net Promoter Score (NPS).

Sustainability matter	IRO name	Type (Location in value chain)	Description	Management lever
S4 Consumers and end-users				
Access to products and services	Health impact of service availability	Actual positive impact (Own operations, downstream value chain)	Good availability of services can improve the quality of life for individual customers, speed up access to care, and prevent health problems from worsening. A wide network of sites, remote services, and mobile services support access to care, which can generate health benefits and cost savings for society and employers.	To strengthen positive impact, Pihlajalinna monitors the balance between demand and supply and adjusts its service network accordingly. In-person and remote services are flexibly combined across regions. Additionally, the assessment of need for care is being improved to ensure that individual customers are directed promptly to the most suitable professional. Mobile services, such as the mobile MRI unit and Punkki-bussi, bring services closer to users, and their development will continue.
	Business opportunity through service availability	Opportunity (Own operations, downstream value chain)	Developing new service models and care pathways, such as Sydänkaista, and remote services, such as Tapaturmalinja, is expected to bring new partnerships and individual customers, as well as open opportunities for new revenue models. Improving the availability of new services supports business development and strengthens reputation in the short and medium term.	Pihlajalinna develops its services in a customer-oriented manner in collaboration with its partners. The value of services as well as customer feedback are monitored, and the expertise of professionals is utilised in business development. Services are developed according to a value-based model, focusing on quality, competence, and the use of customer data and insights.
	Costs of insufficient service availability	Risk (Own operations, downstream value chain)	Limitations in service availability may lead to lost individual customers or partnerships if their needs cannot be met. In addition, maintaining availability in areas with low demand can result in extra costs. Technical disruptions in services, particularly in remote services, may cause financial losses and reputational damage in the short or medium term.	Pihlajalinna aims to anticipate service needs and respond to them quickly. Sufficient staffing is ensured through continuous recruitment, and by improving the assessment of need for care to support proper allocation of resources. The network of sites and remote services is developed according to the needs of both partners and individual customers. Partner collaborations play an important role in considering service availability and different service channels.
G1 Business conduct				
Corporate culture (business ethics)	Transparent and ethical corporate culture	Actual positive impact (Upstream value chain, own operations)	An ethical, transparent corporate culture builds trust, and as a large group Pihlajalinna has the opportunity to drive progress across the industry. Addressing personnel needs and managing stakeholder relationships responsibly creates sustainable business and supports societal wellbeing.	Pihlajalinna complies with applicable laws, regulatory guidelines, and rules governing listed companies. The principles guiding group operations are documented in the Code of Conduct and in the Anti-Corruption and Anti-Bribery Policy. Training on ethical guidelines is a mandatory part of Pihlajalinna's onboarding programme for new personnel. Supervisors' ability to address issues is strengthened through training. Pihlajalinna has internal controls in place. A confidential whistleblowing channel is available for reporting observed misconduct and irregularities within the organisation.
	Ethical foundation for growth	Opportunity (Upstream value chain, own operations)	Acting ethically builds trust among stakeholders. Different stakeholders, such as corporate customers, insurance companies, personnel, and individual customers, are essential to ensuring profitable business. Trust can increase share value, enable more favourable financing, improve access to talent, and support the acquisition, retention and expansion of business customer relationships. This opportunity may materialise in the short term.	
Political engagement	Collaborative partnerships	Actual positive impact (Upstream value chain, own operations)	Pihlajalinna's active participation in political dialogue and sharing of information to support decision-making strengthens the development of operating conditions in the healthcare sector. Long-term cooperation with the public sector, along with ethical and transparent interaction, supports societal wellbeing and responsible decision-making.	Pihlajalinna actively monitors legislation and the preparation work, as well as political dialogue in general. Pihlajalinna adheres to ethical principles in political engagement. Pihlajalinna is registered in the national transparency register to ensure transparency in advocacy activities. The Group does not support political parties or their members.
	Political engagement supporting growth	Opportunity (Upstream value chain, own operations)	Active and responsible engagement with political actors can strengthen Pihlajalinna's position as a partner to the public sector, promote more favourable legislation, and improve the profitability of investments as well as the predictability of business in the short term.	Pihlajalinna monitors legislative developments and the preparation work. In addition, Pihlajalinna actively engages in dialogue with decision-makers and authorities, offering its expertise and ability to develop cost-effective and value-based health services.
	Reputational risk from political engagement	Risk (Upstream value chain, own operations)	Changes in the political climate, dependence on cooperation with the public sector, and potential reputational damage may, in individual cases, have an adverse impact on business in the short term.	All external interactions with societal stakeholders take place only with the approval of the Executive Vice President, Communications and Sustainability or the Group Management Team, ensuring that such engagement is controlled and governed.
All risks and opportunities materialise across all time horizons unless otherwise specified.				

Climate change (E1)

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EU taxonomy reporting

The EU Taxonomy is a classification system for environmentally sustainable economic activities. The Taxonomy Regulation sets out six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. An economic activity that promotes any of these objectives while doing no significant harm to the other objectives can be considered environmentally sustainable. In addition, such activities should also respect human rights and labour rights.

Currently, the EU Taxonomy primarily covers those sectors and activities that have the greatest impact on achieving environmental objectives. Pihlajalinna's interpretation is that its business activities are not within the scope of the classification system, as social and healthcare services is not among the industries with the highest emissions. Pihlajalinna has assessed the taxonomy eligibility of its economic activities under the EU Taxonomy by comparing them to the economic activities defined in the Taxonomy Regulation.

In reporting periods 2025 and 2024 Pihlajalinna did not have any taxonomy-eligible activities. Pihlajalinna's key performance indicators, of which the share of taxonomy-eligible activities was 0 (0) per cent, were the following: turnover EUR 652.3 (704.4) million, investments

(capital expenditures) EUR 46.6 (31.1) million, and operating expenses EUR 12.2 (12.3) million. Correspondingly, the non-eligible share of the key performance indicators is 100% (100%).

The turnover corresponds to the Group's revenue (note 1 to the consolidated financial statements: Segment information). Investments correspond the Group's gross investments, including acquisitions. Investments are calculated by adding the amount of property, plant and equipment (note 13: Property, plant and equipment), right-of-use assets (note 16: Right-of-use assets), other tangible assets and goodwill (note 14: Intangible assets and goodwill) at end of period, as well as transfer to investment properties (note 15: Investment properties) and depreciation, amortisation and impairment for the period (note 8: Depreciation and amortisation), and subtracting the amount of property, plant and equipment (note 13), right-of-use assets (note 16), other tangible assets and goodwill (note 14) at beginning of period, as well as proceeds from sale of tangible assets during period (note 13). Operating expenses include Pihlajalinna's research and development costs, expenses related to the maintenance and repair of facilities and buildings, as well as short-term leasing costs (note 7: Other operating expenses).

Information on taxonomy-eligible activities and key performance indicators is presented in the table on the next page.

Proportion of key performance indicators from products or services associated with Taxonomy-aligned economic activities in 2025 and 2024

KPI	MEUR	Proportion of Taxonomy-eligible activities %	Taxonomy-aligned activities MEUR	Proportion of Taxonomy-aligned activities %	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities %	Proportion of transitional activities %	Not assessed activities considered non-material %	Taxonomy-aligned activities in previous financial year 2024 MEUR	Proportion of Taxonomy-aligned activities in previous financial year 2024 %
					Climate Change Mitigation %	Climate Change Adaptation %	Water %	Circular Economy %	Pollution %	Biodiversity %					
Turnover	652.3	0.0 %	0.0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0	0.0 %	
CapEx	46.6	0.0 %	0.0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0	0.0 %	
OpEx	12.2	0.0 %	0.0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0	0.0 %	

Identification and assessment of material impacts, risks and opportunities (IRO-1)

The material impacts, risks and opportunities related to climate change have been assessed in the double materiality assessment. A description of the materiality assessment process and criteria is provided in section ESRS 2, under IRO-1: Process to identify and assess material impacts, risks and opportunities, and E1 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities related to climate change. Pihlajalinna reports on its activities regarding the topics identified as material in the double materiality assessment. The identified material negative impacts include GHG emissions. No risks or opportunities related to climate change mitigation or adaptation emerged as material in the double materiality assessment. A climate risk and resilience analysis carried out at the end of the reporting period assessed the climate risks and opportunities related to Pihlajalinna's operations, and the climate resilience of the strategy and business model. More information is provided under SBM-3: Material impacts, risks and opportunities related to climate change and their management.

Material impacts, risks and opportunities related to climate change and their management (SBM-3)

Material negative impacts related to climate change mitigation have been identified in Pihlajalinna's operations and value chain on the basis of the double materiality assessment. The operations cause GHG emissions (Scopes 1, 2 and 3), particularly due to procurement, commuting by the personnel and travel by individual customers, which have an adverse impact on the climate and environment and make climate change mitigation more difficult. Long supply chains increase emissions, particularly with regard to products used in healthcare, and the business growth strategy indirectly increases emissions throughout the value chain. Due to the nature of Pihlajalinna's business activities, no material risks related to climate change adaptation or mitigation were identified in the double materiality assessment.

A climate risk and resilience analysis was carried out at the end of 2025 to assess the climate risks and opportunities that have an im-

act on the organisation's operations. This included a scenario analysis to assess the climate resilience of Pihlajalinna's strategy and business model. The results will be taken into account in the next update of the double materiality assessment.

To manage the material impacts, Pihlajalinna takes actions that are focused on reducing emissions. The actions include, among other things, switching to lower-emission procurement and increasing the provision of remote services to reduce commuting by the personnel and travel by individual customers. Pihlajalinna's aim is to reduce CO2 emissions, improve energy efficiency and develop dialogue with stakeholders, as well as to establish targets and measures with supplier partners to reduce emissions from procurement. Emissions are measured and reported annually.

Climate risk and resilience analysis

In 2025, Pihlajalinna identified climate risks and opportunities that have an impact on the organisation's operations and carried out a scenario analysis to assess the climate resilience of Pihlajalinna's strategy and business model. Pihlajalinna is subject to limited physical climate risks and transition risks in the short term in both the 1.5°C scenario and the 4.5°C scenario. In the longer term, the amount of physical climate risks increases, especially in the 4.5°C scenario. Pihlajalinna has already implemented several practical adaptation actions in its operations to reduce climate risks.

The transition plan draft, with the related actions described in section E1, under E1-1: Transition plan for climate change mitigation, and E1-3: Actions and resources in relation to climate change policies, guides long-term development and supports the EU's climate targets. The assessment of climate risks is integrated into annual risk management process, and any changes are taken into account in strategy work when necessary and regulatory and market-related transition risks are included in Pihlajalinna's strategic risks.

The climate risks related to Pihlajalinna's operations are divided into two main categories: physical risks and transition risks. Physical risks include, for example, extreme phenomena caused by climate change, such as flooding, drought and storms, as well as the degradation of ecosystems, which may all have a direct impact on Pihlajalinna's operating conditions and the continuity of services. Transition risks include

changes in the regulatory and market environment, as well as the introduction of new technologies that may all have an impact on Pihlajalinna's key business areas and service development.

The physical climate risks related to Pihlajalinna's operations have been identified regionally, based on risks to capital, sites and the different value chain parts. Transition risks have been assessed from the perspective of Pihlajalinna's entire operations, covering changes in regulation, markets and technology more broadly. The methodology used to assess risks and opportunities is aligned with the requirements of the EU Taxonomy and the Task Force on Climate-Related Financial Disclosures (TCFD) framework, ensuring consistency with the current regulatory requirements and international best practices.

Two Shared Socioeconomic Pathways (SSP) scenarios originating from the IPCC's AR6 framework have been utilised in the assessment of physical risks and transition risks. SSP1-1.9, which is also known as the 1.5°C scenario and is aligned with the Paris Agreement's goal of limiting global warming closer to 1.5°C when compared to the pre-industrial era, reflects the path of sustainable development. SSP5-8.5, which is the "high-emission scenario", represents fossil-fuelled development, with temperatures rising by as much as approximately 4.4°C by 2100 when compared to the pre-industrial era.

The significance of physical climate risks has been assessed by combining the likelihood of the risk materialising and the magnitude of its impacts. In the assessment, both the likelihood and the magnitude of the impact have been categorised using uniform criteria, and they are aligned with the IPCC definitions. Low risk means a likelihood of less than 25 per cent, a moderate risk has a likelihood between 25 and 75 per cent, and a significant risk means a likelihood of over 75 per cent.

The magnitude of the impacts have been assessed on the basis of the monetary value of the asset or revenue stream at risk, the significance of the asset in question to Pihlajalinna's core business, and the assets' sensitivity to changes. The following categories are applied in the assessment: low impact means a limited financial loss or a brief interruption in operations, a moderate impact represents a significant financial loss that requires corrective measures, and a significant impact represents a serious financial loss or the prolonged disruption of operations. In addition to assessing their likelihood and general signif-

E1 Impacts risks and opportunities related to climate change			
Sustainability matter	Impacts, risks and opportunities (IRO)		
Climate change mitigation	Greenhouse gas emissions	Actual negative impact	Pihlajalinna's activities cause GHG emissions that negatively impact the climate and the environment. Emissions from own operations include, among other sources, business travel and energy use. In the value chain emissions are caused by, for example, customer and personnel travel as well as procurement.

icance, climate risks have been assessed in accordance with the climate risk model in the short term (reporting period), medium term (2–5 years) and long term (more than 5 years). The short term and the long term correspond to the time horizons applied to Pihlajalinna's strategic risks. The assessment of impacts, in turn, was performed without regard to time horizons.

Physical risks

Pihlajalinna's assessment of physical climate risks has taken into account both chronic and acute risks. Chronic risks are related to, for example, changes in temperature and weather, which have a long-term impact on the company's operations. Acute risks cover sudden and severe weather phenomena, such as flooding, which cause significant local impacts. Climate risks concern both the largest assets and different parts of the value chain.

In the short term, Pihlajalinna's operations are only subject to physical climate risks related to temperature and water. In the longer term, physical risks increase. The short-term and medium-term risks are the same for both the 1.5°C scenario and the 4.5°C scenario but, in the long term, the significance of risks related to wind and soil increases in the 4.5°C scenario.

Physical climate risks can be prepared for at the site-specific level and at the level of the organisation by improving the climate resilience of facilities in cooperation with property owners (e.g. cooling, sewerage, auxiliary power) and by taking advantage of weather monitoring and contingency plans. The wellbeing of the personnel is safeguarded by providing temperature-controlled workspaces, for example. In addition, Pihlajalinna anticipates the changing needs of customers by developing the competence of personnel and by enhancing the operating site's capabilities with regard to special circumstances.

Transition risks

Pihlajalinna's transition risks in the 1.5°C scenario are related to regulatory changes that have an impact particularly on reporting and measures aimed at the reduction of CO₂ emissions, the adoption of lower-emission technologies and the development of new, more climate-friendly services, which increases costs and investment needs. The amount of transition risks increases in the medium term. Pihlajalinna's operations are not subject to significant transition risks in the 4.5°C scenario.

In addition to transition risks, Pihlajalinna also has transition opportunities related to market changes and technological development in all time horizons in the 1.5°C scenario. Transition opportunities include developing services that support climate change mitigation and providing the personnel with training programmes on sustainable

practices. Pihlajalinna is already taking advantage of transition opportunities as part of its normal business operations. Over the coming financial years, the Group will draw up an action plan to ensure that the opportunities are leveraged as part of business development.

Pihlajalinna prepares for transition risks at the organisational level by systematically monitoring regulation and improving data collection through automation. Cooperation with the supply chain and property owners will be strengthened by assessing rising costs and considering energy efficiency in new sites, including Green Deal agreements between tenant and lessor. In addition, Pihlajalinna anticipates partners' sustainability expectations with the help of open communication and stakeholder surveys and assesses the impacts of these expectations on procurement decisions.

Transition plan for climate change mitigation (E1-1)

Pihlajalinna has developed its first transition plan draft for climate change mitigation. It was discussed by the Group Management Team at the end of 2024 and submitted to the Board of Directors for review and approval in spring 2025. The Board of Directors will approve the final transition plan during the coming financial years.

The purpose of Pihlajalinna's transition plan draft is to ensure that current and future climate change mitigation measures, Pihlajalinna's strategy and business model are compatible with the 1.5°C framework under the Paris Agreement. The transition plan draft will be developed further, and the final transition plan will be published during the financial year 2027. The total emissions (Scopes 1, 2 and 3) for 2023 are used as the baseline. The target is to reduce emissions by an average of 4.2 per cent per year. Emissions are calculated in accordance with the GHG Protocol.

The exact emission reduction targets will be submitted to the SBTi for validation in May 2027. During the reporting period, progress was made through a climate risk and resilience analysis and by initiating an assessment of emission reduction measures by service providers and suppliers. This work continues in the coming financial years with more detailed definition and implementation of the actions.

Based on the criteria presented in Commission Delegated Regulation (EU) 2020/1818 (Article 12), Pihlajalinna is not excluded from the EU Paris Agreement benchmarks. Pihlajalinna's transition plan draft and action plan are not dependent on external financing.

Identified emission reduction levers and planned actions in relation to the targets

As part of the preparation of the draft transition plan, key actions have been identified for reducing GHG emissions and supporting target achievement. The healthcare sector consumes significant amounts of energy and resources, particularly in procurement and buildings. The planned emission reduction actions focus on improving energy efficiency, increasing the use of renewable energy, and optimising operations. In addition, the use of digital solutions, such as remote services and remote work, helps reduce travel and commuting, along with the related emissions. The transition plan draft also takes into account guidance for customers to use remote services.

Most important possible measures: procurement

1. Major suppliers' commitment to climate targets. Climate criteria for procurement and training procurement team in taking climate criteria into account.
2. Encouraging partners to phase out fossil fuels.
3. Extending the service lives of equipment, effective use of repair services.

Most important possible measures: travel

1. Further increasing the capacity utilisation rate of remote appointments.
2. Supporting low-emission commuting.
3. Leased vehicles to run on renewable electricity, where possible.

Most important possible measures: properties

1. Climate criteria used in new property agreements and follow-up agreements.
2. Energy upgrades, especially during renovations.
3. Requiring or encouraging renewable energy in leased properties.

For the time being, Pihlajalinna has not made particular investments that support the implementation of the transition plan draft or the mitigation of climate change. The transition plan draft and the planned actions are included as a part of Pihlajalinna's normal operational planning and have therefore not required particular integration into the business strategy or financial planning thus far.

Policies related to climate change mitigation and adaptation (E1-2)

The policies described below guide Pihlajalinna's activities to manage and assess material impacts related to climate change mitigation. The policies cover the following matters: climate change mitigation, energy efficiency and the use of renewable energy.

The policies cover impacts related to GHG emissions and climate change mitigation in Pihlajalinna's own activities and the upstream and downstream value chain. The policies are applied to all of Pihlajalinna's personnel and business operations throughout the value chain, and they must be complied with in all Pihlajalinna sites. The policies are available on Pihlajalinna's website and intranet, excluding the Procurement Policy and Risk Management Policy, which can be accessed on Pihlajalinna's intranet.

Pihlajalinna's Environmental Policy covers themes related to energy efficiency and the use of renewable energy. Pihlajalinna purchases renewable energy for its own energy consumption and also encourages the lessors of its sites, for example, to use renewable energy. Energy efficiency is taken into account in the renovation of sites, and Pihlajalinna strives to incorporate climate criteria into new property agreements where possible.

In addition, impacts related to climate change mitigation are taken into account in Pihlajalinna's Risk Management Policy and Quality Policy. The Risk Management Policy is described in more detail in section S4, subsection S4-1: Risk management. The Quality Policy is described in section S4, subsection S4-1: Quality management. The processes for monitoring the Risk Management Policy and the Quality Policy, and the sustainability topics related to each policy, are described in section G1, in table: Policies.

Environmental Policy

Pihlajalinna Group's Environmental Policy compiles the principles for environmental management and practices, such as identifying the environmental impacts of operations and the continuous development of activities. Pihlajalinna's Environmental Policy defines the company's commitment to environmental efforts and guides decision-making across all business areas. Pihlajalinna's private healthcare services, including private clinics, occupational healthcare services and hospitals, are certified under the ISO 14001 environmental management standard. Activities are based on the ISO 14001 environmental management framework. As part of Pihlajalinna's joint management

system, it establishes consistent operating practices. The impacts related to climate change mitigation and adaptation are assessed in accordance with the Environmental Policy and, consequently, they are also aligned with the targets of the transition plan draft. The Environmental Policy is also taken into account in procurement agreements and supplier selection, which is an important lever for Pihlajalinna for mitigating its negative impacts. The Executive Vice President, Communications and Sustainability is the highest body responsible for implementation.

The responsible persons review the environmental aspects annually. Environmental coordinators have been appointed for private clinics and hospitals. They see to taking environmental aspects into account in the unit's operations and monitoring the implementation of the environmental programme under the guidance of environmental experts. Binding obligations based on legislation, regulations issued by the authorities, permit conditions and agreements are taken into account in operations by ensuring a sufficient level of personnel expertise, appropriate facilities and equipment, functional information systems and a high level of data protection. The personnel are required to comply with binding obligations. At Pihlajalinna, compliance with binding obligations is monitored through audits, quality management, feedback, incident reports and self-monitoring, for instance. Pihlajalinna's private clinics are supervised by both Valvira and Regional State Administrative Agencies.

Procurement Policy

Pihlajalinna is committed to integrating environmental aspects into its procurement practices in order to promote sustainable and responsible business. Key suppliers and service providers are expected to commit to Pihlajalinna's Supplier Code of Conduct. In addition, suppliers must identify the key environmental impacts of their operations at their sites, prevent adverse environmental impacts of their operations and develop the management of environmental impacts in order to reduce and minimise negative environmental impacts. Suppliers are encouraged to particularly demonstrate their commitment to reducing emissions and improving resource efficiency. Pihlajalinna strives to promote more sustainable logistics solutions together with its key partners. In addition, Pihlajalinna improves its warehouse and shelving processes in order to improve material efficiency.

Actions and resources in relation to climate change policies (E1-3)

Pihlajalinna's transition plan draft was submitted to the Board of Directors for review and approval in spring 2025. In addition, Pihlajalinna has signed the international Science Based Targets initiative (SBTi) commitment, according to which the company will set science-based climate targets that are aligned with the 1.5°C pathway. The targets will be submitted for validation by the SBTi's experts in spring 2027.

During the reporting period, the work was progressed by conducting a climate risk and resilience analysis and by starting an assessment of emission reduction measures by service providers and suppliers. This work continues in the coming financial years with more detailed definition and implementation of the actions.

As part of the preparation work, Pihlajalinna has identified possible actions with which emissions will be reduced. The healthcare sector consumes energy and resources from the perspective of procurement and property, but the carbon footprint can be decreased by reducing energy consumption, using renewable energy and optimising operations. The use of digital solutions, such as remote services and remote work, reduces commuting and travel and, consequently, emissions. The transition plan draft also takes into account guidance for customers to use remote services.

Subsection E1-1: Transition plan for climate change mitigation outlines the potential actions for reducing emissions in future reporting periods.

Preliminary emission reduction targets have been established for the actions, and these will be specified further during the next financial year. The effectiveness of the actions cannot therefore be assessed yet. The actions are focused on the company's own operations in Finland and, in addition, the supply chain, for which Pihlajalinna carried out a country-of-procurement survey in 2025.

Remediation of the adverse impacts caused by climate change at Pihlajalinna

Pihlajalinna monitors emissions at the annual level and promotes reduction measures to achieve targets. Improving energy efficiency includes, among other things, optimising the heating solutions of sites, managing electricity consumption and switching to renewable energy and low-emission transport. A sustainable supply chain supports climate targets by establishing requirements for suppliers regarding environmental responsibility and the reduction of the carbon footprint.

In addition, Pihlajalinna emphasises preventive healthcare and the strengthening of the comprehensive wellbeing of customers. This operating model reduces the need for social and healthcare services and the related environmental burden with regard to materials, the use of space and energy consumption, for example. The approach also supports the principles of planetary health, where human health and the wellbeing of the environment are seen as being inextricably linked. Pihlajalinna prepares for health risks caused by climate change, such as heatwaves and epidemics, as part of patient safety and the continuity of services. These actions are supported by the climate risk and resilience analysis carried out at the end of the reporting period. As a result of the actions, the management of emissions is systematic and supports the planned actions and targets.

Targets related to climate change mitigation and adaptation (E1-4)

Pihlajalinna's future emission reduction targets are aligned with the 1.5°C pathway of the Science Based Targets initiative (SBTi). Emissions are calculated in accordance with the GHG Protocol. The target supports the EU taxonomy's technical screening criteria related to the protection of the climate and is aligned with CSRD requirements.

Energy consumption and mix (E1-5)

Energy consumption and mix	2024	2025
Total renewable energy consumption (MWh)	34,473	27,600
<i>Share of renewable sources in total energy consumption, %</i>	73%	75%
Energy consumption from biomass (MWh)	13,612	14,595
Share of purchased energy (MWh)	34,473	27,600
Share of self-generated energy (MWh)	0	0
Total fossil energy consumption (MWh)	12,692	9,252
<i>Share of fossil sources in total energy consumption %</i>	27%	25%
Share of purchased energy (MWh)	12,692	9,252
Share of self-generated energy (MWh)	0	0
Nuclear energy (MWh)	0	0
<i>Share of nuclear energy in energy consumption %</i>	0%	0%
Total energy consumption (MWh)	47,165	36,852
The information is calculated market-based. The 2025 data includes both vehicles and property energy. The 2024 data covers only the energy consumption of properties.		

Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

GHG emissions (tCO ₂ eq)	2024	2025	% change, 2025/2024
Scope 1 emissions	446.09*	540.35	21%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%
Scope 2 emissions			
Location-based emissions	2,841.64*	2,212.38	-22%
Market-based emissions	1,899.38*	1,696.59	-11%
Scope 3 emissions	29,392.83*	24,298.71	-17%
1. Purchased goods and services	17,997.44*	14,160.28	-21%
2. Capital goods	1,548.78*	1,704.44	10%
3. Fuel and energy-related activities	1,093.15*	925.91	-15%
4. Upstream transportation and distribution	146.40*	98.17	-33%
5. Waste generated in operations	20.37*	14.74	-28%
6. Business travelling	784.61*	684.48	-13%
7. Employee commuting	4,617.98*	3,659.77	-21%
9. Downstream transportation	3,115.89	3,026.36	-3%
13. Downstream leased assets	68.21	24.55	-64%
Total GHG emissions			
Location-based emissions	32,680.57*	27,051.44	-17%
Market-based emissions	31,738.30*	26,535.65	-16%

*Calculated according to the updated preparation basis in 2025. More information can be found in the sub-section: GHG emission accounting policies and in the ESRS 2 section under BP-2: Boundaries and foundations of reporting.

Biogenic GHG emissions (tCO ₂ eq)	2024	2025	% change, 2025/2024
Scope 1 emissions	0.00	4.94	N/A
Scope 2 emissions	2,523.00	3,992.84	58%
Scope 3 emissions	55.86*	66.93	20%

*Calculated according to the updated preparation basis in 2025. More information can be found in the sub-section: GHG emission accounting policies and in the ESRS 2 section under BP-2: Boundaries and foundations of reporting.

Emissions intensity per net revenue (tCO ₂ eq / MEUR)	2024	2025	% change, 2025/2024
Based on location-based emissions	46.39*	41.47	-11%
Based on market-based emissions	45.06*	40.68	-10%
Net revenue used for calculating intensity (MEUR)	704.45	652.30	-7%
Revenue (other)	0.00	0.00	0%
Total revenue (in financial statements)	704.45	652.30	-7%

*Calculated according to the updated preparation basis in 2025. More information can be found in the sub-section: GHG emission accounting policies and in the ESRS 2 section under BP-2: Boundaries and foundations of reporting.

Analysis of the results and justifications:

As a result of operational changes, the proportion of outsourced services in procurement as well as the number of personnel have decreased in 2025, which has in turn affected greenhouse gas emissions.

GHG emission accounting policies

Pihlajalinna's energy and greenhouse gas calculations and measurement are based on the GHG Protocol Corporate Standard (version 2004) and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (version 2011). The consolidation method for the preparation of the data for the metrics is operational control. The data was collected from various systems and consolidated at the Group level. The data was validated by the respective persons in charge and entered in a joint data collection platform. The emissions were calculated by linking the source data with emission factors.

No methodological changes in reporting have taken place between the reports. The specificity of emissions accounting was improved in connection with the calculations made in 2024 and 2025, as the data collection methods, the coverage of the initial data and the categorisation of the calculations has improved from one year to the next. This affects the comparability of the results between reporting years.

The analysis includes the following greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

The emissions of these greenhouse gases are expressed as CO₂ equivalent (CO₂eq), which is based on their global warming potential on a 100-year time horizon (GWP100). The global warming potential (GWP) values of greenhouse gases are based on the fourth, fifth or sixth Assessment Report (AR4, AR5 or AR6) of the Intergovernmental Panel on Climate Change (IPCC) according to the methodological choices of the emission factor publishers used in the accounting.

The emission factors of aviation take into account the radiative forcing impact caused by the emitted gases and aerosols and additional impacts caused by changing cloud cover. A centrally estimated factor

applied to the GWP100 value is used for this purpose. The aim of this assessment is to take into account the additional impact based on best available scientific evidence while being consistent with the UN-FCCC convention. The total emissions in this report include emissions from electricity according to both the market-based and location-based methods.

There are no CO₂ emission compensations or removals, and they have therefore not been deducted from the total amount.

A local emission factor that is as relevant as possible has been chosen for each activity using best judgement. In addition to locality and relevance, other perspectives included the availability of emission factors and the consistency of the choice of emission factor publisher.

Exiobase, DEFRA and AIB emission factors from the Carbon+Alt+Delete emission factor database were used in the Scope 1 and Scope 2 accounting. For district heating, the most recent nominal emission factors of district heating companies were used for all sites. In addition, direct emission data from partners' reports was used in Scope 1 accounting. Exiobase and DEFRA emission factors from the Carbon+Alt+Delete emission factor database and emission factors from Statistics Finland and Helsinki Region Environmental Services Authority HSY were utilised in Scope 3 accounting. The most recent nominal emission factors from AIB, DEFRA and district heating companies were used in calculating the life cycle impacts of energy generation. In addition, emission data provided by partners has been used in the calculations whenever possible.

The accounting data was collected as broadly and comprehensively as possible within the available resources. Shortcomings were observed in the data collection systems with regard to properties and procurement in particular and therefore estimates made based on the previous year and the spend-based calculation method were used in the accounting.

In the emissions accounting on the year 2025, category 3.2 Capital goods was separated into its own category for the first time in accordance with the accounting boundary. The corresponding change was retrospectively applied to the emissions accounting on the year 2024. In addition, the groupings of category 3.1 Purchased goods and services were harmonised in the emissions accounting and the amounts were adjusted to take the share of value added tax into consideration, which had not been done in previous years. The contents of emission category 3.1 were reviewed, and the emission categories were specified further, which made it possible to apply more accurate emission factors. Items were moved from category 3.1 to other categories in order to increase the accuracy of the results. Corresponding restatements were made to category 3.1 calculations on the year 2024 to make the data comparable.

Over the past two years, the emissions accounting of procurement and data collection have been developed to respond to the needs and schedule of emissions accounting. In connection with the emissions accounting on the year 2025, the aim was to establish a framework that can be repeated in future reporting periods. Nevertheless, the continued refining of the emission categories remains an important development area for future years.

Pihlajalinna has excluded the following categories from its GHG accounting for the reporting year 2025, because they are not relevant to Pihlajalinna's activities or the emission data is included in other categories.

- 3.1.1 Cloud computing and data centre services
- 3.8 Upstream leased assets
- 3.10 Processing of sold products
- 3.11 Use of sold products
- 3.12 End-of-life treatment of sold products
- 3.14 Franchising
- 3.15 Investments

Own workforce (S1)

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Identification and assessment of material impacts, risks and opportunities (IRO-1)

The material impacts, risks and opportunities related to the company's own workforce have been identified in the double materiality assessment described in the ESRS 2 section, under IRO-1: Process to identify and assess material impacts, risks and opportunities. Pihlajalinna reports on its activities in the areas identified as material in the double materiality assessment.

Material impacts, risks and opportunities related to own workforce and their management (SBM-3)

Pihlajalinna's material impacts concern the company's own workforce (hereinafter referred to as own personnel or Pihlajalinna professionals), which covers employees in employment relationships (hereinafter referred to as employees) and self-employed people (hereinafter referred to as practitioners), as well as temporary employees.

Pihlajalinna's ambition is to be the most desirable workplace in its industry, one where employees have a high level of job satisfaction and opportunities for professional development. Pihlajalinna builds its culture on its strengths, which are humane leadership and a people-centric work community that is grounded in shared rules. Pihlajalinna places a priority on smooth day-to-day operations and a predictable customer flow so that healthcare professionals can focus on doing meaningful work.

Pihlajalinna's operations involve negative impacts on employees, particularly in relation to occupational safety, working hours and wellbeing at work. Some of these impacts are typical for the industry, such as a high overall load and constant changes in the operating environment. These factors may influence employees' wellbeing and the management of working hours. Pihlajalinna monitors these impacts systematically and develops actions to reduce them as part of its human resources management.

Individual events, such as work-related accidents or exceptional peak workloads, can increase the strain on the personnel and weaken wellbeing at work. Pihlajalinna operates in a target-oriented manner in a growing business and a constantly changing operating environment in

which maintaining employee competence and wellbeing is a key success factor. Preparedness for the changes and risks typical of the industry is part of continuous monitoring and development.

As part of its human rights risk assessment, Pihlajalinna has improved its understanding of the special groups of personnel that may be subject to negative impacts. Special groups included in Pihlajalinna's own workforce include, among others, young employees, who may be more exposed to impacts on their physical and mental development. Such impacts may include psychosocial workload factors, which mean features or characteristics of the duties, work dimensioning and design, working arrangements, the work community and management that may cause harmful stress on the employee. Rather than being individual problems, these are organisation-level factors that impact all employees, practitioners and potential temporary employees.

Also typical for the industry are special groups for whom the special characteristics of their duties, such as night work or shift work, can increase occupational safety risks. Special groups include also foreign employees who may have limited ability or opportunities to seek

S1 Impacts, risks and opportunities related to own workforce			
Sustainability matter	Impacts, risks and opportunities (IRO)		
Secure employment for own workforce	Stability of employment and practicing a profession	Actual positive impact	Pihlajalinna provides its personnel with stable employment relationships and the opportunity to practice their profession. This supports professional identity, which can promote wellbeing at work as well as job satisfaction.
	Reputation as a stable employer	Opportunity	A stable employment relationship supports personnel commitment, motivation and the development of professional competence. This can improve productivity and reduce employee turnover, resulting in savings in Pihlajalinna's recruitment and onboarding costs.
Working time of own workforce	Workload from shift work	Actual negative impact	Shift and night work can increase workload, make it harder to balance work and personal life, and impair recovery. These factors can negatively affect personnel's wellbeing and work ability.
	Opportunities from flexible working hours	Opportunity	Flexible working time arrangements, implemented whenever feasible, support personnel in balancing work and personal life, help maintain work ability, and promote job satisfaction. This can extend working careers and reduce costs related to absences and employee turnover.
	Costs of burdensome working hours	Risk	Shift and night work can, in some cases, lead to prolonged sick leaves and increased employee turnover. This increases recruitment and onboarding costs and places strain on the broader team, which can reduce efficiency and increase absences. Combined, these factors can weaken Pihlajalinna's short-term profitability.
Adequate wages for own workforce	Competitive wages	Opportunity	Adequate and competitive wages support personnel commitment, reduces employee turnover and strengthens the employer brand. This can increase work motivation and productivity, fostering Pihlajalinna's robust business growth.
	Costs of wage increases	Risk	Increasing wages raises personnel costs and may affect Pihlajalinna's short-term profitability at the unit level.
Health and safety of own workforce	Sick leave	Actual negative impact	In the social and health care sector, work can be both physically and mentally demanding, increasing the risk of long-term sick leave. Musculoskeletal disorders (MSDs) are common due to physical strain, such as moving patients and working long shifts. Pihlajalinna's operations include a significant amount of expert work, where musculoskeletal symptoms often stem from static computer-based tasks. The hectic nature of the work and time pressures cause psychological strain, which can increase mental health-related absences.
	Work-related accidents	Actual negative impact	The physical demands of work, the variety of work environments, and the unpredictable situations related to patient care can increase the risk of accidents among personnel. In addition, individual customers' potentially challenging or disruptive behaviour can cause mental strain and weaken personnel's sense of safety and wellbeing at work. Work-related accidents can lead to sick leaves, long-term reductions in work ability, and psychological strain.
	Incidents of violence	Actual negative impact	
	High-quality occupational health care	Actual positive impact	As an industry expert, Pihlajalinna can provide its employees with high-quality health care. This supports the preservation of work ability and the prevention of illnesses, promoting the overall wellbeing and health of the personnel.
	Opportunities from supporting work ability	Opportunity	Investing in the health and safety of personnel can reduce sick leaves and support longer working careers, thereby enhancing the organisation's productivity and cost-effectiveness. In addition, the possibility of reductions in earnings-related pension contributions can bring significant savings in personnel costs.
	Uncontrolled sick leave	Risk	Unanticipated sick leaves may arise because of workload or work-related accidents. Such absences can increase earnings-related pension contributions and result in Pihlajalinna being placed in a higher contribution category. This can cause additional financial costs and reputational damage in the medium and long term, especially in situations where effective control measures are lacking.
Gender equality and equal pay for equal work	Risk of sick leave at unit level	Risk	At the unit level, high sickness rates can weaken short-term profitability due to increased personnel costs, the need for substitutes, and potential disruptions in operations.
	Equal pay	Actual positive impact	Ensuring equal pay within the work community strengthens employees' sense of being valued and treated fairly. This promotes job satisfaction and a positive work atmosphere.
Work-life balance of own workforce	Work-life imbalance	Potential negative impact	If the workload becomes unreasonable, it can impair recovery and make it difficult to balance work and private life. This increases the risk of mental and physical strain, burnout, sick leaves, and decreased work ability, particularly in the short term.
	Supporting work-life balance	Opportunity	Promoting work-life balance can strengthen the employer brand, increase personnel commitment, and extend careers. This supports productivity, reduces absences and employee turnover, and provides Pihlajalinna with financial benefits while strengthening its reputation as a responsible employer.
	Reputational risk from work-life imbalance	Risk	If the organisation is unable to support work-life balance in the way the work community requires, it may weaken Pihlajalinna's reputation as an employer and negatively affect personnel commitment.
Measures against violence and harassment in the workplace	Prevention of harassment and violence	Actual positive impact	Clear procedures and measures for preventing violence and harassment promote workplace safety, personnel satisfaction, and overall wellbeing at work.
Training and skills development for own workforce	Skills and competence development	Actual positive impact	Equal and equitable opportunities for training and competence development promote personnel wellbeing at work as well as their professional growth.
	Competitive advantage through competence	Opportunity	Investing in competence development strengthens personnel's competence, work motivation, and commitment. Equal opportunities for learning support wellbeing at work and professional development, which can improve productivity, reduce employee turnover, and strengthen the employer brand. This may, in turn, support Pihlajalinna's growth and competitiveness.

external support in recruitment or other employment matters, for example. This may be due to a language barrier, difficulty accessing information or lack of knowledge regarding their rights, which requires special attention from the employer to ensure equality and support. No international recruitment was carried out during the reporting period, but Pihlajalinna has the capabilities to also take into account the potential special needs of foreign employees. The material risks and opportunities concern all categories of personnel, including the special personnel groups identified in the human rights risk assessment.

Pihlajalinna operates in Finland and does not have direct activities in areas involving significant risks related to forced labour. Pihlajalinna professionals have access to an anonymous whistleblowing channel and procedures in place to address any incidents.

Working conditions at Pihlajalinna

Pihlajalinna's actual positive impact on working conditions is related to the stability of the personnel's employment relationships, healthy and safe work, equal wages, and wellbeing. Pihlajalinna offers its personnel stable employment relationships and the possibility of practicing a profession. Pihlajalinna invests in high-quality leadership and supervisory work. Employees also have access to flexible working hour arrangements, such as flexible working hours. As an expert in the field, Pihlajalinna offers premium healthcare to its personnel.

An actual negative impact is related to shift work and night work, which causes a strain on part of the personnel, and work-related accidents caused by threatening and violent incidents in customer-facing work. Working environment-related risks are regularly assessed, and appropriate actions are taken to manage such risks as necessary. Clear procedures and actions for preventing the threat of violence and harassment prevent risk incidents, strengthen the personnel's sense of safety and promote wellbeing at work.

Work-life balance involves potential negative impacts due to work-related stress. Actual negative impacts have also been identified in relation to the health and safety of the company's own personnel, as the work can be physically and mentally demanding and increase the risk of accidents or, in individual cases, of prolonged sickness absences. Working conditions have direct impact on business, as personnel wellbeing increases the productivity of work.

Ensuring working conditions, personnel wellbeing and health and safety is also significant from the perspective of financial risks and opportunities. Workload or work-related accidents can result in unpredictable long-term sickness absences. Such absences can increase earnings-related pension contributions and move the company to a

higher contribution category. This can result in additional costs and reputational damage in the medium and long term, especially in situations where effective management methods are not available.

Maintaining competitive wages causes costs and can affect short-term profitability. At the same time, good remuneration can be seen as an appeal and retention factor and a driver of increased motivation for work. Seeing to working conditions can result in longer working careers and higher productivity. Indeed, taking care of the personnel and engaging in activities that support employees can open financial opportunities, creating a positive employer image and improving the reputation.

Actions related to Pihlajalinna's transition plan draft have not been identified as having negative impacts on the personnel.

Equal treatment and opportunities

Pihlajalinna's material sustainability matters regarding the company's own workforce are mainly positive, and they materialise in the short or medium term. The actions focus particularly on the personnel's working conditions, wellbeing at work and occupational safety. Particular attention is paid to work-life balance, supporting work ability, adequate and equal wages, and equal opportunities. These factors together support job satisfaction and employee wellbeing.

Pihlajalinna has an actual positive impact on equal opportunities for the personnel through on-the-job learning and development opportunities.

Promoting equality is included in Pihlajalinna's sustainability programme and is therefore part of the company's business and strategy. Equality can support the personnel's wellbeing at work, motivation and risk management. Wages perceived as equal and fair can, for their part, be appeal and retention factors and increase the job satisfaction of employees. Ensuring equality and equal treatment contributes to the development of a good reputation and employer image and can bring financial benefits.

Management of material topics and policies (S1-1)

A description of Pihlajalinna's management system and key policies is provided in the ESRS 2 section, under GOV-1: The role of senior management in sustainability management. Information on key policies is also provided in section G1 of the sustainability statement, in the table: Policies.

The purpose of Pihlajalinna's policies is to promote the wellbeing and safety of the company's own personnel and the realisation of human rights. In addition, operations are guided by the Code of Conduct and the minimisation of adverse impacts so that the working conditions of the personnel are safe and fair, and employee wellbeing and equality are realised. Pihlajalinna's operations are strongly based on the Group's values and strategic ambition. Pihlajalinna's guiding policies related to personnel include the Code of Conduct approved by the Board of Directors, human rights principles, Personnel Policy, Equality and Non-Discrimination Policy, Quality, Environmental and Risk Management Policy, and Data Protection and Information Security Policy. The Executive Vice President, People and Culture is responsible for the wellbeing of employees and is also the owner of the Personnel Policy and the Equality and Non-Discrimination Policy.

Pihlajalinna promotes diversity, equity and inclusion and prevents discrimination and harassment as part of its responsible personnel policy. These principles are implemented through the Code of Conduct, the Equality and Non-Discrimination Policy and HR guidelines. The aim is to ensure a safe and fair working environment for all employees, as well as equal opportunities for development and participation. Pihlajalinna has made a commitment to diversity, equity and inclusion among its personnel by signing the FIBS corporate responsibility network's Diversity Charter, among other commitments. Pihlajalinna does not condone discrimination based on a person's origin, nationality, religious beliefs, ethnicity, gender, age or any other such factor. Pihlajalinna's Personnel Policy, Equality and Non-Discrimination Policy and Code of Conduct cover this principle.

Human rights of the personnel

In its human rights commitment, Pihlajalinna has committed to respecting the human rights of its own personnel and complying with the following international principles for managing the impacts, risks and opportunities concerning its own personnel: UN Universal Declaration of Human Rights, International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Pihlajalinna is committed to the UN Global Compact initiative and respects internationally recognised principles of human rights and equality.

Pihlajalinna's regular engagement with the personnel includes surveys, discussions and cooperation with personnel representatives, for example. The results of personnel engagement are addressed by the Group's sustainability working group and the HR management team, and they influence the actions related to personnel. The human rights

assessment is reviewed every two years and is publicly available on Pihlajalinna's website. A more detailed description is provided in S1-2: Engaging with own workforce.

Pihlajalinna's Code of Conduct and Personnel Policy include clear provisions to prevent human trafficking, forced labour and child labour. Pihlajalinna prepares for these risks as part of its human rights responsibility and sustainability practices. The implementation of the policies is monitored as part of the Group's sustainability efforts and human rights assessment.

Code of Conduct

Pihlajalinna's Code of Conduct guides the activities of all Pihlajalinna professionals. The Code outlines the Group's way of operating, based on good corporate governance, legal compliance, transparency, fairness and confidentiality. Each Pihlajalinna professional must know and follow the Code in their work. Every Pihlajalinna professional is required to complete mandatory Code of Conduct training and commit to complying with the Code, thereby also respecting human rights. The Group Management Team is responsible for defining the Code of Conduct and the operational management is responsible for embedding it in daily practices across the organisation. Compliance is actively monitored, and personnel receive personal reminders about completing the training. In addition to the Code of Conduct, daily work is guided by the more detailed instructions and policies available on the intranet and on company website.

Personnel Policy

The Personnel Policy compiles the most important operating principles in various HR areas. The Personnel Policy includes requirements and expectations for Pihlajalinna's operations so that the personnel can perform meaningful work in a well-managed and healthy work community. At Pihlajalinna, the implementation of policies aligned with the Personnel Policy is monitored and assessed regularly through personnel surveys and discussions with personnel representatives. The Group's Executive Vice President, People and Culture is the owner of the Personnel Policy. Group HR is responsible for updating and amending the policy.

Equality and Non-Discrimination Policy

The Equality and Non-Discrimination Policy defines Pihlajalinna's policies related to equality and non-discrimination in all activities related to working life. At Pihlajalinna, the realisation of the Equality and Non-Discrimination Policy is regularly monitored and assessed

through personnel surveys and by collecting and analysing statistics on the placement of women and men in different personnel groups and positions. A survey of wages and pay gaps is carried out as part of the monitoring, and these statistics are included in the equality and non-discrimination plan. The Group's Executive Vice President, People and Culture is the owner of the Equality and Non-Discrimination Policy. Group HR is responsible for updating and amending the policy.

Engaging with own workforce (S1-2)

Pihlajalinna takes the views of its personnel into account in decision-making and actions used to manage impacts on personnel. Views are collected through regular personnel surveys, pulse surveys, cooperation procedures, dialogue with shop stewards and a reporting system. Concrete actions have been implemented on the basis of feedback, including the incorporation of retention factors in the strategy, implementing training activities aimed at supervisors, and updating the occupational healthcare agreement.

The effectiveness of the engagement and actions is assessed using survey results and response rates, follow-up reports and personnel feedback. In addition, the cooperation organisations and occupational safety and health groups agree on development actions that are recorded in the work community development plan, for example.

Pihlajalinna regularly listens to its personnel. The regular Pihliksen pulssi personnel survey and the DEI survey on diversity, equity and inclusion help to monitor the impacts of actions and observe potential areas for development. The Group's comprehensive personnel survey, Pihliksen pulssi, is conducted twice a year. It is an important tool for assessing, monitoring and developing the state and practices of the work community, as well as for dialogue between personnel and supervisors. The Pihliksen pulssi personnel survey is supplemented by lighter mini-pulse surveys carried out 2–3 times a year.

The results of the Pihliksen pulssi personnel survey are used both for Group-level decision-making and development as well as team-specifically. Group-level results and their utilisation is communicated to the personnel in Kimpassa meetings, supervisor information sessions and personnel information sessions. The results of Pihliksen pulssi personnel surveys are discussed and utilised in the team-level performance and development discussion. Pihlajalinna used the results and opened feedback from the Pihliksen pulssi personnel survey as part of the planning of the current strategy period to identify the retention factors that are important for its personnel. In addition to the Pih-

liksen pulssi personnel survey, the views of the Group among practitioners who work for Pihlajalinna are monitored by means of regional practitioner evenings organised at least once a year.

Pihlajalinna respects its employees' right to unionisation and develops cooperation based on trust and openness with personnel representatives. Pihlajalinna is a member of the Finnish Association of Private Care Providers (Hali) and, based on its membership, obliged to comply with universally binding collective agreements, namely the Collective Agreement for the Healthcare Services Sector and the Collective Agreement for the Private Social Services Sector.

To promote interactive cooperation between Pihlajalinna and its employees, Pihlajalinna engages in Kimpassa ("Together") activities. It is a cooperative organisation spanning the entire Group. The Kimpassa cooperation organisation meets twice a year, in spring and autumn. The people involved in the activities include Kimpassa representatives selected by employees, HR representatives, shop stewards and the occupational safety and health organisation. The aim of the activities is to develop Pihlajalinna's equity, dialogue and trust between management and personnel and to meet the requirements set out in the Act on Co-operation within Undertakings. The meeting memos of the meetings are kept for everyone to see on the intranet.

Together with personnel representatives, Pihlajalinna has drawn up a work community development plan to support systematic, long-term development of the work community and competence, and to promote wellbeing at work. The plan outlines Pihlajalinna's current state, targets and actions for maintaining and developing competence and wellbeing. It is reviewed and updated in Kimpassa meetings held twice a year and communicated to personnel via the intranet. It applies to all Pihlajalinna employees, and the Group's Executive Vice President, People and Culture, is responsible for its implementation.

Each Pihlajalinna professional is responsible for monitoring wellbeing and working conditions, ensuring safety and addressing problems. The working conditions are monitored continuously and reported to the business and Group management at least quarterly. Pihlajalinna also actively cooperates with the occupational safety and health organisation. Pihlajalinna's regional and company-specific occupational safety and health cooperation groups meet four times a year and discuss occupational safety and health matters in accordance with a uniform agenda. The key task of the cooperation groups is to ensure safe, healthy and fair working conditions and to promote the implementation of the occupational safety and health action programme. The cooperation group also discusses other matters covered by the

Act on Co-operation within Undertakings with personnel representatives. The cooperation group includes the occupational safety and health delegate, regional shop steward, occupational safety manager, HR manager and the regional director or CEO as the chair. They may invite, for example, an occupational healthcare representative when necessary. Personnel are kept informed of occupational safety and health cooperation, although practices regarding the retention of meeting minutes vary by region.

Pihlajalinna's CEO, the Executive Vice President, Communications, Marketing and Sustainability, and the Group's Executive Vice President, People and Culture meet with the chief shop stewards on a quarterly basis. The HR directors of the businesses engage in dialogue with the chief shop stewards of the Group monthly. In addition, HR managers and regional shop stewards meet at least once a quarter. Pihlajalinna Group's HR administration has operational responsibility for ensuring that cooperation is carried out in accordance with legislation and that the decisions and actions are influenced by the perspectives of the personnel.

The personnel are encouraged to engage in active dialogue with their supervisors or shop stewards so that any potential adverse impacts can be identified and corrective actions taken. Pihlajalinna has a reporting system for personnel to report any observed occupational safety deviations and concerns.

Pihlajalinna has identified and assessed its human rights impacts in line with its due diligence, covering its own personnel and individual customers. In addition, an assessment has been carried out regarding workers in the value chain, forming the basis for continued work during the reporting period. The aim is to deepen the understanding of human rights risks by examining the activities of the largest suppliers, particularly in high-risk countries. This is accomplished by utilising sustainability surveys and stakeholder discussions to build a comprehensive overview. In accordance with the due diligence requirements, practices and procedures are continuously developed to ensure respect for human rights across all operations.

Pihlajalinna continues to develop its internal reporting channels to ensure that, in the coming years, it can gain even better insight into the perspectives of those employees who may be particularly vulnerable to potential adverse human rights impacts. The due diligence processes are designed to avoid, prevent and mitigate any potential or actual harmful human rights impacts.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

Processes to remediate negative impacts

Pihlajalinna takes action to address all incidents involving potential human rights violations or actions contrary to legislation, values or agreements, regardless of whether the violation concerns Pihlajalinna's own personnel, value chain workers, affected communities or individual customers. Clear processes help to handle matters systematically so that human rights violations can be addressed and corrective actions can be taken immediately. Targeted measures are defined for all critical, potential and actual human rights impacts in order to minimise and prevent adverse effects.

Each Pihlajalinna professional must report any suspected breaches of legislation or infringement of Pihlajalinna's Code of Conduct without delay. Supervisors must process suspicions appropriately and take corrective action. Supervisors must treat all parties respectfully and ensure that no one raising a concern faces negative consequences. The supervisors must report any cases or suspicions that come to their attention to the Group's legal department. Pihlajalinna also has a confidential whistleblowing channel.

Pihlajalinna has an occupational safety and health action plan based on risk assessments. The action plan sets out responsibilities, policies and metrics related to occupational safety. The employees of Forever fitness centres, which is a subsidiary of Pihlajalinna, have their own separate plan. Drafting an occupational safety and health action plan is a legal requirement and is reviewed annually. In accordance with the occupational safety and health action plan, the objective of occupational safety and health is to ensure healthy, safe and fair working conditions for everyone working at Pihlajalinna, to support measures to maintain work ability and to encourage everyone to contribute to fostering a good working atmosphere and an open communication. The occupational safety and health action plan describes the key occupational safety and health practices and annual focus areas aimed at influencing the occurrence of work-related accidents. In 2025, the focus areas were the threat of customer violence and strengthening psychological safety. Regional cooperation groups review the plan and assess its impacts from the perspective of the actions and targets applicable to the region in question.

Monitoring working conditions and ensuring safety is every Pihlajalinna professional's responsibility. Pihlajalinna's principle for preventing work-related accidents is to identify and assess hazards, and to eliminate or effectively manage the associated risks. More detailed description of the occupational safety management system will be completed during the upcoming financial year. The personnel must report any hazards and occupational safety deviations via the HSE Lite reporting system. This is a proactive occupational safety management and development tool that Fennia offers to its occupational accident insurance customers to manage and develop occupational safety. The tool is available to all Pihlajalinna professionals, and reports can be submitted via an open link or QR code. The designated supervisor is responsible for processing reports and informing the reporter of progress and corrective actions. Safety observations are reviewed in supervisor-led team meetings. The system is also used for risk assessments and recording work-related accidents.

Pihlajalinna assesses the effectiveness of remediating actions on a case-by-case basis by monitoring, for example, the impacts on working conditions, personnel feedback and the number of new reports. The assessment is carried out in cooperation with supervisors, HR and, if necessary, occupational safety and health operators. If necessary, the actions are further specified or supplemented based on the assessment. The primary aim is to ensure proper remediation of negative impacts and prevent similar incidents in the future.

Channel for bringing up grievances or needs

Pihlajalinna's confidential whistleblowing channel can be used for reporting misconduct and irregularities within the organisation. The whistleblowing channel is implemented in partnership with a neutral third party to ensure that the anonymity of the person who submits the report is maintained. A more detailed description of the whistleblowing channel policies concerning the protection against retaliation of persons using the structures and processes is provided in the G1 section, under the subsection G1-1: Mechanisms for identifying, reporting and investigating concerns. The whistleblowing channel is available on Pihlajalinna's intranet and website in Finnish, Swedish and English, and information about its operation is communicated to the personnel at least once a year and, in a targeted manner, to other relevant stakeholders.

Induction on the cooperation structure, incident and reporting channels, and the personnel survey is included in the Group-level general induction for all Pihlajalinna professionals. The supervisor is responsible for ensuring that the induction is completed. The personnel's

awareness and confidence in the process for reporting grievances is assessed as part of the self-monitoring survey.

Working conditions, equal treatment and equal opportunities

Pihlajalinnna respects its employees' right to unionisation and develops cooperation based on trust and openness with employee representatives. Through Pihlajalinnna's Kimpassa cooperation organisation, employees have the opportunity to influence their own work and working environment.

Work-life balance of personnel, health and safety of employees, personnel working hours

The purpose of occupational safety and health cooperation is to ensure compliance with occupational safety and health regulations and to improve the working environment and working conditions through the regulatory control of occupational safety and health authorities and cooperation between the employer and employees. The Group's cooperation groups meet four times a year and address occupational safety and health matters following a standardised agenda.

In line with its due diligence, Pihlajalinnna has identified that, as a significant health and social care operator, it has potential and actual human rights impacts and their realisation, both directly and through its value chain. In 2024, Pihlajalinnna's multidisciplinary working group assessed Pihlajalinnna's potential and actual human rights impacts. Through these stakeholder discussions, Pihlajalinnna has identified, for example, that young employees are in a vulnerable position.

Pihlajalinnna has policies concerning its own personnel that promote the inclusion of the personnel and positive behaviour, particularly with regard to vulnerable groups. Pihlajalinnna's induction training coaching for supervisors describes concrete ways for supervisors to support new employees and strengthen the resources of young people at the beginning of their careers.

Actions (S1-4)

The scope of the material impacts, risks and opportunities related to Pihlajalinnna's own personnel covers the Group's own personnel and its own operations in Finland (the Group does not operate in other geographical areas). The financial resources allocated to all current and planned actions are personnel resources. For all actions, the time horizon is future financial years (2026–2027) or the actions are continuous. With regard to the actions, Pihlajalinnna has not identified any

negative impacts on its personnel caused by the transition to a greener and climate-neutral economy.

Positive impacts

Material positive impacts are related to the stability of employment relationships of Pihlajalinnna's personnel, adequate wages, health and safety, gender equality and equal pay for equal work among the personnel, training and skills development of the personnel and measures to prevent violence and harassment in the workplace among the personnel. Pihlajalinnna's HR has continued its ongoing work to identify and harmonise development needs in the company's personnel-related processes.

Health and safety

At Pihlajalinnna, managing people's wellbeing is not a separate activity. Instead, wellbeing is part of all management. Pihlajalinnna systematically develops work ability management practices and principles in cooperation with occupational healthcare and pension insurance company. In 2025, Pihlajalinnna continued to develop the content and scope of its occupational health services with the aim of providing even more effective support for promoting the work ability of the personnel.

In the coming financial years, Pihlajalinnna will continue the development of processes related to work ability and occupational healthcare cooperation in collaboration with occupational healthcare. The aim is to streamline processes and harmonise operating practices at the Group level. In order to support the efforts promoting the health and safety of the company's own workforce, the resources of Pihlajalinnna's wellbeing at work team were strengthened by introducing a work ability coordinator role in autumn 2025.

Employment stability

Pihlajalinnna offers stable employment relationships and the possibility of practicing a profession. Pihlajalinnna focuses on smooth day-to-day work. To enhance smooth day-to-day work that supports cognitive ergonomics, Pihlajalinnna published a Modern Work Playbook in 2024. It contains Pihlajalinnna's guidelines, best practices and descriptions of – and concrete instructions for – the applications used. Pihlajalinnna also continuously develops its digital tools, such as the PihlajalinnnaPRO application for practitioners. The development of digital tools will continue in the coming financial years.

In situations of change in working life, such as business transfers or change negotiations, Pihlajalinnna aims to support the personnel and minimise any potential negative impacts. The activities are based on

procedures in accordance with the Act on Co-operation within Undertakings and open dialogue with shop stewards representing employees. The dialogue is also described in S1-2: Engaging with own workforce. The management levers include open and diverse communication, transition security and managing employee transitions. Changes are communicated in a transparent and timely manner. Supervisors' communication skills are strengthened so they can support their teams through change. At the end of employment, employees are offered transition security training. Occupational health services are available for six months for persons who have been employed by Pihlajalinnna for more than two years, which supports their transition to a new job or education. If operations are transferred to a new employer, the employees are transferred as existing employees so that their terms of employment remain as unchanged as possible.

Pihlajalinnna has continued to harmonise its recruitment practices. An Equal Recruitment Handbook was completed in 2025. It documents Pihlajalinnna's uniform policies for ensuring equal, diverse and non-discriminatory recruitment processes. The handbook was implemented in cooperation with an external partner. The effectiveness of the actions is monitored and assessed by Pihlajalinnna's recruitment steering group. The development of joint recruitment activity will continue in the coming financial years.

Personnel training and skills development

Pihlajalinnna provides its personnel with equal opportunities for training and competence development. At Pihlajalinnna, competence development primarily involves on-the-job learning, the sharing of internal knowledge and training. The majority of on-the-job learning takes place through actual work and interaction with others. Practical tools also include induction training and work guidance, team-specific and personal performance and development discussions, independent study, mentoring, work guidance and job rotation.

Successful induction training supports personnel wellbeing. Pihlajalinnna has continued to develop induction programmes for employees and practitioners to ensure high-quality and uniform induction for all Pihlajalinnna professionals. A standalone general induction training course is available in Pihlajalinnna's online learning environment, providing a good general understanding of Pihlajalinnna as a company, basic knowledge and understanding of work-related rights and responsibilities, and how Pihlajalinnna as an employer supports the personnel wellbeing and development. The development of Pihlajalinnna's induction training continues in the coming financial years.

Pihlajalinna ensures that personnel in social and healthcare services have access to high-quality vocational upskilling. In addition to an extensive service line-specific training offering, upskilling opportunities are offered in connection with Pihlajalinna's training and networking days, such as the annual Pihlis Day for healthcare personnel.

In addition to strengthening the professional competence, Pihlajalinna has offered diverse, targeted training on topics such as diversity, change resilience and modern work to its personnel. A leadership development programme has been offered to management, covering themes such as modern leadership and operating environments, performance management, and unified leadership and value-based models. In addition, supervisors have been offered themed training courses related to topics including work ability management, change management and employment relationship skills. Pihlajalinna uses internal expertise, external stakeholders and training partners in the design and delivery of training.

Each employee participates in an annual development discussion at the individual or team level. A personal competence development plan is drawn up in personal performance and development discussions. The aim is for all Pihlajalinna professionals to have the necessary competence to meet goals and develop and maintain their professional competence. Pihlajalinna assesses the effectiveness of the actions annually through competence management targets.

Gender equality and equal pay for equal work among the company's own personnel

Pihlajalinna has an equality and non-discrimination plan. Actions taken in line with it are intended to produce positive impacts for the personnel. In accordance with the equality and non-discrimination plan, Pihlajalinna focuses in particular on the development of equal pay and recruitment practices as well as work-life balance, strengthening a value-driven corporate culture and enhancing the competence of its personnel in terms of equality and non-discrimination.

In 2025, Pihlajalinna developed its overall remuneration framework and the analysis of wage data. In order to ensure equal pay and a fair wage levels, Pihlajalinna has defined job grades for roles with a contractual monthly wage, as well as related wage levels, and started a job grade assessment for doctors' job roles. In addition, Pihlajalinna has continued the implementation of the measures outlined in the DEI action plan, prepared for compliance with the Pay Transparency Directive, and defined Pihlis principles together with the personnel.

The Pihlis principles describe Pihlajalinna's approach to operations and interaction with both colleagues and customers. They outline the work community skills expected from every Pihlajalinna professional

and the conduct required to ensure that everyone feels comfortable working at Pihlajalinna. The Pihlis principles are a continuation of the leadership principles defined in 2024. Together, the two sets of principles constitute the foundation of Pihlajalinna's work community culture. Pihlajalinna's leadership principles describe what kind of leadership is aimed for and valued at Pihlajalinna. The principles have been defined in cooperation with the personnel, and together they point the way towards an even more impactful work community culture.

The practical implementation of the Pihlis principles, the implementation of the DEI action plan and the preparations for compliance with the Pay Transparency Directive will continue in the coming financial years. The work is led by Pihlajalinna's HR, and internal stakeholders are involved in the work. Pihlajalinna's HR monitors and assesses the effectiveness of the actions.

Pihlajalinna monitors and assesses equality and non-discrimination through personnel surveys every two years. In addition, data is collected of women and men in different personnel groups and positions, for instance. In connection with the update of the plan, the achievement of the goals set for equality and non-discrimination work will be reported to the Group's management and personnel. Pihlajalinna's HR is responsible for monitoring, assessing and reporting on the implementation of equality and non-discrimination.

Measures against violence and harassment at the workplace

All Pihlajalinna professionals must comply with Pihlajalinna's operating model aimed at the prevention of inappropriate conduct, according to which all forms of harassment or inappropriate treatment are prohibited. Supervisors are required to address inappropriate conduct or harassment immediately after being informed of the issue.

Pihlajalinna cooperates closely with the occupational accident insurance company in the prevention of work-related accidents and the prevention of violence and harassment at the workplace. Pihlajalinna has updated its operating model with regard to preparing for, and preventing, the threat of violence. In 2025, Pihlajalinna offered targeted training to its personnel to strengthen occupational safety competence with regard to topics such as preparing for, and preventing, the threat of violence. The goal of occupational safety and health work is to ensure healthy, safe and fair working conditions for all Pihlajalinna professionals. The impacts are assessed through Pihlajalinna's occupational safety and health targets and metrics.

The assessment of psychosocial stress is conducted jointly by supervisors and the occupational safety and health department under Pihlajalinna's HR. The assessment of psychosocial work-load factors is part of the workplace survey carried out by occupational healthcare.

Effectiveness of measures

Pihlajalinna monitors and assesses the effectiveness of the actions in accordance with the operating principle of continuous development. Once a year, Pihlajalinna conducts a comprehensive Pihliksen pulssi personnel survey, which is supplemented by more concise mini pulse surveys conducted 2–3 times a year. The purpose of the comprehensive personnel survey is to measure and monitor the implementation of Pihlajalinna's leadership principles, the functionality of the work community, the wellbeing at work and cohesion. The Pihliksen pulssi personnel survey helps track the impact of implemented actions and identify potential areas for development. Smaller mini pulse surveys are used throughout the year to monitor developments in personnel experience, safety experience and the work ability index.

In addition to the Pihliksen pulssi personnel survey and the mini pulse surveys, Pihlajalinna's HR, occupational safety and health, management and supervisors monitor personnel's wellbeing and job satisfaction in their responsibility area from the perspective of several metrics. Occupational healthcare monitors the work ability of employees through workplace surveys and health examinations, for example.

Pihlajalinna also monitors the effectiveness of its activities in joint steering groups and meetings held with external stakeholders, such as occupational healthcare and pension insurance companies. Pihlajalinna has internal working groups and steering groups responsible for the progress and monitoring of key actions and reporting on their effectiveness to senior management. The achievement of the targets set for occupational safety and health is monitored by means of, for example, the number of safety observation reports, the number of work-related accidents and commuting accidents, accident frequency, work ability assessments and work atmosphere surveys. Cooperation groups and the Kimpassa organisation are also key internal forums from the point of view of monitoring effectiveness.

The management and the sustainability working group review and assess human rights efforts annually, and risks concerning human rights and the personnel are addressed as part of the Group's risk management process. In connection with the review, it is ensured that the actions taken in accordance with the due diligence process do not cause or promote material negative human rights impacts related to the company's own personnel. Pihlajalinna strives to fulfil its due diligence in human rights matters as part of decision-making processes.

The due diligence process helps to identify current and potential impacts on people and to address any shortcomings immediately. Corrective processes support the principle and enable the respect and

implementation of human rights in operations. The assessment of adverse human rights impacts and corrective measures is carried out as part of human rights due diligence and in cooperation across functions. The management of material impacts is carried out in cooperation with various stakeholders. The work involves, among others, Pihlajalinna's HR, regional and company-specific HR managers, shop stewards, the occupational safety organisation, occupational healthcare, the occupational accident insurance company and pension insurance companies. Pihlajalinna has described the available resources for implemented, planned and ongoing actions.

Negative impacts

At Pihlajalinna, there are potential and actual negative impacts related to the working hours of the personnel, work-life balance and the health and safety of the personnel. Pihlajalinna strives to ensure that its own practices do not cause material negative impacts on its personnel. Pihlajalinna monitors impacts on the basis of, for example, the development of employee Net Promoter Score, the work ability index and sickness-related absences, and develops its operating practices in cooperation with personnel representatives.

During 2025, Pihlajalinna implemented several development actions aimed at developing leadership and supervisory work, strengthening work ability management and occupational safety management, promoting work community skills and harmonising policies related to employment relationships and recruitment. The aim of the actions is to generate positive impacts by improving the employee experience and to prevent any negative effects on the company's personnel. Pihlajalinna aims to improve the wellbeing of employees through, for example, high-quality supervisory work, work arrangements, occupational health services and active support as well as development projects that support wellbeing at work. Pihlajalinna has flexible working hours in place in some functions. At Pihlajalinna, duties not tied to the employer's workplace may be performed remotely.

The management of occupational safety and health risks aims to identify work-related hazards, risks and adverse effects, and to systematically eliminate or reduce these. Working environment risks are assessed by Pihlajalinna's units at least once a year and whenever significant changes happen. The health significance of the identified risks is also assessed in workplace surveys conducted by the occupational healthcare function. These are carried out in five-year intervals at a minimum and whenever significant changes happen. Pihlajalinna employees are covered by statutory occupational healthcare as well as occupational accident and occupational disease insurance. Work-re-

lated illnesses and the causes of absences are monitored at the annual level at Pihlajalinna. The effectiveness of the actions is monitored and analysed by Pihlajalinna's HR.

Working hours of the personnel

Pihlajalinna prevents and mitigates negative impacts related to the working hours of personnel, such as the burden of shift work and night work, in many different ways. Pihlajalinna actively cooperates with occupational healthcare regarding the burden related to shift work and night work. Occupational healthcare monitors employees' work ability through workplace surveys and health examinations, for example. Monitoring rest periods in accordance with collective agreements, providing security services and planning work shifts also help to alleviate the burden caused by shift work and night work. Occupational safety and health plays a key role in preventing negative impacts related to working hours. Each Pihlajalinna unit annually carries out and updates a unit-specific risk assessment. Actions to prevent and mitigate the burden of night work are particularly aimed at personnel working in shifts. The outcome of these actions is reasonable working hours and ensuring safe and healthy working conditions. The impacts are assessed in cooperation with the supervisor, occupational healthcare and occupational safety and health. Pihlajalinna will continue to implement the current actions and invest further in the development of occupational safety.

Pihlajalinna has an active caring operating model in place, aimed at resolving challenges related to employees' work ability and performance in a proactive and systematic manner. The supervisor is responsible for allocating resources and for the occupational health and safety of employees. Active dialogue in accordance with Pihlajalinna's active caring model, day-to-day management and annual performance and development discussions ensure that the supervisor is aware of the employee's work ability and possible workload factors, such as night work, in order to be able to react proactively to any workload factors.

The impacts of the prevention and mitigation measures for negative impacts of the working hours of Pihlajalinna's personnel are assessed in cooperation with occupational safety and health and occupational healthcare. Annual risk surveys, workplace surveys carried out every 3 to 5 years and the Regional State Administrative Agency's inspection reports are discussed in cooperation groups. Several internal and external stakeholders participate in the prevention and mitigation of the impacts, such as Pihlajalinna's HR and occupational safety and health, supervisors and occupational healthcare. Pihlajalinna will continue to operate in accordance with the current actions and invest in the development of occupational safety in the coming financial years.

Work-life balance

There are potential negative impacts on the work-life balance of Pihlajalinna's personnel. If the workload becomes excessive, it can cause both psychological and physical stress and increase the risk of burnout, increased absences and reduced work ability. Pihlajalinna has prevented and mitigated potential negative impacts through the following actions: monitoring working hours and limiting overtime and working hours in employment contracts, supervisor training, adopting an adjusted work operating model, flexible working hours in some services and functions, and allowing remote work for tasks that are not tied to the employer's workplace. Pihlajalinna monitors the personnel's experience of work-life balance as part of the Pihliksen pulssi personnel survey.

Pihlajalinna takes into account the specific needs of employees in different situations in life as far as possible. Pihlajalinna aims to support employees in balancing work and family life. Pihlajalinna recognises that everyone has a unique family situation and employees from different generations may need different types of support to achieve work-life balance. Pihlajalinna takes a positive approach to different family situations and wants to make the related family leaves as smooth as possible. The employer and the employee may agree on working time arrangements according to the employee's needs and the employer's possibilities. Agreed working time equalisation periods that are in use for as long as possible also promote the flexible balance between work and family life.

In 2025, Pihlajalinna was selected as a pilot workplace in the CARE4CAREER project coordinated by the Finnish Institute of Occupational Health. The project promotes gender equality, work-life balance and family-friendly practices in working life. During the coming financial years, Pihlajalinna will provide training for supervisors and personnel on family-friendly practices and develop adaptive working life practices.

The employment conditions of employees with partial work ability are ensured by balancing work and work ability in cooperation with the employee, supervisor and occupational healthcare in accordance with the active caring model. Means of supporting employees with partial work ability in returning to work include a plan for returning to work, work arrangements, working time arrangements, enhanced support, work ability assessments and the insurance company's vocational rehabilitation measures. The aim of occupational health negotiations held in cooperation with occupational healthcare is to find out the best support and means for the employee to return to work.

The goal of these actions is to ensure safe and fair working conditions for all Pihlajalinna professionals, support measures to maintain work ability and encourage everyone to contribute to fostering a good working atmosphere and an open flow of information. The impacts of actions affecting work-life balance are assessed at Group level as part of the annual comprehensive personnel survey. Supervisor use Pihlajalinna's working time monitoring system to monitor and ensure that working hours are kept to a reasonable limit. Several internal and external stakeholders, such as Pihlajalinna's HR, supervisors and occupational healthcare, participate in the prevention and mitigation of the impacts. Pihlajalinna gradually deployed a new work shift planning system during 2025. The aim of the change has been to make the employees' daily lives smoother and reduce the manual work of supervisors. Practices and procedures related to work shift planning have been harmonised in connection with the development efforts. During the coming financial years, Pihlajalinna will continue to develop the shift planning system and the documentation of the wellbeing at work and occupational safety management system. Pihlajalinna's HR is responsible for developing the working time monitoring system and the resources required for it.

Health and safety of the personnel

Both actual and potential negative impacts on the health and safety of personnel have been identified. To promote mental health and psychological safety, the employer can best contribute to mental wellbeing through good day-to-day management and close cooperation with occupational healthcare and pension insurance companies. At Pihlajalinna, compliance with the occupational healthcare action plan and occupational safety and health action programme are at the core. Occupational healthcare monitors work ability through workplace surveys and health examinations, for example. Pihlajalinna offers its employees services that support mental wellbeing, such as the Mental Care (Mielen huoli) hotline, occupational health psychologist consultations, short-term therapy, short-term psychotherapy and sleep coaching. Strengthening psychological safety and work ability management are part of the induction training for supervisors.

In 2025, Pihlajalinna implemented a targeted training path on work ability management for supervisors in cooperation with pension insurance companies. In addition, Pihlajalinna has offered supervisors training on the updated substance abuse programme and the operating model regarding adjusted work. The change management training programme, which began in autumn 2024, continued in spring 2025. Based on the feedback received on the training programme on change management, the programme as a whole was rated as successful (an average score of 4 on a scale of 1–5) and the programme provided supervisors with good tools for managerial work (an average

score of 4.3 on a scale of 1–5). The training programme has been implemented in cooperation with an external training partner.

Risks and opportunities

Ensuring the working conditions and wellbeing of personnel as well as health and safety is significant from the point of view of financial risks and opportunities. The material risks and opportunities related to the personnel have been identified in the double materiality assessment, which is described in section ESRS 2, under IRO-1: Process to identify and assess material impacts, risks and opportunities. The financial risk management methods used at Pihlajalinna are also essential from the point of view of opportunities. The ongoing actions are described in more detail in section S1, under SBM-3: Material impacts, risks and opportunities related to own workforce and their management.

Equal treatment and development of competence and skills

Equal treatment and the development of competence and skills are also significant from the point of view of financial risks and opportunities. At Pihlajalinna, competence development involves particularly on-the-job learning, the sharing of internal knowledge and training. The majority of on-the-job learning takes place through actual work and interaction with others. Practical tools also include induction training and work guidance, team-level and personal performance and development discussions, independent study, mentoring, work guidance and job rotation. Professional training is provided by both Pihlajalinna's own experts and external training providers.

Pihlajalinna has a proprietary online learning environment, Pihlajalinna Academy, which provides content in support of competence development. The Group's training plan comprises training programmes based on the Group's strategy and the competence needs of the business areas and medical expertise, including Group level training for specific target groups.

Pihlajalinna's leadership principles describe what kind of leadership is aimed for and valued at Pihlajalinna. Complying with the leadership principles contributes to ensuring equal treatment and equal opportunities for all.

A personal competence development plan is drawn up in personal performance and development discussions. These discussions take place in two parts in Pihlajalinna: a team discussion and an individual performance and development discussion. They review the employee's job description and cover competence, achievements, development needs, wellbeing at work and motivation. A key element is also giving feedback to the supervisor and assessing their leadership

in line with Pihlajalinna's leadership principles. Pihlajalinna's monitoring and feedback channels are described in more detail in S1-2: Engaging with own workforce.

Equal treatment and the development of competence and skills are also significant from the point of view of opportunities. Pihlajalinna wants to support the wellbeing at work of older employees and help extend their careers where possible. During performance and development discussions, and where necessary wellbeing-at-work discussions, particular attention is paid to the wellbeing and work ability of older employees. Wherever the nature of the tasks allows, efforts are made to offer older employees opportunities for adjusted work arrangements or part-time work.

Health and safety

Supporting the work ability of the personnel is a key aspect of Pihlajalinna's responsible and sustainable human resources management. At Pihlajalinna, the key target of work ability management is to influence the sickness absence rate and promote longer careers, which has a positive impact on the organisation's productivity and cost efficiency. Proactive work ability management also produces earnings-related pension contribution bonuses, which reduce personnel costs.

At the same time, potential workload-related issues and accidents can lead to unforeseen sickness-related absences, which may increase earnings-related pension contributions and result in the company being moved to a higher contribution category. This can result in additional costs and have a potential negative impact on the company's reputation in the medium and long term, especially if effective operating models for work ability management were not in place.

Adherence to Pihlajalinna's active caring model aims to resolve challenges related to work ability and performance proactively and systematically. Pihlajalinna engages in active cooperation with pension insurance companies and the accident insurance company. The work processes, guidelines and induction training practices related to work ability and occupational safety are developed systematically.

At the Group level, the overall sickness absence rate has remained stable in recent years. Pihlajalinna has, in some respects, been more successful than average in extending careers, when the assessment is based on the 11-tier contribution category system used by pension insurance companies.

In the Group's largest company, Pihlajalinna Lääkärikeskukset Oy, earnings-related pension contributions were lower than average in 2024 and 2025. In 2025, Pihlajalinna Lääkärikeskukset Oy was placed

in contribution category 2, which is indicative of above-average performance. In the contribution category system, category 4 represents the average, and the lower categories represent better performance. There is some variation in the contribution categories among the smaller Group companies but, as a whole, the impact of Pihlajalinna's work ability management is favourably reflected in the level of earnings-related pension contributions.

In order to manage identified business risks and take advantage of opportunities, Pihlajalinna has also strengthened its HR resources by introducing a new work ability coordinator role in autumn 2025. They support supervisors and serve as experts in support measures related to partial work ability. The role supports the implementation of the active caring model, which is aimed at resolving challenges related to work ability in a proactive and systematic manner.

Adequate wages

At Pihlajalinna, the remuneration of employees is based on the level of requirements of each role, the employee's competence and performance as well as the principles of equal treatment. Pihlajalinna recognises and rewards exemplary performance and significant achievements. Pihlajalinna also offers personnel benefits to support the wellbeing and job satisfaction of personnel. Adequate wage can reduce financial pressure and improve the wellbeing of employees and increase social equality. Information on the realisation of adequate wages is presented in S1-10: Adequate wages.

In 2025, Pihlajalinna focused on the development of remuneration as a whole. As part of this effort, the HR resources were strengthened by introducing the role of remuneration manager in spring 2025. Pihlajalinna has continued the practical implementation of the job grade system for employees on contractual monthly wages. Remuneration measures apply to employees. The aim is to meet the requirements of the upcoming EU Wage Transparency Directive and to bring transparency to job grades. The impacts of the activities are assessed as part of the wage survey and in dialogue with shop stewards at least twice a year. Pihlajalinna will continue to operate in accordance with the wage harmonisation plans and develop remuneration as a whole.

Targets and metrics (S1-5)

Targets and metrics related to the management of material negative impacts, the promotion of positive impacts and the management of material risks and opportunities are presented in table S1: Targets and metrics related to own workforce. Pihlajalinna's target setting is based on Pihlajalinna's Personnel Policy as well as Equality and Non-

Discrimination Policy. Senior management sets targets based on preparation by internal stakeholders. Joint, Group-level targets are used to monitor the progress and effectiveness of actions related to actual material impacts.

In addition, Pihlajalinna monitors the effectiveness and progress of actions internally within its operations. The Group Management Team oversees the operations in line with Pihlajalinna's targets. Feedback received from personnel and their representatives through personnel surveys and stakeholder meetings, such as the Kimpassa meetings, is utilised in setting and monitoring the targets.

The specification of Pihlajalinna's new steering group practices for work ability management will be carried out in 2026. With the new steering group practices, target setting and monitoring will be carried out with internal and external stakeholders. The Group Management Team confirms the targets set.

Pihlajalinna develops its operations and the personnel's opportunities to influence the decisions concerning their work, working conditions and position in the company in mutual understanding. Pihlajalinna's development plan is prepared and maintained as part of the dialogue required by the Act on Co-operation within Undertakings. Pihlajalinna monitors the development of the employees' wellbeing and working conditions using the eNPS metric, sickness absence rate and work ability index. The work ability index and eNPS metrics are part of an annual comprehensive personnel survey that is sent to all employees (excluding on-call employees) and practitioners.

Analysis of the results and justifications

In 2025, the results of the metrics were in line with the target trajectory, excluding the employee Net Promoter Score. Pihlajalinna held several change negotiations during the latter part of the year in relation to the change in the business and the entire operating model.

S1 Targets and metrics related to own workforce						Secure employment for own workforce	Working hours of own workforce	Adequate wages for own workforce	Health and safety of own workforce	Gender equality and equal pay for work of equal value among own workforce	Work-life balance of own workforce	Measures against violence and harassment in the workplace in own workforce	Training and skills development of own workforce
Metric	Results		Targets										
	2025	2024	2025	2026	2028								
Willingness to recommend (eNPS) An employee experience metric that measures employees' willingness to recommend the company.	-7	9	20	12	>30	●	●	●	●	●	●	●	●
Work ability index The work ability index reflects an employee's personal perception of their own work ability.	7.8	8	>8	>8			●		●	●		●	
Sickness-related absence per cent The sickness absence rate shows what proportion of theoretical working time has been lost due to sick leave.	5.4 %	5.6 %	5.6 %	5.4 %	5%		●		●	●		●	

These were reflected in the employee Net Promoter Score, which declined to -7, having been 9 in 2024. The need for corrective measures will be assessed during 2026. The development of Pihlajalinna's eNPS and work ability index has been jointly monitored in a meeting of Pihlajalinna's Kimpassa organisation, in which employee representatives have been involved in identifying improvements as part of the monitoring of performance. Pihlajalinna will continue to develop sickness absence rate monitoring processes in the coming financial years.

Basis of preparation for the metrics:

The baseline year is 2024, and the baseline values are those of 2024, as they represent the first reported comparable figures. The targets cover employees.

When measuring **willingness to recommend (Employee Net Promoter Score, eNPS)**, employees are asked the following question: "I would recommend my employer as a workplace to people outside our organisation." Respondents are given a scale from 0 (extremely unlikely) to 10 (extremely likely). The eNPS is reported on a scale from -100 to +100. The higher the number, the more likely employees are to recommend the workplace to others. The eNPS score is calculated by subtracting the percentage of detractors from the percentage of promoters: eNPS = (percentage of promoters) – (percentage of detractors).

The work ability index (=work ability scores) used in Pihlajalinna is part of a seven-component measurement tool developed by the Finnish Institute of Occupational Health. It is asked in the following form: "Assume that your work ability at its best would score 10 points. What score would you give your current work ability on a scale from 0 to 10?" The response options range from 0 to 10. The work ability index is calculated by taking the average of the responses. The higher the average, the better the respondents assess their work ability.

The sickness absence rate is calculated in accordance with the model of the Confederation of Finnish Industries (EK).

Characteristics of the undertaking's employees (S1-6)

In 2025, Pihlajalinna had 4,540 (6,493) employees and 2,251 (2,145) practitioners. The decrease in the number of personnel is mainly due to the gradual transfers of outsourcing arrangements to the wellbeing services counties and the divestment of housing services, in connection with which employees have been transferred to the service of a new employer. All of Pihlajalinna's operations are in Finland. Of Pihlajalinna's employees, 84 (85) per cent are women and 16 (15) per cent are men. The forms of employment and working hours used at Pihlajalinna are based on collective agreements (collective agreement for the private healthcare services sector and collective agreement for the private social services sector) and labour law.

In 2025, the employee turnover rate, calculated by employment relationship, was 28.7 (25.2) per cent and the total number of terminated employment relationships was 2,820 (2,708). The change in the turnover rate is mainly due to the gradual transfers of outsourcing arrangements to the wellbeing services counties, in connection with which the employment relationships of fixed-term employees have ended, with the reason being the end of the fixed term of employment. The comparison figures for 2024 have been adjusted to correspond to the updated calculation basis. More information is provided in: Basis of preparation of the S1-6 metrics and in section ESRS 2, under BP-2: Boundaries and foundations of reporting.

Employees are only hired for fixed-term employment relationships when there is a legally valid and verifiable reason for it. The reason is explained to the employee and recorded in the employment contract. Termination of a fixed-term employment contract before the end of the agreed term can be negotiated upon if the employee so wishes. Efforts are made to arrange partial child-care leave and reduced working hours to support longer working career whenever possible with regard to the performance of work tasks. Part-time employment relationships may be used at Pihlajalinna for positions where part-time work is suitable and when there is a justified reason on the part of the employer or employee. The grounds for part-time work are always considered on a case-by-case basis.

Number of employees broken down by gender	Number of persons	
	2025	2024
Gender		
Male	725	961
Female	3.815	5.532
Other	0	0
Not reported	0	0
Total number of employees	4.540	6.493

Number of employees by country	Number of persons	
	2025	2024
Country		
Finland	4.540	6.493

Number of employees by contract type by gender (FTE)	2025			2024		
	Female	Male	Total	Female	Male	Total
Type of employment relationship						
Total number of employees (FTE)	3.416	512	3.928	3.874	542	4.416
Number of permanent employees (FTE)	2.944	436	3.380	3.302	444	3.747
Number of fixed-term employees (FTE)	318	47	365	364	63	427
Number of non-guaranteed hours employees (FTE)	152	28	180	202	33	235
Number of full-time employees (FTE)	2.645	412	3.057	3.002	436	3.438
Number of part-time employees (FTE)	616	71	688	665	72	737

Basis of preparation for the S1-6 metrics:

The payroll system administrators and payroll specialists are responsible for maintaining HR data. Supervisors are responsible for submitting the data. The data is submitted to the payroll system using electronic forms. In the payroll system, every individual is classified as either male or female. This information is based on the personal identity number. As the system is developed further, it will become possible to collect information on other gender identities as well.

In the payroll system, employment contracts are classified as either fixed-term or permanent. In addition, employment contracts are categorised by their nature as full-time, part-time, or on-call work.

The number of employees by gender, age group and country is reported as a headcount at the end of the reporting period. The headcount includes employees with an employment contract who received wage payments in the final month of the reporting period. The total number of employees corresponds to the figures reported in Pihlajalinna's 2025 financial statements.

The number of employees expressed as full-time equivalents (FTE), broken down by type of contract and gender, is reported as an average for the reporting period. A single individual may, for example, work under a fixed-term contract in one group company and then under a permanent contract in another company the rest of the year. In such cases, the individual employee is counted both among permanent employees and among fixed-term employees.

Employee turnover is calculated by determining the proportion of employment contracts that ended during a selected period in relation to all employment contracts. This may increase the figure compared with reporting per individual, as internal transfers and changes in contract type are interpreted as new employment contracts.

The following reasons for termination are included in the **turnover rate** calculation: fixed-term contract ended, probationary period termination by employer, probationary period termination by employee, other retirement, employee-initiated termination, economic and production-related reasons, termination of employment, death, termination without notice, old-age retirement, and mutual agreement. The calculation excludes the following situations: transfer to another payment group, transfer to another payment group/company/merger, and end of job rotation. The turnover rate is calculated using the following formula: ended employment contracts / active employment contracts. In 2025, the calculation basis was updated so that turnover also includes employment contracts where the reason for termination is "fixed-term contract ended".

Diversity metrics (S1-9)

Distribution of employees by age group	Number of persons			
	2025		2024	
Age group				
Under 30 years old	584	12.9 %	917	14.1 %
30–50 years old	2407	53.0 %	3340	51.4 %
Over 50 years old	1549	34.1 %	2236	34.4 %

Pihlajalinna's senior management's diversity is presented in section ESRS 2, under GOV-1: The role of senior management in sustainability management.

Basis of preparation for the S1-9 metrics:

The age distribution of employees includes all employees and their ages at the end of the reporting period. The percentages have been calculated by dividing the number of individuals in each age group by the total number of employees.

In this context, **senior management** refers to employees who are members of the Pihlajalinna's Group Management Team.

Adequate wages (S1-10)

All Pihlajalinna employees are paid adequate wages in accordance with the applicable benchmarks. This is based on the underlying assumption that the wage levels defined in Finnish collective agreements meet the definition of adequate wages at the European level. Pihlajalinna operates only in Finland.

Pihlajalinna is a member of the Finnish Association of Private Care Providers (Hali) and must comply with universally binding collective agreements, namely the Private Health Care Services Collective Agreement (TPTES) and the Private Social Services Collective Agreement (SOSTES). Wages are determined according to the applicable collective agreement and their wage structures. Pihlajalinna adheres to the defined minimum wage levels. For employment relationships not covered by a collective agreement (e.g. medical doctors), wages are set at a reasonable level. All wages paid by Pihlajalinna are at or above the relevant minimum levels. Overtime is voluntary and compensated according to legislation and any applicable collective agreements.

Health and safety metrics (S1-14)

In 2025, the reduction in work-related accidents and the mitigation of their severity have been influenced by proactive measures such as risk assessments, safety observations, and various safety instructions. The decrease in accidents is also partly due to the gradual transfers of outsourcing arrangements to the wellbeing services counties and the divestment of housing services, in connection with which employees have been transferred to the service of a new employer. The divested housing services and the units transferred to wellbeing services counties in connection with outsourcing arrangements had a higher frequency of serious accidents in past years due to the specific characteristics of operations in housing services.

Every Pihlajalinna employee is covered by the occupational health and safety management system and is taken into account in the number of incidents related to occupational accidents, occupational healthcare and work-related fatalities.

The quality management system, environmental management system and information security management system are complied with in all of Pihlajalinna's operations. Pihlajalinna's management is committed to constantly improving the operations and the quality management system and creates the prerequisites for achieving the quality-related objectives. Pihlajalinna carries out both internal and external audits.

The standards ISO 9001:2015 and ISO 14001:2015 are in use. Internal audits cover themes that are relevant to Pihlajalinna's health and safety management system, such as safety practices and incident reports. External and internal audits are carried out every three years. The annual coverage of audit activities is ensured by scheduling internal and external audits so that they do not take place in the same year for any individual unit. The audit findings identified in internal and external audits are utilised at each Pihlajalinna site according to the nature of the findings. Internal and external audit reports are available to the personnel electronically.

Occupational safety and health statistics	2025	2024
Number of work-related fatalities	0	0
Number of work-related accidents	162	216*
Rate of recordable work-related accidents	25.3	29.5
Number of work-related ill health cases	0	0
*The basis of preparation has been changed in 2025. Details in section Basis of preparation of S1-14 metrics, and ESRS 2: Boundaries and foundations of reporting.		

Basis of preparation for the S1-14 metrics:

The number of fatalities resulting from work-related injuries and work-related ill health includes work-related accidents occurring at work and during work travel as well as occupational diseases, that meet the criteria laid down in the Workers' Compensation Act. The number of work-related fatalities involving other employees working on Pihlajalinna's sites is obtained from the employer of the employee concerned.

The number of work-related accidents includes accidents occurring at work and during work travel that meet the criteria for work-related and work-travel accidents as defined in the Workers' Compensation Act, regardless of whether they result in absence from work. Commuting accidents occurring during travel between home and the workplace are not included in the number of work-related accidents. In 2025, there were 86 (102) such commuting accidents.

Starting from 2025, the number of work-related accidents also excludes cases rejected by the occupational accident insurer and incidents for which no compensation has been paid. Rejections typically occur because the case does not meet the definition of an accident. Incidents for which no compensation has been paid are excluded in accordance with the occupational accident insurer's guidelines.

The calculation of the **rate of recordable work-related accidents** includes work-related accidents based on statistics provided by the insurance companies, and the actual working hours for the same group of employees as recorded by payroll.

The number of work-related ill health cases, meaning cases of occupational diseases, includes cases that meet the criteria for an occupational disease as defined in the Workers' Compensation Act. The data are obtained from the statistics provided by the insurance company.

The occupational accident insurer provides Pihlajalinna with a monthly report containing key health and safety metrics.

Compensation metrics (S1-16)

Pihlajalinna complies with the applicable employment legislation and collective agreements. For more information, see S1-10: Adequate wages. According to Pihlajalinna's internal salary review, remuneration for nursing staff covered by the collective agreements in both the private social services and healthcare sectors is equal regardless of gender. The gender pay gap among nursing staff in Pihlajalinna is 4.92 (3.44) per cent.

Among doctors and dentists, the gender pay gap is 9.68 (8.22) per cent. This group has the highest proportion of men. As many doctor and dentist duties are performed by practitioners in the Group, employee data does not fully capture all work carried out at Pihlajalinna. Wage levels are influenced by factors such as job grade and education. In 2026, Pihlajalinna will conduct a more detailed analysis of the wages of doctors and healthcare personnel and any potential differences.

Pihlajalinna has improved its reporting on personnel with contractual monthly wages for pay comparison purposes and will now be able to report the pay gap for this group. Among employees on contractual

wages, the gender pay gap by job grade is 5.1 per cent. Women are more represented in lower job grades than in higher ones.

In 2025, Pihlajalinna defined wage bands by job grade, analysed contractual monthly wages in more detail and made employee-specific wage adjustments if the remuneration did not correspond to the job grade. Pihlajalinna will continue to analyse pay gaps and implement potential corrective measures in 2026.

At Pihlajalinna, the pay gap between women and men among all employees is 41.84 (41.44) per cent. The average wage level of employees is EUR 27.48 (25.24) per hour, of which the average hourly wage for women is EUR 24.84 (22.95) and for men EUR 42.71 (39.19).

At Pihlajalinna, the median wage of employees is EUR 40,006.25 (38,054.39) per year. The ratio of the highest-paid person's total annual earnings to the median total annual earnings (excluding the highest-paid person) was 17.7 (13.7). The comparison figures for 2024 have been adjusted to correspond to the updated calculation basis. More information in: Basis of preparation of S1-16 metrics, and section ESRS 2, under BP-2: Boundaries and foundations of reporting.

Basis of preparation for the S1-16 metrics:

The remuneration of Pihlajalinna's employees is documented and reported in the HR and payroll systems based on the information available in those systems. The data includes all wage components, including benefits in kind, for both monthly-paid and hourly-paid employees. The report does not take into account whether an employee has received wage in the specific month.

The gender wage gap has been calculated using the following formula: (average gross hourly wage of men – average gross hourly wage of women) / average gross hourly wage of men × 100.

Employees with contractual monthly wages are those whose wages and other key terms of employment are determined by an individual employment contract. They are not subject to the wage categories defined in the Private Health Care Services Collective Agreement (TPTES) and Private Social Services Collective Agreement (SOSTES). Their roles are classified according to the job architecture applied within Pihlajalinna. This group mainly consists of specialists and supervisors working in administrative and group support functions across all companies within the Pihlajalinna-group.

For the calculation of the **median wage**, employees' wage earnings have been annualised in cases where their employment began or ended during the reporting period. The calculation includes the wage earnings of all employees with an employment contract (excluding on-call employees) across all companies within Pihlajalinna.

The ratio of the highest-paid individual's total annual wage to the median total annual wage of employees has been calculated using the following formula: total annual wage of the highest-paid employee / median total annual wage of all employees (excluding the highest-paid individual) × 100. On-call employees have been excluded from the median total annual wage of all employees. The highest-paid individual's total annual wage includes base wage, holiday pay, benefits in kind, and both long-term and short-term incentives. The median total annual wage of employees includes base wage, benefits in kind, holiday pay, and both long-term and short-term incentives.

Incidents, complaints and serious human rights complaints (S1-17)

Pihlajalinna does not tolerate discrimination, harassment or inappropriate behaviour in the workplace, during work activities or at work events. If a Pihlajalinna employee or service provider experiences or observes inappropriate behaviour or harassment, they are instructed to address the issue primarily with the person involved or with their own supervisor. Pihlajalinna will further develop its process for handling inappropriate treatment and harassment to ensure more comprehensive data. Currently, complaints or reports cannot be systematically compiled unless they result in legal action.

In 2025, a total of 28 reports related to own personnel were received via the whistleblowing channel (2024: 17 reports). The reports were related to the equal treatment of personnel, inappropriate behaviour of supervisors or employees, or equal recruitment. Of these reports, 4 (5) were related to harassment or discrimination. A total of 8 (19) reports of inappropriate treatment concerning the company's own personnel were received via HSE Lite. Of these, 2 (2) were related to harassment or discrimination. In total, 6 (7) reports of harassment or discrimination were received in 2025. The incidents are processed primarily in the unit concerned, or HR. If it is not possible to identify the unit or party concerned based on an anonymous report, the whistleblower is requested via the anonymous whistleblowing channel to provide additional information. Information on the total number of reports received via the whistleblowing channel is reviewed quarterly by the committees of Pihlajalinna's Board and reported annually in the sustainability statement.

In 2024, Pihlajalinna had one ongoing case of discrimination, on which a court decision was issued in April 2023. Pihlajalinna Lääkärikeskukset Oy has been ordered to pay compensation to a dismissed employee on the basis of a violation of the Equality and Non-Discrimination Acts and compensation under the Employment Contracts Act for unjustified termination of the employment relationship. The district court's decision is not yet final. However, the Court of Appeal's permission to proceed further has only been granted for the amounts of compensatory and reparatory measures ordered. The Court of Appeal will hand down its decision in 2026.

In 2024 or 2025, Pihlajalinna had no serious human rights incidents or fines, penalties or damages caused by serious human rights issues and incidents related to its own personnel.

Consumers and end-users (S4)

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Identification and assessment of material impacts, risks and opportunities (IRO-1)

The material impacts, risks and opportunities related to consumers and end-users have been identified in the double materiality analysis described in more detail in section ESRS 2, IRO-1: Process to identify and assess material impacts, risks and opportunities. Pihlajalinna reports on its activities in the areas identified as material in the double materiality analysis. The material sustainability matters related to consumers and end-users, and their management levers are described in section ESRS 2, in the table: Management of Pihlajalinna's material impacts, risks and opportunities (IRO). Pihlajalinna has assessed all consumers and end-users who could be affected by its operations and services. The assessment was carried out as part of the double materiality analysis, and it covers Pihlajalinna's own operations and the upstream and downstream value chain.

Material impacts, risks and opportunities related to consumers and end-users and their management (SBM-3)

The material impacts of Pihlajalinna Group's operations affect consumers and the end-users of services (hereinafter referred to as individual customers). Individual customers include patients in healthcare operations, the customers of social care and other customers, such as the customers of fitness centres, who use Pihlajalinna's services either directly or through partners, such as corporations, insurance companies or the public sector.

Customer safety in the Group is based on a comprehensive approach that particularly emphasises the customer safety and patient safety requirements in healthcare and social services. Ensuring safety is an integral part of the management of social impacts and sustainable business.

Pihlajalinna's strategic ambitions are to reform healthcare, thriving together with partners and professionals, and building value-based care pathways and a human-oriented workplace community. The enablers of the strategy are operational quality and productivity, service and commercial development, ensuring the offering and network, and taking advantage of digital and data.

Data protection and information security are central to the implementation of the strategy, and the aim is to ensure the legally compliant and secure processing of data and prevent deviations and incidents that could jeopardise the privacy of individual customers. Data protection and information security are not only legal obligations – they are part of Pihlajalinna's value proposition.

Pihlajalinna's strategy emphasises the value-based care pathways, which is linked to the health, safety and social inclusion of individual customers. Business decisions, such as the selection of service channels, affect the availability and inclusivity of services. Pihlajalinna uses several metrics to monitor these impacts, such as access to surgical treatment within the target time and the customer experience in healthcare services. The results are monitored actively and used for the development of operations.

The realisation of material risks may jeopardise the successful implementation of Pihlajalinna's strategy, while opportunities may

strengthen it. The potential compromise of data protection, information security or patient safety, or the inadequate availability of services, may weaken the customer experience and lead to financial losses or negative impacts on Pihlajalinna's reputation. At the same time, the customer-driven development of new service models and care pathways and investing in service availability supports growth and positive reputational impacts and may open up new revenue models.

Pihlajalinna's customer base includes particularly vulnerable groups, such as children, for whom data protection and the special requirements of care require special diligence, as well as elderly persons and people with long-term illnesses, who are vulnerable to health-related impacts, and persons who are at a weaker financial position, for whom the accessibility and equality of services are key considerations, and the digitally marginalised, for whom the accessibility of remote services can be a challenge. These particularly vulnerable groups may be at higher risk of negative impacts, such as challenges related to accessibility, data protection or equality. Pihlajalinna has established an understanding of these risk groups through a human rights risk assessment, among other things. This understanding guides, for example, data protection and risk management so that all end-users can use the services in a safe and equal manner. It is stated in Pihlajalinna's Code of Conduct that Pihlajalinna professionals must treat all individual customers equally and without discrimination.

Compromised patient safety is a material potential negative impact on individual customers. It may result from human error or deficiencies in the flow of information, for example. Impacts may occur as individual cases, such as errors in a single care event, or they may be broader and systemic, for example situations where structures of

public oversight or limited resources affect the availability and quality of care. Actions such as training and self-monitoring are implemented on the basis of identified impacts. The effectiveness of the actions is monitored by means of indicators such as healthcare objections, official complaints and notifications of suspected patient injury, as well as audits and data. The aim is to proactively prevent patient safety from being compromised and ensure that potential shortcomings are addressed quickly and effectively.

Cyber-attacks and information security incidents can be large in scale and affect multiple services at the same time, especially if an attack targets critical systems or cloud services. Such incidents may concern a large proportion of individual customers and cause significant data protection and service disruption risks. The other identified material negative impacts are not widespread or systemic in all operating environments. Instead, they primarily occur in isolated instances. This assessment is based on data protection incident data and stakeholder feedback. The isolated instances in which the negative impacts could

occur are related to deficiencies in the accessibility of a particular digital service or a technical fault that restricts users' access to a service, for example. Such an instance can also be an isolated data protection or information security incident that affects a limited number of customers. It is also possible that material negative impacts arise from Pihlajalinna's business relationships. An example of a situation related to business relationships is a subcontractor that fails to comply with data protection requirements.

Pihlajalinna can have a positive impact on individual customers' health and safety by offering diverse general practitioner and medical specialist services. Pihlajalinna has a comprehensive network of hospitals and private clinics, remote services and extensive diagnostics services. The Group's ambition is to produce actual positive impacts on various stakeholders, such as health benefits to individual customers through quick access to treatment, and savings to society, insurance companies and employers through the effective assessment of the need for care and timely referral for treatment, for example.

Pihlajalinna aims for an excellent customer experience in all of its services. Treatment processes are developed with a customer-oriented approach, and digital solutions are used to improve the continuity of care and the flow of information.

The social inclusion of individual customers is at the heart of Pihlajalinna's activities and involves several actual positive impacts. Pihlajalinna promotes the availability of services and equality of care by developing care pathways and service structures to meet the needs of different patient groups. Taking individual needs into account enables the customisation of care pathways and services, which can improve the results of value-based care and customer satisfaction. The development of remote services in areas where local services are limited supports equal access to services and complements the public service system. The impacts may arise in certain areas where the availability of services has previously been limited and where development measures are focused particularly on improving availability and access to care.

S4 Impacts, risks and opportunities related to consumers and end-users			
Sustainability matter	Impacts, risks and opportunities (IRO)		
Privacy of consumers and end-users	Potential compromise of individual customers' data privacy or information security	Potential negative impact	If customer or patient data held by Pihlajalinna is accessed by unauthorised parties, for example due to a cyberattack, data breach, or intrusion, it may, in the short term, result in the exposure of sensitive and confidential information. This can affect the privacy and data protection of the individuals concerned, potentially causing significant harm to wellbeing, such as psychological stress.
	Costs of data privacy or information security breaches	Risk	The financial risk related to the privacy and data security of individual customers may materialise in the event of a cyberattack or data breach. In such cases, Pihlajalinna may be subject to compensation claims, regulatory investigations, and reputational damage, which can lead to financial losses in the short or medium term.
Health and safety of consumers and end-users	Health benefits for individual customers	Actual positive impact	Pihlajalinna promotes the health of individual customers by providing value-based and high-quality care and by facilitating quicker access to care. This generates health benefits for individual customers as well as savings for society and employers.
	Potential compromise of patient safety	Potential negative impact	A potential compromise of customer or patient safety, for example due to a medical error or delay, may in individual cases impair the health of an individual customer in the short, medium, or long term.
	Costs of failed patient care experience	Risk	Pihlajalinna emphasises the health, safety, and security of individual customers in its operations. Risks related to customer and patient safety, such as medical errors or delays, may affect reputation and customer satisfaction, as well as lead to increased oversight or liability for compensation in the short or medium term.
	Value-based healthcare	Opportunity	High-quality and value-based care, preventive work, and positive customer experiences can promote customer retention and new customer acquisition, while also strengthening Pihlajalinna's reputation in the short or medium term.
Non-discrimination of consumers and end-users	Equal treatment in care	Actual positive impact	Ensuring equal and non-discriminatory interactions can have a positive effect on the customer experience when individual customers feel they have been treated fairly and without prejudice. This can strengthen their sense of safety during care or service situations. Understanding the individual customer's situation enables individualised care and service experiences, which can improve the results of value-based care.
Access to products and services	Health impact of service availability	Actual positive impact	Good availability of services can improve the quality of life for individual customers, speed up access to care, and prevent health problems from worsening. A wide network of sites, remote services, and mobile services support access to care, which can generate health benefits and cost savings for society and employers.
	Business opportunity through service availability	Opportunity	Developing new service models and care pathways, such as Sydänkaista, and remote services, such as Tapaturmalinja, is expected to bring new partnerships and individual customers, as well as open opportunities for new revenue models. Improving the availability of new services supports business development and strengthens reputation in the short and medium term.
	Costs of insufficient service availability	Risk	Limitations in service availability may lead to lost individual customers or partnerships if their needs cannot be met. In addition, maintaining availability in areas with low demand can result in extra costs. Technical disruptions in services, particularly in remote services, may cause financial losses and reputational damage in the short or medium term.

Pihlajalinna's business is dependent on individual customers, and this involves both material risks and opportunities. Compromised patient safety, treatment failures or poor availability of services may weaken have a negative impact on the customer experience or the results of value-based care or cause reputational damage that has a direct effect on business continuity.

At the same time, value-based care pathways, smooth service experiences and equality of care may strengthen customer satisfaction and increase the use of services. Pihlajalinna aims to identify these impacts and dependencies as part of risk management and develop its operations to minimise the negative impacts and strengthen the positive impacts. Pihlajalinna's actions support customer safety and patient safety as well as the sustainable growth of business.

In healthcare services, business is highly dependent on stakeholders, such as individual customers, trusting that personal data, especially sensitive health data, is processed in a safe and legally compliant manner. Negative impacts related to data protection and information security constitute material risks to business, such as negative reputational impacts, the loss of customer trust, legal consequences and jeopardised partnerships.

Management of material topics and policies (S4-1)

The purpose of Pihlajalinna's policies is to promote high-quality of services to individual customers and the realisation of human rights. In addition, operations are guided by the Code of Conduct and the minimisation of adverse impacts on the environment so that the services offered to individual customers and the products used meet the requirements set for them. Information on key policies is provided in section G1 of the sustainability statement in the table: Policies.

Pihlajalinna's operations are strongly based on not only legislation but also the Group's values. Pihlajalinna's guiding policies related to individual customers include the Code of Conduct approved by the Board of Directors, Supplier Code of Conduct, Human Rights Policy, Quality and Risk Management Policies and Data Protection and Information Security Policy. The Chief Medical Officer is responsible for medical quality and value-based approach as a member of the Group Management Team. In addition, the Group Management Team is responsible for the policies related to the customer experience.

Consumer and end-user human rights

The Human Rights Policy reinforces Pihlajalinna's commitment to respecting human rights in all activities and in the sphere of influence of operations, and to eradicating all forms of modern slavery, forced labour, human trafficking and child labour in accordance with the ILO Declaration on Fundamental Principles and Rights at Work. The Human Rights Policy describes how Pihlajalinna fulfils its obligation to respect human rights and implement continuous human rights due diligence, how Pihlajalinna promotes stakeholder cooperation and corrective measures, and what are the available grievance mechanisms. Pihlajalinna's Human Rights Policy is available on Pihlajalinna's website and intranet.

Pihlajalinna's human rights commitment defines the expectations and requirements that the organisation has set for itself and its cooperation partners. All human rights policies have been approved by the Group Management Team. The Human Rights Policy applies to all Pihlajalinna employees, subcontractors, suppliers, partners and communities that may be affected by the Group's operations. Every Pihlajalinna professional must complete mandatory training on the Code of Conduct and commit to complying with the Code, which also entails respecting human rights. Service providers, suppliers and partners are obliged to follow the principles, thereby also respecting human rights. Pihlajalinna's various functions actively work for human rights, including the legal and HR departments, procurement and the communications and sustainability team. The Group Management Team is responsible for ensuring that the personnel are familiar with the Code of Conduct, and supervisors are responsible for adherence to the Code. New supervisors are familiarised with the Code of Conduct by means of induction training designed specifically for them. Progress across the different areas of the Human Rights Policy is communicated annually, both internally and externally.

The monitoring model for corrective measures was developed further during the reporting period. More extensive integration in day-to-day operations will take place over the coming financial years. Processes are in place to handle issues systematically so that any human rights violations can be addressed and corrective measures can be taken immediately. Targeted actions to minimise and prevent negative impacts are defined for all critical potential and actual human rights impacts. For the reporting period, Pihlajalinna was not informed of any human rights violations concerning individual customers or any incidents of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises.

Pihlajalinna is committed to respecting the international human rights commitments, principles, guidelines and initiatives. In its human rights commitment, Pihlajalinna is committed to respecting the human rights of individual customers and to complying with the following international principles for managing the impacts, risks and opportunities related to individual customers: UN Universal Declaration of Human Rights, International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, UN Global Compact initiative and Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises. The human rights principles are reviewed and updated as necessary. Pihlajalinna's Chief Legal Officer is the most senior person in charge of ensuring overall the implementation of the human rights principles. A human rights risk assessment was carried out during the reporting period, and it is reviewed as part of the continuous development of operations to ensure that the assessment reflects any changes in the operating environment.

Code of Conduct

Pihlajalinna's Code of Conduct establishes clear ethical standards that cover all aspects of Pihlajalinna's operations and day-to-day work. The Code of Conduct guides all Pihlajalinna professionals. The Code of Conduct describes the way Pihlajalinna operates, based on the principles of good corporate governance, legal compliance, transparency, fairness and confidentiality. Pihlajalinna's procurement principles concerning partners are laid down in a separate Supplier Code of Conduct and separate ethical guidelines concerning sports cooperation. The procurement principles cover five areas: legislation and human rights, the environment, and the health and safety of individual customers. The Code of Conduct is reviewed and updated as necessary. Pihlajalinna's CEO is the most senior person in charge of ensuring overall the implementation of the Code of Conduct.

Quality management

Pihlajalinna's Quality Policy and quality management system support the Group's strategy. Pihlajalinna's Quality Policy sets out, and the quality programme describes how the Group ensures compliance of its operations and the targeted quality level. Pihlajalinna's management is committed to compliance with the requirements and monitors the development of medical quality, customer experience, personnel satisfaction and process quality and takes the necessary actions to achieve quality targets.

Pihlajalinna's quality management is based on comprehensive self-monitoring, external quality assurance and comprehensive monitoring by the authorities. The Social Welfare and Health Care Supervision Act, which entered into force at the beginning of 2024, regulates the supervision of social and healthcare services, as well as the operating conditions, registration and self-monitoring of service providers. A service provider, such as Pihlajalinna, must prepare a self-monitoring programme for the tasks and services for which it is responsible. The programme describes how the service provider organises and implements its self-monitoring. The appendices to Pihlajalinna's self-monitoring programme include the Group's pharmacotherapy plan, information security plan and environmental plan. The self-monitoring programme and plans are reviewed and updated annually or as necessary when there are changes in the activities or the operating environment. Self-monitoring makes it possible to quickly identify, and address risks related to quality or safety. The self-monitoring programme, plan and reports are available on Pihlajalinna's website.

Risk management

Pihlajalinna's risk management is guided by the Group's Risk Management Policy, which covers all of the Group's companies and the objectives of which are to ensure the implementation of strategy, patient safety, the wellbeing of professionals, business profitability and sustainability, as well as the continuity of the organisation's operations. In social and healthcare services, the documentation of statutory self-monitoring is also a risk management tool: self-monitoring programme and plans, pharmacotherapy and information security plans. Pihlajalinna uses quality management systems to support risk management. The Group has an ISO 9001:2015 quality management system and an ISO 14001 environmental management system in place. Pihlajalinna is committed to complying with the ISO 27001 standard. These include requirements for risk management as part of the management system and practical management.

Data protection and information security

The purpose of high-quality data protection and information security management is to ensure the secure legal processing of all of Pihlajalinna's data, particularly patient and personal data, and to protect the privacy of individual customers and the company's personnel. Pihlajalinna is committed to complying with the ISO 27001 standard, which supports the data protection and information security practice. One of the objectives for the next financial year is to obtain certifications with a more extensive scope of application. The Group's information security principles are described in Pihlajalinna's Data Protection and Information Security Policy, which includes data protection

and information security as an integral part of all operations. Developing and maintaining data protection and information security is part of the Groups security activities, risk management and internal control. The management of data protection and information security enhances the confidentiality, integrity and usability of data.

Data protection and information security are also an important part of Pihlajalinna's ISO 9001-certified quality management system. Pihlajalinna's principles, guidelines and policies concerning information security are reviewed and updated at least once a year. Data protection and information security training is mandatory for all personnel and must be renewed once a year. This supports the implementation of Pihlajalinna's information security policies in day-to-day operations. In addition, Pihlajalinna distributes information security guidance to its personnel on a quarterly basis.

Data protection and information security is managed and monitored by Pihlajalinna's CEO. The CEO determines the development goals, organisation, resources and operating authorisations of the various sections of overall security. The person in charge of data protection is the Chief Medical Officer, who appoints the company's data protection officers. The Chief Information Officer is the manager responsible for information security and appoints the Chief Information Security Officer and the Information Security Officer. This is described in the Data Protection and Information Security Policy document.

Engaging with consumers and end-users (S4-2)

Customer feedback channels

The systematic collection and processing of customer feedback enables Pihlajalinna to develop services, processes and procedures according to individual customers' wishes. Pihlajalinna uses several contact channels through which individual customers and other stakeholders can give feedback. Individual customers can provide feedback to Pihlajalinna on their own initiative through various channels, such as the website, the mobile application for individual customers, or by calling the customer service by phone. An individual customer may be in direct contact with Pihlajalinna, or the contact can be made by a legitimate representative such as a patient ombudsman or other authority. Pihlajalinna also requests feedback from individual customers after service use by means of an SMS questionnaire or directly in the digital service. A survey is sent daily to a random sample of individual customers who have used Pihlajalinna services. The feedback survey covers all customer groups.

The feedback channels are available to all individual customers, as well as persons and other parties acting on their behalf. The results of customer experience surveys are utilised in the development activities of the entire Group in accordance with the customer experience management model. Pihlajalinna's management monitors the overall feedback with monthly reports and is responsible for the development actions. The technical functionality of Pihlajalinna's contact channels is tested daily by means of automated testing and, if necessary, they are developed taking into account stakeholder feedback.

In accordance with the feedback process, Pihlajalinna's personnel record verbal feedback received from individual customers at various points of contact on an electronic feedback form and forward it to Pihlajalinna's feedback processing. Individual customers are informed about the feedback channels and their utilisation on Pihlajalinna's website and by the personnel. Feedback on customer service situations is also collected from the personnel in accordance with Pihlajalinna's feedback process. Structured feedback is requested from partners twice a year. Ad hoc feedback is requested more frequently, including customer satisfaction metrics, the results of which Pihlajalinna monitors.

The highest operational responsibility for feedback lies with the Chief Medical Officer. The results of customer experience surveys are utilised in the development activities of the entire Group in accordance with the customer experience management model. Pihlajalinna's management (Management Teams, regional and business management) monitors the overall feedback from the monthly reports and is responsible for the development actions.

In 2025, Pihlajalinna's individual customers particularly appreciated smooth access to care, the highly competent personnel and the quality and patient safety of surgical operations and procedures. The most critical customer feedback concerned referrals of individual customers in remote channels. The themes that emerged as development areas in customer feedback were pricing and invoicing.

Marketing

The aim of Pihlajalinna's marketing and communications measures is to increase individual customers' awareness of health-related issues. The content of marketing and communications is based on careful fact-checking and is produced in close cooperation with medical experts. The content is designed to be easy to find with search engines and artificial intelligence, so that visitors can quickly and easily get answers to their questions, and the content responds to visitors' searches for information and guides them to the right services in a

timely and clear manner. Accessibility (e.g. readers) is taken into account in content production so that the content serves everyone as easily as possible. Content is developed to be increasingly diverse and inclusive. The highest operational responsibility for marketing and communications lies with the Executive Vice President, Communications and Sustainability.

Data protection and information security

Pihlajalinnna has a channel in place for individual customers to give feedback and submit deviation notifications concerning observations related to data protection and information security. The views and feedback communicated to Pihlajalinnna are taken into account in risk management and the development of operations. The effectiveness of the channel and the related processes are assessed by monitoring the content and amount of deviation notifications in monthly meetings of the data protection and information security group. The highest operational responsibility for monitoring deviation notifications and the development of operations lies with the Group's director of information security and data protection. The person in charge of data protection is the Chief Medical Officer, who appoints the company's data protection officers. The Chief Information Officer is the manager responsible for information security and appoints the Chief Information Security Officer and the Information Security Officer.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

Processes to remediate negative impacts

Pihlajalinnna has several reporting channels in place that can be used to report inappropriate behaviour, misconduct or concerns. These channels include internal channels established by the organisation itself and channels maintained by an external service provider, such as a whistleblowing channel that enables anonymous and independent reporting. The multi-channel structure supports a sustainable operating culture and ensures that reported incidents and concerns can be responded to appropriately and confidentially.

Customer and patient safety

Communication related to patient safety takes place through feedback channels and is based on an individual customer's need and initiative. If an individual customer is dissatisfied with their care or treat-

ment, the primary channel is to discuss the matter with the professional who treated them or with the unit that provided the care. Pihlajalinnna has a customer feedback channel on its website that individual customers can use to give feedback on their visit, care and treatment. Feedback can also be given anonymously. If the individual customer provides their contact details, the unit will contact them if necessary. Permission to use patient data in connection with the processing of feedback is confirmed with the individual customer.

If the matter cannot be resolved through discussion or customer feedback, individual customers have three different statutory channels through which they can submit a notification. According to section 10 of the Act on the Status and Rights of Patients (785/1992), an individual customer who is not satisfied with the healthcare or medical care and the related treatment received has the right to submit a healthcare objection to the director responsible for healthcare at the healthcare unit in question. An official complaint is a notification of suspected misconduct or negligence that is made to a supervisory authority. If an individual customer suspects a patient injury, they can submit a patient injury notice to the Patient Insurance Centre, which handles the cases and issues decisions on them. The medical team is responsible for handling patient objections, official complaints and patient injury reports, and the head of healthcare services in the unit providing the service is responsible for responding to them.

If an individual customer needs help or advice with writing a healthcare objection, the patient ombudspersons (formerly patient ombudsmen) will help. The wellbeing services counties and the City of Helsinki are responsible for patient ombudsperson activities, also for private service providers. The patient ombudsperson's task is to advise an individual customer dissatisfied with their care in exercising their rights, including how to write a healthcare objection or official complaint, or what to do if patient injury is suspected. Patient ombudspersons also provide support if an individual customer needs advice on how to initiate a complaint, claim for rectification, compensation claim for damages, compensation claim concerning a pharmaceutical injury or other matter related to the legal protection of an individual customer in healthcare. They also collect data on contacts by individual customers. The patient ombudsperson cannot take a stand on the medical treatment decisions or whether a patient injury has occurred. The contact details of each wellbeing services county's patient ombudspersons and social services ombudspersons are available on the website of the wellbeing services county in question.

If the customer's feedback indicates should be processed as a healthcare objection, the feedback may be handled as such with the individual customer's permission, and the director responsible for

healthcare will issue a written response based on the patient data. Any claims for compensation presented by an individual customer are handled by the relevant regional management at Pihlajalinnna.

Instructions on how to file an objection are provided on Pihlajalinnna's website and at the sites, and Pihlajalinnna's personnel have an obligation to advise individual customers on matters related to an objection. Healthcare objections must be submitted via Pihlajalinnna's website using strong authentication, or in writing. A healthcare objection can also be submitted orally if there is a special reason for doing so, and an objection can also be submitted by an individual customer's legal representative, close relative or another person closely connected with the individual customer. Responding to a healthcare objection often starts by calling the individual customer, as the matter may be resolved by a phone call and the individual customer may no longer require a written response. The director in charge of healthcare is responsible for ensuring that healthcare objections are responded to in writing within a reasonable time of submitting the objection, generally within approximately 1–4 weeks of receiving it. The response must concisely describe, in chronological order, the key events related to the healthcare objection and assess whether the correct actions were taken in the case in question, or whether there were deficiencies or other shortcomings.

If an individual customer is not satisfied with the response they receive to their healthcare objection, they may submit an official complaint to the Regional State Administrative Agency. An official complaint can be submitted to Valvira regarding malpractice leading to serious injury and regarding significant services provided in an area supervised by two or more Regional State Administrative Agencies. When requesting a statement and clarification regarding a matter involving an individual customer, the supervisory authority presents questions that are then answered in a response to be provided within a specified timeframe. If an individual customer has filed an official complaint to a supervisory authority, and the authority deems that the matter can be handled as a healthcare objection, the authority may submit the complaint to be responded to as one.

Healthcare objections, official complaints and notifications of suspected patient injury brought to Pihlajalinnna's attention are processed systematically and in compliance with the legal obligations and response times. Healthcare objections and official complaints provide Pihlajalinnna with information for the development of operations and competence, risk management and supervisory work. Responsible persons and schedules are specified for the development actions. If, in connection with processing a healthcare objection or official complaint, it is observed that there are issues that jeopardise

patient safety in Pihlajalinna's operations, the issue must be immediately addressed by means of self-monitoring and corrective measures must be taken. If necessary, a notification must be submitted to the supervisory authority if patient safety cannot be ensured through Pihlajalinna's own actions. Compliance with the response times for healthcare objections and official complaints is monitored by planning officers in the healthcare administration and regulation team. The Chief Medical Officer is the highest operational decision-maker with regard to healthcare objections, complaint process or similar feedback. Feedback from the management, personnel and individual customers is utilised in the development of channels. Pihlajalinna's management (Management Teams, regional and business management) monitors objections, official complaints and notifications of suspected patient injury as a whole on the basis of monthly reports and is responsible for related development actions.

Pihlajalinna's private healthcare services and Forever fitness centres use Pihlajalinna's HaiPro system, with which the personnel can report incidents and hazards related to customer and patient safety. In joint ventures, notifications concerning patient safety are made in the joint venture's HaiPro system or the wellbeing services county's system. In services produced for wellbeing services counties, patient safety notifications are primarily submitted to the wellbeing services county. The HaiPro system is designed particularly for the development of operations and learning from hazards. The aim is to prevent the recurrence of incidents and develop operations in order to improve patient safety. Reporting and processing grievances and incidents related to patient safety is an important part of the development of operations and the prevention of incidents. Individual customers report any problems they observe either directly to the personnel or through Pihlajalinna's feedback systems. If necessary, the individual customer is directed to the statutory authority channels mentioned above.

The professional competence of the personnel is an integral part of patient safety, and it is actively developed. The persons handling healthcare objections, the complaint process or similar notification have up-to-date training and expertise in the appropriate implementation of the process. The professional qualifications of the personnel are verified during recruitment, and all new employees are trained for their duties in accordance with an induction training programme.

Clinical quality and value are among Pihlajalinna's key strategic priorities. The aim of development efforts is to enhance dialogue with individual customers and other stakeholders, and to build systematic structures and measurement practices that support the management, development and monitoring of quality and effectiveness to promote safe and value-based care. The Quality Policy is owned by the Group's

Quality Director, who is responsible for updating the policy and changes made to it. Pihlajalinna's Chief Medical Officer is the most senior person in charge of compliance with the Quality Policy.

Data protection and information security

Individual customers can report suspected data protection or information security incidents through feedback systems or directly to the personnel. All of Pihlajalinna's sites have a reporting system for the personnel to report any observed data protection or IT security deviations. Pihlajalinna's suppliers and external service providers are required to commit to compliance with the specified information security standards.

Notifications of data protection and information security incidents are processed within the time periods stipulated by the GDPR. The incident management process is reviewed and updated annually. Continuity and recovery plans have been drawn up for critical systems. External and internal vulnerabilities are monitored and any observations made are prioritised, and corrective actions are taken, as required by each observation.

Pihlajalinna uses an SOC (Security Operations Center) service provider that monitors, analyses and reacts to information security incidents and, if necessary, escalates critical incidents to Pihlajalinna's information security team and partners. Data protection and information security as a whole is monitored and developed in monthly quality meetings. Observations related to data protection and information security are reported at meetings of Pihlajalinna's data protection and information security group.

Suppliers are audited and compliance with information security requirements is verified when external services change. Compliance with information security requirements, including audit rights, is part of the supplier agreement, but the requirements do not yet fully cover all existing contracts. An ongoing update will extend these requirements to all contracts. The need for and implementation of audits is assessed on a case-by-case basis, and the audits are carried out as required. The information security assessment of external suppliers is applied to all services, systems, applications and devices procured that are related to Pihlajalinna's operations. An assessment of the need to implement external auditing was carried out during the financial year, and auditing work begun as a result of the assessment.

Information security is continuously developed with a high priority. Projects planned for the coming years include the introduction of new technologies, such as advanced threat detection systems and AI-based analytical tools. In addition, Pihlajalinna is strengthening its

personnel's training and raising awareness of information security issues so that the entire organisation is better prepared for threats. During 2025, Pihlajalinna made preparations for ISO 27001 certification, which will be carried out over the coming financial years with a more extensive scope of application. This will strengthen Pihlajalinna's commitment to a high level of information security. The awareness of individual customers is assessed on the basis of customer feedback. The structures and processes are communicated via Pihlajalinna's public website and annual reports, for example.

Pihlajalinna has systematic DPIA (Data Protection Impact Assessment) processes, information security monitoring (SOC) and deviation management in place. These actions aim to improve individual customers' and patients' trust and reduce the risk of misuse of personal data. Through user testing and service design, Pihlajalinna aims to ensure that its digital services are accessible and easy to use. The collection of customer feedback and the whistleblowing channel make it possible to raise concerns and react to them quickly.

Received reports are responded to without delay, and all incidents are handled systematically. The aim is to identify the root causes, implement the necessary corrective measures and ensure that similar incidents will not occur again. Deviations are reported in the data protection and information security group. The aim is that no significant incidents, classified as serious, occur annually that would lead to financial or other losses. Pihlajalinna continuously takes into account rising information security requirements as digital services evolve.

Data protection and information security training is mandatory for all personnel and must be renewed annually. The training supports compliance with information security practices in day-to-day work. In addition, Pihlajalinna organises topical targeted training for its personnel. Such training was organised several dozen times during 2025. Training sessions have been held for regional management teams, the HR management team and the finance department, among others. In addition, Pihlajalinna distributes information security instructions to its personnel on a quarterly basis at a minimum.

Processes for handling customer feedback

Through the customer feedback channels, individual customers can give general feedback on Pihlajalinna's services or submit a complaint. Pihlajalinna's goal is that all contacts are responded to appropriately and that whistleblowers are protected from retaliatory measures. The contact channels are discussed in section S4-2: Engaging with consumers and end-users.

Customer feedback is processed in accordance with the organisation's feedback practices. The persons responsible for processing feedback have the competence and authorisations necessary. Personally identifiable information is only used in contexts where it is unavoidable, such as responding to complaints. In such cases, the information is only visible to a limited number of personnel.

Pihlajalinna complies with the legislation governing the processing of customer data in healthcare and social welfare. Mandatory annual data protection and patient data training is provided to the personnel. The training supports the safety, legal compliance and ethical sustainability of operations.

Complaint practices guide operations in customer service situations. Where necessary, individual compensation cases are handled separately, based on the currently valid principles and guidelines. The practices apply to individual customers and partners.

Individual customers are involved in developing operations, and the participation data collected from them is utilised in specific development projects. Moving forward, data will be used even more extensively in the development of operations. The development of services utilises qualitative engagement, such as target group interviews and user testing, and includes the involvement of special groups, such as people who use digital services little and the elderly.

Customer feedback can be provided anonymously via the customer feedback form on Pihlajalinna's website, and any observed misconduct and shortcomings in the organisation can be reported via a confidential whistleblowing channel. These feedback channels guarantee a reliable and secure channel for customer feedback. Pihlajalinna assesses customer awareness of its feedback channels by monitoring the amount of feedback, for example. Pihlajalinna strives to ensure that its customers perceive these channels as reliable and easily accessible ways to raise their concerns and needs.

All customer feedback is processed in accordance with Pihlajalinna's feedback process. Feedback is reviewed at unit and service levels and discussed with the parties concerned. When necessary, feedback is escalated for discussion in team meetings. If development needs are identified, the appropriate actions are initiated to improve the quality of operations and the customer experience.

At Pihlajalinna, the continuous improvement of the customer experience consists of regular and up-to-date quality and customer experience metrics, continuous review of measurement methods, daily analysis and processing of customer feedback, and reporting and use of results in developing operations.

Clinical quality and value are among Pihlajalinna's key strategic priorities. The aim of continuous development is to enhance dialogue with individual customers and other stakeholders and to create systematic structures and a culture of measurement to support the management, development and monitoring of quality and value to ensure safe and value-based care for everyone.

Human rights-related impacts

Pihlajalinna uses internal and external feedback channels and surveys that enable monitoring the realisation of human rights and compliance in different areas of operations. Service providers, suppliers and partners have an obligation to comply with Pihlajalinna's Code of Conduct, including the principles related to human rights. Pihlajalinna's human rights commitment and human rights due diligence process can be found on Pihlajalinna's website.

The management and the sustainability working group review and assess human rights work annually, and related risks are addressed as part of the Group's risk management process. The assessment of adverse impacts on human rights and corrective measures are carried out as part of human rights due diligence and in cooperation between different functions. Pihlajalinna reports on the progress of its human rights work annually in the sustainability statement that is part of the Board of Directors' report. Pihlajalinna is committed to remediating any negative impacts related to human rights. Pihlajalinna takes action on all identified potential adverse human rights impacts and any unlawful conduct that conflicts with its values and agreements. Clear processes help to handle matters systematically so that human rights violations can be addressed and corrective measures can be taken immediately. Pihlajalinna will also develop the training it offers to its personnel and increase stakeholder dialogue on the topic.

Whistleblowing channel

Pihlajalinna's confidential whistleblowing channel can be used for reporting misconduct and problems in the organisation. More detailed description of the policies related to the whistleblowing channel is available in G1-1: Business conduct policies and corporate culture.

Actions (S4-4)

Specification of measures and management processes

Pihlajalinna's patient safety work is based on risk assessment, continuous development of operations and maintaining safety. The goal of patient safety is that care and the care environment do not cause a

hazard or harm that is not related to the care. At Pihlajalinna, compliance with binding obligations is monitored through audits, quality management, feedback, notifications related to patient safety (healthcare objections, official complaints and notifications of suspected patient injury) and self-monitoring, for instance. These processes are monitored to identify situations in which individual customers have been subject to actual or potential negative impacts. All deviations identified within Pihlajalinna or brought to the company's attention regarding these processes are addressed in a timely and systematic manner, and in such a way that the quality of operations improves as a result. The aim is to rectify any observed deficiencies, learn from the deviations and take actions to prevent the recurrence of such incidents. Each Pihlajalinna professional is responsible for reporting any suspected breaches of legislation or infringement of Pihlajalinna's Code of Conduct without delay.

The patient safety notifications in the HaiPro system enable Pihlajalinna to develop the patient safety of its services. Reporting and processing patient safety grievances and incidents is an important part of the development of operations and the prevention of incidents. HaiPro notifications are an important part of Pihlajalinna's self-monitoring. Through the HaiPro system, notifications are forwarded to each unit's designated handler of notifications, who is required to start processing the notification within one week of the notification being received. Each unit has one or more designated handlers of notifications. Typically, notifications are handled by the person responsible for the service in question. The person who handles the notification is also for closing the notification. If the designated handler cannot handle a patient safety notification themselves or the notification requires more extensive actions, the handler forwards it to the senior persons in charge. The senior persons in charge are typically the service manager and the doctor in charge. The most senior persons in charge include, for example, the chief physicians of the service lines, and the chief physician and service director in charge of imaging.

Pihlajalinna has clear roles and duties for directors in charge of healthcare. The objective of the directors in charge is to promote customer and patient safety. Their responsibilities include, among other things, developing self-monitoring and following up on its implementation, and ensuring that Pihlajalinna's operations meet the requirements set out in the applicable regulations on a daily basis in all operating units. Self-monitoring makes it possible to quickly identify, and address risks related to quality or safety. Achieving the goals of self-monitoring requires that every Pihlajalinna professional is committed to the targets and practices of self-monitoring. Pihlajalinna continuously develops the documentation, follow-up and reporting of self-monitoring, as well as management of materials and tools related to

self-monitoring and implements self-monitoring practices through internal communication and training. In addition, the self-monitoring pulse is used to maintain up-to-date situational awareness regarding different sites and their practices. The self-monitoring plan is approved by Pihlajalinna's Chief Medical Officer. Supervision by the authorities supplements self-monitoring and addresses issues when self-monitoring is not sufficient.

Internal auditing is Pihlajalinna's internal quality assessment and improvement method that ensures the existence and practical implementation of Pihlajalinna's operating models and procedures. Internal auditing is carried out for each site or function every three years on a sampling basis. External auditing as a procedure and process is similar to internal auditing, but it is performed by an external party. The aim of internal and external auditing is to use discussion and observation to obtain an overview of the current state relative to the requirements of the ISO 9001 and ISO14001 standards.

Data protection and information security incidents are handled through dedicated processes. Incidents related to data protection and information security can be reported by using an incident report form. Anyone can submit a report. Incidents related to information security may also originate from external service providers. In incidents related to data protection, the legal requirements related to the obligation to report, among other things, are complied with. Incidents are categorised based on risk and handled in order of urgency by the function responsible for investigating the matter. The aim is to learn from incidents and thereby improve Pihlajalinna's level of data protection and information security. Such improvement measures can include updated guidelines, personnel training or technical changes to the environment, for example. In addition, development actions in vulnerability management and the automation of response to incidents have improved Pihlajalinna's ability to detect and handle threats quickly and efficiently.

Data protection and information security at Pihlajalinna are developed according to the principles of continuous improvement. Root cause analyses are used to learn from incidents, and operations are improved based on observations and feedback. Development measures in vulnerability management and the automation of response to incidents have improved the organisation's ability to detect and handle threats quickly and efficiently. Pihlajalinna uses an SOC (Security Operations Center) service provider that monitors and analyses information security incidents and escalates critical incidents if necessary. Each information security deviation is recorded and processed for further action. The incident management process is re-

viewed and updated annually. It is important for Pihlajalinna to provide clear data protection statements and information on the rights concerning control over personal data, and to ensure transparency in the processing of confidential data. Pihlajalinna participates in industry cooperation (e.g. cyber security networks) and engages in extensive cooperation with various partners (audits, information security exercises). Pihlajalinna's services are designed in accordance with data protection and information security principles, they are monitored, and any incidents are reacted to and learned from.

Actions to manage material impacts on individual customers and to assess the effectiveness of actions are described in the sections below. The scope of all activities is own operations and the downstream value chain, with Finland as the operating area (no other geographical areas). For all future actions, the time horizon is future financial years or the actions are continuous. The financial resources allocated to all current and planned actions are related to development projects, such as strengthening patient safety, as well as human resources.

Positive impacts

Medical quality and value are among Pihlajalinna's key strategic priorities. The aim of continuous development is to enhance dialogue with individual customers and other stakeholders, establish systematic structures and a culture of measurement to support the management, development and monitoring of quality and value, thereby ensuring safe and value-based care for everyone. Pihlajalinna's quality management is based on comprehensive self-monitoring, external quality assurance and monitoring by the authorities. In addition, customer feedback is systematically collected and utilised in the development of services, which enables customer-oriented and personalised care. Pihlajalinna also takes advantage of technological solutions, such as the Red Robin AI tool provided by Pihlajalinna's cooperation partner Visiba, which provides an assessment of clinical urgency of care and a preliminary diagnosis, and directs the individual customer to the appropriate care.

Pihlajalinna has a positive impact on individual customers, and it materialises through the health benefits produced, the effects of which can also extend to society in a broader sense; for example, through the reduction of the need for specialised care, or for employers through preventing premature retirement, for instance. Pihlajalinna has extensive experience in the development and implementation of value-based healthcare services. The development of value-based services requires Pihlajalinna to identify needs and respond to them based on both service quality and competence, as well as utilising customer data, for example.

Pihlajalinna Sydänkaista is an example of value-based care that reduces healthcare costs and morbidity while improving the individual customer's quality of life. Another example of these types of development efforts is the Kevyt askel programme for treating obesity through a combination of lifestyle changes and pharmacological treatment. Individuals participating in the programmes are provided with a personalised treatment plan and progress monitoring. Pihlajalinna continues to systematically develop value-based services in the patient groups in which the Group can best generate value for individual customers, partners and society.

Equal care is another one of Pihlajalinna's positive impacts on individual customers. Pihlajalinna's aim is to promote the health of individual customers by providing value-based, equal and high-quality care pathways and by accelerating access to care. The non-discrimination of individual customers is incorporated into Pihlajalinna's Code of Conduct and the related mandatory training. The Code of Conduct emphasises that Pihlajalinna professionals must treat all individual customers equally, without allowing any attribute to influence the service provided. Compliance with and implementation of the Code of Conduct are monitored at all levels, from day-to-day management to the Management Team and the Board of Directors.

In addition to prioritising equal care, Pihlajalinna focuses on the availability of its broad service offering. The equality of individual customers can be strengthened by improving service availability through remote services, even in areas where local services are not available. Pihlajalinna cooperates with the wellbeing services counties to reduce queues and thus speed up access to care for individual customers. Developing and expanding the network of sites aligned with the nationwide needs of Pihlajalinna's partners is an important enabler of the strategy. Through user testing and service design, Pihlajalinna aims to ensure that its digital services are accessible and easy to use.

Pihlajalinna develops value-based services that are grounded in needs-based care and thereby curb the growth of total costs in the sector. Pihlajalinna has, for instance, strengthened its multichannel services through new service concepts and digital innovation. This supports the availability of services across Finland. One example of such a service is the Tapaturmalinja accident hotline, which enables quick access to a video appointment with an orthopaedist.

Pihlajalinna applies the principle of platform independence in its digital service development so that the services are accessible to customers regardless of the device they use. For example, remote consultations and individual customers' health data are easily accessible via a web browser without having to download a separate application.

In 2025, Pihlajalinna and the Wellbeing Services County of South Savo started cooperation at Savonlinna Hospital to develop surgical operations. The aim is to improve the results of value-based care pathways and ensure that the care guarantee is fulfilled. The cooperation supports the region's service continuity and vitality, thereby promoting the availability of healthcare services.

In 2025, Pihlajalinna began offering people over the age of 65 the opportunity to use private medical services at the price of the public healthcare provider's fee as part of Kela's freedom of choice pilot. Video appointments are also available. The aim of the pilot is to improve the availability of services by offering elderly people quick and affordable access to a doctor's appointment, both in person and remotely, in different parts of Finland. In addition, Pihlajalinna offers a responsible doctor service that provides elderly people with timely access to the medical expertise they require, corresponding to the needs of 24-hour elderly care in service housing.

The realisation and development of patient safety is evaluated by measuring, for example, deviations, infection rates, patient injury notifications and the decisions of the Finnish Patient Insurance Centre. The health benefits generated for individual customers and the value-based care pathways are monitored by metrics reflecting access to surgical treatment and the share of preventive work, and also by reviewing customer feedback and customer satisfaction. Service availability is also measured by the metric reflecting access to surgical treatment, and the effectiveness of remote and digital channels is monitored by reviewing customer feedback, among other things.

The realisation of non-discrimination is monitored, among other things, by the rate of completion of mandatory training on the Code of Conduct and by assessing the number and content of customer feedback and notifications related to patient safety. The realisation of equal care can strengthen individual customers' trust in Pihlajalinna and increase customer satisfaction.

A service provider, such as Pihlajalinna, must prepare a self-monitoring programme for the tasks and services for which it is responsible. The self-monitoring programme ensures that individual customers of Pihlajalinna's healthcare services receive the services they need in a timely, equal, accessible, high-quality and safe manner. For more information, see section S4-1: Management of material topics and policies. In addition, internal and external audits provide information on the effectiveness of the actions and potential development areas.

Negative impacts

Customer and patient safety

Self-monitoring reports describe the development actions taken during a given monitoring period on the basis of self-monitoring. In 2025, Pihlajalinna's operations were developed consistently on the basis of customer feedback, safety-related observations, risk management and quality management processes. Development needs have been identified on the basis of feedback received from the users of services, persons close to them and Pihlajalinna's partners. In response to these identified development needs, supplementary training has been organised for the healthcare personnel, emphasising the quality of documentation, consistency and customer orientation. In addition, the process for handling healthcare objections and official complaints has been revised, and the related resources have been strengthened.

In response to observations and deviations related to customer and patient safety, Pihlajalinna has implemented actions to strengthen safety culture, harmonise practices and enhance communication at different level of the organisation. Training on the use of the HaiPro reporting system has been organised for supervisors, and the questions in the self-monitoring pulse survey have been updated through multi-disciplinary cooperation. In addition, imaging guidelines and templates for pharmacotherapy plans have been updated to support the safety and consistency of operations.

As regards risk management, the operations of the network of hygiene officers have been enhanced, assessment of the alarm systems in medical centres have been carried out, and the procedures and instructions pertaining to medical devices have been updated, particularly from the perspective of life-cycle management and traceability. Preparedness for disturbances has been strengthened, and instructions related to online appointment booking have been made more specific. Communication concerning the completion of mandatory training has continued, and the implementation of influenza vaccines for the personnel has been planned as part of promoting occupational health and safety. In addition, the self-monitoring pulse survey has been updated on the basis of observations made by the data protection and information security team.

Pihlajalinna's quality improvement efforts focus on the development of the quality of service, the scope of self-monitoring, the customer experience, the competence of the personnel and the working environment. The operating models and responsibilities of regional quality management teams are well-established, and work on developing the clinical guidelines library has continued. The self-monitoring visit procedure for medical centres has been established as part of day-to-

day quality efforts. A joint supplementary training day was organised for the Group's doctors, which also included statutory training on the use of radiation. In addition, the desktop view for professionals has been developed, strong authentication has been deployed in the approval of medicine orders, and the intranet has been redesigned to support internal communication and information management.

The development actions are expected to lead to more customer-oriented and high-quality service, where customer feedback and patient safety observations systematically guide operations. The safety culture will be strengthened, risk management will be enhanced, and personnel competence will be developed, which will reduce deviations and increase the consistency of operations. Internal communications and information management will be developed, which supports smooth day-to-day work and decision-making.

Data protection and information security

Pihlajalinna takes account of the continuously increasing information security requirements that come with the development of digital services. For users, this is reflected in better quality and accessibility of services. Pihlajalinna strengthens its information security by applying up-to-date and efficient methods, such as strong authentication practices, external monitoring and continuous testing. In addition, Pihlajalinna invests in monitoring and preventive activities through vulnerability management, for example. Pihlajalinna has adopted a cyber security development plan that guides the development of information security and the monitoring of the targets set for information security in the coming financial years.

Examples of activities in this area in 2025 included improvements to network safety and the development of the security of software development. Supply chain management has been developed by creating a process for auditing suppliers. Impact assessments and risk assessments are integral aspects of operations, and an impact assessment is carried out for all new systems and services, for example. Pihlajalinna has mandatory training related to data protection and information security for all personnel, including practitioners. In addition, Pihlajalinna organises topical targeted training for its personnel. Such training was organised several dozen times during 2025.

The objective of the development of data protection and information security is that no significant incidents, classified as serious, occur annually that would lead to financial or other losses. A further objective is to identify the root causes of other incidents and reduce them through technical and administrative means, for example by providing instructions and training. The achievement of the targets is reflected in reduced incidents and improved service quality.

Risks

Customer and patient safety and access to services

A failed care experience and the inadequate availability of services may give rise to significant business risks for Pihlajalinna, such as weaker customer satisfaction, reputational damage and increased monitoring by the authorities. Risks related to compromised patient safety are addressed by strengthening patient safety, developing care processes, harmonising operating practices and developing personnel competence in order to avoid compensation claims and reputational damage arising from malpractice, official complaints or service interruptions. Value is systematically monitored through, for example, incident reporting, customer feedback and notifications, audits and self-monitoring. The aim of these actions is to ensure that risk management measures produce concrete results and support business continuity.

Pihlajalinna's goal is to ensure the accessibility of services for all customer groups and to prevent the negative impacts of delayed access to care. Key actions include the development of the service network, the strengthening of remote and digital services and the active monitoring of access to care statistics and customer feedback. Pihlajalinna continuously monitors the balance between supply and demand and adapts its services and network accordingly. Where necessary, in-person services are complemented by remote services and vice versa, so that care is available in a flexible manner in different areas. The availability of services is also secured through the continuous recruitment of practitioners and the development of partnerships. In addition, the assessment of the need for care is developed so that individual customers are referred in a timely manner to a specialist that suits their needs. The effectiveness of the actions is systematically monitored, and service processes and resource allocation are developed accordingly with a customer-oriented approach.

Proactive and corrective measures aim to improve the care experience and ensure the availability of services, which strengthens customer satisfaction and trust. This, in turn, supports Pihlajalinna's reputation and reduces the risks associated with oversight by the authorities. The effectiveness of the actions is monitored in practice through feedback, access to care statistics and audits, and processes are developed further based on the results. The aim is that, as a result of the actions, the customer experience improves and problems are addressed more effectively.

When negative impacts on individual customers, such as malpractice, service interruptions or customer dissatisfaction, can be prevented or

managed effectively, the resulting financial risks, such as compensation claims, reputational damage and the effects of customer dissatisfaction, are also reduced. At the same time, the organisation's reliability and competitiveness are strengthened, which supports long-term business objectives and stakeholder trust. A flexible service network, efficient use of resources and the availability of skilled personnel strengthen Pihlajalinna's ability to meet the needs of individual customers in a reliable and value-based approach.

Data protection and information security

Pihlajalinna's services involve the processing of sensitive personal data, such as patient data. Consequently, there are significant financial risks associated with the privacy of individual customers, data protection and information security. The most significant risks are cyber-attacks on infrastructure or hardware and the resulting reputational damage and potential liability for damages. Pihlajalinna has enhanced collaboration between the data protection and information security teams by establishing a cross-functional cooperation group that meets monthly. Pihlajalinna has a cyber security development plan in place that guides the development of information security and the monitoring of the targets set for information security in the coming years. The risks related to individual customers' privacy, data protection and information security are managed using the processes and management methods related to data protection and information security described above. The expected outcomes of the actions include risk mitigation, better preparedness, stronger trust among individual customers and securing business continuity.

Opportunities

Pihlajalinna recognises that value-based care pathways and the adequate availability of services are key factors not only in terms of value creation and good customer experience, but also in terms of business benefits. To take advantage of these opportunities, Pihlajalinna develops care processes in a customer-oriented manner, strengthens the availability and smooth delivery of services and invests in digital solutions that support the continuity of care and the flow of information. In addition, Pihlajalinna monitors customer feedback and the treatment outcome to identify development areas and strengthen effective practices. The aim is to utilise resources more efficiently and achieve a stronger position as a sustainable and competitive operator in the field of healthcare.

Operational quality and productivity are continuously developed through, for example, process efficiency, automation and the use of artificial intelligence. Service development aims for customer-ori-

ented solutions that utilise medical data and take scalability into account. In digital services, the aim is to ensure the ease of service use and the reliability of systems. Knowledge-based management is supported by developing meaningful integrations and utilising data in the management of operations.

The availability of services is at the heart of Pihlajalinna's operations. The development of remote services improves the availability of services, especially in areas where in-person services or the necessary experts are not available. The customer-oriented integration of in-person services and remote services promotes equality by offering opportunities to access services across different regions. Remote consultations enable Pihlajalinna professionals to perform many activities that previously required an in-person appointment. Cooperation with partners is developed to strengthen access to services and the range of service channels offered. The systematic monitoring of feedback and treatment outcomes supports the continuous development of services and operating models. Pihlajalinna Sydänkaista and Kevyt askel are examples of value-based care and potential reputational benefit. Platform independence has been a guiding principle in the development of digital services so that individual customers can access the services regardless of their terminal device. For example, remote consultations and individual customers' health data are accessible via a web browser without having to download a separate application.

The objective of these actions is to improve the value, availability and customer orientation of services, aiming for improved care experience and customer satisfaction, as well as more efficient utilisation of resources. The development of digital solutions and remote services makes services more accessible in different regions, which increases equality and expands the customer base. Knowledge-based management and the systematic use of feedback help to identify development areas and strengthen effective practices, which support continuous improvement. The goal of developing operational quality and productivity is to enhance care processes, free up professionals' time for customer-facing work and improve the value of care. Strengthening cooperation with partners supports the broadening of the service offering and the development of commercial models, which creates new growth opportunities. The effectiveness of the actions is monitored in practice through treatment outcomes, customer feedback and data on service availability, for example, and operations are developed further based on the results.

Targets and metrics (S4-5)

S4 Targets and metrics related to consumers and end-users							Consumer and end-user privacy	Health and safety of consumers and end-users	Non-discrimination of consumers and end-users	Access to products and services
Metric	Results		Targets							
	2025	2024	2025	2026	2027	2028				
Patient safety indicators										
Healthcare objections Under section 10 of the Act on the Status and Rights of Patients (785/1992), a patient dissatisfied with their healthcare or medical treatment has the right to submit a healthcare objection to the healthcare unit's director responsible for healthcare.	7.43	8.87	~8.87	~8.87	-	-		●	●	
Official healthcare complaints Complaints to the supervisory authority of suspected misconduct or neglect or dissatisfaction with the response to the objection.	0.21	0.52	<0.52	<0.52	-	-		●	●	
Patient injury notifications submitted Patient injury reports submitted to the Finnish Patient Insurance Centre.	2.19	4.98*	<0.04	<2.19	-	-		●		
Compensated patient injuries Compensation decisions made by the Finnish Patient Insurance Centre regarding compensable patient injuries.	1.46	0.56*	0	0	-	-		●		
Personnel safety image (NSS) Patient safety perceived by the personnel in their own unit.	+77	+79	+60	+60	-	-		●		
Value metrics										
Access to surgical treatment with the target time (2024 target > 76%) Individual customers who have received surgical treatment within the target time.	93%	91%	78%	80%	80%	80%		●		●
Group's healthcare services' customer experience target (2024 target NPS 80) Net Promoter Score, which includes primary care and specialised care services, both for private healthcare services and public services.	84	84	81	83	84	85	●	●	●	●
The share of preventive activities by occupational health physicians in occupational healthcare (2024 target 60 %) Proportion of preventive work in total work performed by an occupational health physician.	72%	70%	> 60 %	> 60 %	> 60 %	> 60 %		●		
The share of preventive activities by occupational health nurses in occupational healthcare (2024 target 75 %) Proportion of preventive work in total work performed by an occupational health nurse.	87%	83%	> 75 %	> 75 %	> 75 %	> 75 %		●		
Detected successful attempts to gain unauthorised access Indicates the number of successful intrusion attempts on information systems resulting in unauthorized data access.	0	0	0	0	0	0	●			
Incidents classified as severe										
Severe patient injuries Situations where an individual customer suffers serious harm or dies that could have been avoided by following safety recommendations and guidance.	1	**	0	0	0	0		●		
Severe data protection and information security breaches Such data protection and information security breaches that meet the severity criteria, meaning cases where a significant amount of data is subject to unauthorized data access, for example as a result of hacking.	0	0	0	0	0	0	●			
*The figures for patient injury notifications submitted and compensated patient injuries for 2024 have been restated. For more details, see section ESRS 2, under BP-2: Boundaries and foundations of reporting.										
*Patient safety events have been categorised by severity since December 2024.										

Target performance monitoring

Pihlajalinna monitors and evaluates the effectiveness of the actions from the perspective of individual customers through stakeholder consultations, feedback and testing of processes. Target levels have been set for the metrics, and progress is monitored regularly through internal reporting on a monthly, quarterly and annual basis. The targets and metrics are presented in table: S4 Targets and metrics related to consumers and end-users.

Analysis of the results and justifications

In 2025, the results of the metrics corresponded to targets set, with the exception of patient injuries subject to compensation and serious patient injuries.

Customer and patient safety

Customer and patient safety refers to principles and functions that ensure the safety of care and services and protect customers and patients from harm. Customer and patient safety efforts are based on risk assessment, monitoring and the continuous development of operations. Pihlajalinna monitors customer and patient safety through customer feedback, patient safety notifications in the HaiPro system, the personnel's perception of patient safety, various treatment-related metrics, healthcare objections, official complaints and decisions issued by the Finnish Patient Insurance Centre. Pihlajalinna monitors the practices of its medical centres through site-specific pulse surveys, self-monitoring visits, internal and external audits, and inspections conducted by the authorities.

Pihlajalinna's customer and patient safety and safety culture are reflected in the personnel's perception of the level of safety. The personnel's safety image regarding the safety of the community's operations is affected by their personal experiences and observations, as well as what they hear from other employees, persons closely connected with them, and acquaintances. The NSS metric, which is an indicator of the personnel's safety image, is part of the Pihliksen pulssi personnel survey, the results of which are utilised in decision-making and development at the Group level and on a team-specific basis. If the personnel's safety image in a particular unit is not at the target level, the root causes of the situation are investigated.

A severe hazardous incident is an incident that causes, or could cause, serious or significant permanent harm to an individual customer, or poses a serious risk to an individual customer's life or safety. Incidents in which a large number of individual customers are subject to a threat is also categorised as a severe hazardous incident. In a severe patient safety incident, the organisation must immediately initiate an investigation of the matter and take corrective and preventive action. The hot line (never event) indicators published by the Finnish Centre for Client and Patient Safety have been integrated into the HaiPro patient safety incident and hazard reporting system deployed by Pihlajalinna's private healthcare services in December 2024.

Data protection and information security

Pihlajalinna's target for data protection is zero successful attempts to gain unauthorised access. This target was achieved in 2025 and 2024. The target is used to monitor both internal and external incidents. Individual customers can report suspected data protection or information security incidents through feedback systems or directly to the personnel. The measures aim to prevent any outside parties from gaining unauthorised access to patient data or personal data. Every month, the SOC assesses thousands of information security incidents, some of which have been escalated to Pihlajalinna's own information security team for further investigation.

Pihlajalinna defines severe data protection and information security breaches as incidents that may be realised as a probable negative risk of the loss of a strategically significant partner or the long-term loss of several partnerships. A significant loss of personnel that makes it materially more difficult to recruit new professionals in the long term is also deemed to be a severe incident.

A fast and high-quality care pathway

According to its strategy, Pihlajalinna focuses on being a reformer of customer-driven and effective care pathways. Pihlajalinna openly innovates value-based services that are grounded in needs-based care and thereby curb the growth of total costs. Also in surgical operations, the objective is to implement a quick and high-quality care pathway, which Pihlajalinna continuously develops. The aim of the activities is to rehabilitate the individual customer as quickly as possible and to restore their work ability after the accident or surgery. Access to treatment, the duration of sickness-related absences

and rehabilitation are monitored by means of various tools, which makes it possible to address deviations and comprehensively develop the operations. Access to treatment within the target time is an important indicator of the value of surgical operations and care pathway for accident insurance customers. Hospital chief physicians monitor, report and correct breaches of the service promise times. The implementation of the service promise time is the regional responsibility of the chief physicians.

Preventive healthcare

Pihlajalinna invests in services that can help to reduce prolonged sickness-related absences, permanent loss of work ability and human suffering as well as costs to the employer and society. The prevention of ill health is in everyone's interest society-wide and helps to reduce costs in the long term. Focusing on prevention is a key objective, especially in occupational health. The share of preventive work is monitored on an occupational group-specific basis. The direction of development is correct, and the results achieved are aligned with the targets. Pihlajalinna will continue to maintain good practices and actively monitor development needs in the future.

Customer experience

The results of customer experience metrics are used in the development activities of the entire Group in accordance with the customer experience management model. Pihlajalinna's management monitors the feedback in general with monthly reports and is responsible for the development actions. Pihlajalinna engages the participation of individual customers in the development of operations, and engagement data collected from them is utilised in individual development projects. Moving forward, data will be used even more extensively in the development of operations. The customer experience is a strategic priority for Pihlajalinna, and measuring the customer experience and feedback process is part of the customer experience management model. The feedback process highlights topics for service development. The needs for quality development arising from the customer interface play a key role in the development of Pihlajalinna's operations. Pihlajalinna follows strong data protection practices in its management model and feedback process. In addition to customer feedback provided proactively by individual customers, Pihlajalinna measures the customer experience on a daily basis by means of various surveys, SMS or directly in the digital service channel.

Basis of preparation for the metrics:

The baseline year is 2024, and the baseline values are those of 2024, as they represent the first reported comparable figures.

The number of **healthcare objections, official complaints, patient injury notifications and compensated patient injuries** are reported per 100,000 appointments.

The number of **appointments, healthcare objections, official complaints, patient injury notifications and compensated patient injuries** include Pihlajalinna's private healthcare services. Pihlajalinna does not necessarily receive information about objections, official complaints or patient injuries related to the activities of practitioners working at Pihlajalinna's facilities. **Healthcare objections** include those submitted by patients or their representatives, as well as official complaints that the supervisory authority has determined can be handled as objections. **Official healthcare complaints** include those submitted to the supervisory authorities, namely the Regional State Administrative Agencies (AVI) or National Supervisory Authority for Welfare and Health (Valvira). **Patient injury notifications submitted** include all claims made, regardless of the decision. **Compensated patient injuries** include all claims that meet the criteria set out in the Patient Insurance Act and for which the outcome includes compensation for a patient injury. The Finnish Patient Insurance Centre (PIC) handles all patient injury claims related to healthcare and medical care in Finland. Based on the legislation governing patient injuries, the Finnish Patient Insurance Centre (PIC) determines whether a case qualifies as a compensable patient injury and pays the statutory compensation to those entitled to it.

Personnel's safety image, measured with **Net Safety Score (NSS)**, ranges from +100 to -100. In the survey, Pihlajalinna professionals are asked how safe they would feel as a customer or patient in their own unit, using a scale from 1 to 5. The score is calculated by subtracting the percentage of responses 1-2 (strongly or somewhat disagree) from the percentage of responses 4-5 (strongly or somewhat agree). The safety image is measured in the Pihliksen pulssi -personnel survey, which is sent to all Pihlajalinna professional.

Access to surgical treatment within the target time is defined as the percentage of individual customers for whom the target time for access to surgery, five working days, has been met. Patients who are medically unfit for surgery within the target time or who decline the first available surgery date offered are excluded from this calculation.

Customer experience target for the Group's healthcare services, the Net Promoter Score (NPS), measures how likely customers are to recommend Pihlajalinna, the professional providing the service, or the service from Pihlajalinna. The survey covers all customer groups, including partners. Customers respond to the NPS question on a scale from 0 to 10 (0 = very unlikely, 10 = very likely). The score is calculated by subtracting the proportion of respondents who rated 0-6 (detractors) from the proportion of those who rated 9-10 (promoters), divided by the total number of respondents. The score ranges from +100 to -100. Healthcare services include primary care and specialised care services, both for private healthcare and public services (visits to medical clinics, surgical operations, remote consultations, services in wellbeing services counties). Healthcare services do not include wellbeing services or customer services (gym services, contact centre).

The proportion of preventive activities by occupational health physicians and occupational health nurses is calculated by dividing the amount of preventive work by the total amount of work performed for each professional group.

Detected successful attempts to gain unauthorised access include attempts to breach Pihlajalinna's information systems in which unauthorised parties gain access to data. Intrusion attempts may originate from within Pihlajalinna or from outside its systems.

Business Conduct (G1)

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The role of the administrative, management and supervisory bodies (GOV-1)

Information on the roles of the administrative, management and supervisory bodies is presented in section ESRS 2, under GOV-1: The role of senior management in sustainability management.

Identification and assessment of material impacts, risks and opportunities (IRO-1)

The materiality assessment process and process for managing impacts, risks and opportunities related to business conduct are described in section ESRS 2, under IRO-1: Process to identify and assess material impacts, risks and opportunities. Pihlajalinna reports on its actions regarding the material topics identified in the double materiality analysis.

Corporate culture

Corporate culture has been identified as one of Pihlajalinna's positive impacts. It is also highlighted as one of the three main focus areas in the updated 2025 strategy. The Group consistently strengthens its corporate culture by developing leadership, supervisory work, and workplace interaction skills. Pihlajalinna complies with applicable legislation, regulatory guidelines, and rules governing listed companies,

and provides training for its personnel. These measures are reinforced by Pihlajalinna's internal controls. Continuous development of corporate culture lays the foundation for operations that can also generate positive impacts on the surrounding society.

The principles guiding the company's operations are documented in the Code of Conduct and the Anti-Corruption and Anti-Bribery Policy. Training on Code of Conduct is part of the induction training programme and mandatory for everyone working in Pihlajalinna. Supervisors' ability to address issues is enhanced through training. Pihlajalinna also has internal controls and a confidential Whistleblowing channel for reporting observed misconduct or irregularities within the organisation.

Business operations and strategy do not directly influence corporate culture, but they can have an indirect impact. A sustainable business model and strategy that consider the needs of the entire personnel can positively affect corporate culture. This sub-topic is viewed as an opportunity, as ethical conduct builds trust among stakeholders. Various stakeholders, such as corporate customers, insurance companies, personnel, and individual customers, are essential for ensuring profitable business. Trust can increase share value, enable more favourable financing, attract new partnerships while retaining and growing existing ones, and improve talent availability.

Political engagement

Pihlajalinna also has an actual positive impact on society through political engagement. It actively monitors legislation, its preparation, and political dialogue in general. Pihlajalinna has a long tradition of developing public social and healthcare services in collaboration with various actors, such as wellbeing services counties. Pihlajalinna's operating practices evolve in line with legislation. The Group adheres to ethical principles in political engagement and is registered in the national transparency register to ensure openness in advocacy activities. The Group does not support political parties or their members.

Political engagement can positively influence business operations. One of Pihlajalinna's strategic priorities is to act as a partner to public healthcare, thereby securing operational conditions within the public healthcare sector. In 2025, this priority was visible in for example in Kela's freedom of choice pilot and the collaboration with South Savo wellbeing services county in Savonlinna hospital. These projects combine the expertise of the public and private sectors to implement the treatment time guarantee, improve access to treatment, and ensure the availability of healthcare services. Political engagement can help create a more favourable legislative framework for private social and healthcare providers, enabling economic benefits. This topic is seen primarily as an opportunity, although it also carries a reputational risk associated with political advocacy.

G1 Impacts, risks and opportunities related to business conduct			
Sustainability matter	Impacts, risks and opportunities (IRO)		
Corporate culture (business ethics)	Transparent and ethical corporate culture	Actual positive impact (Upstream value chain, own operations)	An ethical, transparent corporate culture builds trust, and as a large group Pihlajalinna has the opportunity to drive progress across the industry. Addressing personnel needs and managing stakeholder relationships responsibly creates sustainable business and supports societal wellbeing.
	Ethical foundation for growth	Opportunity (Upstream value chain, own operations)	Acting ethically builds trust among stakeholders. Different stakeholders, such as corporate customers, insurance companies, personnel, and individual customers, are essential to ensuring profitable business. Trust can increase share value, enable more favourable financing, improve access to talent, and support the acquisition, retention and expansion of business customer relationships. This opportunity may materialise in the short term.
Political engagement	Collaborative partnerships	Actual positive impact (Upstream value chain, own operations)	Pihlajalinna's active participation in political dialogue and sharing of information to support decision-making strengthens the development of operating conditions in the healthcare sector. Long-term cooperation with the public sector, along with ethical and transparent interaction, supports societal wellbeing and responsible decision-making.
	Political engagement supporting growth	Opportunity (Upstream value chain, own operations)	Active and responsible engagement with political actors can strengthen Pihlajalinna's position as a partner to the public sector, promote more favourable legislation, and improve the profitability of investments as well as the predictability of business in the short term.
	Reputational risk from political engagement	Risk (Upstream value chain, own operations)	Changes in the political climate, dependence on cooperation with the public sector, and potential reputational damage may, in individual cases, have an adverse impact on business in the short term.

Business conduct policies and corporate culture (G1-1)

Business conduct policies

The sustainability of Pihlajalinna's business conduct is guided by the applicable legislation and the Group's guidelines and policies, which supplement the legal requirements and provide further specification. Pihlajalinna's Code of Conduct guides every Pihlajalinna professional. The Code describes the way the Group operates, based on good governance, legal compliance, transparency, fairness and confidentiality. Adherence to and implementation of these principles in the day-to-day actions of the personnel, individual customers, and other stakeholders enables trustworthy and robust cooperation. This can positively impact the wellbeing of customers and personnel and, in turn, support profitable and ethical business. Pihlajalinna aims to expand stakeholder dialogue to deepen understanding of the Code of Conduct and human rights principles.

Pihlajalinna monitors the implementation of good governance principles at least annually. Compliance with laws is continuously monitored and supervised at various organisational levels, including internal audit and quality processes. Pihlajalinna has also established control mechanisms, such as a whistleblowing channel, to detect deviations. Adherence to transparency principles is monitored through Pihliksen pulssi -personnel surveys examining key aspects of transparency and openness in the work community and leadership. The same survey also assesses the implementation of fairness and confidentiality principles in the daily work of Pihlajalinna professionals.

In addition to the personnel surveys, compliance with and implementation of the principles are monitored in development discussions between supervisors and employees, where issues raised are addressed as needed at the relevant management level. Compliance with the Code of Conduct is reviewed from daily management to executive and board levels. The ultimate responsibility for the Code of Conduct lies with the Board of Directors.

Procurement principles concerning cooperation partners are documented in separate Supplier Code of Conduct guidelines and separate ethical guidelines for sports partnerships. The procurement principles cover five areas: legislation and human rights, environment, customer health and safety, workers' rights, and ethical business practices. Pihlajalinna requires all suppliers and partners to commit to these principles. Significant development work has been carried out to increase the number of committed suppliers, and by the end of 2025, suppliers committed to these principles accounted for 67 per cent of Pihlajalinna's procurement expenditure. Development efforts will continue in future financial years to improve coverage. The most senior level that is accountable for implementation of the Procurement Policy is the Chief Procurement Officer. The procurement organisation evaluates the ethical compliance of suppliers of goods and services as well as other stakeholders as part of procurement decisions and partnership cooperation.

For Pihlajalinna, sustainable business means good corporate citizenship. Operating ethically and sustainably is key to achieving the Group's strategic ambitions. The group creates economic value for society by providing cost-effective and value-based social and

healthcare services, sourcing products and services from local operators, and paying all taxes in Finland. Pihlajalinna is a significant employer across Finland. As a provider of social and healthcare services and a listed company, Pihlajalinna places a high priority on transparent, timely and reliable communications, both internally and with external stakeholders. The foundation of Pihlajalinna's marketing and communications is professionalism, reliability, truthfulness, and up-to-date medical knowledge.

Pihlajalinna is committed to respecting the following international commitments, principles, guidelines and initiatives:

- The Universal Declaration of Human Rights by the UN
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The UN Guiding Principles on Business and Human Rights (UNGPR) and the Global Compact initiative
- The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

The Group's operations are also guided by the following principles and guidelines, among others:

- Corporate governance practices
- Quality, environmental, procurement and risk management policies
- Equality and non-discrimination plan
- Data protection and information security policy and guidelines
- Disclosure policy and the disclosure rules of Nasdaq Helsinki
- Marketing guidelines for healthcare services

These commitments, principles, operating guidelines and initiatives have been incorporated into Pihlajalinna's operations at every level as applicable and in such a way that they serve employee wellbeing, individual customers and other stakeholders, and thereby contribute to Pihlajalinna's business objectives. Each policy and operating principle is an integral part of Pihlajalinna's operations.

The commitments, policies, guidelines and initiatives are integrated into the company's Code of Conduct and procurement principles and are applied in management and supervisory work. The implementation of these guidelines is monitored as part of personnel surveys and discussions. Issues that arise are, where necessary, escalated for management review and further action. If an issue or concern cannot or is preferred not to be raised without anonymity, Pihlajalinna has a whistleblowing channel that guarantees full anonymity. The system ensures that any incident or concern is handled reliably by a group that is appointed by the management and operates under the leadership of the Chief Legal Officer.

Corporate culture

Pihlajalinna's corporate culture is the sum of several components. The key building blocks of the corporate culture include the company's values – ethics, energy and open-mindedness – and Pihlajalinna's way of working that stems from them.

One of the key priorities of Pihlajalinna's new strategy is to be the most desirable workplace. The ambition is to be an attractive employer where people enjoy working and can develop professionally. To support this ambition, Pihlis-principles were defined together with the personnel in 2025 to describe the desired way of working and interacting with colleagues and customers. These principles serve as a guide for the workplace skills expected from everyone working in Pihlajalinna and for how collaboration should look to ensure a positive working environment for all. In addition, Pihlajalinna's leadership principles outline the type of leadership that is aspired to and valued. These principles, defined in cooperation with employees, together pave the way towards an even more impactful culture.

An integral part of the corporate culture is how Pihlajalinna cares for its personnel, customers and partners. Communication and the Group's operating models play a key role in different contexts and in relation to various stakeholders.

Pihlajalinna respects its employees' right to unionisation and develops cooperation based on trust and openness with employee representatives. The company engages in cooperation with elected employee representatives, HR representatives, Group management,

shop stewards and the occupational safety organisation. Pihlajalinna monitors and evaluates employee experience through a comprehensive annual Pihliksen pulssi -personnel survey, complemented by lighter mini-pulse surveys conducted two to three times a year. The results of these surveys are used both in Group-level decision-making and development, as well as at team level. Further information on personnel-related actions in section S1, under S1-4: Actions.

Mechanisms for identifying, reporting and investigating concerns

Pihlajalinna has an operating model in place for the management of harassment and inappropriate behaviour. All personnel are informed about this model and the principles to be followed. Supervisors and occupational safety and health delegates are trained to recognise harassment and inappropriate behaviour and to handle situations appropriately. Supervisors monitor working conditions and ensure that the operational model for managing inappropriate behaviour is followed. The model is also discussed in dialogue with personnel representatives as required by the Act on Co-operation within Undertakings. Inappropriate behaviour or actions are not tolerated in any form. Pihlajalinna's intranet provides access to instructions on what to do if inappropriate behaviour is encountered. Professional behaviour at work prevents inappropriate treatment. It is essential that everyone complies with work-related regulations, guidelines and schedules, and offers and requests assistance proactively. Channels available to personnel for reporting concerns are described in more detail in section S1, under S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns.

Incidents of harassment or inappropriate behaviour are handled objectively and confidentially, with all parties heard. Consistent decisions and actions are taken to stop inappropriate behaviour. The parties involved and the supervisor can request assistance and support from the occupational safety and health delegate, shop steward, the occupational safety and health manager, the HR administration and occupational healthcare as necessary. The supervisor or a designated person investigates the matter promptly, primarily by discussing with the parties involved or, if necessary, by other means, ensuring confidentiality and impartiality. A memorandum is prepared of the discussions. The method and timing for monitoring agreed actions are determined together with the parties involved, and the supervisor communicates to the rest of the work community, as necessary, about the handling and progress of the matter at a general level if it is considered relevant to the wellbeing of the entire work community. The parties involved are informed in advance about any communication.

Whistleblower protection

Pihlajalinna aims to operate responsibly, in compliance with the law and in line with the Group's ethical values in all circumstances. Pihlajalinna has an anonymous whistleblowing channel for reporting misconduct or illegal actions. The Group's personnel, customers and other stakeholders can use it to safely report any misconduct or violations of the company's values they have observed. The whistleblowing channel is accessible to stakeholders via Pihlajalinna's website.

If any irregularities are observed in the operations, the information is processed without undue delay. All reports are processed appropriately and confidentially. By law, no retaliatory action may be taken against a person who has submitted a report through the whistleblowing channel. Whistleblowers are always protected, and the identities of the subject of the report and any other parties mentioned are treated confidentially. The reports are only seen by the persons designated to process them. Where necessary, other experts may be used in the investigation of whistleblower reports to ensure that they are processed appropriately. The aforementioned whistleblowing channel and the anonymity it provides are considered sufficient within Pihlajalinna, and separate policies have not been deemed necessary.

Description of functions that are most exposed to corruption and bribery

Pihlajalinna has prepared and implemented a separate Anti-Corruption and Anti-Bribery Policy in December 2024, and the need for updates is assessed annually by the Board of Directors. Themes related to this topic were previously addressed in Pihlajalinna's Code of Conduct. The new policy is aligned in its essential aspects with the UN Convention against Corruption.

No incidents of corruption or bribery have been identified within Pihlajalinna. Based on risk analysis, corruption and bribery risks could occur particularly within the procurement organisation, which is responsible for Group's procurement decisions and supplier selection, and in sales functions, where customer and contract negotiations take place. Pihlajalinna's Code of Conduct, Supplier Code of Conduct and the new Anti-Corruption and Anti-Bribery Policy all state that any form of corruption is strictly prohibited. Pihlajalinna considers the overall risk of corruption to be low and has therefore not assessed the topic to be material. Pihlajalinna operates in Finland, where the risk of bribery and corruption is generally low.

Pihlajalinna did not receive any decision, judgement, fine or similar sanction for violations of anti-corruption or anti-bribery legislation in

2025 or 2024. Information on such cases and legal proceedings is obtained centrally from the legal department. No such cases have been pending, nor have any been reported to the auditors, who are informed of all civil and criminal cases and other legal proceedings, excluding disputes with minor financial or business significance.

Information on the organisation’s internal training related to business conduct

Training on Pihlajalinna’s Code of Conduct applies to all employees and practitioners working at Pihlajalinna. The training is delivered as a self-paced online course in Pihlajalinna’s e-learning environment, the Pihlajalinna Academy. This annual training covers Pihlajalinna’s most essential ethical principles and encourages personnel to act responsibly. Successful completion of the training is required from every Pihlajalinna professional, and supervisors monitor compliance. In addition, completion rates are reviewed by senior management at least annually, and any necessary actions, such as activation measures, are agreed upon as needed.

Alongside the online course, the Code of Conduct is integrated into Pihlajalinna’s general induction programme and into onboarding training designed for supervisors. The onboarding training for supervisors is mandatory for all new supervisors, and completion is monitored every two months. Reminder messages are sent to new supervisors every two months until the training is completed. The Group Management Team is responsible for ensuring that all personnel are familiar with the Code of Conduct, while supervisors are responsible for ensuring compliance.

Political influence and lobbying activities (G1-5)

The Executive Vice President, Communications and Sustainability is the senior representative in charge of matters related to political influence and lobbying activities. All discussions, meetings or topics related to these matters are reviewed to the extent deemed necessary with the Group Management Team and business management. Business units and their management engage in interaction with the Executive Vice President, Communications and Sustainability, who communicates on the matter to the Board of Directors and the Group Management Team.

Pihlajalinna does not support any political activities and is therefore politically independent. Pihlajalinna was registered in the Finnish Transparency Register in autumn 2024 (register number: PIH-24-1415-R). Formal reporting on this topic began in 2025. Pihlajalinna is a member of the Finnish Association of Private Care Providers (Hali), which represents companies and organisations that produce social and healthcare services. Hali is a member of the Confederation of Finnish Industries EK. Pihlajalinna is also a member of the industry association Lääkäripalveluyhdistys LPY. Pihlajalinna does not have a statutory obligation to be a member of a Chamber of Commerce or any other advocacy organisation.

Pihlajalinna has no reportable information regarding political donations in cash or in kind. No members have been appointed to administrative, management or supervisory bodies who have held an equivalent position in public administration during the two years preceding their appointment.

Information on the most important topics related to lobbying activities and the company’s most significant views

The overarching theme of Pihlajalinna’s political engagement is ensuring cooperation between private and public healthcare. In society, making full use of all existing healthcare resources not only supports Pihlajalinna’s business but also helps reduce the national economic costs of healthcare and promotes citizens’ wellbeing through timely access to care. In 2025, efforts to strengthen Pihlajalinna’s operating conditions focused particularly on securing multi-channel funding and integrating value-based healthcare into the financing model of well-being services counties.

G1 Targets and metrics related to business conduct							Corporate culture	Political engagement
Metric	Results		Targets					
	2025	2024	2025	2026	2027	2028		
Percentage of employees who have completed the digital Code of Conduct training	92%	84%*	100%	100%	100%	100%	●	●
Percentage of employees in permanent full-time or part-time employment*								
Incidents of corruption or bribery	0	0	0	0	0	0		●

*Calculated according to the preparation basis updated in 2025. For more details, see section G1: Basis of preparation of the metrics, as well as ESRS 2, under BP-2: Boundaries and foundations of reporting. Analysis of the results and justifications: All results for 2025 and 2024 are in line with the planned annual targets and the achievement of long-term goals.

Basis of preparation for the metrics:

The percentage of employees who have completed the digital Code of Conduct training was reported in 2024 to cover all employees and practitioners. In 2025, the reporting practice was refined so that the completion rate applies only to employees in permanent full-time or part-time positions. Incidents of corruption and bribery include decisions, judgments, fines, or similar sanctions received by the company for violations of anti-corruption or anti-bribery legislation. The baseline year is 2024, and the baseline values are those of 2024, as they represent the first reported comparable figures.

Table: Policies

Policy name	Key contents and general objectives	Follow-up process	Highest decision-making party	Related sustainability topics
Code of Conduct	The Code of Conduct describes the key values and principles that everyone working in Pihlajalinna is expected to follow. The aim of the Code of Conduct is to establish clear ethical standards that cover all aspects of Pihlajalinna's operations and day-to-day work. This is complemented by the Human Rights Policy, reinforced by a commitment to respect human rights in all activities and within the sphere of influence, and to eliminate all forms of modern slavery, forced labour, human trafficking, and child labour in accordance with the ILO Declaration on Fundamental Principles and Rights at Work. Pihlajalinna has signed the UN Global Compact initiative's Guiding Principles on Business and Human Rights. The Code of Conduct also includes themes related to corruption and bribery, for which there is also a separate policy.	Pihlajalinna has a confidential whistleblowing channel that can be used for reporting misconduct and problems in the organisation. Everyone working in Pihlajalinna must complete mandatory training on the Code of Conduct and commit to complying with the Code, which also entails respecting human rights. Pihlajalinna's legal affairs unit is responsible for handling reports submitted through the channel, and the Board of Directors monitors messages received, and the actions taken in response to them. The Group Management Team is responsible for ensuring that the personnel are familiar with the Code of Conduct, and supervisors are responsible for adherence to the Code of Conduct. The most senior level accountable for embedding the Code of Conduct across the organisation is the Chief Legal Officer. The policy is updated as necessary.	Board of Directors	G1 Governance S1 Own workforce S4 Customers and end-users
Supplier Code of Conduct and ethical sports cooperation policy	The Supplier Code of Conduct sets out the expectations for suppliers and partners to conduct business in an ethical and socially responsible manner. It covers five areas: legislation and human rights, environment, customer health and safety, workers' rights and ethical business including anti-corruption and anti-bribery. Service providers, suppliers and cooperation partners are required to comply with these principles.	A systematic monitoring process has been developed during the reporting period, and by the end of 2025, suppliers committed to these principles accounted for 67 per cent of Pihlajalinna's procurement expenditure. The principles are updated as necessary. Compliance is monitored as part of procurement objectives and procurement management.	The Group's CEO	G1 Governance
Procurement Policy	Pihlajalinna Group's Procurement Policy aims to harmonise procurement procedures across all units, improve efficiency and enhance cost-effectiveness by leveraging the Group's collective purchasing power. The policy ensures internal control and compliance with audits, supports the smooth integration of new units and strengthens the Group's position as a unified customer. Procurement activities comply with statutory requirements, industry standards and internal principles, with a strong emphasis on ethical and sustainable practices.	This policy is reviewed as necessary to ensure compliance with statutory and regulatory requirements.	The Group Management Team	G1 Governance E1 Climate change S1 Own workforce S4 Customers and end-users
Anti-Corruption and Anti-Bribery Policy	Pihlajalinna has a separate Anti-Corruption and Anti-Bribery Policy, which is approved annually by the Board. The policy aligns with the UN Convention against Corruption. The theme of anti-corruption and anti-bribery is also embedded in the Code of Conduct and therefore applies to everyone working at Pihlajalinna.	The Anti-Corruption and Anti-Bribery Policy was introduced in 2024, and any deviations are reported quarterly to the Board's committees.	Board of Directors	G1 Governance

CORPORATE GOVERNANCE STATEMENT

SUSTAINABILITY STATEMENT

Personnel Policy	The Personnel Policy brings together the key principles for various aspects of HR. The Personnel Policy includes requirements and expectations for the Group's operations so that the personnel can perform meaningful work within a well-managed and healthy work community.	In Pihlajalinna, compliance with the principles outlined in the Personnel Policy is regularly monitored and evaluated through personnel surveys and discussions with employee representatives.	Board of Directors	G1 Governance S1 Own workforce
Equality and Non-Discrimination Policy	The Equality and Non-Discrimination Policy defines Pihlajalinna's principles related to equality and non-discrimination in all activities related to working life.	At Pihlajalinna, compliance with the Equality and Non-Discrimination Policy is regularly monitored and evaluated through personnel surveys as well as by collecting and analysing statistics on the distribution of women and men across different employee groups and positions. The survey of wages and pay gaps is carried out as part of the monitoring, and these statistics are included in the equality and non-discrimination plan. The Group's EVP, People and Culture is the owner of the Equality and Non-Discrimination Policy. Pihlajalinna's HR department is responsible for updating and making changes to the policy.	Board of Directors	G1 Governance S1 Own workforce
Risk Management Policy	Pihlajalinna's risk management is guided by the Group's Risk Management Policy. Continuity plans are prepared for the most significant risks. Pihlajalinna describes the significant near-term risks and uncertainties related to its business in its interim reports and Board of Directors' report. Pihlajalinna uses quality management systems to support risk management.	The Group Management Team regularly assesses risks, refines risk reporting if necessary and reports on key risks to the Board of Directors. The Board of Directors annually verifies that risk management is up to date.	Board of Directors	G1 Governance E1 Climate change S1 Own workforce S4 Customers and end-users
Quality Policy	Pihlajalinna's Quality Policy and quality management system support its strategy. Pihlajalinna's Quality Policy sets the principles, and the quality programme describes, how the Group ensures compliance and the desired quality level. Pihlajalinna's quality management is based on comprehensive self-monitoring, external quality assurance and extensive regulatory supervision. The policy is owned by the Group's Quality Director, who is responsible for updating the policy and making any necessary changes. The Quality Policy includes the following certificates: ISO9001 certificate: Private clinic operations, occupational health services, hospital operations, inpatient ward operations, service housing with 24-hour assistance (Ikipihlaja, Uniikki), in-house support services as well as management and development. ISO14001 Environmental management system: Private healthcare services.	Pihlajalinna's management is committed to compliance with requirements and oversees the development of customer experience, medical quality, employee satisfaction and process quality and taking necessary actions to meet quality objectives. Pihlajalinna's management is also committed to the continuous improvement of operations and the quality management system and creates the conditions for achieving quality objectives.	Chief Medical Officer	G1 Governance E1 Climate change S1 Own workforce S4 Customers and end-users
Environmental Policy	Pihlajalinna's Environmental Policy compiles the principles and practices for environmental management, such as the identification of the environmental impacts and the continuous improvement of Pihlajalinna's operations. Pihlajalinna's Environmental Policy defines the commitment to environmental work and guides decision-making. Operations are based on the ISO 14001 environmental management framework, which, as part of Pihlajalinna's integrated management system, creates consistent practices across the Group. Pihlajalinna's private healthcare services, i.e. private clinics, occupational health services and hospitals, are certified under the ISO 14001 environmental management standard.	Together with the Quality Director, the Chief Legal Officer maintains a list of laws and regulations related to Pihlajalinna's environmental aspects. Environmental aspects are reviewed annually by the person responsible. Environmental officers have been appointed for private clinics and hospital service locations to ensure that environmental aspects are taken into account in the unit's operations and to monitor the implementation of the environmental programme. They meet monthly with external experts to review and develop site-specific environmental plans and guidelines.	Communications and Sustainability Director	E1 Climate change S1 Own workforce S4 Customers and end-users

Data Protection and Information Security Policy	The objective of the Data Protection and Information Security Policy is to ensure that all personal data and other confidential information are processed securely and in compliance with the law. Pihlajalinna is committed to complying with the ISO27001 standard and other similar initiatives that support the implementation of data protection and information security. This is outlined in the Data Protection and Information Security Policy. The goal for the next financial year is to achieve ISO 27001 certification with a broader scope than before.	Compliance with data protection and information security is continuously monitored. All personnel are responsible for ensuring data protection and information security and are obliged to report any identified threats or deviations. The Chief Medical Officer is responsible for data protection. The Chief Information Officer is responsible for information security. Operationally, activities are overseen by the appointed Data Protection and Information Security Director.	The Group's CEO	G1 Governance S1 Own workforce S4 Customers and end-users
Human rights principles	Pihlajalinna's human rights principles reinforce Pihlajalinna's commitment to respecting human rights in all activities and in the sphere of influence of operations, and to eliminate all forms of modern slavery, forced labour, human trafficking and child labour, in accordance with the ILO Declaration on Fundamental Principles and Rights at Work. These human rights principles describe how Pihlajalinna fulfils its obligation to respect human rights and implement continuous human rights due diligence, as well as how Pihlajalinna promotes stakeholder cooperation, remedial actions and the available grievance mechanisms.	The human rights risk assessment is reviewed every two years and is part of the continuous improvement of operations, ensuring that Pihlajalinna responds to potential changes in the business environment. Human rights-related work is actively monitored and carried out across various functions of Pihlajalinna, such as legal services, HR, procurement, and the communications and sustainability teams, as part of operational activities.	Board of Directors	S1 Own workforce S4 Customers and end-users
Whistleblowing channel instructions for users	Pihlajalinna's confidential whistleblowing channel can be used for reporting any observed misconduct or irregularities within the organisation. The whistleblowing channel implemented in cooperation with an impartial external partner to ensure the anonymity of the whistleblower. The impartial party provides only the technical implementation of the service and does not receive reports. The confidentiality of the identities of the whistleblower, the subject of the report, and any other parties mentioned are treated confidentially. Information about the whistleblowing channel is communicated to the personnel at least annually and targeted to relevant stakeholders. Reports can be submitted in Finnish, Swedish, and English.	If any irregularities are observed in the company's operations, the information is processed without undue delay. The reports are only seen by the people designated to process them, and all reports are processed appropriately and confidentially. Additional experts may be involved in the investigation if necessary to ensure appropriate handling. The system ensures that any incident or concern is handled reliably by a group that is appointed by the management and operates under the leadership of the Chief Legal Officer.	Chief Legal Officer	G1 Governance S1 Own workforce S4 Customers and end-users
Remuneration Policy	Pihlajalinna's Remuneration Policy refers to the Group's remuneration policy for governing bodies as defined by the Companies Act, the Securities Markets Act and the Corporate Governance Code. It sets out the principles for the remuneration of the members of the Board of Directors and the CEO. The main principle of the Remuneration Policy is that the remuneration of the Board of Directors and the CEO should promote the achievement of the Group's objectives and provide a fair, engaging and competitive and market-aligned structure and level of remuneration.	Pihlajalinna's General Meeting decides on the remuneration paid to the members of the Board of Directors. The proposal for the remuneration of the Board members is prepared by the Shareholders' Nomination Board. The People and Sustainability Committee, acting as an advisory body to the Board, prepares the principles applied to the remuneration of the CEO. Pihlajalinna's Board of Directors annually confirms the amount, targets and criteria for performance-based bonuses.	General Meeting of Pihlajalinna Plc	ESRS 2 General disclosures
Disclosure Policy	Pihlajalinna's Disclosure Policy sets out the key principles and practices governing the Group's approach to investor communications and financial reporting. Pihlajalinna's objective is to ensure that all market participants have simultaneous access to essential and sufficient information regarding factors that may affect the price of Pihlajalinna's shares.	The Disclosure Policy is reviewed and updated as necessary. The Board of Directors reviews and approves the financial statements and interim reports. In addition, the Board approves significant stock exchange releases, such as the announcement of the appointment of the CEO. Other stock exchange releases are approved by the CEO or CFO.	Board of Directors	ESRS 2 General disclosures G1 Governance
The scope of all policies is own personnel and operations in Finland (no other geographical areas), excluding the Procurement Policy and the Supplier Code of Conduct, which cover suppliers. The financial resources associated with all current and planned policies are human resources. All policies are available on the intranet and the corporate website, except for the Procurement Policy and the Risk Management Policy, which are available on the intranet only.				



Financial Statements 1 January—31 December 2025

Financial statements 1 Jan–31 Dec 2025

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Date of and signatures to the report by the board of directors and the financial statements

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Consolidated statement of comprehensive income, IFRS

EUR 1,000	Note	1–12/2025	1–12/2024
Revenue	2	652,300	704,447
Other operating income	3	12,224	3,800
Materials and services	4	-189,749	-200,369
Employee benefit expenses	5	-289,596	-321,203
Other operating expenses	7	-75,852	-85,141
Share of profit in associated companies and joint ventures	30	3	-26
EBITDA		109,330	101,508
Depreciation, amortisation and impairment	8	-56,610	-53,018
Operating profit (EBIT)		52,720	48,489
Financial income	9	1,064	1,090
Financial expenses	10	-8,030	-10,930
Financial income and expenses		-6,966	-9,840
Profit before taxes		45,754	38,649
Income tax	11	-7,166	-8,497
Profit for the period		38,588	30,152
Attributable to:			
To the owners of the parent company		37,587	27,359
To non-controlling interests		1,001	2,793
Earnings per share calculated on the basis of the result for the period attributable to the owners of the parent company (EUR)			
Basic	12	1.58	1.13
Diluted		1.58	1.13

Consolidated statement of comprehensive income

EUR 1,000	Note	1–12/2025	1–12/2024
Profit for the period		38,588	30,152
Other comprehensive income that will be reclassified subsequently to profit or loss			
Cash flow hedge	27	-818	-1,961
Recorded in equity		162	-981
Transferred to income statement		-980	-980
Income tax on other comprehensive income		164	392
Other comprehensive income for the reporting period		-655	-1,569
Total comprehensive income for the reporting period		37,934	28,583
Attributable to:			
To the owners of the parent company		36,932	25,790
To non-controlling interests		1,001	2,793

Consolidated statement of financial position, IFRS

EUR 1,000	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Property, plant and equipment	13	52,331	62,766
Goodwill	14	253,830	254,875
Other intangible assets	14	14,774	15,731
Investment properties	15	765	799
Right-of-use assets	16	174,797	185,091
Interests in associates	30	28	26
Other investments		166	166
Other receivables	17	2,194	5,532
Deferred tax assets	21	8,139	7,746
Total non-current assets		507,024	532,732
Current assets			
Inventories	4	3,974	4,503
Trade and other receivables	18	55,139	61,156
Current tax assets		1,291	866
Cash and cash equivalents		30,676	30,908
Total current assets		91,080	97,434
Total assets		598,104	630,166

EUR 1,000	Note	31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		80	80
Fair value reserve		452	1,107
Reserve for invested unrestricted equity		116,520	116,520
Hybrid loan		20,000	20,000
Retained earnings from previous years		15,966	5,654
Profit for the financial year		37,587	27,359
Equity attributable to owners of the parent company		190,605	170,720
Non-controlling interests		2,000	-1,769
Total equity	23	192,605	168,951
Liabilities			
Deferred tax liabilities	21	7,220	7,901
Provisions	19	2,320	2,519
Lease liabilities	24	167,047	180,887
Financial liabilities	22	103,073	114,573
Other non-current liabilities		260	516
Total non-current liabilities		279,919	306,396
Current liabilities			
Trade and other payables	20	88,713	121,085
Current tax liabilities		1,147	798
Provisions	19	1,931	66
Lease liabilities	24	30,455	31,047
Financial liabilities	22	3,334	1,823
Total current liabilities		125,580	154,820
Total liabilities		405,499	461,216
Total equity and liabilities		598,104	630,166

Consolidated statement of cash flows, IFRS

EUR 1,000	Note	1–12/2025	1–12/2024
Cash flow from operating activities			
Profit for the period		38,588	30,152
Taxes	11	7,166	8,497
Depreciation, amortisation and impairment	8	56,610	53,018
Financial income and expenses	9, 10	6,966	9,840
Other		-8,448	273
Net cash generated from operating activities before change in working capital		100,882	101,781
Change in working capital		-18,379	-2,146
Interest received		870	724
Paid and received taxes		-7,810	484
Net cash flow from operating activities		75,563	100,842
Cash flow from investing activities			
Investments in tangible and intangible assets		-16,505	-11,029
Proceeds from disposal of tangible and intangible assets and prepayments		2,155	912
Changes in other receivables and investments		0	-15
Sale of subsidiaries with time-of-sale cash and cash equivalents deducted	28	8,416	0
Granted loans and repayments		517	12
Dividends received		0	31
Acquisition of subsidiaries less cash and cash equivalents at date of acquisition	28	-264	-2,202
Net cash flow from investing activities		-5,681	-12,289
Cash flow from financing activities			
Changes in non-controlling interests	28	-12	-172
Acquisition of own shares	23, 28	-3,080	-937
Proceeds from long-term borrowings	25	0	110,000
Repayment of long-term borrowings	25	-12,810	-142,560
Repayment of lease liabilities	25	-32,609	-32,068
Interest and other financial expenses		-9,345	-11,873
Dividends paid and other profit distribution	23	-9,857	-2,152
Hybrid bond interest and expenses	23	-2,400	-2,400
Net cash flow from financing activities		-70,114	-82,161
Changes in cash and cash equivalents		-232	6,392
Cash at beginning of period		30,908	24,517
Cash at end of period		30,676	30,908

Consolidated statement of changes in equity, IFRS

EUR 1,000	Note	Equity attributable to owners of the parent company						
		Share capital	Reserve for invested unrestricted equity	Fair value reserve	Hybrid bond	Retained earnings	Non-controlling interests	Equity Total
Total equity, 1 Jan 2024		80	116,520	2,676	20,000	8,760	-3,445	144,591
Profit for the period						27,359	2,793	30,152
Other comprehensive income items for the period	27			-1,569				-1,569
Total comprehensive income for the period				-1,569		27,359	2,793	28,583
Dividends paid						-1,579	-1,109	-2,688
Acquisition of own shares						-937		-937
Share-based benefits	6					1,407		1,407
Investments in group subsidiaries							-3	-3
Total transactions with owners						-1,109	-1,112	-2,220
Changes in NCI without a change in control	28					-166	-6	-172
Other changes						88		88
Total changes in subsidiary shareholdings						-78	-6	-84
Hybrid bond interests and expenses	23					-1,920		-1,920
Total equity, 31 Dec 2024		80	116,520	1,107	20,000	33,013	-1,769	168,951

EUR 1,000	Note	Equity attributable to owners of the parent company						
		Share capital	Reserve for invested unrestricted equity	Fair value reserve	Hybrid bond	Retained earnings	Non-controlling interests	Equity Total
Total equity, 1 Jan 2025		80	116,520	1,107	20,000	33,013	-1,769	168,951
Profit for the period						37,587	1,001	38,588
Other comprehensive income items for the period	27			-655				-655
Total comprehensive income for the period				-655		37,587	1,001	37,934
Dividends paid						-8,595		-8,595
Acquisition of own shares						-1,700		-1,700
Acquisition of subsidiary shares	28					-880	-501	-1,380
Share-based benefits	6					-729		-729
Total transactions with owners						-11,904	-501	-12,405
Changes in NCI without a change in control	28					-3,322	3,281	-41
Other changes						99	-12	87
Total changes in subsidiary shareholdings						-3,223	3,269	46
Hybrid bond interests and expenses	23					-1,920		-1,920
Total equity, 31 Dec 2025		80	116,520	452	20,000	53,552	2,000	192,605

General accounting policies

Company profile

Pihlajalinna is one of the leading private social and healthcare service providers in Finland. Pihlajalinna's ambition is to be a healthcare reformer that succeeds together with its partners and professionals. Pihlajalinna achieves this by building more effective care pathways and fostering a human-oriented work community. Pihlajalinna offers customer-driven and effective service models to its partners: insurance companies, corporations and wellbeing services counties. The Group provides comprehensive, high-quality services through private clinics, hospitals, remote channels, occupational healthcare, and tailored social and healthcare solutions for the public sector.

At the end of the financial year, the total number of Pihlajalinna's private clinics, hospitals, dental clinics, fitness centres and service housing units with 24-hour assistance was approximately 140. In addition, Pihlajalinna has two major complete social and healthcare outsourcing agreements that collectively cover some 20 locations (including health centres, maternity and child health clinics, service housing units with 24-hour assistance and daytime activity centres).

The Group's parent company, Pihlajalinna Plc, is a Finnish public limited company established under the laws of Finland, whose Business ID is 2617455-1. The company is domiciled in Tampere, and its registered address is Kehräsaari B, FI-33200 Tampere, Finland. Pihlajalinna Plc's shares are listed on the NASDAQ OMX Helsinki main market. A copy of the consolidated financial statements is available on the internet at investors.pihlajalinna.fi or can be obtained at the head office of the Group's parent company, address Kehräsaari B, 33200 Tampere, Finland.

The Board of Directors of Pihlajalinna Plc approved these financial statements in its meeting on 5 March 2026. In accordance with the Finnish Limited Liability Companies Act, the shareholders may adopt or reject the financial statements at the Annual General Meeting held after their publication and if needed, return the financial statements to the Board of Directors for modifications.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), and their preparation complies with the IAS and IFRS as well as SIC and

IFRIC interpretations effective on 31 December 2025. International Financial Reporting Standards, as intended in the Finnish Accounting Act and the regulations issued pursuant to the Act, refer to the standards that have been approved for application within the EU in accordance with Regulation (EC) No. 1606/2002 and interpretations thereof. The notes to the consolidated financial statements also comply with the Finnish accounting and company legislation that complements the IFRS regulations.

General accounting policies to the consolidated financial statements are described in this section. Accounting policies that influence a particular note to the consolidated financial statements are indicated with the heading *Accounting policies* in the note in question.

The consolidated financial statements are presented in euros and all figures are rounded to the nearest thousand, unless otherwise specified.

New and amended standards applied in the past financial year

From the beginning of 2025, the Group has applied the new and amended standards (effective for financial years beginning on or after 1 January 2025). The new and amendment standards did not have a material impact on the Pihlajalinna's consolidated financial statements.

Consolidation principles

Subsidiaries

Subsidiaries are entities in which the Group exercises control. The Group has control of an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Intragroup shareholdings are eliminated using the acquisition method. The consideration transferred and the acquired entity's identifiable assets and assumed liabilities are measured at fair value at the date of acquisition. Acquisition-related costs are expensed. Any contingent consideration is measured at fair value at the date of acquisition and classified as a liability. If the initial accounting for a business combination is incomplete by the end of the reporting period in

which the combination occurs, the Group reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect any new information. The measurement period may not exceed one year from the acquisition date. A contingent consideration classified as a liability is measured at fair value at the end of each reporting period, and any resulting gain or loss is recognised in profit or loss after the end of the measurement period.

Non-controlling interests in the acquiree are recognised either at fair value or an amount that corresponds to their pro rata share of the acquiree's net assets. The amount by which the consideration transferred, non-controlling interests in the acquiree and previously owned holding combined exceed the fair value of the acquired net assets is recognised as goodwill in the consolidated statement of financial position. If the combined value of the consideration, non-controlling interests and previously owned holding is lower than the fair value of the acquiree's net assets, the difference is recognised in the statement of comprehensive income.

Acquired subsidiaries are consolidated from the date when the Group obtained control, and disposed subsidiaries are consolidated until the date when the Group lost control. All intragroup transactions, receivables, liabilities, unrealised profits and internal profit distribution are eliminated in the preparation of the consolidated financial statements. Unrealised losses will not be eliminated in case of impairment losses. Profit or loss for the financial year attributable to the owners of the parent company and to the non-controlling interests is presented in the consolidated statement of comprehensive income. Comprehensive income is attributed to the owners of the parent company and to the non-controlling interests, even if this would lead to a situation where the portion attributable to the non-controlling interests is negative. The portion of equity attributable to the non-controlling interests is presented as a separate item under equity in the consolidated statement of financial position. Such changes in the parent company's ownership interest in a subsidiary that do not lead to loss of control are treated as equity transactions.

In connection with step-by-step acquisitions, the former ownership interest is measured at fair value, and the resulting gain or loss is recognised in profit or loss. When the Group loses control of a subsidiary, any remaining interest is measured at fair value at the date of

loss of control, and the resulting difference is recognised in profit or loss.

Associates and joint arrangements

Associates are companies over which the Group has significant influence. As a rule, significant influence is established when the Group holds more than 20% of a company's voting power or otherwise has significant influence but no control.

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control involves contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. A joint venture is an arrangement whereby the Group has rights to the net assets of the arrangement, whereas in a joint operation the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement.

Associates are consolidated using the equity method. If the Group's share of the loss of an associate exceeds the carrying amount of the investment, then the investment is carried at zero value, and the losses exceeding the carrying amount are not consolidated, unless the Group is committed to fulfilling the obligations of the associate. An investment in an associate includes the goodwill generated through the acquisition. Unrealised profits between the Group and an associate are eliminated in proportion to the Group's ownership interest. The Group's pro rata share of an associate's profit for the financial year is included in operating profit.

The Group owns 31 % in Kiinteistö Oy Levin Pihlaja, which is consolidated as a joint operation according to the pro rata share, using the proportionate consolidation method.

Foreign currency translation

The consolidated financial statements are presented in euros, which is the functional currency and presentation currency of the Group's parent company and of the subsidiaries engaged in business activities. In their own accounting, Group companies translate day-to-day transactions denominated in foreign currency into their functional currency applying the exchange rates of the transaction date. Foreign exchange gains and losses related to the business are included in the corresponding expense items.

Key accounting estimates and uncertainties related to estimates

In the course of preparing the financial statements, it is necessary to make estimates and assumptions about the future. However, such estimates and assumptions may later prove inaccurate compared with actual outcomes.

The Group regularly monitors the realisation of the estimates and assumptions and changes in the underlying factors together with the business units by using several, both internal and external, sources of information. Any changes in estimates and assumptions are recognised in the financial year during which the estimate or assumption is corrected and in all subsequent financial years.

The key accounting estimates and assumptions used in the preparation of the consolidated financial statements that pose a significant risk of materially changing the carrying amounts of assets and liabilities during the next financial year are described in more detail in the following sections:

	Note
Assumptions used in impairment testing	14
Assumptions used in provisions	19

Accounting policies requiring management judgement

The Group's management makes judgement-based decisions regarding the choice of accounting policies and their application in the financial statements. The management has exercised judgement in the application of accounting policies in the financial statements with regard to the measurement of lease assets and liabilities in the statement of financial position (note 16).

New and revised standards and interpretations to be applied in future financial years

The International Accounting Standards Board has published the following new or amended standards and interpretations which the

Group has not yet applied, but which are expected to have an effect on the consolidated financial statements. The Group will adopt them as from the effective date of each standard and interpretation, or if the effective date is some date other than the first day of the financial year, as from the beginning of the financial year that first follows the effective date.

IFRS 18 Presentation and Disclosure in Financial Statements

(effective for financial years beginning on or after 1 January 2027, early application is permitted)

IFRS 18 will replace IAS 1 Presentation of Financial Statements. The key new requirements are as follows:

- Income and expenses in the income statement to be classified into three new defined categories which are operating, investing and financing and two new subtotals: "Operating profit or loss" and "Profit or loss before financing and income tax".
- Disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management's view of the company's financial performance.
- Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

The Group estimates that the new standard will impact the presentation of the statement of profit or loss and the information presented in the financial statements. The Group will analyse the need for changes in accordance with the requirements of the standard.

Other new or amended standards or interpretations are not expected to have a significant effect on Pihlajalinna's consolidated financial statements.

Notes to the consolidated financial statements, IFRS

1. Segment information

Accounting policies

The Group's reporting segments are Private Healthcare Services and Public Services. The reporting structure follows Pihlajalinna's business model and organisational structure.

The segment information is reported to the chief operating decision maker. Pihlajalinna's chief operating decision maker is the CEO. The CEO monitors the revenue and profitability of the segments, makes significant operational decisions and is responsible for allocating resources to the segments. Segment information is reported in the same way as it is reported to the chief operating decision maker.

The CEO uses alternative key figures in addition to the key figures in the IFRS financial statements in the Group's financial reporting. The Group CEO assesses the segments' profitability based on adjusted operating profit before amortisation and impairment of intangible assets (EBITA). With the exception of items affecting comparability, the reporting of the result corresponds to the accounting policies of the consolidated financial statements. The adjustment items for the adjusted operating profit are specified in note 26 *Capital management*.

The Private Healthcare Services operating segment consists of private clinic, diagnostics, hospital, occupational healthcare, remote and fitness centre services. These comprehensive care path services are provided by Pihlajalinna to corporate customers, insurance companies, the public sector and private customers through its nationwide network of medical centres and diverse digital channels.

The Public Services operating segment consists of social and healthcare services produced primarily for the public sector, which include outsourcing and housing services, mainly remotely produced responsible doctor services, as well as a wide range of staffing and recruitment services.

Segment information 2025

EUR 1,000	Private Healthcare Services	Public Services	Total
Revenue	465,228	199,171	664,399
of which intersegment	-12,005	-93	-12,099
External revenue	453,223	199,077	652,300
Materials and services	-170,650	-25,331	-195,981
of which intersegment	94	6,139	6,232
Materials and services total	-170,556	-19,193	-189,749
Employee benefit expenses	-164,604	-124,992	-289,596
Depreciation and impairment	-47,312	-9,298	-56,610
Adjusting items affecting EBIT comparability	6,176	-278	5,898
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA)	38,586	26,680	65,265

Segment information 2024

EUR 1,000	Private Healthcare Services	Public Services	Total
Revenue	451,488	267,615	719,103
of which intersegment	-14,471	-185	-14,656
External revenue	437,018	267,430	704,447
Materials and services	-165,360	-43,835	-209,195
of which intersegment	184	8,641	8,826
Materials and services total	-165,176	-35,193	-200,369
Employee benefit expenses	-157,508	-163,695	-321,203
Depreciation and impairment	-44,699	-8,320	-53,018
Adjusting items affecting EBIT comparability	698	-1,477	-779
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA)	33,633	21,530	55,163

Reconciliation of the segments total adjusted operating profit before amortization and impairment of intangible assets (EBITA) to the consolidated profit before taxes

EUR 1,000	2025	2024
Profit before taxes	45,754	38,649
Net financial expenses	6,966	9,840
Amortisation and impairment of intangible assets	6,647	7,453
Adjustment items	5,898	-779
Adjusted EBITA	65,265	55,163

2. Revenue from contracts with customers

Accounting policies

The Group's revenue consists of payments related to the sale of healthcare services, social services and wellbeing services measured at fair value, adjusted by any variable consideration.

The healthcare services provided by the Group consist of occupational health services, services provided at private clinics and hospitals, responsible doctor services, diagnostics services and rehabilitation services. Pihlajalinna's healthcare services are also extensively available via digital channels. A significant part of the consolidated revenue consists complete social and healthcare outsourcing. The Group also produces staffing and recruitment services of healthcare professionals to the public sector.

The social services provided by the Group consist of services for the elderly, child welfare services, services for disabled, mental health services, substance abuse group services and family group home services. The Group's Forever fitness centres offer diverse wellbeing services for adults who exercise. Fitness centre services complement Pihlajalinna's preventive occupational healthcare services and rehabilitation services carried out after specialised care procedures.

The Group recognises revenue from services produced by employees and independent practitioners on a gross basis, i.e. based on total customer invoicing, and the fees charged to the Group by independent practitioners are recognised in the income statement item External services, practitioners. As Pihlajalinna has primary responsibility for the provision of services to its customers, and the Group is exposed to significant risks and benefits related to the sale of services, the Group acts as a principal with regard to practitioners with whom it has a contractual relationship.

IFRS 15 Revenue from Contracts with Customers includes a five-step model that defines when, and at what amount, revenue from contracts with customers is recognised. Revenue can be recognised over time or at a point in time, and the transfer of control is the key criterion.

The primary performance obligations for Pihlajalinna's various revenue streams are as follows:

Social and healthcare outsourcing

- statutory social and healthcare services for a municipality's residents, separately described in contracts with customers, including possible public specialised care
- individual social and healthcare service visits by residents of other municipalities

Private clinics

- individual customer visits to healthcare services at operating locations or digitally, including related support services

Surgical operations

- individual visits and related support services (e.g. private individuals who pay for their services themselves or through insurance companies or through wellbeing services counties payment commitment)

Occupational healthcare

- individual occupational healthcare customer visits (e.g. appointments with occupational healthcare nurses and doctors, laboratory tests) at operating locations or digitally
- preventive and health-promoting separately agreed services (e.g. occupational health check-ups, workplace-specific occupational health surveys)
- other additional services agreed upon with the customer (e.g. first aid course)

Fitness centre services

- obligations related to monthly and annual fees for fitness centre services
- individual separately charged additional services

Recruitment services

- customer-specific monthly fees for recruitment services
- individual separately charged recruitment services

Responsible doctor services

- location-specific daily charges described in the customer agreement

Staffing service

- selling a healthcare professional's labour event-specifically or based on time
- customer-specific monthly fees for emergency and on-call services

Residential services, child welfare services, family group homes

- elderly care home services, child welfare services and family group home services on each day covered by the agreement
- individual separately charged additional services or health centre visits

Digital services

- Remote doctor services
- Remote nurse services
- Other digital services related to appointment booking and assessing the need for care, other digital services ordered by the customer

The services promised in a contract are treated as a single series of distinct services comprised performance obligation when the services provided are repeated in the same manner with respect to their substantial aspects and whose transfer to the customer takes place over time. The performance obligation in the Group's social and healthcare outsourcing agreements is the municipality's statutory social and healthcare service operations described in the customer agreement. The Group's customer contracts for the outsourcing of social and healthcare services are considered to consist of a single performance obligation in which the services provided by the Group are combined into a bundle of services.

Transaction prices mainly comprise individual services according to the price list or annual, monthly, daily or hourly rates based on customer contracts. The outsourcing agreements are, as a rule, based on a fixed annual price. In most cases, the price concerns an individual performance obligation. In some cases, the price includes a variable component of consideration (e.g. discount, penalty charge, bonus, additional price, additional service), which is allocated to one or more performance obligations in proportion to their separate selling prices. The Group assesses the effect of the variable components on the amount of revenue recognised using historical data, for example, and recognises them at the most likely amount.

The performance obligations are fulfilled either over time (e.g. outsourcing, residential services, child welfare services, fitness centre services, recruitment services, responsible doctor services, fixed-price occupational health services) or at a point in time (e.g. occupational healthcare services, individual customer visits, additional services). In the services, the customer simultaneously receives and consumes the benefit from Pihlajalinna's performance.

Revenue is recognised on the reporting date at the amount that Pihlajalinna considers itself to be entitled to in exchange for the services delivered. Revenue from individual services is recognised at a point in time according to the time of the appointment or the use of the service. Revenue from outsourcing agreements for social and healthcare services under fixed annual prices is recognised over time. In outsourcing agreements, the customer simultaneously receives and consumes the benefit from the service, which means that the conditions for recognising revenue over time are met.

The payment terms and periods included in the contracts vary, but the payment periods are typically less than one year. The contracts do not include significant financing components or additional expenditure arising from contractual receivables.

In connection with outsourcing agreements, the client may provide Pihlajalinna, without financial consideration, with use of publicly owned infrastructure, or part thereof, which Pihlajalinna operates in service production under the outsourcing agreement. Infrastructure may include for example premises, machinery and equipment. The IFRIC 12 Service Concession Arrangements interpretation is applied to the recognition of outsourcing agreements if the outsourcing party decides on the scope and pricing of the services provided by Pihlajalinna and Pihlajalinna returns the infrastructure, free of charge, at the conclusion of the outsourcing agreement. In such cases, Pihlajalinna is not considered to have control over assets received without consideration from a public sector entity.

Timing of the satisfaction of performance obligations

EUR 1,000	2025	2024
At a point in time	398,404	334,377
Over time	253,897	370,070
Total	652,300	704,447

Contractual assets and liabilities

There may be differences in timing between revenue recognition and invoicing. The Group recognises a contractual asset when revenue is recognised before invoicing and, correspondingly, a contractual liability when revenue is recognised after invoicing.

Summary of contractual items

EUR 1,000	2025	2024
Trade receivables	39,778	45,397
Contract assets		
Current	5,801	4,636
Contract liabilities		
Current	1,398	1,274

Revenue recognised during the financial year included in contract liabilities at the beginning of the period:

EUR 1,000	2025	2024
Revenue recognised from amounts included in contract liabilities	1,274	1,347

Revenue distribution between segments

EUR 1,000	2025	2024
Private Healthcare Services	465,228	451,488
of which intersegment	12,005	14,471
Public Services	199,171	267,615
of which intersegment	93	185
Group Total	652,300	704,447

Revenue by region

Pihlajalinna reports its sales revenue divided into the following geographical regions:

- Southern Finland includes Pihlajalinna's business operations in the regions of Uusimaa, Kymenlaakso, Päijät-Häme and South Karelia.
- Mid-Finland includes Pihlajalinna's business operations in the regions of Pirkanmaa, Satakunta, Kanta-Häme, Central Finland, South Ostrobothnia and Ostrobothnia.
- Western Finland includes Pihlajalinna's business operations in the region of Southwest Finland.
- Eastern Finland includes Pihlajalinna's business operations in the regions of South Savo, North Karelia and North Savo.

- Northern Finland includes Pihlajalinna's business operations in the regions of North Ostrobothnia, Central Ostrobothnia, Kainuu and Lapland.
- Other operations include remote services, moving services and other administrative functions.

EUR 1,000	2025	%	2024	%
Southern Finland	156,474	24%	153,235	22%
Mid-Finland	316,757	49%	388,595	55%
Western Finland	40,237	6%	40,209	6%
East Finland	68,159	10%	64,221	9%
Northern Finland	53,015	8%	54,802	8%
Other operations	70,231	11%	74,511	11%
Intra-Group sales	-52,573	-8%	-71,126	-10%
Consolidated revenue	652,300	100%	704,447	100%

Sales revenue by customer group

Pihlajalinna's customer groups are corporate customers, private customers and public sector customers.

- The Group corporate customers consist of Pihlajalinna occupational healthcare customers, insurance company customers and other corporate customers. The number of people within the scope of the Group's occupational healthcare services is over 190,000 in the corporate customers group.
- The Group private customers are private individuals who pay for services themselves and may subsequently seek compensation from their insurance company.
- The Group public sector customers consist of public sector organisations in Finland, such as municipalities, congregations, wellbeing services counties and the public administration when purchasing either social and healthcare outsourcing services or residential, occupational healthcare and staffing services. The number of people within the scope of the Group's occupational healthcare services is approximately 80,000 in the public sector customers group.

Private Healthcare Services

EUR 1,000	2025	%	2024	%
Corporate customers	301,775	65%	286,522	63%
of which insurance company customers	161,068	35%	152,715	34%
Private customers	104,803	23%	102,364	23%
Public sector	58,650	13%	62,602	14%
Segment's revenue	465,228	100	451,488	100

Public Services

The segment's revenue was EUR 199.2 (267.6) million. Revenue from the public sector amounted to EUR 194.1 (257.1) million, or 97.5 (96.1) per cent of the segment's revenue. Revenue from outsourcing agreements amounted to EUR 157.0 (202.5) million.

Information on key customers

The Group's sales revenue from the four largest customers totalled approximately EUR 260.4 (286.8) million, representing approximately 40% (41%) of the consolidated revenue.

Estimate of unsatisfied performance obligations related to Group's social and healthcare outsourcing arrangements, EUR million:

	2025	2024		2025	2024
2025		162	2024	6	6
2026	76	46	2035	6	6
2027	90	47			
2028	92	47			
2029	94	48			
2030	96	48			
2031	59	31			
2032	6	6			
2033	6	6			
				531	453

Service provider	First year of service production under the current contract	Ending time of the contract
Jämsän Terveys Oy	2015	31 Aug 2025
Kuusiolonna Terveys Oy	2016	31 Dec 2025
Mäntänvuoren Terveys Oy	2016	31 Jul 2031
Kolmostien Terveys Oy	2015	30 Apr 2026
Bottenhavets Hälsa Ab - Selkämeren Terveys Oy	2021	2035-2040
Pihlajalinna Terveys Oy (Northern Pirkanmaa)	2026	Valid until further notice*

*The agreement is valid until further notice and, if terminated, may end no earlier than 31 July 2031.

3. Other operating income

Accounting policies

Grants received as compensation for expenses already incurred are recognised in profit or loss for the period in which they become receivable. These grants are presented under other operating income. Grants related to capitalised development projects are recognised as deductions from the carrying amounts of intangible assets, when there is reasonable assurance that such grants will be received and that the Group will comply with the conditions for receiving them. The grants will be recognised as income over the useful life of an asset by way of reduced depreciation.

The Group has subleased certain premises that are not used for business operations. These leases are classified as operating leases and income from these leases is presented under other operating income.

Sale and leaseback

With regard to sale and leaseback agreements completed prior to the adoption of IFRS 16, the Group will continue the allocation of capital gains as before in accordance with the transition provision of IFRS 16.

If a finance lease is created as a result of a sale and leaseback agreement, the difference between the carrying amount and the sales price will be recognised in the consolidated statement of financial position and recognised as income over the lease term under other operating income. The unrecognised portion of the difference between the carrying amount and the sales price is presented as Other liabilities in the statement of financial position.

Sale of business units

In May, Pihlajalinna divested four special housing service units to Esperi Care Oy, in September, two residential care units to Mehiläinen and in October-November, three smaller residential care units to Attendo. More detailed information on the divestment of business units is provided in note 28 *Acquisitions and divestments*.

EUR 1,000	2025	2024
Capital gains on property, plant and equipment	429	272
Rental income	1,998	2,168
Grants received	228	469
Other income items	1,118	892
Divestments of business units	8,452	0
Total	12,224	3,800

4. Materials and services

Accounting policies

The materials and services include expenses directly related to service production. Due to services produced without Value Added Tax (VAT), Pihlajalinna cannot deduct majority of the VAT related to purchases.

Pihlajalinna employs several healthcare professionals from different fields as independent practitioners.

The remuneration paid to independent practitioners is presented in materials and services.

Pihlajalinna's inventories include materials and supplies used in the provision of services. Inventories are measured at acquisition cost or lower probable net realisable value.

EUR 1,000	2025	2024
Materials	-26,274	-28,345
Change in inventories	-379	138
External services, practitioners	-140,838	-138,608
External services, other	-22,259	-33,554
Total	-189,749	-200,369

5. Employee benefit expenses

Accounting policies

Short-term employee benefits are recognised in the period in which they arise. Short-term incentive scheme is recognised as expense in that financial year when the obligation to make the payments arises.

Pension plans are classified as defined benefit plans and defined contribution plans. The Group only has defined contribution plans. In defined contribution plans, the Group makes fixed payments to a separate unit. The Group has no legal or constructive obligation to make additional payments if the recipient of the payments is incapable of paying out said retirement benefits. Payments made into the defined contribution plans are recognised in profit or loss for the financial year for which they are charged.

The long-term share-based incentive scheme is recognised as an expense over its accrual period. The incentive scheme and other share-based payments are described in more detail in note 6 *Share-based payments*.

Information on related party employee benefits and loans are presented in Note 33 *Related party transactions*.

EUR 1,000	2025	2024
Wages and salaries	-240,895	-267,456
Share-based incentive schemes		
- implemented as shares	-339	-1,406
Pension costs - defined contribution plans	-40,837	-45,614
Other social security expenses	-7,525	-6,727
Total	-289,596	-321,203

Number of personnel	2025	2024
Personnel on average (FTE)	3,928	4,416
Personnel at the end of the period (NOE)	4,540	6,493

6. Share-based compensation

Accounting policies

The costs relating to share-based payments are recorded in the income statement and the corresponding liability for share-based payments settled in cash is recognised in the balance sheet. For equity-settled share-based payment transactions, an increase corresponding to the expensed amount is recorded in equity.

The Company's Board of Directors has granted a share-based compensation plan to management under which an award consisting of shares is paid upon fulfilling the plan's terms. The fair value of the award paid in shares is the value of the share at the grant date and it is recognised as an expense on a straight-line basis over the vesting and commitment period of the plan. The expensed amount is based on the Group's estimate of the amount of award payable in shares at the end of the vesting period. The effects of non-market conditions are not included in the fair value of the awards. Instead, they are accounted for in the assumptions of the number of shares expected to vest at the end of the vesting period.

Share-based commitment and incentive scheme

The purpose of the share-based compensation schemes is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term. The purpose is also to commit key employees to implement the company's strategy, objectives and long-term interest and to offer them a competitive incentive plan based on earning and accumulating the company's shares.

The impact of the share-based compensation plans on the Group's profit for 2025 was EUR -0.3 million (-1.4 million). The amount to be recognised as expense for the financial years 2026-2027 is estimated at a total of EUR -0.9 million. The actual amount may differ from the estimate.

Performance Share Plan (PSP)

PSP plan consists of individual annually commencing share plans, each with a three-year performance period. The performance periods cover the financial years 2025–2027, 2026–2028 and 2027–2029. The Board of Directors decides annually on the commencement and details of every performance period. One performance period under the programme, covering 2025–2027, has been commenced.

The target group in the performance period 2025–2027 consists of approximately 30 key employees, including the members of the Group Management Team and the CEO. The performance criteria for the 2025–2027 period are relative Total Shareholder Value (rTSR), annual revenue growth, return on capital employed and the rate of sickness-related absences. The number of shares granted based on the share-based compensation plan represents gross earnings, from which the applicable withholding tax is deducted and the remaining net amount is paid to the participants in shares. If a person's employment or service relationship terminates before the compensation is paid, the compensation will generally not be paid. The programme is accounted for in full as an equity-settled share-based payment.

Performance-based long-term incentive programme (LTIP 2022)

LTIP plan consisted of individual annually commencing share plans, each with a one-year performance period and possible shares paid out as share rewards were subject to a two-year transfer restriction. The performance periods covered the financial years 2022, 2023, 2024 and 2025. The key employees selected for the programme were also required to make an investment in Pihlajalinna shares as a precondition for participation.

Three performance periods were launched under the programme: 2022, 2023 and 2024. The programme was treated in their entirety as equity-settled share-based payments. The Board of Directors decided that the last performance period, corresponding to the calendar year 2025, was not launched.

The number of shares granted based on the share-based compensation plan represented gross earnings, from which the applicable withholding tax was deducted, and the remaining net amount was paid to the participants in shares. Shares paid out as share rewards were subject to a two-year transfer restriction. The earnings criteria applied to the 2024 performance-based and quality-based share plan were Pihlajalinna Group's adjusted EBITA, the development of customer satisfaction (NPS), the development of employee Net Promoter Score (eNPS) and the development of the sickness-related absence rate.

Assumptions for share award calculations	PSP 2025-2027	LTIP 2022
Grant date	2 May 2025	14 Mar 2024
Grant date fair value of share award, EUR	11.67	7.50
Share price at grant date, EUR	14.50	7.50
End of the vesting period	31 Dec 2027	31 Dec 2024
The year in which the shares are transferred	2028	2025
Amount of share-based rewards granted, maximum amount, number of shares	552,160	212,000
Changes in the number of shares granted, pcs	-64,040	-14,500
Actual share-based rewards, number of shares	-	181 482
Number of people within the scope of the programme at the end of the period	24	34
Share price at balance sheet date, EUR	14.60	10.50
Fulfilment of performance criteria, %	15.0	92.0
Form of payment	In shares and cash	In shares and cash

7. Other operating expenses

EUR 1,000	2025	2024
Voluntary indirect employee costs	-6,346	-6,390
Facility expenses	-11,893	-13,306
Vehicle operating costs	-1,064	-937
Information management expenses	-28,526	-26,737
Machinery and equipment expenses	-5,967	-6,942
Travel expenses	-3,142	-3,604
Sales and marketing expenses	-5,135	-5,305
Other expenses	-13,777	-21,921
Total	-75,852	-85,141

Auditor remuneration*

Auditing, Ernst & Young Oy	-360	-328
Statements, Ernst & Young Oy	-90	-64
Non-audit services, Ernst & Young Oy		
Tax services	0	-35
Other services	0	-14
Total	-450	-441

* KPMG Oy Ab served as the Group's auditor in 2024.

8. Depreciation and amortisation

Accounting policies

Property, plant and equipment will be depreciated using the straight-line method over their estimated economic useful lives. The estimated economic useful lives are as follows:

Buildings	10–25 years
Renovation expenses on real estate	5–10 years
Machinery and equipment	3–10 years
Other tangible assets	3–5 years

For the magnetic imaging equipment at Turku, Oulu and Seinäjoki private clinics, the Group adopted a units-of-production based depreciation method effective from 1 January 2018. The amount of depreciation is based on the units of production derived from the equipment. The units-of-production based depreciation method is also applied to the imaging equipment in Helsinki, Turku, Oulu and Kuopio that was transferred to Pihlajalinna as part of the acquisition of Pohjola Hospital (now Pihlajalinna Lääkärikeskukset Oy). The units-

of-production method provides a more accurate reflection of the actual economic use of the magnetic imaging equipment in question. For the Group's other machinery and equipment, the Group uses straight-line depreciation.

For intangible assets with finite economic useful lives, the amortisation periods are as follows:

Trademarks	10 years
Development costs	3–10 years
Customer agreements	4 years
Patient database	4 years
Non-competition agreements	2–5 years
Other intangible assets	3–7 years

Right-of-use assets are depreciated on a straight-line basis over the shorter of economic useful life or lease term. The planned depreciation periods of right-of-use assets are as follows:

Right-of-use plots	25 years
Right-of-use buildings and business premises	1–15 years
Right-of-use equipment	3–10 years

Impairment is recognised pursuant to IAS 36 for onerous right-of-use buildings and business premises.

Write-downs

During the financial year, Pihlajalinna has recognised EUR 2.5 million in write-downs of tangible assets, EUR 2.2 million in write-downs related to buildings and land and EUR 1.8 million in write-downs related to right-of-use premises. In the comparison period, Pihlajalinna recognised EUR 1.2 million in write-downs related to right-of-use premises.

Depreciation, amortisation and impairment by asset type

	2025	2024
Intangible assets		
Trademarks	-564	-564
Capitalised development costs	-101	-287
Customer relationship value	-614	-985
Non-competition agreements	-19	-96
Patient database	-478	-473
Other intangible assets	-4,870	-5,009
	-6,647	-7,415
Property, plant and equipment		
Buildings	-40	-109
Renovation expenses on real estate	-3,370	-3,312
Machinery and equipment	-9,371	-10,002
Other tangible assets	0	-1
Buildings and land areas write-downs	-2,249	0
Other write-downs	-2,549	0
	-17,579	-13,423
Right-of-use assets		
Right-of-use plots	-91	-105
Right-of-use buildings and business premises	-29,364	-29,721
Right-of-use business premises and buildings, write-downs	-1,787	-1,164
Right-of-use equipment	-1,142	-1,190
	-32,384	-32,180
Total depreciation, amortisation and impairment	-56,610	-53,018

9. Financial income

EUR 1,000	2025	2024
Dividend income from financial assets measured at fair value through profit or loss	0	31
Interest income from loans and receivables	1,016	993
Interest income from financial lease receivables	36	59
Other financial income	12	7
Total	1,064	1,090

10. Financial expenses

EUR 1,000	2025	2024
Interest expenses from financial liabilities carried at amortised cost	-3,880	-5,529
Interest expenses on lease liabilities	-3,575	-3,761
Other financial expenses	-575	-1,639
Total	-8,030	-10,930

Pihlajalinna's financing agreement is described in more detail in Note 27 *Financial risk management*. In the comparison period, financial expenses were increased due to refinancing, which generated a total of EUR 0.6 million in non-recurring financial expenses.

11. Income taxes

Accounting policies

The income taxes on the consolidated income statement consist of current tax, adjustments to taxes for previous periods, and deferred taxes. Taxes are recognised in profit or loss, except when they are directly attributable to items recognised under equity or other comprehensive income. In such cases, also the tax is recognised under the item in question. Current tax is calculated on taxable profit, based on the enacted tax rate. Tax is adjusted with any taxes associated with prior financial years. Any penal interests related to these taxes are recognised under financial expenses. The share of associates' profit is presented in the statement of comprehensive income as calculated from net profit and thus including the income tax charge.

EUR 1,000	2025	2024
Current taxes	-7,737	-1,249
Taxes for the previous financial years	1	-66
Deferred taxes	570	-7,182
Total	-7,166	-8,497

Deferred taxes are described in more detail in note 21 *Deferred tax assets and liabilities*.

Reconciliation of effective tax rate

EUR 1,000	2025	2024
Profit before taxes	45,754	38,649
Taxes calculated on the basis of the Finnish tax rate (20%)	-9,151	-7,730
Income not subject to tax	1,204	53
Non-deductible expenses	-1,572	-1,808
Unrecorded deferred tax assets from tax losses	-339	-53
Utilised prior losses with unrecognised tax benefits	2,773	934
Share of associated company's profit	1	-5
Share-based remuneration	-82	-24
Other items	0	202
Taxes for prior financial years	1	-66
Taxes in the income statement	-7,166	-8,497
Effective tax rate	-15.7 %	-22.0 %

12. Earnings per share

Accounting policies

Earnings per share is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of shares outstanding during the financial year. When calculating earnings per share, the interest of the hybrid bond, net of tax, has been considered as a profit-reducing item.

Earnings per share for the financial year attributable to owners of the parent are calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of shares outstanding during the financial year.

When calculating diluted earnings per share, the average number of shares is adjusted by the dilution effect of the share-based incentive scheme.

EUR 1,000	2025	2024
Profit for the financial year attributable to owners of the parent, EUR	37,586,828.22	27,358,879.12
Hybrid bond interest	-2,400,000.00	-2,400,000.00
Tax effect	480,000.00	480,000.00
Adjusted profit for the financial year	35,666,828.22	25,438,879.12
Number of shares outstanding, weighted average	22,514,581	22,511,765
Basic earnings per share (EPS)	1.58	1.13
Diluted earnings per share	1.58	1.13

13. Property, plant and equipment

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures incurred directly from the acquisition of an item of property, plant and equipment. Costs incurred subsequently are included in the carrying amount of an asset only if it is deemed probable that any future economic benefits related to the asset will flow to the Group and that the cost of the asset can be reliably determined. Other repair and maintenance costs will be expensed at the time they are incurred.

The residual value, the useful life of an asset and the depreciation method applied are reviewed at least at the end of each financial year and adjusted as necessary to reflect the changes in the expectations concerning the economic benefits attached to the asset. Capital gains generated from decommissioning and disposing of property, plant and equipment are included under other operating income, and capital losses are included under other operating expenses.

Assets are depreciated from the time when they are ready for use, i.e. when their location and condition allow them to be applied as intended by the management.

Units-of-production based depreciation method for the magnetic imaging equipment at Turku, Oulu and Seinäjoki private clinics is described in more detail in note 8 *Depreciation and amortisation*.

Property, plant and equipment

EUR 1,000	Land areas	Buildings	Renovation expenses on real estate	Shares in real estate companies	Machinery and equipment	Other tangible assets	Construction in progress	Total
Cost at 1 January 2025	36	3,116	49,165	4,487	93,939	168	159	151,069
Additions	0	0	342	0	6,507	0	4,159	11,008
Additions from acquired business operations	0	0	0	0	57	0	0	57
Sold business operations	0	0	-1,055	0	-584	-9	0	-1,647
Transfers between items	0	93	3,622	0	-120	-5	-3,764	-174
Disposals	-36	0	-570	0	-18,487	-5	0	-19,097
Cost at 31 December 2025	0	3,208	51,504	4,487	81,311	149	554	141,215
Accumulated depreciation at 1 January 2025	0	-728	-26,362	0	-61,201	-12	0	-88,304
Depreciation and amortisation	0	-2,253	-3,370	-2,514	-9,371	0	0	-17,509
Transfers between items	0	-93	145	0	191	5	0	248
Sold business operations	0	0	558	0	460	5	0	1,023
Disposals	0	0	338	0	15,323	-4	0	15,658
Accumulated depreciation at 31 December 2025	0	-3,074	-28,691	-2,514	-54,598	-7	0	-88,884
Carrying amount at 1 January 2025	36	2,387	22,803	4,487	32,737	156	159	62,766
Carrying amount at 31 December 2025	0	134	22,814	1,973	26,713	143	554	52,331

EUR 1,000	Land areas	Buildings	Renovation expenses on real estate	Shares in real estate companies	Machinery and equipment	Other tangible assets	Construction in progress	Total
Cost at 1 January 2024	36	3,116	42,757	5,287	87,879	168	2,713	141,955
Additions	0	0	570	0	8,156	0	3,318	12,044
Transfers between items	0	0	5,870	0	0	0	-5,870	0
Reclassification to investment properties	0	0	0	-799	0	0	0	-799
Disposals	0	0	-32	0	-2,096	0	-2	-2,130
Cost at 31 December 2024	36	3,116	49,165	4,487	93,939	168	159	151,069
Accumulated depreciation at 1 January 2024	0	-620	-23,057	0	-52,460	-11	0	-76,147
Depreciation and amortisation	0	-109	-3,312	0	-10,002	-1	0	-13,423
Disposals	0	0	7	0	1,260	0	0	1,267
Accumulated depreciation at 31 December 2024	0	-728	-26,362	0	-61,201	-12	0	-88,304
Carrying amount at 1 January 2024	36	2,496	19,700	5,287	35,419	157	2,713	65,807
Carrying amount at 31 December 2024	36	2,387	22,803	4,487	32,737	156	159	62,766

14. Intangible assets and goodwill

Accounting policies

Goodwill and trademarks

Goodwill generated through business combinations is measured at the amount by which the consideration transferred, non-controlling interests in the acquiree and previously owned holding combined exceed the fair value of the identifiable acquired net assets. Goodwill is not amortised, but it is tested for impairment annually and whenever there is an indication that the asset may be impaired. Goodwill is allocated to cash-generating units (CGUs). Goodwill is measured at original cost less accumulated impairment.

The intangible assets with a finite useful lives include trademarks capitalised upon acquisitions. The intangible assets with finite useful lives are initially measured at cost and amortised over their useful lives. Pihlajalinna does not have any trademarks with an indefinite useful life. The acquisition costs of intangible assets with a finite useful life are recognised in the balance sheet and amortised over their useful lives.

Capitalised development costs

Assets are amortised from the time when they are ready for use. Assets that are not yet available for use are tested annually for impairment. Subsequent to their initial recognition, capitalised development costs are measured at cost less accumulated amortisation and impairment. The amortisation period for development costs is 3 to 10 years, during which capitalised development costs are amortised using the straight-line method.

Other intangible assets

The intangible assets with finite useful lives are initially measured at cost and amortised over their useful lives. Such intangible assets include software, software development and software licences. Cloud service arrangements that meet the requirements of the definition of an intangible asset are capitalised.

Accounting treatment of cloud service arrangements depends on whether the cloud-based software is classified as an intangible asset or a service contract. The arrangements in which the Group has no authority on the software are accounted as service agreements which entitle the Group to utilise the cloud service provider's application software during the contract period. Application software license fees and related configuration or customization costs are recognised in other operating expenses when the services are received.

Intangible assets and goodwill

1000 €	Goodwill	Trademarks	Development costs	Customer relationship value	Non-competition agreements	Patient database	Other intangible assets	Other intangible assets	Prepayments	Total
Cost at 1 January 2025	254,875	10,910	6,480	12,612	7,788	7,837	7,628	29,732	112	337,974
Additions	0	0	0	0	0	0	0	2,641	2,972	5,613
Additions from acquired business operations	118	0	0	155	0	0	0	0	0	273
Sold business operations	-1,163	0	0	0	0	0	0	0	0	-1,163
Transfers between items	0	0	0	0	0	0	0	2,900	-3,084	-184
Disposals	0	0	0	0	0	0	-347	-113	0	-460
Cost at 31 December 2025	253,830	10,910	6,480	12,768	7,788	7,837	7,281	35,161	0	342,054
Accumulated depreciation at 1 January 2025	0	-8,423	-6,323	-11,717	-7,769	-6,967	-7,186	-18,869	-112	-67,368
Depreciation	0	-564	-101	-614	-19	-478	-235	-4,635	0	-6,647
Transfers between items	0	0	0	0	0	0	0	0	112	112
Disposals	0	0	0	0	0	0	347	106	0	452
Accumulated depreciation at 31 December 2025	0	-8,988	-6,425	-12,332	-7,788	-7,444	-7,074	-23,399	0	-73,450
Carrying amount at 1 January 2025	254,875	2,487	156	895	19	870	442	10,863	0	270,606
Carrying amount at 31 December 2025	253,830	1,923	55	436	0	392	207	11,761	0	268,604

1000 €	Goodwill	Trademarks	Development costs	Customer relationship value	Non-competition agreements	Patient database	Other intangible assets	Other intangible assets	Prepayments	Total
Cost at 1 January 2024	251,773	10,910	6,424	12,612	7,788	7,837	7,690	27,742	84	332,859
Additions	3,102	0	56	0	0	0	129	1,838	52	5,177
Transfers between items	0	0	0	0	0	0	-129	152	-23	0
Disposals	0	0	0	0	0	0	-62	0	0	-62
Cost at 31 December 2024	254,875	10,910	6,480	12,612	7,788	7,837	7,628	29,732	112	337,974
Accumulated depreciation at 1 January 2024	0	-7,859	-6,036	-10,733	-7,673	-6,494	-6,982	-14,239	0	-60,015
Depreciation	0	-564	-287	-985	-96	-473	-266	-4,781	0	-7,453
Transfers between items	0	0	0	0	0	0	0	150	-112	38
Disposals	0	0	0	0	0	0	62	0	0	62
Accumulated depreciation at 31 December 2024	0	-8,423	-6,323	-11,717	-7,769	-6,967	-7,186	-18,869	-112	-67,368
Carrying amount at 1 January 2024	251,773	3,051	388	1,879	115	1,343	708	13,503	84	272,844
Carrying amount at 31 December 2024	254,875	2,487	156	895	19	870	442	10,863	0	270,606

Impairment testing

Accounting policies

The carrying amounts of goodwill, other intangible assets, property, plant and equipment, right-of-use assets and non-financial investments are reviewed regularly for potential indications of impairment.

If there are any indications of impairment, the value of the asset item must be tested. Impairment loss is recognised through profit or loss to the extent that the carrying amount of an asset exceeds its recoverable amount. In addition, goodwill and intangible assets with an unlimited economic useful life and which are not depreciated are tested annually for impairment. The impairment testing is carried out even if there are no indications of impairment. Potential impairment loss on goodwill is recognised immediately in the income statement. Previously recognised impairment losses on goodwill are not reversed.

Goodwill generated in M&A transactions is allocated to cash-generating units (CGU). The Group's reporting segments and, thereby, cash-generating units are Private Healthcare Services and Public Services. The reporting structure follows Pihlajalinna's business model and organisational structure, and both segments have their own budget, performance monitoring and Head of Business Operations.

The recoverable amount is determined by value-in-use calculations. Cash flow-based value-in-use is determined by calculating the discounted present value of expected cash flows. The discount rate used in the calculations is determined using the weighted average cost of capital (WACC), which describes the total cost of equity and liabilities, taking into account the time value of money and the specific risks associated with Pihlajalinna's business. The discount rate is a pre-tax rate. The risk-free interest rate, risk multiplier (beta) and the additional risk premium and market risk premium parameters used in determining the discount rate are based on information obtained from the market. Cash flow estimates have been validated by comparing them to Pihlajalinna's market capitalisation.

The Group carried out its annual impairment testing of goodwill based on the situation on 30 November 2025 (30 November 2024) using the carrying amounts on the date in question and calculations of future amounts. The result of the testing was that no impairment losses were recognised for the Group's cash-generating units for the financial year that ended on 31 December 2025.

Distribution of goodwill:

EUR 1,000	2025	%
Private Healthcare Services	247,782	98
Public Services	6,048	2
Goodwill at the end of the financial year	253,830	100

Assumptions used in calculating the value in use in 2025:

Impairment testing of goodwill	Private Healthcare Services	Public Services
Turnover growth, first three years on average	9.4 %	-45.4 %
EBIT margin, first three years on average	10.6 %	5.3 %
Discount rate (pre tax WACC)	10.1 %	13.7 %
Forecast period (years)	5	7
Terminal growth rate after the forecast period	2.0 %	2.0 %
The terminal period's share of the amount of expected cash flows	63%	13%

Assumptions used in calculating the value in use in 2024:

Impairment testing of goodwill	Private Healthcare Services	Public Services
Turnover growth, first three years on average	7.0 %	-20.1 %
EBIT margin, first three years on average	10.1 %	7.8 %
Discount rate (pre tax WACC)	8.9 %	11.0 %
Forecast period (years)	5	8
Terminal growth rate after the forecast period	2.0 %	2.0 %
The terminal period's share of the amount of expected cash flows	70%	30%

Key accounting estimates and decisions based on management judgement

In impairment testing, the recoverable amounts are determined based on value-in-use. The cash flow forecasts used in the value-in-use calculations in impairment testing are based on cash flow forecasts of the segments prepared by the management and approved by the Board of Directors.

For the impairment testing, the cash flow forecasts cover a 5-year period in terms of the Private Healthcare Services and the terminal period. Regarding the Public Services, the cash flow forecasts cover a 7-year period and the terminal period. The management's view is that using a 7-year forecast period is justified because the Group has significant long-term and fixed-term complete social and healthcare outsourcing agreements. These agreements will expire during the 7-year forecast period, which is why management's view is that extending the forecast period provides a more accurate picture of the segment's future cash flow by making it possible to include the expiration of the agreements in the modelling of cash flows. The terminal growth rate applied after the forecast period is two per cent, which corresponds to the long-term inflation forecast for the Finnish economy.

For the period 2026–2028, the management forecasts that revenue, operating profit and cash flows will develop in line with the Group's mid-term strategic targets. In addition, in terms of the Public Services, in the forecasts for 2026–2031 consider the impacts of the expiration of the complete outsourcing agreements in accordance with the agreement period of each agreement. More details on the duration of the agreements and unsatisfied performance obligations are provided in note 2 *Revenue from contracts with customers*.

The assumptions of the development of prices and costs used in the cash flow estimates are based on the management's estimates of the development of demand and the markets, which are compared with external information sources. The productivity and efficiency assumptions used in the calculations are based on internal targets, with previous actual development considered in their estimation.

Key assumptions defined by the management and used in the calculation in 2025:

Assumption	Description
Projected revenue	Determined based on a segment-specific forecast prepared by the management and approved by the Board.
Projected operating profit	Determined based on a segment-specific forecast prepared by the management and approved by the Board.
Duration of the forecast period	The length of the forecast period is 5–7 years plus the terminal period.
Terminal growth rate assumption	The terminal growth rate assumption is 2 per cent.
Discount rate	Determined using the weighted average cost of capital (WACC), which describes the total cost of equity and liabilities, taking into account the time value of money and the specific risks associated with Pihlajalinna's business. Uncertainty in forecasting has been taken into account in determining the additional risk premium.

Sensitivity analyses in impairment testing

Based on the testing calculations, there is no need to recognise impairment. The recoverable amount exceeded the carrying amount by approximately EUR 208 million in the Private Healthcare Services segment and by approximately EUR 17 million in the Public Services segment. The management has conducted sensitivity analyses of the key factors. The table below shows the required change in assumptions that would lead to the recoverable amount being equal to the carrying amount, provided that the assumptions change one at a time.

Sensitivity analysis 2025	Private Healthcare Services	Public Services
Decline in EBIT margin	more than 2.8 percentage units	more than 3.4 percentage units
Decline in revenue volume	more than 17 percentage units	more than 47 percentage units
Increase in discount rate	more than 3.8 percentage units	more than 94 percentage units
Decline in the terminal growth rate	more than 7 percentage units	more than 100 percentage units

Sensitivity analysis 2024	Private Healthcare Services	Public Services
Decline in EBIT margin	more than 3 percentage units	more than 4 percentage units
Decline in revenue volume	more than 18 percentage units	more than 40 percentage units
Increase in discount rate	more than 3.5 percentage units	more than 100 percentage units
Decline in the terminal growth rate	more than 6 percentage units	more than 100 percentage units

15. Investment properties

Accounting policies

Investment properties are properties held by the Group to earn rental income or for capital appreciation or both. Apartments, which are not used in the Group's own operations, are classified as investment properties. Investment properties are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise. Fair values are determined by an external independent valuer.

The Group has one investment property, Kiinteistö Oy Nikolaintalo. The fair value is presented in proportion to the Group's ownership interest (25.20 per cent). No other contractual obligations are related to investment properties.

Comparative information for 2024 has been restated, and a property previously included in property, plant and equipment has been reclassified as an investment property.

Fair values of investment properties

EUR 1,000	2025	2024
Carrying amount at the beginning of the period	799	799
Changes in fair value recognised in profit or loss	-34	0
Carrying amount at the end of the period	765	799

Income and expenses related to investment properties

EUR 1,000	2025	2024
Rental income from investment properties	121	120
Operating expenses for investment properties	-69	-62
Total	52	58

16. Right-of-use assets

Accounting policies

Most of the Pihlajalinna rental arrangements in line with the IFRS 16 are leases for business premises. The other lease arrangements in line with the standard concern land areas, machinery and equipment (exercise equipment, clinical equipment, cars and other equipment). Pihlajalinna applies the IFRS 16 exemption that allows lessees to elect not to recognise a right-of-use asset and corresponding lease liability for assets with a lease term of 12 months or less as well as assets of low value. Assets of low value include, for example, IT equipment and office furniture. Furthermore, to make the accounting of leases easier, Pihlajalinna elects not to separate service components from leases, instead treating the entire agreement as a lease in its consolidated financial statements. For lease arrangements valid until further notice, with a short notice period, Pihlajalinna will estimate the probable lease term.

Right-of-use assets are presented under property, plant and equipment and lease liabilities are presented under financial liabilities. The right-of-use asset is initially measured at cost, which includes the original amount of the lease liability, direct expenses of the initial phase and expenses due to restoring to original condition. The right-of-use asset is depreciated over the economic life of the asset. The right-of-use asset is also subject to IAS 36 Impairment of Assets and adjusted with any remeasurement of the lease liability.

The lease liability is initially measured at the present value of future lease payments. The lease payments are discounted using the incremental borrowing rate. Lease liability is subsequently remeasured when there is a change in lease term due to reassessment of an option to continue or terminate the lease, or when there is a change in future lease payments due to changes of an index or a rate. The standard allows the lessee to also include non-lease elements of an agreement (typically services) in the lease liability.

Key accounting estimates and decisions based on management judgement

When recognising leases on the balance sheet, estimates must be made concerning the lease term, the exercising of extension options and the discount rate applied. When assessing the lease term of a new lease, extension options are not taken into account until a commitment has been made to exercise the extension option.

Right-of-use assets 2025

EUR 1,000	Right-of- use plots	Right-of-use buildings and premises	Right-of-use equipment	Total
Cost at 1 Jan 2025	1,226	372,274	8,096	381,597
Additions	729	28,914	2,698	32,341
Transfers between items	0	-1,244	0	-1,244
Disposals	-350	-17,733	-967	-19,050
Cost at 31 Dec 2025	1,605	382,212	9,827	393,643
Accumulated depreciation at 1 Jan 2025	-787	-189,413	-6,306	-196,506
Depreciation and amortisation	-91	-29,364	-1,142	-30,597
Transfers between items	0	1,244	2	1,246
Disposals	70	6,182	759	7,011
Accumulated depreciation at 31 Dec 2025	-808	-211,350	-6,688	-218,846
Carrying amount at 1 Jan 2025	440	182,862	1,790	185,091
Carrying amount at 31 Dec 2025	797	170,862	3,138	174,797

Right-of-use assets 2024

EUR 1,000	Right-of-use plots	Right-of-use buildings and premises	Right-of-use equipment	Total
Cost at 1 Jan 2024	1,214	363,311	6,507	371,033
Additions	12	11,980	2,056	14,048
Disposals	0	-3,016	-467	-3,484
Cost at 31 Dec 2024	1,226	372,274	8,096	381,597
Accumulated depreciation at 1 Jan 2024	-682	-160,992	-5,428	-167,101
Depreciation and amortisation	-105	-30,885	-1,190	-32,180
Disposals		2,464	311	2,775
Accumulated depreciation at 31 Dec 2024	-787	-189,413	-6,306	-196,506
Carrying amount at 1 Jan 2024	533	202,319	1,080	203,932
Carrying amount at 31 Dec 2024	440	182,862	1,790	185,091

Short-term leases recognised in the income statement, totalling EUR 16 (31) thousand, and minor leases recognised in the income statement, totalling EUR 542 (866) thousand, are practical exemptions provided by IFRS 16 applied by the Group.

Lease liabilities relating to right-of-use items are specified in Note 24 *Financial liabilities*.

17. Other non-current receivables

Accounting policies

Right-of-use assets that have been transferred to a lessee under a sublease and classified as financial leases have been derecognised from fixed assets and presented on the balance sheet as net investments in a sublease.

EUR 1,000	2025	2024
Lease deposits paid	99	122
Non-current subleases	0	3,315
Non-current receivables	2,000	2,005
Other receivables	95	90
Total	2,194	5,532

Pihlajalinna subleased two care homes that it sold and leased back in May 2020 which form a significant part of sublease receivables during the comparison period. During the financial year, Pihlajalinna sold these care homes and as a result the related lease agreements have been transferred out of the Group.

18. Trade and other receivables

Accounting policies

At the end of each reporting period, the Group assesses whether there is objective evidence of impairment regarding any individual financial asset. Objective evidence of impairment of loans and other receivables includes significant financial distress of the debtor and payments being delinquent or substantially delayed. Impairment of loans is recognised in financial expenses in the income statement and impairment of other receivables is recognised in other operating expenses for the period in which the impairment was identified.

The expected credit loss model is based on the amount of historical credit losses. The lifetime expected credit losses are calculated by multiplying the gross carrying amount of unpaid trade receivables by the expected loss.

EUR 1,000	2025	2024
Trade receivables	39,778	45,397
Prepayments and accrued income	8,384	9,953
Current subleases	0	341
Other receivables	1,176	830
Contract assets	5,801	4,636
Total	55,139	61,156

The carrying amount of trade receivables and other receivables corresponds to the maximum credit risk involved at the end of financial year. Pihlajalinna regularly reviews the credit risk of its receivables, and the procedures used to estimate the credit risk. No significant changes have been observed in customers' payment behaviour during the financial year. The management of credit risks related to trade receivables, see note 27 *Financial risk management*. The Group recognised impairment losses of EUR 0.8 (0.7) million on trade receivables during the financial year.

Age distribution of trade receivables

EUR 1,000	2025	Expected impairment losses	Share of expected impairment losses	Net 2025
Not due	33,847	-3	0.0 %	33,844
Less than 30 days	3,715	-5	0.1 %	3,710
30–60 days	702	-39	5.6 %	663
61–90 days	449	-76	16.9 %	373
More than 90 days	1,452	-263	18.1 %	1,189
Total	40,164	-386		39,778

EUR 1,000	2024	Expected impairment losses	Share of expected impairment losses	Net 2024
Not due	37,010	-3	0.0 %	37,007
Less than 30 days	4,975	-5	0.1 %	4,970
30–60 days	749	-51	6.8 %	698
61–90 days	392	-102	25.9 %	291
More than 90 days	2,779	-348	12.5 %	2,431
Total	45,905	-509		45,397

The Group's expected credit loss model is based on the amount of historical credit losses. The share of expected impairment losses varies between financial years because the Group's expected credit losses based on historical information vary between different customer groups. Consequently, a particular customer group representing a higher or lower share of trade receivables can have a significant effect on the amount of expected credit losses.

The Group's trade receivables due more than 90 days mainly relate to open receivables from insurance company customers.

The expected credit losses from contractual assets amount to EUR 0.0 (0.0) million, and the assets in question have not been taken into account in the table above.

EUR 1,000	2025	2024
Credit loss provision at 1 January	509	465
Credit losses recorded	-804	-726
Change in credit loss provision	681	769
Credit loss provision at 31 December	386	509

Material items included in prepayments and accrued income

EUR 1,000	2025	2024
Personnel expenses	1,527	3,250
Expenses paid in advance	5,569	5,818
Other	1,288	884
Total	8,384	9,953

The carrying amounts of the receivables correspond materially to their fair values.

19. Provisions

Accounting policies

A provision is recognised when the Group has a legal or constructive obligation resulting from a past event, when it is probable that the payment obligation will materialise and when the amount of the obligation can

be reliably estimated. The amount recognised as a provision equals the best estimate of the costs required to fulfil the present obligation on the date of the financial statements.

A restructuring provision is recognised when the Group has in place a detailed plan for such restructuring and its implementation has commenced or the interested parties have been informed of the main points of such a plan.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable expenses of meeting the obligations under the contract.

During the financial year, based on management's estimate, a restructuring provisions related to the operating model renewal and a provision related to premises for renovation and maintenance responsibilities have been recorded.

Key accounting estimates and decisions based on management judgement

Estimates of the existence and amount of the obligation must be used when deciding on the existence of recognition requirements for provisions and determining the amount of provisions. The recognised amount is the best assessment of the costs caused by the obligation on the financial statements date. Assessment of the financial effects of the previous event requires management judgement based on previous similar events and, if necessary, the views of external experts. The assessments may differ in terms of the amount and existence of future obligations.

EUR 1,000	2025	2024
Current provisions	1,931	66
Non-current provisions	2,320	2,519
Total	4,251	2,586

EUR 1,000	Onerous contracts	Restructuring provision	Premises	Other provisions	Total
1.1.2024	207	0	0	0	207
Increases in provisions	0	0	1,700	907	2,607
Provisions used	-79	0	0	-150	-229
31.12.2024	128	0	1,700	757	2,586
Increases in provisions	0	2,393	1,850	108	4,351
Provisions used	-68	-1,343	-400	-375	-2,185
Divestments of business units	0	0	-500	0	-500
31.12.2025	61	1,051	2,650	490	4,251

20. Trade and other payables

EUR 1,000	2025	2024
Trade payables	17,671	24,075
Accrued liabilities	65,173	88,695
Prepayments	47	27
Other liabilities	5,822	8,288
Total	88,713	121,085
Material items included under Accrued liabilities:		
Salaries and social security payments	39,813	53,139
Doctor's fee liability	16,927	19,140
Accrued purchase invoices	2,209	8,242
Current contract liabilities	1,398	1,274
Unpaid interest expenses	1,733	2,291
Other accrued liabilities	3,093	4,608
Total	65,173	88,695

21. Deferred tax assets and liabilities

Accounting policies

Deferred taxes are calculated on temporary differences between the carrying amount and the tax base. However, a deferred tax liability shall not be recognised on the initial recognition of goodwill, or on the initial recognition of an asset or liability in a transaction which is a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

In the Group, the most significant temporary differences result from depreciation and amortisation of property, plant and equipment and intangible assets, fair value-based adjustments made in connection with business combinations, and unused tax losses.

Deferred taxes are calculated by applying tax rates enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is only recognised to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised. However, a deferred tax asset is not recognised if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Whether or not deferred tax assets can be recognised in this respect is always estimated at the end of each reporting period.

The Group shall offset deferred tax assets and liabilities where these relate to the same taxation authority and the same taxable entity. Deferred tax assets and tax liabilities for leases are presented separately in the notes to the financial statements.

Changes in deferred taxes during 2025:

Deferred tax assets (EUR 1,000)	1 January 2025	Recognised in profit and loss	Recognised in the statement of comprehensive income	Business combinations	Sold businesses	31 December 2025
Tax losses carried forward confirmed by tax authorities	1,281	839				2,120
Sales proceeds from sale and leaseback arrangements	133	-51				82
Provisions	389	113				502
Share-based incentive scheme	6	49				55
Leases - lease liabilities	42,412	-3,411			127	39,128
Cloud computing arrangements	390	151				542
Leases - impairments	2,035	-287				1,747
Other items	1,269	-556	32			745
Net effect of deferred tax liabilities and assets	-40,170	3,388				-36,782
Deferred tax assets on the statement of financial position	7,746	234	32		127	8,139
Deferred tax liabilities						
Tangible and intangible assets	5,601	-163				5,438
Recognition of assets at fair value in business combinations	854	-335		31		550
Fair value hedging	438		-196			242
Leases - right-of-use assets	37,681	-2,727			-17	34,937
Other items	504	-11				493
Cloud Computing arrangements	67	-12				55
Net effect of deferred tax liabilities and assets	-37,244	2,748				-34,496
Deferred tax liabilities on the statement of financial position	7,901	-499	-196	31	109	7,220

Changes in deferred taxes during 2024:

Deferred tax assets (EUR 1,000)	1 January 2024	Recognised in profit and loss	Recognised in the statement of comprehensive income	Business combinations	Sold businesses	31 December 2024
Tax losses carried forward confirmed by tax authorities	8,467	-7,186				1,281
Sales proceeds from sale and leaseback arrangements	163	-30				133
Provisions	186	202				389
Share-based incentive scheme	53	-46				6
Leases - lease liabilities	46,118	-3,705				42,412
Cloud computing arrangements	330	60				390
Leases - impairments	2,322	-287				2,035
Other items	1,163	267	-162			1,269
Net effect of deferred tax liabilities and assets	-44,206	4,037				-40,170
Deferred tax assets on the statement of financial position	14,595	-6,688	-162			7,746
Deferred tax liabilities						
Tangible and intangible assets	5,582	19				5,601
Recognition of assets at fair value in business combinations	1,278	-424				854
Fair value hedging	669		-231			438
Leases - right-of-use assets	41,517	-3,836				37,681
Cloud Computing arrangements	0	67				67
Other items	487	16				504
Net effect of deferred tax liabilities and assets	-41,081	3,837				-37,244
Deferred tax liabilities on the statement of financial position	8,452	-321	-231			7,901

	Available tax losses		Deferred tax assets recorded		Deferred tax assets not recorded	
	2025	2024	2025	2024	2025	2024
Tax losses						
Maturing within five years	1,751	971	300	161	50	34
Maturing later than within five years	12,364	15,273	1,820	1,121	653	1,934
Total	14,114	16,244	2,120	1,281	703	1,968
Taxes calculated on the basis of the Finnish tax rate (20%)	2,823	3,249				

22. Financial assets and liabilities by measurement category

Accounting policies

When a financial asset or liability is recognised on the transaction date, the Group measures it at its acquisition cost, which is equal to the fair value of the consideration give or received. Derivative contracts are recognised in the balance sheet at fair value on the trade day and subsequently remeasured at their fair value on the balance sheet date.

Financial assets

For the purpose of measurement after initial recognition, the Group's financial assets are classified as financial assets measured at amortised cost and financial assets measured at fair value through profit or loss. Financial assets are derecognised when the Group has lost its contractual right for the financial assets in question or has transferred substantially all risks and rewards outside the Group.

The Group's trade receivables, lease deposits and cash and cash equivalents have been classified as financial assets measured at amortised cost, taking any impairment into account.

Financial assets measured at fair value through profit or loss consist of quoted and unquoted shares and loan receivables. The Group has no holdings of shares quoted in public markets.

Cash and cash equivalents

Cash and cash equivalents consist of cash at hand and demand deposits. The account with credit limit in use is included in current financial liabilities.

Financial liabilities

The Group classifies loans from financial institutions, accounts with credit limits, trade payables and other liabilities as financial liabilities measured at amortised cost using the effective interest method, net of transaction costs. Arrangement fees for loan commitments are treated as transaction costs and amortised over the period of the facility to which it relates. The Group classifies contingent considerations arising from M&A transactions as financial liabilities measured at fair value through profit or loss. No interest is paid on liabilities arising from contingent considerations. Any contingent consideration is measured at fair value at the date of acquisition and classified as a liability. A contingent consideration classified as a liability is measured at fair value at the end of each reporting period, and any resulting gain or loss is recognised in profit or loss after the end of the measurement period.

Financial liabilities are classified as current liabilities, unless the Group has an unconditional right to postpone their repayment to a date that is at least 12 months subsequent to the end of the reporting period.

Derivative contracts

Derivative contracts are recognised in the balance sheet at fair value on the trade date and subsequently remeasured at their fair value on the balance sheet date. Derivatives that do not meet the conditions of hedge accounting are recorded in the income statement. The change in fair value is recorded in equity in fair

value reserve if the derivative contract meets the conditions of cash flow hedging. If hedge accounting is not applied derivatives are revalued to fair value at the end of the reporting period and the profit or loss difference arising from the valuation is recorded in the income statement.

EUR 1,000		Fair value	Fair value	Amortised	Total	Fair values
31 Dec 2025	Note	hierarchy	through profit or loss	cost	carrying amounts	total
Carrying amounts of financial assets						
Non-current financial assets						
Other shares and participations		level 3	166		166	166
Lease deposits	17	level 2		99	99	99
Other receivables	17	level 2		95	95	95
Loan receivables		level 3	2,000		2,000	2,000
Current financial assets						
Trade receivables	18			39,778	39,778	39,778
Other receivables	18	level 2		1,176	1,176	1,176
Cash and cash equivalents				30,676	30,676	30,676
Total			2,166	71,824	73,990	73,990
Carrying amounts of financial liabilities						
Non-current financial liabilities						
Loans from financial institutions	24	level 2		102,610	102,610	102,610
Lease liabilities	24	level 2		167,047	167,047	167,047
Other liabilities	24	level 2		462	462	462
Current financial liabilities						
Loans from financial institutions	24	level 2		1,776	1,776	1,776
Contingent considerations		level 3	1,558		1,558	1,558
Lease liabilities	24	level 2		30,455	30,455	30,455
Interest derivatives	27	level 2		646	646	646
Trade and other payables	20			17,671	17,671	17,671
Total			1,558	646	320,021	322,225

EUR 1,000							
31 Dec 2024	Note	Fair value hierarchy	Fair value through profit or loss	Fair value - hedging instrument	Amortised cost	Total carrying amounts	Fair values total
Carrying amounts of financial assets							
Non-current financial assets							
Other shares and participations		level 3	166			166	166
Lease deposits	17	level 2			122	122	122
Other receivables	17	level 2			90	90	90
Loan receivables		level 3	2,005			2,005	2,005
Current financial assets							
Trade receivables	18				45,397	45,397	45,397
Other receivables	18	level 2			830	830	830
Cash and cash equivalents					30,908	30,908	30,908
Total			2,171		77,348	79,519	79,519
Carrying amounts of financial liabilities							
Non-current financial liabilities							
Loans from financial institutions	24	level 2			113,203	113,203	113,203
Lease liabilities	24	level 2			180,887	180,887	180,887
Other liabilities	24	level 2			499	499	499
Contingent considerations		level 3	871			871	871
Current financial liabilities							
Loans from financial institutions	24	level 2			1,823	1,823	1,823
Contingent considerations		level 3					
Lease liabilities	24	level 2			31,047	31,047	31,047
Interest derivatives	27			808		808	808
Trade and other payables	20				24,075	24,075	24,075
Total			871	808	351,534	353,213	353,213

Fair value assessment

Financial assets and liabilities recognised at fair value on the consolidated statement of financial position are classified according to their valuation-based hierarchy levels and measurement methods as follows:

Fair value hierarchy levels

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities. The Group has no financial assets or liabilities measured according to level 1 of the hierarchy.

Level 2: The fair value is determined using valuation methods. The financial assets and liabilities are not subject to trading in active and liquid markets. The fair values can be determined based on quoted market prices and deduced valuation. The carrying amount of the trade receivables and financial assets essentially corresponds to their fair value, as the effect of discounting is not significant taking the maturity of the receivables into consideration. The fair values of lease liabilities are based on discounted cash flows. The fair values of loans essentially correspond to their carrying amount since they have a floating interest rate and the Group's risk premium has not materially changed. The carrying amount of other financial liabilities essentially corresponds to their fair value, as the effect of discounting is not significant taking the maturity of the receivables into consideration. Derivative financial instruments are initially recognized at fair value on the trade date and are subsequently remeasured at their fair value on the balance sheet date.

Level 3: The fair value is not based on verifiable market information, and information on other circumstances affecting the value of the financial asset or liability is not available or verifiable. Financial assets and liabilities classified at fair value hierarchy level 3 consist of unquoted equity investments, loan receivables and contingent considerations from business combinations. The measurement of unquoted equity investments and loan receivables is based on the managements estimate of future cash flows arising from the investments and the measurement of contingent considerations is based on the amounts specified in purchase agreements and the management estimate on whether the consideration will be realised. The effect on earnings arising from the changes of fair values of financial assets and liabilities classified at fair value hierarchy level 3 has been EUR -0.7 (-0.3) million.

23. Notes on equity

Accounting policies

The Group classifies all instruments it issues either as an equity instrument or a financial liability, depending on their nature. Equity instruments are any contracts evidencing a residual interest in the assets of the company after deducting all of its liabilities. Costs relating to the issue or purchase of equity instruments are presented as a deduction from equity.

Pihlajalinna's equity consists of the share capital, fair value reserve, reserve for invested unrestricted equity, hybrid bond, retained earnings and treasury shares held by the parent company.

Reconciliation of the number of shares

EUR 1,000	Number of outstanding shares, 1,000 pcs	Number of treasury shares, 1,000 pcs	Number of shares	Share capital	Reserve for invested unrestricted equity	Treasury shares	Total
1 January 2024	22,566	54	22,620	80	116,520	629	117,229
Acquisition of treasury shares	-109	109				937	937
Share-based rewards	22	-22				-231	-231
31 December 2024	22,479	141	22,620	80	116,520	1,335	117,935
1 January 2025	22,479	141	22,620	80	116,520	1,335	117,935
Acquisition of treasury shares	-107	107				1,700	1,700
Share-based rewards	108	-108				-1,025	-1,025
31 December 2025	22,480	140	22,620	80	116,520	2,011	118,611

Treasury shares

The total number of Pihlajalinna shares is 22,620,135. On the financial statements date, 22,480,085 shares were outstanding and 140,050 were held by the Company. In March and May 2025, Pihlajalinna conveyed a total of 101,236 own shares without consideration to key persons based on the performance-based earning period 2024 of the share-based incentive programme in accordance with the terms and conditions of the plan. In May, Pihlajalinna conveyed a total of 7,114 of its own shares to the members of the Board of Directors as part of their annual remuneration.

Share capital

Pihlajalinna has one share series, with each share entitling its holder to one vote at a General Meeting of shareholders. The company's shares have no nominal value. All shares bestow their holders with equal rights to dividends and other distribution of the Company's assets. The shares belong to the book-entry system.

Fair value reserve

The fair value reserve includes an effective portion of the change in the fair value of derivatives for which cash flow hedge accounting is applied. The fair value reserve also includes the remaining value on the reporting date of the derivative contract sold in 2023. The gain on the sale is presented in the fair value reserve less taxes and transferred to be recognised through profit or loss in the same periods as the hedged expected future cash flows will affect the result, meaning the years 2023–2027. On the reporting date, the sold derivative contract's share of the fair value reserve was approximately EUR 1.0 (1.8) million.

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity contains other equity-like investments and the share subscription price to the extent that this is not entered in share capital under a specific decision.

Hybrid Bond

Pihlajalinna issued EUR 20 million hybrid bond on 27 March 2023. The coupon rate for the hybrid loan is a fixed interest rate of 12.00 per cent per annum until 27 March 2026 ("Reset Date"). From the Reset Date onwards, the hybrid bond will bear a floating interest rate of 14.00 per cent plus the three-month Euribor, as specified in the terms and conditions of the hybrid bond. The hybrid bond does not have a specified maturity date. Pihlajalinna is entitled to redeem the hybrid bond on the Reset Date and thereafter on each interest payment date.

The hybrid bond is a financing instrument that is subordinated to the Company's other debt obligations. The hybrid bond is treated as an equity item in accordance with its nature. For this reason, the accrued interest and the transaction costs related to the issue of the hybrid bond are also presented in equity according to their nature, less any tax effect. The hybrid bond does not confer on the holders the rights of a shareholder and do not dilute the holdings of the current shareholders.

Interest on the hybrid bond of EUR 1.9 million has been recognised as deduction of retained earnings. On the financial statements date, the unpaid interest from the hybrid bond was EUR 1.9 (1.9) million.

Distributable funds

The parent company's total distributable funds amount to EUR 213,414,518.25, of which the profit for the financial year accounts for EUR 6,877,277.88.

Dividends

A dividend of EUR 0.38 per share was distributed on the result for 2024. The Board of Directors proposes that, a dividend of EUR 0.53 per share be paid for the financial year that ended on 31 December 2025.

No material changes have taken place in the Company's financial position after the end of the financial year. The Company's liquidity position is good and, in the view of the Board of Directors, the proposed distribution does not jeopardise the company's ability to fulfil its obligations.

24. Financial liabilities

EUR 1,000	2025	2024
Non-current interest-bearing liabilities		
Loans from financial institutions	102,610	113,203
Other liabilities	462	499
Lease liabilities	167,047	180,887
	270,120	294,589
Current interest-bearing liabilities		
Loans from financial institutions	1,776	1,823
Lease liabilities	30,455	31,047
	32,230	32,870
Interest-bearing financial liabilities total	302,350	327,459

Pihlajalinna's financing arrangement is described in more detail in note 27 *Financial risk management*.

Lease liabilities

EUR 1,000	2025	2024
Non-current lease liabilities		
Right-of-use plots	751	374
Right-of-use buildings and business premises	164,162	179,321
Right-of-use equipment	2,134	1,192
	167,047	180,887
Current lease liabilities		
Right-of-use plots	59	77
Right-of-use buildings and business premises	29,201	30,120
Right-of-use equipment	1,195	850
	30,455	31,047

25. Changes in interest-bearing liabilities with no impact on cash flow

EUR 1,000	2024	Cash flow	Divested businesses ¹	New instalments and lease liabilities	Effective interest rate	2025
Non-current interest-bearing liabilities	113,702	-12,308	0	1,624	55	103,073
Current interest-bearing liabilities	1,823	-503	0	455	0	1,776
Lease liabilities	211,934	-32,609	-10,397	28,573	0	197,501
Total	327,459	-45,419	-10,397	30,652	55	302,350

26. Capital management

The goal of the Group's capital management is to ensure that the normal requirements of business operations are met, enable investments in line with the Group's strategy and increase long-term shareholder value. The Group influences its capital structure mainly through the distribution of dividend and share issues.

The key indicators concerning capital management are the equity ratio, the ratio of net debt to adjusted EBITDA and gearing. Loan covenants related to financing arrangement are described in more detail in the note 27 *Financial risk management*.

EUR 1,000	Note	2025	2024
Equity		192,605	168,951
Total statement of fin. position – deferred revenue		598,057	630,139
Equity ratio¹⁾		32.2 %	26.8 %
Interest-bearing financial liabilities	24	302,350	327,459
Cash and cash equivalents		-30,676	-30,908
Interest-bearing net debt		271,673	296,551
Gearing²⁾		141.1 %	175.5 %
EBITDA		109,330	101,508
EBITDA adjustment items*		-686	-779
Adjusted EBITDA		108,644	100,728
Net debt/adjusted EBITDA		2.5	2.9

* Pihlajalinna has changed the definition of adjustment items affecting comparability effective from 1 January 2025. Items affecting comparability are non-recurring and material events that are not part of normal day-to-day operations. Items affecting comparability include, among other items, costs related to business acquisitions, costs related to restructuring measures, impairment of assets, and gains and losses arising from the sale or discontinuation of business operations. Items affecting comparability only include events with an impact on profit or loss of more than EUR 0.1 million. EBITDA adjustments amounted to EUR -0.7 (-0.8) million for the financial year that ended on 31 December 2025.

¹⁾ The formula for calculating the equity ratio is $100 \times \text{Equity} / (\text{Total statement of financial position} - \text{deferred revenue})$

²⁾ The formula for calculating gearing is $100 \times \text{Interest-bearing net debt} / \text{Equity}$.

27. Financial risk management

With respect to financial risk management, the Group observes a uniform treasury policy that has been approved by the Company's Board of Directors. Compliance with this policy and developments in the Group's financial situation are monitored by the Board's Audit Committee. The Group's Chief Financial Officer, together with the operative management, is responsible for identifying financial risks and for practical risk management.

The goal of the Group's risk management is to ensure sufficient liquidity, minimise financing costs and regularly inform the management about the Group's financial position and risks. Group's financial administration actively monitors compliance with the financial covenants and assesses financial leeway in relation to the covenant maximums as part of the Group's business planning.

The Group's main financial risks consist of credit and counterparty risk as well as interest rate and liquidity risks. The Group operates in Finland and is therefore not exposed to material foreign exchange risks in its operations.

Liquidity risk

The Group monitors the amount of financing required by business operations by analysing cash flow forecasts in order to make sure the Group has a sufficient amount of liquid assets for financing operations and repaying maturing loans. The Group aims to ensure the availability and flexibility of financing with adequate credit limits, a balanced maturity profile and sufficiently long maturities for borrowings, as well as by obtaining financing through several financial instruments. Monitoring and forecasting financial covenants included in the Company's financing agreements is continuous.

Pihlajalinna Group's financing arrangement comprises a EUR 100 million long-term loan and a EUR 60 million revolving credit facility for general financing needs. The financing agreement negotiated in 2024 was originally for three years, maturing in June 2027, with two option years. In June 2025, Pihlajalinna exercised one of the option years, and the loan will now mature in June 2028. The agreement also includes the possibility of one further option year.

Pihlajalinna has an interest rate swap agreement with a nominal value of EUR 65 million, which is used to convert the interest on a floating rate financing arrangement to a fixed rate. Cash flow hedge accounting is applied to the interest rate swap agreement, which means that the effective portion of the change in fair value is recognised in other comprehensive income. The interest rate swap entered into effect in March

2023 and will remain in effect until 25 March 2027. Its fair value was -0.6 (-0.8) million at the end of the financial year.

On 27 March 2023, Pihlajalinna issued a hybrid bond with an annual coupon of 12 per cent. The hybrid bond does not have a specified maturity date. Pihlajalinna is entitled to redeem the hybrid bond on the Reset Date, 27 March 2026, and thereafter on each interest payment date. The hybrid bond is treated as an equity item in Pihlajalinna's IFRS consolidated financial statements, and it is described in more detail in note 23 *Notes on equity*.

On the financial statements date, the Group's cash and cash equivalents amounted to EUR 30.7 (30.9) million, in addition to which the Group had EUR 70.0 (70,0) million in unused committed credit limits available. Unused credit limits consist of EUR 10 million credit limit agreements and EUR 60 million unwithdrawn revolving credit facility. The Group's equity ratio at the end of the financial year was 32.2 (26.8) per cent.

Financial liabilities repayment schedule

The table below presents the contractual maturity of financial liabilities. The figures are undiscounted, and they include both future interest payments and repayments of principal. Interest payments related to the loan instalments drawn are presented in the table below according to the actual timing of their payment.

EUR 1,000	Carrying	less than 1	1–2 years	2–3 years	3–4 years	over 4
	amount at 31					
	Dec 2025					
Loans from financial institutions	104,386	-6,211	-4,545	-103,672	-385	-371
Lease liabilities	197,501	-33,730	-30,640	-25,300	-22,489	-99,924
Other interest-bearing liabilities	462	-57	-57	-57	-57	-476
Contingent considerations	1,558	-1,561				
Trade payables	17,671	-17,671				
Total	321,579	-59,229	-35,242	-129,029	-22,931	-100,771

EUR 1,000	Carrying	less than 1	1–2 years	2–3 years	3–4 years	over 4
	amount at 31					
	Dec 2024					
Loans from financial institutions	115,026	-7,325	-7,065	-114,111	-843	
Lease liabilities	211,934	-34,556	-30,970	-26,674	-22,858	-113,923
Other interest-bearing liabilities	499	-57	-57	-57	-57	-569
Contingent considerations	871	-6	-874			
Trade payables	24,075	-24,075				
Total	352,405	-66,020	-38,966	-140,842	-23,758	-114,492

Loan covenants

The Group's key loan covenants are reported to the financiers on a quarterly basis. If the Group breaches the loan covenant terms, the creditors may accelerate the repayment of the loans. The management monitors the fulfilment of loan covenant terms and reports on them to the Board of Directors on a regular basis.

The financing arrangement includes the customary financial covenants concerning leverage (ratio of net debt to pro forma EBITDA) and gearing. IFRS 16 lease liabilities are not taken into account in the calculation of the covenants. Additionally, the loan margin of the financing is linked to Pihlajalinna's key sustainability targets: patient satisfaction, access to surgical treatment and employee satisfaction. These sustainability objectives have a minor impact on the loan margin depending on the number of targets achieved. At the end of the financial year, the sustainability targets linked to the financing arrangement did not cause any changes in the loan margins.

The gearing covenant of the financing arrangement is 115 per cent and the leverage covenant is 3.75. During the financial year and at the end of it, the Group met the financial covenants agreed upon in the agreement and the Group has no indication that it will have difficulties complying with the covenants in the future. At the end of the reporting period, 31 December 2025, the withdrawn loan amount to which the covenants apply was EUR 100.0 million (EUR 110.0 million).

Interest rate risk

The Group is exposed to interest rate risk through its external financing arrangement. In accordance with the treasury policy, the Board of Directors decides on the need for, and extent of, interest rate hedging for the Group's loan portfolio.

The Group has an interest rate swap agreement with a nominal value of EUR 65 million, which is used to hedge its floating rate financing arrangement. Cash flow hedge accounting is applied to the interest rate swap agreement. The interest rate swap entered into effect in March 2023 and will remain in effect until 25 March 2027. The Group sold its earlier interest rate swap agreement in 2023 and the fair value of the interest rate swap agreement at the time of concluding the agreement was approximately EUR 3.9 million. The gain on the sale is presented in the fair value reserve less taxes and is recognised through profit or loss in the same periods as the hedged expected future cash flows will affect the result, meaning the years 2023–2027.

On the financial statements date, 66 (66) per cent of the interest-bearing liabilities were subject to fixed interest rates. During the financial year, the average annual interest rate on the Group's interest-bearing liabilities and derivatives was approximately 2.5 (2.9) per cent. The duration, i.e. the fixed interest rate period, of the financing portfolio was 3.5 (3.5) years.

The table below presents the Group's interest rate position at the end of the financial year.

EUR 1,000	2025	2024
Fixed rate financial liabilities	202,081	216,960
Variable rate financial liabilities	102,310	111,908
Financial liabilities subject to hedge accounting	-65,000	-65,000
Total variable rate position	37,310	46,908

The table below presents the effects on consolidated profit before tax should market interest rates rise or fall, all other things being equal. The sensitivity analysis is based on the interest rate position at the closing date of the reporting period, including the hedging effect of derivatives. Since the Group has no material interest-bearing assets, its income and operating cash flows are not materially exposed to changes in market interest rates.

EUR 1,000	2025	2025	2024	2024
Change	1.0 percentage units higher	1.0 percentage units lower	1.0 percentage units higher	1.0 percentage units lower
Effect on profit before tax	-373	907	-469	489

Derivative financial instruments and hedge accounting

Accounting policy

The Group applies hedge accounting to reduce the future cash flow variation in profit due to the variation in interest rates. Derivative financial instruments are initially recognized at fair value on the trade date and are subsequently remeasured at their fair value on the balance sheet date. Derivative contracts are included in current assets or liabilities, except derivatives maturities greater than 12 months after the balance sheet date, which are classified as non-current assets or liabilities. The effective portion of the changes in the fair value of derivative financial instruments that are designated and qualified as cash flow hedges are recognized in the fair value reserve of equity.

In cash flow hedges the critical terms in hedged item and hedging instruments are the same and hedge ratio is 1:1. When a hedging arrangement is entered into, the relationship between the hedged item and the hedging instrument, as well as the objectives of the Group's risk management are documented. The effectiveness of the hedge relationship is tested regularly and the effective portion is recognised, according to the nature of the hedged item, against the change in the fair value of the hedged item in the fair value reserve of equity. The ineffective portion is recognized in the income statement either in operating profit or financial income and expenses. Hedge accounting is discontinued when the hedging instrument expires or is sold, or when the contract is terminated or exercised. Any cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction has occurred.

Derivatives used for hedging

Fair values of derivative contracts EUR 1,000	2025	2024
	Negative fair value (balance sheet value)	Negative fair value (balance sheet value)
Interest rate derivative	-646	-808

Notional principal amounts of derivative contracts EUR 1,000	2025	2024
Interest rate derivative	65 000	65 000

The Group has one interest rate swap agreement which is used to hedge its floating rate financing arrangement. Cash flow hedge accounting is applied to the interest rate swap agreement. 65 (59) per cent of the interest rate risk of the floating rate financing arrangement is hedged. The interest rate swap entered into effect in March 2023 and will remain in effect until 25 March 2027. Under the contract, the Group pays a fixed interest of 2.8 per cent and receives the floating six-month Euribor interest beginning from the start date.

The Group sold its earlier interest rate swap agreement in 2023 and the fair value of the interest rate swap agreement at the time of concluding the agreement was approximately EUR 3.9 million. The gain on the sale is presented in the fair value reserve less taxes and is recognised through profit or loss in the same periods as the hedged expected future cash flows will affect the result, meaning the years 2023-2027.

The table below shows the annual cash flows of the derivative calculated at market interest rates. In addition, a sensitivity analysis of the derivative is presented below, illustrating the change in the market value of the derivative when the yield curve rises or falls and other factors remain unchanged.

Interest rate swap agreement cash flows

EUR 1,000	2026	2027	Total
Interest rate swap agreement cash flow 31 Dec 2025			
Interest rate swap agreement	-453	-203	-656

EUR 1,000	2025	2026	2027	Total
Interest rate swap agreement cash flow 31 Dec 2024				
Interest rate swap agreement	-21	-440	-176	-637

Interest rate swap agreement sensitivity analysis

EUR 1,000	2025	2025
Change in the yield curve	1.0 percentage units lower	1.0 percentage units higher
Market value change of the interest rate swap agreement	-657	644

EUR 1,000	2024	2024
Change in the yield curve	1.0 percentage units lower	1.0 percentage units higher
Market value change of the interest rate swap agreement	-1,300	1,282

Credit risk

The Group's credit risk mostly consists of credit risks involved in customer receivables related to business operations. The Group's largest customers are wellbeing services counties, insurance companies or large and solvent companies. The Group's key credit risks are presented in Note 18 *Trade and other receivables*.

The payment information of corporate and private customers is checked at every appointment. For the collection of payments, the Group uses an external collections agency. The Group offers private customers financing via SveaRahoitus. This arrangement includes a check of the customer's creditworthiness.

The age distribution of trade receivables is presented in Note 18 *Trade and other receivables*. The amount of credit losses recorded in profit or loss during the financial year was not significant. The maximum amount of the Group's credit risk equals to the carrying amount of financial assets at the end of the financial year (see Note 22 *Financial assets and liabilities by measurement category*).

Currency risk

The Group operates mainly in Finland and is not therefore exposed to material foreign exchange risks in its operations. The Group's annual procurements in foreign currencies are insignificant.

28. Acquired business operations and divestments

Accounting policies

When the Group acquires assets either through business arrangements or through other arrangements, the management evaluates the actual nature of the asset and the business when determining whether it is a business combination.

When an asset or a group of assets does not form a business operation, the acquisition is not treated as a business combination and in that case the Group records the acquisition of individual assets and liabilities. The acquisition cost is allocated to individual assets and liabilities in proportion to their current values at the time of acquisition, and no goodwill is generated.

Acquisitions defined as business operations are treated as business combinations. The Group records business combinations using the acquisition method. The transferred consideration, including the contingent consideration and the identifiable assets and liabilities of the acquired company, are valued at fair value at the time of acquisition. Acquisition related expenses are recorded as expenses in the period in which they have incurred. The acquired business operations are consolidated to the financial statements from the moment the Group obtains control over the acquired business. The share of non-controlling interests is recorded for each acquisition either at fair value or at an amount that corresponds to the relative share of the non-controlling interests in the net assets of the target of acquisition.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group presents these acquisitions as preliminary in its financial statements. Preliminary items are adjusted, and new assets and liabilities are recorded retrospectively, if new information is received that concerns the facts and circumstances that existed at the time of acquisition and which, if it had been known, would have affected the amounts recorded at that time. The measurement period may not exceed one year from the acquisition date.

28.1. Acquired business operations

Acquired business operations 2025

On 1 Mar 2025, Pihlajalinna acquired DBC Seinäjoki business from Seinäjoki Aktiivikuntoutous Oy. The acquisition calculation on the acquired business has been presented below:

EUR million	2025
Consideration transferred	
Cash	0.3
Total acquisition cost	0.3

Assets and liabilities acquired for consideration at the time of acquisitions were as follows:

EUR million	Note	2025
Property, plant and equipment	13	0.1
Intangible assets	14	0.2
Right-of-use assets	16	0.0
Total assets		0.3
Deferred tax liabilities		0.0
Lease liabilities	24	0.0
Other liabilities		0.0
Total liabilities		0.1
Acquired net assets		0.1

Goodwill generated in the acquisitions:

EUR million	Note	2025
Consideration transferred		0.3
Net identifiable assets of acquirees		-0.1
Goodwill	14	0.1
Transaction price paid in cash in the financial year		0.3
Effect on cash flow in the financial year		0.3

In the determination of fair values, an intangible asset based on customer relationships was identified. Its fair value was determined as EUR 0.2 million using an income based approach, which requires a forecast of expected future cash flows. In connection with this, a deferred tax liability of EUR 0.0 million was recognised. The business combination resulted in preliminary goodwill of EUR 0.1 million, which is tax-deductible. The revenue recorded and the impact on the result for the financial period 2025 due to the combination are not significant.

Acquired business operations 2024

On 1 May 2024, Pihlajalinna acquired full ownership of its former associated company Kuura Digilääkäri Oy. Pihlajalinna's previous holding in the company was 45 per cent. On 1 July 2024, Pihlajalinna acquired 41.34 per cent of the shares of its former associated company Digital Health Solutions Oy. Following the transaction, Pihlajalinna holds 82.37 per cent of the company's shares. Pihlajalinna consolidated the companies as an acquisition achieved in stages. The pre-existing interest in the acquirees were remeasured to fair value and the capital gain, amounting to EUR 78 thousand, was recognised in other operating income. Since the acquisitions are not material individually, the following acquisition calculations on the acquired business operations have been consolidated:

EUR million	2024
Consideration transferred	
Cash	3.6
Total acquisition cost	3.6

Assets and liabilities acquired for consideration at the time of acquisitions were as follows:

EUR million	Note	2024
Trade and other receivables		0.2
Cash and cash equivalents		0.5
Total assets		0.7
Other liabilities		0.2
Total liabilities		0.2
Acquired net assets		0.5

Goodwill generated in the acquisitions:

EUR million	Note	2024
Consideration transferred		2.0
Previous holding measured at fair value		1.6
Share of the acquisition allocated to non-controlling interest		0.0
Net identifiable assets of acquirees		-0.5
Goodwill	14	3.1
Transaction price paid in cash in the financial year		2.0
Cash and cash equivalents of acquirees		-0.5
Effect on cash flow in the financial year		1.5

The business combination generated goodwill of EUR 3.1 million. The goodwill generated is not tax-deductible. EUR 0.1 million in costs related to the acquisition has been recognised under other operating expenses (IFRS 3 costs). Revenue recognised as a result of the business combination and the effect on the result for the financial year 2024 was not material.

28.2. Acquisitions of non-controlling interest

Acquisitions 2025

Company	Acquisition date	Acquired share, %	New ownership interest, %
Jokilaakson Terveys Oy	1 Sep 2025	10%	100%
Jämsän Terveys Oy	1 Sep 2025	49%	100%
Pihlajalinna Liikuntakeskukset Oy	1 Feb 2025	1%	72%

Eur 1,000	Acquisition price	Change in non-controlling interest share	Impact in Group earnings
Jokilaakson Terveys Oy	2	601	-603
Jämsän Terveys Oy	120	2,997	-3,007
Pihlajalinna Liikuntakeskukset Oy	0	-40	40

Acquisitions 2024

Company	Acquisition date	Acquired share, %	New ownership interest, %
Suomen Yksityiset Hammaslääkärit Oy	1 Sep 2024	5%	100%
Kuusiolinna Terveys Oy	1 Dec 2024	3%	100%

EUR 1,000	Acquisition price	Change in non-controlling interest share	Impact in Group earnings
Suomen Yksityiset Hammaslääkärit Oy	52	-40	-12
Kuusiolinna Terveys Oy	120	34	-154

During the financial year, Dextra Lapsettomuuskliniikka Oy repurchased its own shares worth EUR 1.4 million. The repurchased shares were cancelled during the financial year. As a result, Pihlajalinna's ownership in the company increased to 63.7 (51) per cent. The repurchase of the shares had a total impact of EUR -501 thousand on non-controlling interests and EUR -880 thousand on the Group's retained earnings. The cancellation of the shares had a total impact of EUR -248 thousand on non-controlling interests and EUR 248 thousand on the Group's retained earnings.

Accounting principles

Transactions with non-controlling interests that do not lead to a loss of control are treated as transactions with owners. Changes in the share of ownership lead to adjustments of the carrying amounts of the Group's share and the share of non-controlling interests. The difference between the adjustment made to non-controlling interests' share and the paid or received consideration is recognised in earnings.

28.3. Divestments

2025

In May 2025, Pihlajalinna divested the shares of Pihlajalinna Erityisasumispalvelut Oy and Ikipihlaja Oiva Oy to Esperi Care. In September, Pihlajalinna sold two residential care units of Laihian Hyvinvointi Oy to Mehiläinen through a business transfer. In October and November, Pihlajalinna sold one residential care unit of Laihian Hyvinvointi Oy, as well as the business operations of Ikipihlaja Johanna Oy and Ikipihlaja Maria Oy, to Attendo. The Group recognised a total sales profit of 8.5 million from the divestments in other operating income during the financial year.

2024

There were no divestments during the financial year 2024.

29. Subsidiaries and material non-controlling interests

The Group's structure

The Group had 22 (26) subsidiaries in 2025. Of these subsidiaries, 15 (16) are wholly owned and 7 (10) are partially owned. A list of all of the Group's subsidiaries is presented in Note 32 *Subsidiaries*. In 2025, the Group had 1 (1) associated companies and 1 (1) joint operation.

Breakdown of material non-controlling interests in the Group

EUR 1,000	Main busines loca- tion	Non-controlling interests' share of the votes		Non-controlling interests' share of profit or loss		Non-controlling interests' share of equity	
		2025	2024	2025	2024	2025	2024
Bottenhavets Hälsa Ab - Selkämeren Terveys Oy	Kristiinankaupunki	25%	25%	188	241	536	348
Dextra Lapsettomuuslinikka Oy	Helsinki	36%	49%	385	368	577	953
Pihlajalinna Liikuntakeskukset Group	several	28%	30%	-371	-210	415	826
Total				202	399	1,528	2,126

Summary of financial information on subsidiaries with a material non-controlling interest

	Bottenhavets Hälsa Ab - Selkämeren Terveys Oy		Dextra Lapsettomuuslinikka Oy		Pihlajalinna Liikuntakeskukset Group	
	2025	2024	2025	2024	2025	2024
Current assets	3,002	2,341	1,862	2,356	2,299	1,098
Non-current assets	62	54	3,189	3,378	35,233	36,917
Current liabilities	901	1,000	1,038	1,124	20,655	18,662
Non-current liabilities	18	1	1,805	2,041	16,315	17,483
Revenue	6,033	6,153	6,166	5,445	14,458	15,327
Operating profit	904	1,141	1,321	904	-109	538
Profit/loss	751	963	1,061	751	-1,309	-707
Share of profit/loss attributable to owners of the parent	564	722	676	383	-938	-497
Non-controlling interests' share of profit/loss	188	241	385	368	-371	-210
Net cash flow from operating activities	686	761	1,330	1,478	4,015	5,040
Net cash flow from investing activities	-671	-744	455	-1,015	-186	20
Net cash flow from financing activities	-16	-17	-1,785	-465	-3,831	-5,060
of which dividends paid to non-controlling interests	0	0	0	0	0	0

30. Interests in associates and joint arrangements

Changes in interests during the financial year

During the financial year, a share issue was carried out in Ullanlinnan Silmälääkärit Oy for its existing shareholders. Pihlajalinna did not participate in the share issue, as a result of which Pihlajalinna's ownership interest in the company decreased during the financial year.

In the comparison period, on 1 May 2024, Pihlajalinna acquired full ownership of its former associated company Kuura Digilääkäri Oy. Pihlajalinna's previous holding in the company was 45 per cent. On 1 July 2024, Pihlajalinna acquired 41.34 per cent of the shares of its former associated company Digital Health Solutions Oy. Following the transaction, Pihlajalinna holds 82.37 per cent of the company's shares. For more information, refer to Note 28 *Acquired business operations and divestments*.

EUR 1,000		2025	2024
Interests in associates	Ullanlinnan Silmälääkärit Oy	28	26
Interests in joint operations	Koy Levin Pihlaja Oy	40	40
Total carrying amount		68	66

Interests in associates

Name	Main business location	Holding, %	
		2025	2024
Ullanlinnan Silmälääkärit Oy	Helsinki Healthcare services	31%	37%

Interests in joint operations

The Group owns 31 % in Kiinteistö Oy Levin Pihlaja, which is consolidated as a joint operation according to the pro rata share.

31. Contingent assets and liabilities and commitments

Collateral given on own behalf	2025	2024
Sureties	6,189	5,806
Properties' VAT refund liability	0	4
Lease commitments for off-balance sheet leases	558	897
Lease deposits	99	122

Hybrid bond interests

Pihlajalinna issued EUR 20 million hybrid bond on 27 March 2023. On the financial statements date, the unpaid interest on the hybrid bond was EUR 1.9 (1.9) million.

Lawsuits and official proceedings

The company's subsidiary Jämsän Terveys Oy has taken legal action in the district court against the City of Jämsä, a former client. The dispute concerns mainly COVID-19-related costs which the City of Jämsä failed to pay in breach of the service agreement. The District Court of Central Finland considered the case and rendered its decision in late December 2024. The court ruled the City of Jämsä must pay Jämsän Terveys the claimed COVID-19-related costs, with interest. Other aspects of the dispute, such as the impact of the transfer of personnel on the annual fee, were settled by the parties before the court hearing. The City of Jämsä appealed the decision to the Vaasa Court of Appeal, which granted the City permission to proceed further. Accordingly, the decision of the District Court of Central Finland is not legally binding. The Court of Appeal issued its decision in the dispute on 17 February 2026. The Court of Appeal dismissed the appeal lodged by the City of Jämsä against the District Court's decision with respect to the main claim.

The tax audit concerning the compensation scheme has been completed during the financial year. The company was ordered to pay a total of EUR 0.7 million in late-payment interest and other penalty charges. The company has appealed against the decision. Also, a tax audit related to value-added taxation is ongoing in the Pihlajalinna Group. Companies subject to the tax audit have received tax audit reports at the beginning of the year. Responses have been submitted, and appeals will be made.

Pihlajalinna is involved in certain pending legal proceedings concerning employment relationships and other matters, but they are not expected to have a significant financial impact on the Group.

32. Subsidiaries

The Group's parent company and subsidiary relationships 31.12.2025

The Group's parent company is Pihlajalinna Plc, which owns all of Pihlajalinna Terveys Oy's Series A shares.

Company	Domicile	Holding	% of votes
Parent company Pihlajalinna Plc	Tampere		
Pihlajalinna Terveys Oy	Tampere	100%	100%
Ikipihlaja Johanna Oy	Tampere	100%	100%
Jokilaakson Terveys Oy	Jyväskylä	100%	100%
Mäntänvuoren Terveys Oy	Tampere	91%	91%
Ikipihlaja Kuusama Oy	Tampere	100%	100%
Ikipihlaja Matinkartano Oy	Lieto	100%	100%
Ikipihlaja Setälänpiha Oy	Lieto	100%	100%
Kolmostien Terveys Oy	Parkano	96%	96%
Jämsän Terveys Oy	Jämsä	100%	100%
Kuusiolinna Terveys Oy	Alavus	100%	100%
Lääkäriasema DokTori Oy	Lappeenranta	100%	100%
Mediapu Oy	Oulu	100%	100%
Dextra Lapsettomuuslinikka Oy	Helsinki	64%	64%
Bottenhavets Hälsa Ab - Selkämeren Terveys Oy	Kristiinankaupunki	75%	75%
Linnan Klinikka Oy	Hämeenlinna	100%	100%
Pihlajalinna Liikuntakeskukset Oy	Tampere	72%	72%
Forever Helsinki Oy	Helsinki	72%	72%
Laihian Hyvinvointi Oy	Laihia	100%	100%
Digital Health Solutions Oy	Sotkamo	82%	82%
Pihlajalinna Lääkärikeskukset Oy	Tampere	100%	100%
Pihlajalinna Ikioma Oy	Mikkeli	100%	100%
Pihlajalinna Kainuu Oy	Sotkamo	100%	100%

Information on the associates is presented in Note 30 *Interests in associates and joint arrangements*.

Changes in Group Structure

The following changes in Group Structure were implemented during the financial year:

Merged Company	Target Company	Month of the merge
Ikipihlaja Sofianhovi Oy	Mäntänvuoren Terveys Oy	1 Jan 2025
Suomen Yksityiset Hammaslääkärit Oy	Pihlajalinna Lääkärikeskukset Oy	1 Apr 2025

The following changes in Group Structure were implemented during 2024:

Merged Company	Target Company	Month of the merge
Pihlajalinna Seppälääkärit Oy	Pihlajalinna Lääkärikeskukset Oy	1 Mar 2024
Kuura Digilääkäri Oy	Pihlajalinna Lääkärikeskukset Oy	1 Oct 2024
Kompassi Lääkärikeskus Oy	Pihlajalinna Lääkärikeskukset Oy	1 Nov 2024

Acquired and sold business operations are described in more detail in note 28 *Acquired business operations and divestments*.

33. Related party transactions

The Group's related parties consist of the subsidiaries, associates and joint ventures. Key management personnel considered related parties consist of the members of the Board of Directors, the Management Team, including the CEO, and their family members and companies controlled by them. Subsidiaries are described in more detail in note 32 *Subsidiaries*. Associate and joint ventures are described in more detail in note 30 *Interests in associates and joint arrangements*.

Transactions with related parties which are not eliminated in the consolidated financial statements are presented as related party transactions.

Employee benefits of management (without CEO)

EUR 1,000	2025	2024
Monetary salaries, Management Team	1,526	1,335
Short-term incentive, Management Team	197	0
Share-based rewards, Management Team	572	0
Fringe benefits, Management Team	64	12
Post-employment benefits, Management Team	57	390
Management Team, total	2,415	1,737

Salaries and remuneration

EUR 1,000	2025	2024
Tuomas Hyyryläinen		
Monetary salaries	378	378
Short-term incentive	162	0
Share-based rewards	167	143
Fringe benefits	0	0
Total	706	521

Short-term incentive scheme (STI)

Pihlajalinna has a short-term incentive scheme (STI), which is paid in cash in its entirety. Company's Board of Directors confirms the amount, targets and criteria for the short-term incentive scheme annually. The earnings criteria applied in the short-term incentive scheme were Pihlajalinna Group's adjusted EBITA and individual business and performance targets set by the manager of the participant. The CEO, members of the Executive Team and selected key employees are eligible to participate in the short-term incentive scheme.

EUR 1,000		2025	2024
Board of Directors			
Chair of the Board	Jukka Leinonen	80	72
Vice-Chair of the Board and Chair of the People and Sustainability Committee	Leena Niemistö	55	52
Chair of the Audit Committee	Kim Ignatius	56	53
Board member	Heli Iisakka	45	43
Chair of the People and Sustainability Committee (until 24 April 2025)	Hannu Juvonen	3	52
Board member	Tiina Kurki	45	43
Chair of the Audit Committee (until 10 April 2024)	Seija Turunen	0	2
Board member	Mikko Wirén	44	42
Total		327	397

Of the annual remuneration paid in shares, a total of 1,856 (2,662) shares held by the company were transferred to the Chair of the Board of Directors, 1,237 (1,774) shares transferred to the Vice Chair and the Chairs of the People and Sustainability Committee and Audit Committee each, and 928 (1,331) shares to each member of the Board of Directors.

According to the CEO's contract, the notice period for dismissal is 6 months. The company is liable to pay the CEO one-time compensation for termination amounting to eight months' total salary. The CEO's pension benefits are according to the statutory pension scheme. The CEO Tuomas Hyyryläinen is not a member of the Board of Directors.

Related party transactions and related party receivables and liabilities:

	2025	2024
Key management personnel		
Rents paid	1,101	1,103
Services procured	683	949
Other payments	6	138
Prepayments	-7	-76
Trade payables	4	87
Interests in associates and joint arrangements		
Rents paid	31	38
Services procured	32	321
Other payments	8	14
Trade payables	5	6

During the financial year, the Group has leased its business premises in Karkku, Kangasala and Tampere from Mikko Wirén's controlling companies. Mikko Wirén is a member of the Board of Directors. The Group also has an agreement with MWW Yhtiö Oy, a company controlled by Mikko Wirén, under which the Group buys healthcare professionals' services.

Business transactions with associates and joint venture companies comprise mainly of rents paid to Kiinteistö Oy Levin Pihlaja, and in the comparison period, healthcare professionals' services obtained from Kuura Digilääkäri Oy.

34. Events after the balance sheet date

On 12 February 2026, Pihlajalinna announced that it will exercise its right to redeem the EUR 20 million hybrid bond issued on 27 March 2023. The hybrid bond will be redeemed in full in accordance with its terms on the redemption date, 27 March 2026.

On 12 February 2026, Pihlajalinna announced that its Board of Directors has decided to launch a new earnings period for the Group's long-term incentive programme for key employees covering 2026–2028. The earning period is part of the company's ongoing incentive programme. The performance criteria for the 2026–2028 earning period are tied to relative Total Shareholder Value (rTSR), annual revenue growth, return on capital employed and the rate of sickness-related absence.

On 12 February 2026, Pihlajalinna announced that Heikki Tarkkila (Lic.Med.) has been appointed Chief Commercial Officer and a member of the Group Management Team. Tarkkila assumed his role on 1 March 2026.

PARENT COMPANY FINANCIAL STATEMENTS, FAS

Parent company income statement, FAS

EUR	Note	2025	2024
Revenue	1.1.	14,588,152.79	11,988,270.96
Other operating income	1.2.	305,930.56	529,576.34
Personnel expenses	1.3.	-1,745,851.51	-1,505,644.20
Depreciation, amortisation and impairment	1.4.	-2,661,869.32	-2,808,741.76
Other operating expenses	1.5	-13,467,221.73	-11,742,181.16
Operating profit (loss)		-2,980,859.21	-3,538,719.82
Financial income and expenses	1.6	-6,902,919.52	-621,839.96
Profit (loss) before appropriations and taxes		-9,883,778.73	-4,160,559.78
Appropriations	1.7		
Change in depreciation difference		552,201.63	265,842.71
Group contribution		16,400,000.00	22,200,000.00
Income taxes	1.8.	-191,145.02	-2,481,979.17
Profit (loss) for the financial year		6,877,277.88	15,823,303.76

Parent company balance sheet, FAS

EUR	Note	2025	2024
Assets			
Non-current assets			
Intangible assets	2.1	5,419,178.24	2,152,146.73
Property, plant and equipment	2.2	3,529,785.01	4,960,479.89
Investments	2.3	384,535,075.95	384,535,075.95
Total non-current assets		393,484,039.20	391,647,702.57
Current assets			
Non-current receivables	2.4	0.00	6,062.31
Current receivables	2.5	51,714,787.72	72,586,162.82
Cash and cash equivalents		30,582,940.42	30,637,684.94
Total current assets		82,297,728.14	103,229,910.07
Total assets		475,781,767.34	494,877,612.64
Equity and liabilities			
Equity			
Share capital	2.6	80,000.00	80,000.00
Reserve for invested unrestricted equity		183,190,483.50	183,190,483.50
Retained earnings		23,346,756.87	17,818,553.02
Profit/loss for the financial year		6,877,277.88	15,823,303.76
Total Equity		213,494,518.25	216,912,340.28
Accumulated appropriations	2.7	879,441.45	1,431,643.08
Liabilities			
Non-current liabilities	2.8	121,462,311.80	132,559,107.60
Current liabilities		139,945,495.84	143,974,521.68
Total liabilities		261,407,807.64	276,533,629.28
Total equity and liabilities		475,781,767.34	494,877,612.64

Parent company cash flow statement, FAS

EUR	2025	2024
Cash flow from operating activities		
Profit for the period	6,877,277.88	15,823,303.76
Depreciation, amortisation and impairment	2,661,869.32	2,808,741.76
Financial income and expenses	6,902,919.52	621,839.96
Other adjustments (appropriations and taxes)	-16,760,325.08	-19,972,927.67
Cash flow before change in working capital	-318,258.36	-719,042.19
Change in net working capital	2,049,670.09	1,062,114.17
Operating cash flow before financial items and taxes	1,731,411.73	343,071.98
Interest received	2,044,376.52	3,486,952.95
Direct taxes paid	-917,373.39	0.00
Cash flow from operating activities	2,858,414.86	3,830,024.93
Cash flow from investing activities		
Investments in tangible and intangible assets	-4,500,412.68	-207,283.68
Proceeds from sale of intangible and tangible assets	1,475.20	50,000.00
Income from dividends	0.00	10,000,000.00
Cash flow from investing activities	-4,498,937.48	9,842,716.32
Cash flow from financing activities		
Proceeds from short-term borrowings from group companies	-4,764,077.41	35,823,456.62
Loans granted to group companies	14,974,089.05	3,751,291.99
Proceeds from long-term borrowings	0.00	110,000,000.00
Repayment of long-term borrowings	-11,096,795.80	-141,096,795.80
Group contributions received	22,200,000.00	537,000.00
Hybrid bond interests and expenses	-2,402,500.00	-2,402,500.00
Interest paid	-7,029,837.82	-11,410,677.51
Dividends paid	-8,595,111.22	-1,579,002.46
Acquisition of own shares	-1,699,988.70	-936,721.11
Cash flow from financing activities	1,585,778.10	-7,313,948.27
Change in cash and cash equivalents	-54,744.52	6,358,792.98
Cash at the beginning of the financial year	30,637,684.94	24,278,891.96
Cash at the end of the financial year	30,582,940.42	30,637,684.94

Notes to the financial statements 31 December 2025

Accounting policies

Pihlajalinna Plc (2617455-1), domiciled in Tampere, is the parent company of Pihlajalinna Group. The financial statements have been prepared in accordance with the Finnish Accounting Act (FAS).

Valuation of non-current assets

Intangible assets and tangible assets have been recognised in the balance sheet at cost. Depreciation and amortisation according to plan is calculated using the straight-line method over the economic useful lives of the assets.

The planned depreciation periods are as follows:

Development costs	5–7 years
Other intellectual property rights	3–7 years
Other long-term expenditures	3–7 years
Machinery and equipment	3–10 years

Acquisition costs of assets included in non-current assets with a probable economic useful life of less than 3 years, and small-scale acquisitions (value under EUR 1 200) have been expensed in the financial year during which they were acquired in full. Financial assets are measured at the lower of cost or fair market value if the impairment is considered to be permanent.

Recognition of deferred taxes

Deferred tax liabilities or assets have been calculated on the temporary differences between taxation and the financial statements, using the prevailing tax base at balance sheet date. The balance sheet includes deferred tax liabilities in their entirety and deferred tax assets in the amount of the estimated probable receivables.

Revenue recognition

The sale of products and services is recognised in connection with their delivery.

Recognition of pension schemes

The personnel's statutory pension security is handled by an external pension insurance company. Pension costs are recognised as expenses during the year of their accrual.

Derivative financial instruments

The company has an interest swap agreement that is used to hedge floating rate financing arrangement. The company present the interest swap agreement according to prudent basis (Accounting Board 2016/1963). The negative value of the interest swap agreement is recorded based on the lowest value as an expense and a liability. The positive unrealized value is presented as an off balance sheet item and income statement item and presented only in the Notes. Additional information on the derivative is presented in the parent company's *Other notes*.

Hybrid Bond

On March 27, 2023, Pihlajalinna Oyj issued a hybrid bond of EUR 20 million. The hybrid bond is presented in liabilities in the balance sheet and the interest is presented in financial expenses in the income statement.

1.1. Revenue

EUR	2025	2024
Revenues by sector		
Sale of services, intracompany	14,588,152.79	11,988,270.96
	14,588,152.79	11,988,270.96

1.2. Other operating income

EUR	2025	2024
Lease income from equipment	327,862.08	416,086.56
Other income	-21,951.83	113,489.78
Capital gains on property, plant and equipment	20.31	0.00
	305,930.56	529,576.34

1.3. Personnel expenses

EUR	2025	2024
Wages and salaries	-1,665,675.76	-1,311,778.04
Pension costs	-60,719.38	-173,110.81
Other social security expenses	-19,456.37	-20,755.35
	-1,745,851.51	-1,505,644.20

Average number of employees during the financial year	2	3
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The remuneration of the Board of Directors of Pihlajalinna Plc is included in the company's personnel expenses. The Annual General Meeting of 24 April 2025 resolved that the following annual remuneration will be paid to the members of the Board of Directors elected for the term of office ending at the 2025 Annual General Meeting: to the Chair of the Board of Directors EUR 66,000 per year; to the Vice-Chair of the Board and the Chairs of the Committees EUR 44,000 per year, and to members EUR 33,000 per year.

The annual remuneration shall be paid in company shares and in cash, with approximately 40 per cent of the remuneration used to acquire shares in the name and on behalf of the members of the Board of Directors, and the remainder paid in cash. The remuneration can be paid either entirely or partially in cash if the member of the Board of Directors has, on the day of the General Meeting, 24 April 2025, been in possession of over EUR 1,000,000 worth of company shares. The company was responsible for the expenses and transfer tax arising from the acquisition of the shares. The remuneration to be paid in company's own shares was completed by handing over to the members of the Board a total of 7,114 own shares in May 2025. Rest of the annual remuneration was paid at the same time in cash.

If the term of a Board member ends before the Annual General Meeting of 2026, the Board is entitled to decide on the possible recovery of the remuneration in a manner it deems appropriate.

The AGM further decided that Chair of the Board shall be paid a meeting fee of EUR 1,000 in cash for each meeting of the Board of Directors and its committees, and that the other members of the Board shall be paid EUR 660 per meeting. In addition, reasonable travel expenses will also be reimbursed to the members of the Board in accordance with the company's travel policy.

1.4. Depreciation and impairment

EUR	2025	2024
Depreciation according to plan		
Intangible assets	-1,226,951.36	-1,377,555.98
Property, plant and equipment	-1,434,917.96	-1,431,185.78
Total depreciation according to plan	-2,661,869.32	-2,808,741.76

1.5. Other operating expenses

EUR	2025	2024
Voluntary social security expenses	-28,555.60	-54,775.34
Facility expenses	-201,105.76	-209,775.52
Vehicle expenses	-9,598.16	-2,744.54
ICT expenses	-12,018,746.05	-10,389,136.69
Machinery and equipment expenses	-430.70	-5,475.60
Sales, marketing and travel expenses	-49,593.78	-73,238.70
Administrative expenses	-1,158,439.84	-996,098.90
Losses on disposal of fixed assets	-751.84	-10,935.87
Other operating expenses, total	-13,467,221.73	-11,742,181.16

Auditor's fees		
Audit fees	150,000.00	104,206.91
Auxiliary services	100,101.78	60,309.22
Total	250,101.78	164,516.13

1.6. Financial income and expenses

EUR	2025	2024
Dividends from Group companies		10,000,000.00
Interest income from non-current investments		
From Group companies	1,442,713.43	2,960,678.03
From others	567,242.80	517,545.88
Interest income from non-current investments, total	2,009,956.23	13,478,223.91
Interest expenses and other financial expenses		
To Group companies	-1,359,151.11	-3,389,503.31
To others	-7,553,724.64	-10,710,560.56
Interest expenses and other financial expenses, total	-8,912,875.75	-14,100,063.87
Financial income and expenses, total	-6,902,919.52	-621,839.96

1.7. Appropriations

EUR	2025	2024
Difference between depreciation according to plan and depreciation in taxation	552,201.63	265,842.71
Group contributions received	16,400,000.00	22,200,000.00
Total	16,952,201.63	22,465,842.71

1.8. Income taxes

EUR	2025	2024
Change in deferred tax assets	-6,062.31	-2,481,979.17
Income taxes on actual operations during the financial year	-185,082.71	
Income taxes total	-191,145.02	-2,481,979.17

Notes to the balance sheet

2.1. Intangible assets

EUR	2025	2024
Development costs		
Acquisition cost at the start of the financial year	1,606,814.06	1,606,814.06
Acquisition cost at the end of the period	1,606,814.06	1,606,814.06
Accumulated depreciation at beginning of period	-1,606,814.06	-1,510,619.52
Depreciation and amortisation for the period	0.00	-96,194.54
Carrying amount at the end of period	0.00	0.00
Other intellectual property rights		
Acquisition cost at the start of the financial year	1,658,013.65	1,658,013.65
Acquisition cost at the end of the period	1,658,013.65	1,658,013.65
Accumulated depreciation at beginning of period	-1,645,155.84	-1,618,867.23
Depreciation and amortisation for the period	-8,571.86	-26,288.61
Carrying amount at the end of period	4,285.95	12,857.81
Other long-term expenditures		
Acquisition cost at the start of the financial year	9,262,219.68	8,972,575.87
Additions	959,160.48	100,564.00
Transfers between items	3,534,822.39	189,079.81
Acquisition cost at the end of the period	13,756,202.55	9,262,219.68
Accumulated depreciation at beginning of period	-7,122,930.76	-5,867,857.93
Depreciation and amortisation for the period	-1,218,379.50	-1,255,072.83
Carrying amount at the end of period	5,414,892.29	2,139,288.92
Prepayments for intangible assets		
Acquisition cost at the start of the financial year	0.00	137,048.51
Additions	3,534,822.39	52,031.30
Transfers between items	-3,534,822.39	-189,079.81
Carrying amount at the end of period	0.00	0.00
Intangible assets, total		
Acquisition cost at the start of the financial year	12,527,047.39	12,374,452.09
Additions	4,493,982.87	152,595.30
Acquisition cost at the end of the period	17,021,030.26	12,527,047.39
Accumulated depreciation at beginning of period	-10,374,900.66	-8,997,344.68
Depreciation and amortisation for the period	-1,226,951.36	-1,377,555.98
Carrying amount at the end of period	5,419,178.24	2,152,146.73

2.2. Property, plant and equipment

EUR	2025	2024
Machinery and equipment		
Acquisition cost at the start of the financial year	8,884,566.52	8,965,291.18
Additions	6,429.81	54,688.38
Disposals	-20,628.35	-135,413.04
Acquisition cost at the end of the period	8,870,367.98	8,884,566.52
Accumulated depreciation at beginning of period	-3,924,086.63	-2,567,378.02
Depreciation and amortisation for the period	18,421.62	74,477.17
Accumulated depreciation on disposals	-1,434,917.96	-1,431,185.78
Carrying amount at the end of the period	3,529,785.01	4,960,479.89
Total tangible assets		
Acquisition cost at the start of the financial year	8,884,566.52	8,965,291.18
Additions	6,429.81	54,688.38
Disposals	-20,628.35	-135,413.04
Acquisition cost at the end of the period	8,870,367.98	8,884,566.52
Accumulated depreciation at beginning of period	-3,924,086.63	-2,567,378.02
Depreciation and amortisation for the period	18,421.62	74,477.17
Accumulated depreciation on disposals	-1,434,917.96	-1,431,185.78
Carrying amount at the end of the period	3,529,785.01	4,960,479.89

2.3. Investments

EUR	2025	2024
Other shares and participations		
Acquisition cost at the start of the financial year	50,000.00	50,000.00
Acquisition cost at the end of the period	50,000.00	50,000.00
Shares in subsidiaries		
Acquisition cost at the start of the financial year	384,485,075.95	384,485,075.95
Acquisition cost at the end of the period	384,485,075.95	384,485,075.95
Total investments	384,535,075.95	384,535,075.95

A full list of the Group's subsidiaries is presented in Note 32 *Subsidiaries* in the consolidated financial statements.

2.4. Non-current receivables

EUR	2025	2024
Receivables from others		
Deferred tax assets	0.00	6,062.31
Total non-current receivables	0.00	6,062.31

2.5. Current receivables

EUR	2025	2024
Receivables from others		
Trade receivables	960,103.24	0.00
Other receivables	1,054,516.95	678,769.65
Prepayments and accrued income	5,083,822.91	5,345,447.22
Total	7,098,443.10	6,024,216.87

Receivables from Group companies

Trade receivables	0.00	1,103,518.86
Loan receivables	26,807,258.23	41,781,347.28
Prepayments and accrued income	17,809,086.39	23,677,079.81
Total	44,616,344.62	66,561,945.95

Material items included in Prepayments and accrued income

Group contribution	16,400,000.00	22,200,000.00
Accrued direct taxes	732,290.68	0.00
Accrued social security expenses	51,125.08	54,009.11
Accrued trade payables	5,312,645.09	5,829,141.88
Other	396,848.45	939,376.04
Total	22,892,909.30	29,022,527.03

Total current receivables	51,714,787.72	72,586,162.82
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2.6. Equity

EUR	2025	2024
Restricted equity		
Share capital at the beginning	80,000.00	80,000.00
Share capital at the end	80,000.00	80,000.00
Total restricted equity	80,000.00	80,000.00

Unrestricted equity

Reserve for invested unrestricted equity at the beginning	183,190,483.50	183,190,483.50
Reserve for invested unrestricted equity at the end	183,190,483.50	183,190,483.50
Retained earnings at the beginning	33,641,856.78	20,334,276.59
Dividends paid	-8,595,111.21	-1,579,002.46
Acquisition of own shares	-1,699,988.70	-936,721.11
Retained earnings	23,346,756.87	17,818,553.02

Profit for the period	6,877,277.88	15,823,303.76
Total unrestricted equity	213,414,518.25	216,832,340.28

Total equity	213,494,518.25	216,912,340.28
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Retained earnings	23,346,756.87	17,818,553.02
Result for the period	6,877,277.88	15,823,303.76
Reserve for invested unrestricted equity	183,190,483.50	183,190,483.50
Distributable unrestricted equity	213,414,518.25	216,832,340.28

Shares in subsidiaries	22,620,135	22,620,135
of which treasury shares	140,050	141,184
Number of outstanding shares	22,480,085	22,478,951

2.7. Accumulated appropriations

EUR	2025	2024
Accumulated depreciation difference	879,441.45	1,431,643.08

2.8. Liabilities

EUR	2025	2024
2.8.1 Non-current liabilities		
Liabilities to others		
Loans from financial institutions	100,000,000.00	110,000,000.00
Hybrid Bond	20,000,000.00	20,000,000.00
Other non-current liabilities	1,462,311.80	2,559,107.60
Non-current liabilities, total	121,462,311.80	132,559,107.60
2.8.2 Current liabilities		
Liabilities to others		
Trade payables	6,945,261.61	6,289,126.00
Other liabilities	1,111,337.40	1,145,783.75
Accrued liabilities	4,241,319.65	5,050,694.19
	12,297,918.66	12,485,603.94
Liabilities to Group companies		
Trade payables	958,434.36	453.50
Accrued liabilities	0.00	35,244.00
Other liabilities	126,689,142.82	131,453,220.23
	127,647,577.18	131,488,917.73
Material items included under Accrued liabilities		
Personnel expense allocations	69,841.63	419,860.59
Interest allocations	3,599,467.21	4,157,410.10
Other items	572,010.81	508,667.50
	4,241,319.65	5,085,938.19
Current liabilities, total	139,945,495.84	143,974,521.67

Other notes

EUR	2025	2024
Collaterals and contingent liabilities		
Other sureties	157,270.00	157,270.00

Pihlajalinna's financing arrangements

Pihlajalinna Group's financing arrangement comprises a EUR 100 million long-term loan and a EUR 60 million revolving credit facility for general financing needs. The financing agreement negotiated in 2024 was originally for three years, maturing in June 2027, with two option years. In June 2025, Pihlajalinna exercised one of the option years, and the loan will now mature in June 2028. The agreement also includes the possibility of one further option year.

The financing arrangement includes the customary financial covenants concerning leverage (ratio of net debt to pro forma EBITDA) and gearing. IFRS 16 lease liabilities are not taken into account in the calculation of the covenants. Additionally, the loan margin of the financing is linked to Pihlajalinna's key sustainability targets: patient satisfaction, access to surgical treatment and employee satisfaction. These sustainability objectives have a minor impact on the loan margin depending on the number of targets achieved. At the end of the financial year, the sustainability targets linked to the financing arrangement did not cause any changes in the loan margins. During the financial year and at the end of it, the Group met the financial covenants agreed upon in the agreement.

At the end of the reporting period, 31 December 2025, the withdrawn loan amount to which the covenants apply was EUR 100.0 million (EUR 110.0 million).

Pihlajalinna has an interest rate swap agreement with a nominal value of EUR 65 million, which is used to convert the interest on a floating rate financing arrangement to a fixed rate. The interest rate swap entered into effect in March 2023 and will remain in effect until 25 March 2027. Its fair value was EUR -0.6 (-0.8) million at the end of the financial year. Derivative contract is presented in the parent company's financial statements based on the principle of prudence, and the positive unrealized difference between the value at the time of execution and the value on the balance sheet date has not been recorded as income in the financial statements. The negative unrealized difference between the value at the time of execution and the value on the balance sheet date has been recorded as an expense and a liability.

On 27 March 2023, Pihlajalinna issued a hybrid bond with an annual coupon of 12%. The hybrid bond does not have a specified maturity date. Pihlajalinna is entitled to redeem the hybrid bond on the Reset Date, 27 March 2026, and thereafter on each interest payment date. The hybrid bond is presented in the parent company's financial statements in liabilities in the balance sheet and the interest is presented in financial expenses in the income statement.

Pihlajalinna had EUR 70.0 (70.0) million in unused committed credit limits available. Unused credit limits consist of EUR 10 million credit limit agreements and EUR 60 million unwithdrawn revolving credit facility.

EUR	2025	2024
Lease commitments		
Within one year	168,614.52	166,880.64
Between one and five years	112,409.68	278,134.40

Dates and signatures to the report by the Board of Directors and the financial statements

Tampere, 5 March 2026

The financial statements, prepared in accordance with applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position, and profit or loss of both the company and the group of companies included in its consolidated financial statements.

The management report contains a fair review of the development and performance of the business operations of both the company and the group of companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition.

The sustainability report included in the management report has been prepared in accordance with the reporting standards referred to in Chapter 7 of the Finnish Accounting Act as well as Article 8 of the EU Taxonomy Regulation.

Jukka Leinonen
Chair

Kim Ignatius

Heli Iisakka

Tiina Kurki

Leena Niemistö

Mikko Wirén

Tuomas Hyyryläinen
CEO

Auditor's Note

A report on the performed audit has been issued today.

Helsinki, 6 March 2026

Ernst & Young Oy
Authorized Public Accountant Firm

Johanna Winqvist-Ilkka
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Pihlajalinna Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pihlajalinna Plc (business identity code 2617455-1) for the year ended 31 December 2025. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 7 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud

Key Audit Matter**Valuation of Goodwill**

We refer to note 14 in the consolidated financial statements.

- The value of goodwill at the date of the consolidated financial statements amounted to 253.8 million euros, representing 42.4 % of the group's total assets and 131.8 % of the group's equity.
- Valuation of goodwill is based on management's estimates about the values-in-use of the group's cash generating units. There are underlying assumptions used to determine the value-in-use of a cash generating unit, including the development of revenue and profitability and the discount rate applied to cash flows estimates.
- Value-in-use calculations of a cash generating unit may vary significantly when the underlying assumptions are changed. Changes in the individual assumptions may result in an impairment of goodwill.
- Valuation of goodwill was a key audit matter because the assessment process requires significant management judgements and forecasts to be made, because it is based on assumptions related to market and economic conditions extending far into the future and because the amount of goodwill is material to the consolidated financial statements.
- This matter was also a significant risk of material misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).

How our audit addressed the Key Audit Matter

- Our audit procedures to address the risk of material misstatement regarding valuation of goodwill included among others:
 - involving our valuation specialists to assist us in assessing the appropriateness of the methodologies, impairment calculations and underlying assumptions applied by management in the impairment testing;
 - testing the mathematical accuracy of the impairment calculations;
 - comparing the key assumptions applied by management in the impairment testing to approved budgets and forecasts, information available in external sources and our independently calculated industry averages such as for the weighted average cost of capital used in discounting cash flows;
 - comparing the outcome of the impairment test to the market capitalization of Pihlajalinna Oyj; and
 - comparing the principles applied by management in the impairment testing to the requirements set out in the standard IAS 36 Impairment of Assets.
- We also assessed the appropriateness of the disclosures regarding impairment testing made in the notes to the consolidated financial statements.

Revenue recognition

We refer to the Group's accounting policies and the note 2.

- Pihlajalinna Group records revenue from healthcare, social and wellness services and service packages, across multiple locations and channels for different customer and payer groups. The recording of revenues occurs over time for fixed annual price on outsourcing contracts or at a point in time based on service visits or usage. The group's revenue for the financial year was €652.3 million.
- Revenue recognition has been considered a key audit matter due to the several pricing and contract models and the large number of revenue transactions. In particular, changes to social and healthcare services' outsourcing contracts materially effect revenue. Additionally, revenue is a key performance indicator for management, which may create an incentive for the premature recognition of revenues.
- This matter was also a significant risk of material misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).

- Our audit procedures to address the risk of material misstatement regarding revenue recognition included among others:
 - We utilized data-driven audit procedures when conducting various revenue process reviews and walk-throughs.
 - We reviewed the material sales systems and the reconciliations prepared by management between the subledger and the general ledger.
 - We used data-analytics for testing revenues and margins, as well as analyzing revenue transactions to received payments during the financial year.
 - We reviewed the material outsourcing contracts in social and healthcare services, as well as contract amendments, and compared the contractual data to recorded revenues.
 - We assessed the appropriateness and timing of revenue recognition, considering the group's accounting principles and applicable accounting standards.
- We also assessed the appropriateness of the disclosures regarding revenue recognition made in the notes to the consolidated financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or,

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 24.4.2025, and our appointment represents a total period of uninterrupted engagement of one year.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 6. March 2026

Ernst & Young Oy
Authorized Public Accountant Firm

Johanna Winqvist-Ilkka
Authorized Public Accountant

Assurance Report on the Sustainability Statement

To the Annual General Meeting of Pihlajalinna Oyj

We have performed a limited assurance engagement on the group sustainability statement of Pihlajalinna Oyj (business identity code 2617455-1) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Pihlajalinna Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Authorized Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the Authorized Sustainability Audit Firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Pihlajalinna Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices.

Group Sustainability reporting is also characterized by the fact that reporting of this type of information involves estimates and assumptions, as well as measurement and assessment uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

When reporting future-related information in accordance with the ESRS standards, the company's management must present assumptions regarding possible future events and disclose the company's potential future actions related to these events, as well as prepare future-related information based on these assumptions. The actual outcome is likely to differ, as predicted events often do not occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We have interviewed the management of the group as well as key personnel responsible for collecting and reporting of the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided from the double materiality assessment is in material respects in accordance with the ESRS standards.
- We assessed whether the group sustainability statement in material respects meets the requirements of the ESRS standards regarding material sustainability topics:
 - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis to the documentation and records prepared by the company and assessed whether they support the information included in the group sustainability statement.
 - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculations and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.

- Regarding EU Taxonomy data, we gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided.

Helsinki 6. March 2026

Ernst & Young Oy
Authorized Sustainability Audit Firm

Johanna Winqvist-Ilkka
Authorized Sustainability Auditor

Independent Auditor's report on the ESEF Consolidated Financial Statements of Pihlajalinna Plc

To the Board of Directors of Pihlajalinna Plc

We have performed a reasonable assurance engagement on the financial statements 74370058MTRLEDOCHV67-2025-12-31-1-fi.zip of Pihlajalinna Plc (y-identifier 2617455-1) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2025.

The Responsibility of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's regulatory technical standard. We express an opinion on whether the consolidated financial statements that are included

in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of the Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE 3000).

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Pihlajalinna Plc 74370058MTRLEDOCHV67-2025-12-31-1-fi.zip for the year ended 31.12.2025 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Pihlajalinna Plc for the financial year ended 31.12.2025 has been expressed in our auditor's report dated 6.3.2026. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Tampere 6. March 2026

Ernst & Young Oy
Authorized Public Accountant Firm

Johanna Winqvist-Ilkka
Authorized Public Accountant



Remuneration Report 2025

REMUNERATION REPORT

INTRODUCTION

This Remuneration Report of Pihlajalinna Plc ("the Company" or "Pihlajalinna") is a Remuneration Report for Governing Bodies prepared in accordance with the Limited Liability Companies Act, the Securities Markets Act and the recommendations of the Corporate Governance Code 2025. The People and Sustainability Committee of Pihlajalinna's Board of Directors has prepared this 2025 Remuneration Report, which will be presented to Pihlajalinna's Annual General Meeting in 2026. The Remuneration Report contains information on the remuneration of the members of the Board of Directors and the CEO in the financial year 2025. The Pihlajalinna Board of Directors has approved the Remuneration Report for presentation to the Annual General Meeting in 2026.

The Remuneration Report for Governing Bodies 2024 was approved at Pihlajalinna's Annual General Meeting on 24 April 2025. The decision of the Annual General Meeting on the Remuneration Report is advisory.

The aim of the Remuneration Report is to provide a clear picture of the implementation of the Company's Remuneration Policy. The Remuneration Policy is available on the Company's investor website at pihlajalinna.fi/en/investors and it has been approved by the Annual General Meeting on 24 April 2025.

There have been no deviations from the Remuneration Policy during the financial year 2025, and there have not been any situations during the financial year where there would have been a need to recover remuneration.

The auditing firm Ernst & Young Oy, which served as Pihlajalinna Plc's auditor during the financial year 2025, has verified, in accordance with Ministry of Finance decree 608/2019, that the information referred to in Section 3 of the decree has been disclosed in this report.

Development of remuneration in relation to the Company's key financial indicators

Pihlajalinna's General Meeting decides on the remuneration paid to the members of the Board of Directors. The proposal for the remuneration of the Board members is prepared by the Shareholders' Nomination Board. In 2025, the Board of Directors was paid a one-time annual fee for its entire term, as in the previous year. The remuneration of the Board of Directors is described in the following tables.

Assisting the Board of Directors, the People and Sustainability Committee prepare the principles applied to the remuneration of the CEO. The Company's Board of Directors appoints the CEO and potential Deputy CEO and decides on the terms and conditions of their service. In accordance with the Remuneration Policy, the remuneration of the CEO is based on a fixed monthly salary including fringe benefits and separately decided variable remuneration components, such as long-term share-based incentive plan or short-term performance-based incentive plan.

Tuomas Hyryläinen has served as the CEO of Pihlajalinna throughout the financial year 2025. In addition to the fixed monthly salary, the CEO was paid share-based awards under the long-term incentive plan, as well as performance-based bonuses under the short-term performance-based incentive plan.

The development of the average earnings of employees has shown an increasing trend. Approximately 79% (2024: 79%) of the Company's

employees are within the scope of collective labour agreements. The development of wages for employees in these groups is guided by the general increases defined in the collective agreements.

The following table presents the development of the remuneration of the Board of Directors and the CEO compared to the development of the average remuneration of the Group's employees and the Group's financial performance in the past five financial years:

	2021	2022	2023	2024	2025
Total remuneration of the Board of Directors, EUR ⁽¹⁾	588,000*	491,000	397,000	358,000	326,560
Total remuneration of the CEO, EUR ⁽¹⁾	405,000	333,000	647,000	521,000	706,000
Joni Aaltonen, CEO until 8 Mar 2023	405,000	339,000	353,000	0	0
Mikko Wirén, interim CEO 9 Mar - 31 Aug 2023			174,000	0	0
Tuomas Hyryläinen, CEO from 1 Sep 2023			120,000	521,000	706,000
Average employee earnings, EUR ⁽²⁾	45,000	51,000	54,000	60,000	63,000
Revenue, EUR million	577.8	690.5	720.0	704.4	652.3
Operating profit (EBIT), EUR million	27.9	8.9	20.6	48.5	52.7
Profit for the period, EUR million	19.1	7.7	4.6	30.2	38.6

1) Rounded to the nearest thousand

2) Average employee earnings have been calculated by dividing the total wages paid during the financial year by the number of employees as full-time equivalents (FTE), rounded to the nearest thousand

*) Monthly remuneration paid to the Board of Directors 1–4/2021 for the term 2020–2021 and the annual remuneration paid for the term 2021–2022 as a lump sum in shares and cash on 14 May 2021.

REMUNERATION REPORT

II REMUNERATION OF THE BOARD OF DIRECTORS

Pihlajalinna's Annual General Meeting held on 24 April 2025 resolved that the Board of Directors would be paid the following annual remuneration for the term ending at the conclusion of the 2026 Annual General Meeting: the Chair of the Board EUR 66,000, the Vice-Chair of the Board and the Chairs of the Committees EUR 44,000, and the other members EUR 33,000.

The Annual General Meeting resolved that annual remuneration shall be paid in Company shares and in cash, with approximately 40 per cent of the remuneration used to acquire shares in the name and on behalf of the members of the Board of Directors, and the remainder paid in cash. The Company was responsible for the expenses and transfer tax arising from the acquisition of the shares. The remuneration could be paid either entirely or partially in cash if the member of the Board of Directors was, on the day of the Annual General Meeting, 24 April 2025, in possession of over EUR 1,000,000 worth of

Company shares. If the term of a Board member ends before the next Annual General Meeting, the Board is entitled to decide on the possible recovery of the remuneration in a manner it deems appropriate.

The General Meeting further decided that Chair of the Board shall be paid a meeting fee of EUR 1,000 in cash for each meeting of the Board of Directors and its committees, and that the other members of the Board shall be paid EUR 660 per meeting. In addition, reasonable travel expenses will also be reimbursed to the members of the Board in accordance with the company's travel policy.

In 2025, the fees paid to Pihlajalinna Plc's Board members for Board and Committee work totalled EUR 326,560 (2024: EUR 358,200). The amount paid in 2024 consisted of meeting fees and the annual fee paid to the Board of Directors for the term 2024–2025, which was paid to the Board members in the form of a lump sum in shares and

in cash in May 2024. The amount paid in 2025 consists of meeting fees and the annual fee paid to the Board of Directors for the term 2025–2026, which was paid to the Board members in the form of a lump sum in shares and in cash in May 2025.

The Company does not use any share-based incentive schemes that apply to members of the Board of Directors. The members of the Company's Board of Directors did not receive remuneration during the financial year 2025 from Pihlajalinna Group companies other than the parent company Pihlajalinna Plc.

Remunerations paid to the Board of Directors in 2025, EUR

BOARD MEMBER		ANNUAL FEE, OF WHICH			TOTAL REMUNERATION	THE NUMBER OF SHARES TRANSFERRED AS PART OF THE ANNUAL FEE
		SHARES	CASH	MEETING FEES		
Leinonen Jukka	Chair	26,387	39,613	13,980	79,980	1,856
Niemistö Leena	Vice-Chair of the Board and Chair of the People and Sustainability Committee	17,587	26,413	10,920	54,920	1,237
Ignatius Kim	Member, Audit Committee Chair	17,587	26,413	11,580	55,580	1,237
Iisakka Heli	Member	13,194	19,806	11,580	44,580	928
Juvonen Hannu	Member, People and Sustainability Committee Chair until 24 April 2025	0	0	3,000	3,000	0
Kurki Tiina	Member	13,194	19,806	11,580	44,580	928
Wirén Mikko	Member	13,194	19,806	10,920	43,920	928
		101,142	151,858	73,560	326,560	7,114

REMUNERATION REPORT

III REMUNERATION OF THE CEO

The salary and other taxable benefits of CEO Tuomas Hyryläinen for the financial year that ended on 31 December 2025 were EUR 706,000. The remuneration of the CEO consisted of a fixed annual salary of EUR 378,000 (including fringe benefits and holiday pay), share-based awards under the long-term incentive plan of EUR 167,000 and as well as performance-based bonuses under the short-term performance-based incentive plan of EUR 162,000. The variable remuneration accounted for approximately 87 per cent of the CEO's fixed annual salary.

The CEO was paid share-based rewards of gross amount of EUR 167,000, of which EUR 80,876 was paid in the Company's shares according to the weighted average share price of EUR 12.98 per share (6,232 shares) on the payment date, 14 March 2025, and the remaining EUR 85,885 was paid in cash to cover the taxes incurred. The shares are subject to a transfer restriction and obligation to return the shares in the event of termination in accordance with the incentive scheme.

According to CEO Tuomas Hyryläinen's contract, the notice period for dismissal is six months. The Company is liable to pay the CEO one-time compensation for termination amounting to eight months' total salary.

The Company did not have a Deputy CEO indicated in the Trade Register during the financial year 2025.

Long-term incentive plans

Pihlajalinna's Board of Directors has established a long-term share-based incentive plan for key employees of the Group and CEO is entitled to participate to the plan. The Performance Share Plan 2025–2029 consists of three performance periods, covering the financial years 2025–2027, 2026–2028 and 2027–2029. The Board of Directors decides annually on the commencement and details of every performance period. One performance period under the programme, covering 2025–2027, has been commenced.

The purpose of the plan is to combine the objectives of the Company's owners and key personnel in order to increase the Company's value in the long term. The aim is also to commit key personnel to implementing the Company's strategy and objectives by offering them a competitive incentive scheme based on the earning and accumulation of the Company's shares.

In 2024, an external remuneration consultant and benchmarking data were used in evaluating the remuneration of the Management Team (including the CEO) and in preparing the new scheme. Remuneration was assessed in relation to some Finnish listed companies with corresponding revenue, number of personnel, balance sheet value and market value. The assessment focused on the target and earnings levels of remuneration and the relationship between fixed and variable remuneration.

The CEO must own 50 per cent of the shares received until the value of their total shareholding in Pihlajalinna corresponds to their annual base salary for the calendar year preceding the payment of their remuneration. This number of shares must be held for as long as the position as CEO continues.

The CEO's remuneration and earning opportunities under long-term incentive plans:

Long-term incentive plan	KPI	Weight	Level achieved	Total weighted performance outcome	Grant date	Number of gross shares granted	Number of gross shares vested*	Vesting date
LTIP 2022	Adjusted EBITA	60 %	100 %	92 %	14 March 2024	14,000	12,850	March 2025
	Sickness absence per cent development	20 %	71 %					
	Customer satisfaction development (NPS)	10 %	100 %					
	Employee Net Promoter Score (eNPS)	10 %	75 %					
PSP 2025-2027	Return on capital employed (ROCE)	40 %	-	-	2 May 2025	96,000	-	Spring 2028
	Total Shareholder Value (rTSR)	30 %	-					
	Annual revenue growth	20 %	-					
	Sickness absence per cent development	10 %	-					

*The stated number of shares is the gross number of shares. The gross number means that the applicable withholding tax will be deducted from it, and the remaining net amount will be paid to the participants in shares.

REMUNERATION REPORT

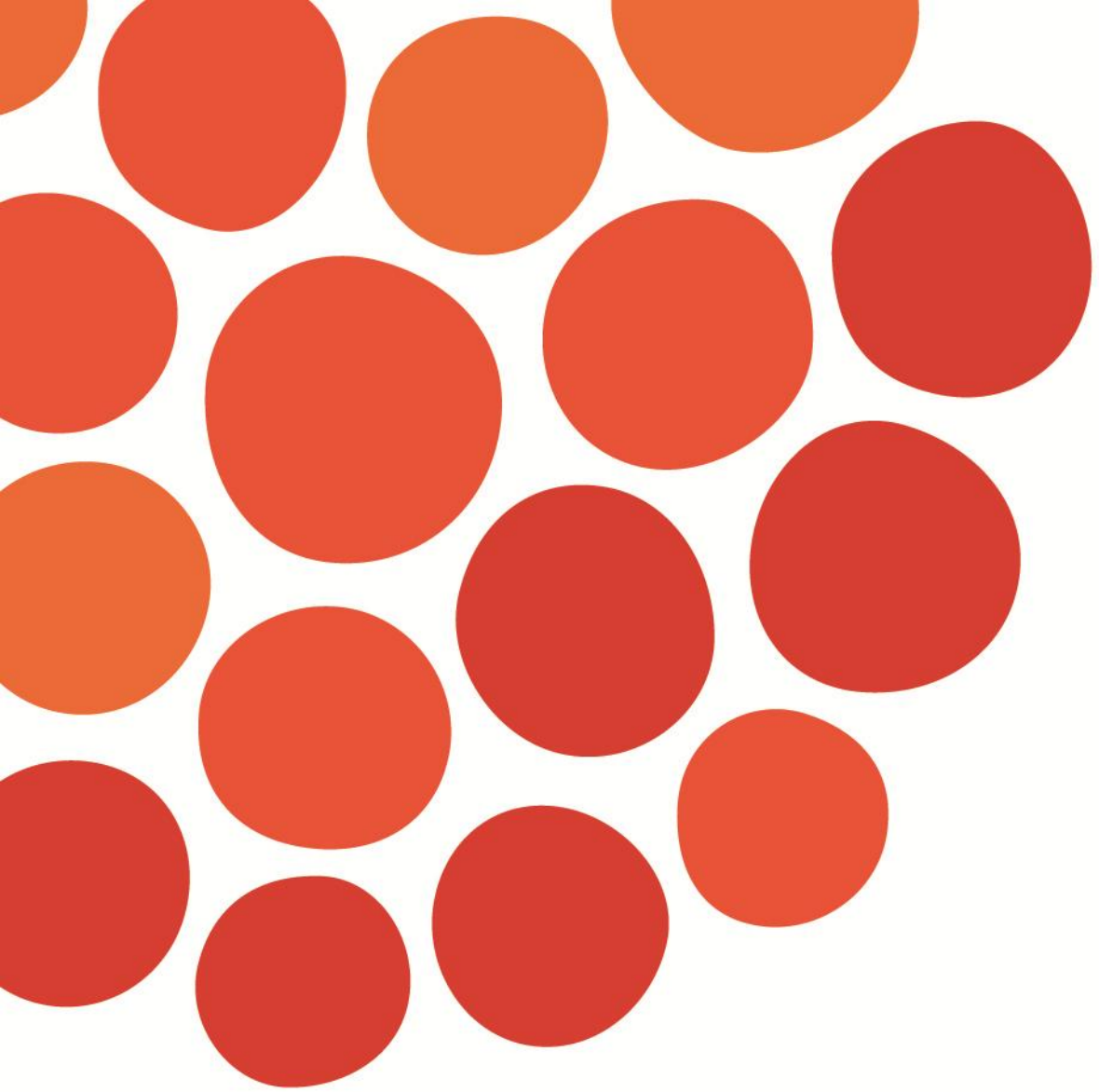
Short-term incentive plan

Pihlajalinna uses a short-term incentive plan (STI), for which the bonus is paid in cash. The Company's Board of Directors confirms the amount, targets and criteria for the CEO's short-term incentive plan annually. The maximum amount of the CEO's short-term incentive plan was 60 per cent of the annual base salary in 2025 (60 per cent in 2024).

The realisation of the incentive bonus for 2024 was 44.9 per cent of the annual base salary, with an amount of EUR 162,000 paid in March 2025.

The CEO's performance earnings criteria and realisation are described in the following table.

	2025	
	Weight	Realisation
Adjusted EBITA	60 %	0 %
Organic revenue growth percentage	30 %	0 %
Employee Net Promoter Score development (eNPS)	10 %	0 %



Pihlajalinna