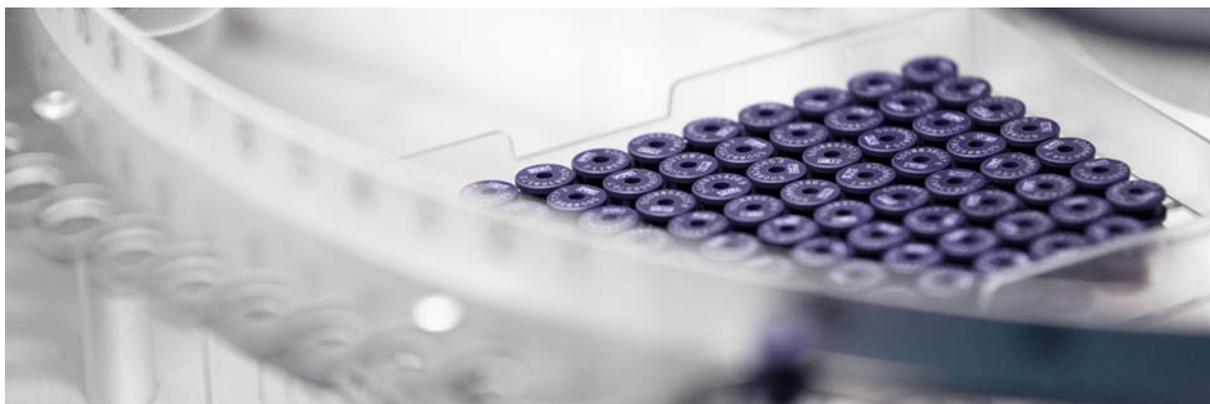




# Nightingale Health

**FINANCIAL STATEMENTS RELEASE  
1 JULY 2022–30 JUNE 2023**



## **Nightingale Health Group's Financial Statements Release**

1 July 2022 – 30 June 2023

(unaudited)

Company release, 28 September 2023 at 9:00 a.m. (EEST)

### **BUSINESS GROWTH ACCELERATES**

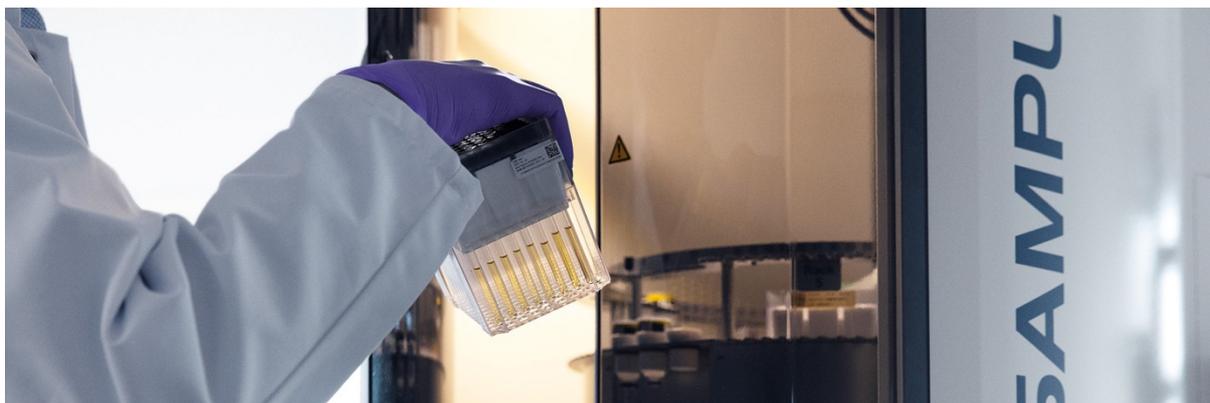
*Numbers in brackets refer to corresponding year-on-year period unless otherwise stated.*

#### **January–June 2023 (H2) key financials (IFRS)**

- Revenue was EUR 1.94 (1.04) million
- EBITDA was EUR -6.37 (-5.26) million
- Operating loss was EUR -9.85 (-7.73) million
- Net loss for the period was EUR -9.53 (-10.33) million
- Unadjusted earnings per share (EPS) was EUR -0.16 (-0.17) (Series A and EMP) and EUR -0.16 (-0.17) (Series B)
- Cash and cash equivalents at the end of the period were EUR 80.64 (95.28) million

#### **July 2022–June 2023 key financials (IFRS)**

- Revenue was EUR 4.18 (2.31) million
- EBITDA was EUR -11.83 (-9.39) million
- Operating loss was EUR -18.52 (-13.63) million
- Net loss for the period was EUR -18.08 (-16.09) million
- Unadjusted earnings per share (EPS) was EUR -0.30 (-0.27) (Series A and EMP) and EUR -0.30 (-0.27) (Series B)
- Cash and cash equivalents at the end of the period were EUR 80.64 (95.28) million



## Significant events during the financial period 1 July 2022 – 30 June 2023

- Nightingale Health and Terveystalo signed on 30 June 2023 a letter of intent to expand their strategic partnership. In August 2023, after the end of the financial period, Nightingale Health and Terveystalo announced the agreement of the expansion of the partnership and that Terveystalo adopts Nightingale Health's blood analysis technology in regular health checks in occupational health. Nightingale Health expects the expansion of the collaboration to significantly increase the sample analysis volumes ordered by Terveystalo.
- Nightingale Health acquired a worldwide license and rights to the Velvet™ blood collection device from Weavr Health Corp. The acquired license gives Nightingale Health the rights to independently manufacture the devices and commercially use them in connection with its services. In consideration of the royalty free license, Nightingale Health gave up its rights based on the convertible loan (original investment of approximately EUR 3.5 million).
- A study of over 100,000 people was published in *Nature Medicine*, one of the world's leading medical journals, further demonstrating that Nightingale Health's blood test can identify early risk signs for many common diseases all at once and capture a unique snapshot of a person's health state in a cost-effective way. The study was conducted by researchers from universities in Germany, the Netherlands, and the UK and is one more indication that Nightingale Health's technology can significantly support in building a global preventative health system.
- As part of its international growth strategy Nightingale Health established a new subsidiary in the UK and announced it will establish a laboratory in the UK during 2023. In the UK, Nightingale Health aims to expand its partnerships within the medical research industry, and to eventually make the technology available to the UK healthcare system.
- In Japan, Nightingale Health has during the financial period signed new contracts with dozens of hospitals and clinics to expand the sales of the preventative health service offered by Nightingale Health Japan KK, a fully owned subsidiary of Nightingale Health Plc and Welltus Inc., a subsidiary of Japanese conglomerate Mitsui & Co Ltd.
- Nightingale Health announced that its strategic partnership in Estonia was progressing. Nightingale Health analyzed and delivered the analysis results from more than 200,000 Estonian Biobank samples. The collaboration with Estonian Biobank allows the use of Nightingale Health's analysis results in medical research.
- Nightingale Health announced that it has finalized the integration of genetic information into its services. The company announced in 2022 that it had acquired a Finnish genetic testing company, Negen Oy, and that it will set up a center of excellence for genomic data analysis. These investments enabled the company to offer the combination of blood analysis data and genetic information in its services. The addition of genetic data to its blood analysis further improves the risk detection capability of the company's technology. By combining

information about how lifestyle affects the dynamic state of one's health with the static inherited state, Nightingale Health's services can provide health risk assessments that are superior to any traditional health risk analysis.

- Nightingale Health was granted patents for the company's technology's ability to determine whether an individual is at risk of developing renal disease, atrial fibrillation, digestive system disease, and pre-eclampsia. Additionally, patents were granted for the ability to determine whether an individual is at risk of dying from breast cancer and risk of dying from prostate cancer.
- Nightingale Health published a pre-print showcasing that the company's blood-based risk prediction models outperform genetic risk prediction in chronic diseases. The study shows that genomic data alone is not a solution for accurate disease risk prediction. Risk models based on blood biomarkers provide more accurate and actionable information, and when combined with polygenic risk scores, they provide a superior tool for finding people at high risk and targeting them with preventative actions. The combination of blood biomarkers and genetic data takes into account both inherited static risks and dynamic risks that reflect lifestyle.

## Key figures

EUR thousand	Group 1–6/23	Group 1–6/22	Group 7/22–6/23	Group 7/21–6/22
Revenue	1,939	1,041	4,182	2,313
EBITDA	-6,372	-5,261	-11,835	-9,389
Operating loss	-9,852	-7,727	-18,524	-13,634
Net loss for the financial period	-9,530	-10,332	-18,083	-16,091
Equity ratio	92%	91%	92%	91%
Net debt to equity ratio	-78%	-78%	-78%	-78%
Balance sheet total	106,793	124,048	106,793	124,048
Number of employees on average	87	67	82	64
Employee benefits*	-5,273	-3,613	-9,381	-6,499
Cash and cash equivalents at the end of the period	80,639	95,279	80,639	95,279

\* Employee benefits include expenses in accordance with the IFRS 2 *Share based payments* standard, which totaled EUR 3.95 (3.53) million in the financial year.

### Share performance indicators

	Group 1–6/23	Group 1–6/22	Group 7/22–6/23	Group 7/21–6/22
Earnings per share (EPS), undiluted and diluted**, EUR	-0.16	-0.17	-0.30	-0.27
Equity per share, EUR	1.60	1.83	1.60	1.83
Lowest share price, HEALTH, EUR	0.85	1.65	0.85	1.65
Highest share price, HEALTH, EUR	1.89	3.93	2.27	5.95
Closing price at the end of the financial period, HEALTH, EUR	0.87	1.81	0.87	1.81
Average daily trading volume of the share	61,157	85,650	51,859	76,623
Market value of the shares at the end of the financial period, EUR	52,435,928	109,183,687	52,435,928	109,183,687

\*\* The company's potential dilutive instruments consist of stock options. As the company's business has been unprofitable, stock options would have an anti-dilutive effect and therefore they are not taken into account in calculating the dilutive loss per share. Thus, there is no difference between the undiluted and diluted earnings per share.

## From the CEO

We founded Nightingale Health to create a solution that enables effective prevention of chronic diseases. One of our main goals was that our proprietary technology would become adopted by healthcare systems, so that it could reach and help as many people as possible.

Large-scale prevention of diseases is only possible if we are better able to target medical interventions to the people who benefit the most from them. Nightingale Health's blood test is the missing link that identifies people at the highest risk of disease and connects them to interventions provided by healthcare professionals, thus enabling the realization of a preventative healthcare system.

The letter of intent we published at the end of the financial year about the expansion of our cooperation with Terveystalo, Finland's largest health service provider, is a concrete step towards this goal. In August 2023, we entered into an agreement on the expansion of our cooperation, and announced that Terveystalo will include our risk prediction models and blood values in regular health checks in occupational health. The agreement indicates that our technology brings added value to healthcare and that it can be successfully integrated into existing clinical operations, where blood samples are taken systematically on a nationally significant scale.

In the research market, the demand for our analysis services continued to be strong during the financial period. We achieved the goal we set for the financial year of signing contracts for the analysis of more than 175,000 blood samples. We have grown into a globally significant player and our customers are publishing scientific research results based on the use of our technology in prestigious scientific journals at an accelerating pace.

The medical research results published by our customers transparently and continuously validate our technology. For example, the results of an independent study based on analysis results from more than 100,000 blood samples published in the science journal *Nature Medicine* showed that our blood test can cost-effectively identify early risk factors for several common diseases from a single blood sample better than current solutions. The published article also emphasized the applicability of our technology to health screenings that identify disease risks, and as I mentioned, the technology is now being used in cooperation with Terveystalo.

In January 2023, we announced that we had acquired a worldwide license for the Velvet™ blood collection device from Weavr Health Corp. The license gives us the rights to independently manufacture Velvet™ devices and use them commercially in connection with the services we offer. The Velvet™ blood collection device together with our analysis service stands out in the market, as most companies offer either sample collection devices or laboratory analysis services, but not both. By acquiring this license, we are able to offer our customers an end-to-end solution that can include everything from blood sampling to delivery of results. Additionally, we are able to offer services to markets where it is currently not possible for people to visit a traditional laboratory.

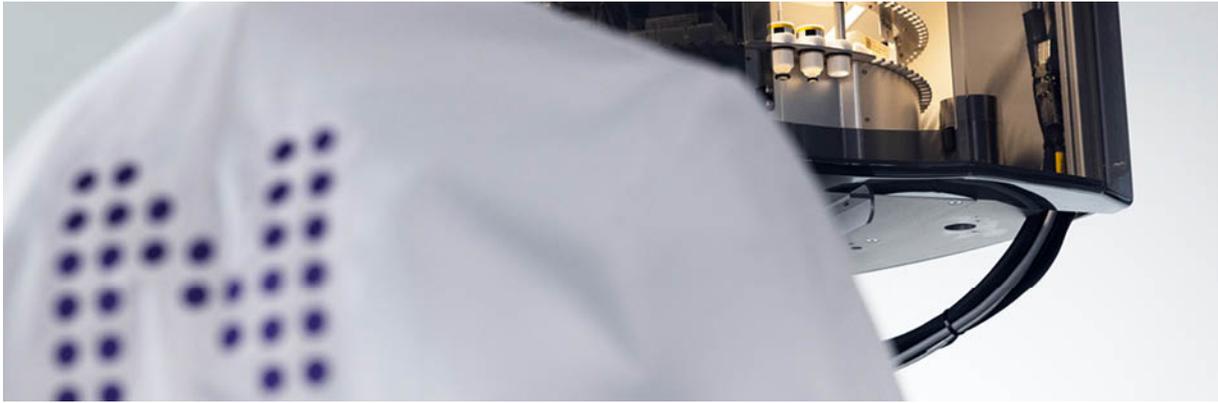
After the end of the financial year, we published a strategy update and announced that we will focus on business to business and business to governments markets. For the strategy to be implemented effectively, we have decided not to continue businesses where we have a direct



customer relationship with the consumer. However, assets created through investments in consumer services can be allocated to business operations with companies and the public sector.

Over the past few years, we have been operating in several commercial areas simultaneously to explore the business opportunities offered by our technology. This process has been crucial for us to be able to learn from the market and define a more focused strategy which we have now started to implement. I believe that with the successes achieved during the financial year, the company's strong financial position and the change in strategy, we are even stronger in the market to pursue growth.

*Teemu Suna*  
*CEO and Co-founder, Nightingale Health Plc*



## **Business targets in financial year 2022 – 2023**

During the financial year 2022 – 2023, Nightingale Health achieved the following business targets communicated in the Financial Statements Release published on 29 September 2022:

- Win contract(s) in medical research with more than 175,000 blood samples
  - The demand for Nightingale Health’s service in medical research continues to be strong and the company has won significant new commercial agreements in this sector reaching the target of selling analysis for more than 175,000 blood samples.

Nightingale Health did not achieve the following business targets within financial year 2022 – 2023:

- Win a significant commercial contract in the public healthcare sector
  - The negotiations for a commercial contract in the public healthcare sector are progressing. Nightingale Health expects to announce an update regarding the public healthcare sector by the end of calendar year 2023.
- Win B2B commercial contract(s) with more than 50,000 blood samples
  - Nightingale Health announced on 30 June 2023 that it has signed a letter of intent with Suomen Terveystalo Oy to expand the strategic partnership. Nightingale Health expects that the expansion of the partnership will significantly increase the blood sample analysis volumes ordered by Terveystalo. Nightingale Health and Terveystalo announced the agreement of the expansion of the partnership in August 2023.

## **Business targets for financial year 2023 – 2024**

Nightingale Health's business targets for financial year 2023 – 2024 are:

- Win an international commercial contract with a healthcare industry partner with significant reference and contract value
  - The strategic rationale for the target is to continue to demonstrate the business value of Nightingale Health's technology in high volume clinical use cases to accelerate business growth
- Win an international commercial contract with a white label partner with significant reference and contract value
  - The strategic rationale for the target is to demonstrate Nightingale Health's unique value creation capability and offering in B2B2C to capture strong market share
- Win contract(s) in medical research with a total contract value of at least EUR 3.2 million
  - The strategic rationale for the target is to continuously demonstrate Nightingale Health's unique value creation capability in medical research and further strengthen the outstanding scientific evidence to accelerate clinical translation.

In addition, Nightingale Health will continue to pursue the FDA premarket authorization (510(k)). In parallel, Nightingale Health examines the option to apply for CLIA and/or state certification, which enables providing certain services as a Laboratory Developed Test and potentially allows the company to take the first step as a local service provider in the United States market faster.

## **Mid-term and long-term business targets**

Nightingale Health updates its mid-term and long-term business targets as follows:

### **Mid-term business targets are:**

- To conclude an agreement to analyze two million samples annually in Europe
- To conclude an agreement to analyze ten million samples annually in the United States or in Asia
- To extend laboratory capacity in respective geographical areas to meet the analysis capacity required by the aforementioned agreements
- To achieve positive EBITDA (New target)

### **Long-term business targets are:**

- To analyze 100 million blood samples from partnerships with the healthcare sector, health initiatives, and white label partners (Updated target)
- To generate EUR 500 million in annual revenue from partnerships with the healthcare sector, health initiatives, and white label partners (Updated target)



## Market outlook

The risk prediction models offered by Nightingale Health relate to lifestyle diseases such as type 2 diabetes and heart diseases. Lifestyle diseases are the most common cause of death in the world, and their treatment accounts for more than 80 percent of the total healthcare costs in several countries. Lifestyle diseases could be combated on a significantly wider scale than currently by identifying the people at the highest risk of illness and by targeting disease prevention measures specifically to them.

Preventative care helps to detect and prevent diseases before they start showing symptoms and develop into serious ones. The importance of preventative healthcare has been recognized worldwide and many private healthcare providers have begun to offer more preventative services in addition to traditional diagnosis and medical treatment. Insurance companies have also included preventative services as part of the health insurance they offer. Higher prevalence of chronic diseases and growing demand for preventative measures are expected to lead to growth in the market for preventative health technologies and services.

Numerous scientific studies are constantly being conducted around chronic diseases. This research aims not only to find out the reasons for the occurrence of diseases, but also to develop effective treatment methods and preventative strategies. In 2022, tens of billions of dollars were spent on chronic disease research in the United States alone. The demand for blood analysis services from medical research customers is expected to remain high in the future as well.

Maintaining one's own health and preventing diseases is also of increasing interest to consumers, as evidenced by the growth in demand for various services providing health information based on samples collected and submitted by consumers themselves. Consumers acquire health information from wellness devices, such as heart rate monitors, as well as various health tests based on blood, urine and saliva samples. To meet the increased demand, the number of new companies offering health and wellness services is increasing, especially in the United States and Europe. Companies offering consumer services make extensive use of the solutions related to blood collection and analysis services in their own offerings.

## Financial review 1 July 2022 – 30 June 2023

### Revenue and result

The Group's revenue during the financial period was EUR 4.18 (2.31) million.

Revenue consisted of research services offered to universities and health programs in accordance with academic collaboration agreements as well as sales to corporates and consumers.

### Result

Group-level operating loss was EUR -18.52 (-13.63) million. EBITDA was EUR -11.83 (-9.39) million. Loss before appropriations and taxes was EUR -18.07 (-16.19) million. Net loss for the financial period was EUR -18.08 (-16.09) million.

The Group's material and service expenses totaled EUR 0.59 (1.04) million.

The Group's employee benefits during the financial period totaled EUR 9.38 (6.50) million including expenses in accordance with the IFRS 2 *Share based payments* standard of EUR 3.95 (3.53) million.

Depreciation and amortization of tangible and intangible assets during the financial period totaled EUR 6.69 (4.24) million.

### Balance sheet, cash flows and investments

#### Balance sheet and cash flows

At the end of the financial year, the Group balance sheet totaled EUR 106.79 (124.05) million, of which equity constituted EUR 97.36 (111.44) million. Equity ratio at the end of the financial year was 92 (91) per cent.

At the end of the financial year, the Group's net debt totaled EUR -75.61 (-87.37) million. Long-term interest-bearing debt totaled EUR 2.68 (4.69) million. Net debt to equity ratio at the end of the financial year was -78 (-78) per cent.

Net cash flow from operating activities during the financial year totaled EUR -7.33 (-7.47) million.

Cash flows from investments totaled EUR -4.41 (-8.32) million consisting of investments in tangible and intangible assets, and in the comparison period also of acquisitions.

Cash flow from financing activities totaled EUR -2.58 (-2.86) million.

Cash and cash equivalents at the end of the financial year amounted to EUR 80.64 (95.28) million with cash flows from operations, investments and financing totaling EUR -14.64 (-18.53) million.

#### Investments and development

New investments in tangible and intangible assets during the financial year totaled EUR 4.29 (8.30) million. Investments in intangible assets were mainly related to the development of Applications, Laboratory technology and Risk models.

During the financial year the Group also invested in laboratory equipment.

## Personnel

The Group had an average of 82 (64) employees during the financial year. Of the employees 27 worked in sales and business development, 46 in research and development and operations and 9 in administration. At the end of the financial year, Nightingale Health employed 88 people including the CEO. Of the 88 employees 81 worked in Finland, 5 in Japan, 1 in Estonia and 1 in the UK.

## Shares and shareholders

Nightingale Health Plc's Series B shares are listed on First North Growth Market Finland marketplace, maintained by Nasdaq Helsinki Ltd. Nightingale Health's trading symbol is HEALTH. Nightingale Health's industry classification is Health Care.

### Share issued and share capital

Nightingale Health has three series of shares, Series A shares, Series B shares and EMP shares, which carry different voting rights in the company and different rights to distribution of funds. At Nightingale Health's General Meeting, each Series A share is entitled to 10 votes and each Series B share is entitled to one vote. Series B shares are paid a dividend five per cent higher than Series A shares and EMP shares. This right does not concern any other distribution of capital or assets than the distribution of dividends. EMP shares, which are shares owned by personnel, are non-voting shares, and the holder of an EMP share is not entitled to a vote at the General Meeting. The shares have no nominal value.

At the end of the financial year 30 June 2023 Nightingale Health's share capital amounted to EUR 80 thousand and the company had issued 60,918,459 fully paid shares of which 20,585,924 were Series A shares, 39,093,770 were Series B shares ja 1,238,765 were EMP shares.

Nightingale Health held 577,920 EMP shares at the end of the financial period, 30 June 2023, which constituted approximately 1 (1) per cent of outstanding shares. The shares held by the company carry no voting rights and no entitlement to dividends.

### Trading in the shares

The closing price of the share on the last trading day of the financial year, 30 June 2023, was EUR 0.87. The highest price quoted in the financial period was EUR 2.27 and the lowest EUR 0.85. The average closing price of the share during the financial period was EUR 1.29 and the average daily trading volume was 51,859 shares.

Nightingale Health's market value on 30 June 2023 was 52.4 million.

### Shareholders

Nightingale Health had 11,525 shareholders on 30 June 2023 (30 June 2022: 12,467). The company's 100 largest shareholders are presented on the company's website.

The company's shares are registered in the book entry system. Information on the shareholders is based on information received from Euroclear Finland Oy.

## Governance and management

Nightingale Health is committed to good governance, with its decision-making and governance adhering to the Limited Liability Companies Act, securities markets legislation, the rules of

Nasdaq First North Growth Market Finland, the company's Articles of Association and other provisions applicable to the company. Additionally, Nightingale Health complies with the Corporate Governance Code of the Securities Market Association.

Nightingale Health's Corporate Governance Statement and Remuneration Report for the financial year 2022–2023 will be released as part of the Annual Report during week 42/2023.

### **Annual General Meeting**

The Annual General Meeting on 17 November 2022 adopted the Financial Statements and the Consolidated Financial Statements, discharged the members of the Board of Directors and the CEO from liability and approved in an advisory vote the Remuneration Report of the governing bodies for the financial period of 1 July 2021–30 June 2022. The Remuneration Report is presented on the company's website.

#### ***Use of profit shown on the balance sheet and the payment of dividend***

The General Meeting resolved that based on the balance sheet adopted for the financial period of 1 July 2021–30 June 2022, no dividend is paid, and that the loss of the financial period is recorded in retained earnings.

#### ***Board of Directors***

The number of members of the Board of Directors was confirmed to be seven (7). Tom Jansson, Antti Kangas, Olli Karhi, Lotta Kopra, Leena Niemistö, Timo Soininen and Teemu Suna were re-elected as members of the Board of Directors. In the organizational meeting held after the Annual General Meeting, the Board of Directors elected Leena Niemistö as chair from among its members.

The General Meeting resolved that the Members of the Board of Directors are paid a monthly remuneration of EUR 2,000.

#### ***Auditor***

Authorized Public Accounting firm PricewaterhouseCoopers Oy was elected as the Auditor, and it announced Valteri Helenius<sup>1</sup>, Authorized Public Accountant, to be the Auditor with principal responsibility. The remuneration of the Auditor is paid in accordance with a reasonable invoice approved by the company.

#### ***Authorizing the Board of Directors to decide on the repurchase of company's own shares***

The General Meeting authorized the Board of Directors to decide on the repurchase of the company's own shares on the following terms and conditions:

- By virtue of the authorization, the Board of Directors is entitled to repurchase a maximum of 2,078,759 A-series shares and 3,889,210 B-series shares by using the non-restricted equity of the company. The shares may be repurchased in one or more lots.
- The company's own shares shall be repurchased at the market price prevailing at the time of the repurchase through public trading on Nasdaq First North Growth Market Finland marketplace organized by Nasdaq Helsinki Ltd or otherwise at a market price. The authorization

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<sup>1</sup> The Auditor with principal responsibility changed from Valteri Helenius to Panu Vänskä on 24 March 2023.

entitles the Board of Directors to decide on the repurchase also other than in proportion to the shareholdings of the shareholders (directed repurchase).

- The shares may be repurchased to be used in the implementation of possible acquisitions or other arrangements within the company's business, to finance investments, to develop the company's financial structure, as part of the implementation of possible incentive schemes of the company and/or otherwise to be kept by the company, transferred or cancelled.
- The authorization includes the right of the Board of Directors to decide on other terms and conditions related to the repurchase of the company's own shares. The authorization is valid for 18 months.

### ***Authorizing the Board of Directors to decide on the share issue and granting of special rights entitling to shares***

The General Meeting authorized the Board of Directors to decide on issuing new shares, conveying the company's own shares held by the company and/or granting of special rights referred to in Chapter 10, Section 1 of the Companies Act on the following terms and conditions:

#### Maximum amount of shares to be issued

By virtue of the authorization, the Board of Directors is entitled to issue and/or convey a maximum of 615,159 A-series shares under one or more decisions. The share issue and shares granted under the special rights are included in the specified maximum amount.

The authorization does not apply to the company's B-series or EMP-series shares.

The granted authorization does not revoke or change the authorization resolved at the Extraordinary General Meeting held on 18 February 2021, which is valid until 18 February 2026. By virtue of the granted authorization and the unused part of the already valid authorization, the Board of Directors is entitled to issue and/or convey no more than 2,078,759 A-series shares and 9,100,000 B-series shares of the company in total. The share issue and shares granted under the special rights are included in the mentioned maximum amounts.

#### Other conditions

The shares may be issued either against payment or without payment and they may also be issued to the company itself. The authorization entitles the Board of Directors to implement the share issue also as a directed issue. The authorization may be used in the implementation of possible acquisitions or other arrangements within the company's business, to finance investments, to develop the company's financial structure, as part of the implementation of possible incentive schemes of the company and/or for other purposes decided by the Board of Directors.

The authorization includes the right of Board of Directors to decide on other terms and conditions of the share issue and granting of special rights referred to in Chapter 10, Section 1 of the Companies Act. The authorization is valid for 18 months.

### **Extraordinary General Meeting**

The Extraordinary General Meeting of Nightingale Health Plc was held on 24 April 2023.

The number of members of the Board of Directors was confirmed to be six (6). Antti Kangas, Olli Karhi, Leena Niemistö, Timo Soininen and Teemu Suna were re-elected as members of the Board of Directors and Ilkka Laurila was elected as a new member of the Board of Directors for a term

that expires at the end of the next Annual General Meeting. Lotta Kopra and Tom Jansson did not continue as members of the Board of Directors.

In the organizational meeting held after the Extraordinary General Meeting, the Board of Directors elected Leena Niemistö as chair from among its members.

### **Management Team**

Members of Nightingale Health's Management Team at the end of the financial period were Teemu Suna (Chief Executive Officer), Antti Kangas (Chief Technology Officer), Satu Saksman (Chief Operating Officer), Minja Salmio (Chief Legal Officer), Salla Ruosaari (Chief Research and Development Officer), Jeffrey Barrett (Chief Scientific Officer) and Tuukka Paavola (Chief Financial Officer).

### **Auditor**

Authorized Public Accounting firm PricewaterhouseCoopers Oy acts as Nightingale Health's Auditor. The Auditor with principal responsibility changed from Valteri Helenius to Panu Vänskä on 24 March 2023.

### **Option programs**

Nightingale Health has established option programs as incentive programs for personnel of the company, covering employees of the company and its group companies and other key persons. The company's Board of Directors has outlined that the option programs of the company must be tied to an increase in the company's value. The purpose of the option programs is to bind the option holders to the economic growth of the company and to the development of the company's share value as well as create a long-term relationship between the company and the option holders, which benefits the company both economically and operationally.

Nightingale Health's share-based incentive programs are described in more detail on the company's website and in note *Share based payments* in the financial statements.

### **Environment, health and safety**

The analytical performance of Nightingale Health's technology and its capability to detect disease risks at an early stage have been broadly validated. Validations prove that the technology is capable of measuring blood biomarkers in accordance with clinical standards and that it can also be used to improve early risk detection of the most common lifestyle diseases in place of the currently used clinical chemistry tests.

Nightingale Health's blood test, which is based on NMR spectroscopy, has been validated in accordance with clinical standards. Nightingale Health's laboratory processes and sample collection adhere to the SFS-EN ISO/IEC 17025:2017 standard, and the laboratory has been accredited by the FINAS accreditation service.<sup>2</sup> Blood samples from customers are analyzed using a CE marked IVD device, and 39 biomarkers analyzed with the company's proprietary analysis technology are CE marked as part of the IVD device. The quality management system according to which the laboratory processes are conducted is compliant with the EN ISO 13485 standard and certified by Dekra Certification B.V. Nightingale Health also participates in the UK NEQAS and WEQAS programs that are used to monitor analysis quality between Nightingale Health's laboratory and

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<sup>2</sup> Nightingale Health Plc, laboratory is a testing laboratory T333 as accredited by FINAS accreditation service, accreditation criteria SFS-EN ISO/IEC 17025. Scope of accreditation for clinical laboratory tests and test sites are available at [www.finas.fi](http://www.finas.fi).

other laboratories. In Japan, Nightingale Health also participates in the JAMT Clinical Laboratory Accuracy Control Survey program.

Nightingale Health does not use compounds in its operations that are harmful to the environment or health. The biological waste from Nightingale Health's operations is handled and disposed of in an appropriate manner in accordance with separate guidelines. Nightingale Health's operations generate considerably less biological waste than corresponding laboratory operations.

## **Risks and uncertainties**

Nightingale Health is exposed to risks related to possible changes in the company's business, industry, financial position and regulation. Nightingale Health's risk management is based on the risk management policy approved by the company's Board of Directors. Risk management is part of Nightingale Health's strategic and operational planning, day-to-day decision-making processes and internal control systems. Risk management includes all activities related to setting targets and detecting, measuring, reviewing, handling, reporting, monitoring and avoiding risks.

The risks that Nightingale Health considers significant relate to the company's business and industry, personnel, financial position, regulatory compliance and information security. If materialized, the risks may have a negative impact on the company's business, financial position, business result and outlook and the value of the company.

Nightingale Health's risk management and the risks related to its business are described in detail in the company's Annual Report, notes to the financial statements and on the company's website.

## **The Board of Directors' proposal on the management of the result of the financial period**

The parent company's distributable non-restricted equity on 30 June 2023 was EUR 80,784,991. The parent company's net loss for the financial period totaled EUR -16,816,398.

In the coming years, Nightingale Health will focus on funding its growth and developing its business. The company is committed to a very strict dividend policy that is connected to Nightingale Health's result and financial standing. The company does not expect to distribute a dividend in the short or medium term.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year 1 July 2022-30 June 2023 and that the loss of the financial year is recorded in retained earnings.

## **Significant events after the end of the period**

- On 17 August 2023 Nightingale Health announced the roll out of a remote blood collection kit for its medical research and clinical trial customers as part of its analysis service.
- On 30 August 2023 Nightingale Health announced that Terveystalo adopts Nightingale Health's blood analysis technology in regular health checks in occupational health.
- On 6 September 2023 Nightingale Health announced that it had entered into an agreement in which Mass General Brigham ordered analysis services for blood samples from Nightingale Health.
- On 11 September 2023 Nightingale Health announced its updated strategy which focuses on business to business and business to governments markets.

- On 19 September 2023 Nightingale Health announced that it will set up its UK laboratory in Porton Science Park in South Wiltshire. Nightingale Health expects the laboratory to be operational by the end of the calendar year 2023 and full-scale production capability to ramp up during the first quarter of 2024.
- On 26 September 2023 Nightingale Health announced that it had received three new patents which further strengthened its IP portfolio.

## Annual General Meeting

The Annual General Meeting of Nightingale Health Plc will be held on 16 November 2023. An invitation to the meeting will be published at a later date.

## Financial reporting

Nightingale Health will publish financial reports as follows:

- Annual Report and audited consolidated financial statements from the financial year ended 30 June 2023 on week 42/2023.
- Half-year financial report (1 July – 31 December 2023) on Thursday 7 March 2024.

## Live webcast for investors and media

Nightingale Health will arrange a live webcast for investors and media in English on 28 September 2023 at 2 p.m. EEST. The webcast can be followed online at:

<https://nightingalehealth.videosync.fi/2022-2023-results>

Presentation will be held by CEO Teemu Suna and CFO Tuukka Paavola. A recording of the event will be available later the same day at [www.nightingalehealth.com/investors](http://www.nightingalehealth.com/investors).

Helsinki, 27 September 2023  
Nightingale Health Plc  
Board of Directors

## Calculation of key figures

Key figure	Formula
EBITDA	Operating profit (loss) before depreciation and amortization
Operating profit (loss)	Profit (loss) before income taxes and financial income and expenses
Equity ratio, %	Total equity / (Balance sheet total – deferred income)
Net debt to equity ratio, %	Net debt / total equity
Earnings per share (EPS), undiluted, EUR	Profit (loss) for the period / Weighted average number of shares outstanding during the period
Earnings per share (EPS), diluted, EUR	Profit (loss) for the period / Weighted average number of shares outstanding during the period + potential dilutive shares

## Financial figures of financial report

### Consolidated income statement

EUR thousand	Note	Group 1-6/23	Group 1-6/22	Group 7/22-6/23	Group 7/21-6/22
Revenue	3	1,939	1,041	4,182	2,313
Other income		174	242	206	262
Materials and services		-345	-633	-590	-1 037
Employee benefits	4	-5,273	-3,613	-9,381	-6,499
Depreciation, amortization and impairment losses		-3,480	-2,466	-6,689	-4,244
Other expenses		-2,863	-2,299	-6,219	-4,406
Share of joint venture's result		-4	1	-34	-23
<b>Operating profit (loss)</b>		<b>-9,852</b>	<b>-7,727</b>	<b>-18,524</b>	<b>-13,634</b>
Finance income		823	631	1,172	686
Finance costs		-536	-663	-816	-1,178
Fair value change in investment in convertible loan		38	-2,604	94	-2,068
<b>Net finance items</b>		<b>325</b>	<b>-2,636</b>	<b>450</b>	<b>-2,560</b>
<b>Profit (loss) before tax</b>		<b>-9,527</b>	<b>-10,363</b>	<b>-18,074</b>	<b>-16,194</b>
Income tax expense		-3	31	-9	103
<b>Profit (loss) for the period</b>		<b>-9,530</b>	<b>-10,332</b>	<b>-18,083</b>	<b>-16,091</b>
<b>Profit (loss) for the period at-tributable to</b>					
Owners of the parent company		-9,530	-10,332	-18,083	-16,091
<b>Earnings per share</b>					
Basic earnings per share, EUR – Series A and EMP shares		-0.16	-0.17	-0.30	-0.27
Basic earnings per share, EUR – Series B shares		-0.16	-0.17	-0.30	-0.27

### Consolidated comprehensive income statement

EUR thousand	Note	Group 1-6/23	Group 1-6/22	Group 7/22-6/23	Group 7/21-6/22
<b>Profit (loss) for the period</b>		<b>-9,530</b>	<b>-10,332</b>	<b>-18,083</b>	<b>-16,091</b>
<b>Other comprehensive income</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign operations – foreign currency translation differences, net of tax		47	38	48	29
<b>Other comprehensive income for the period</b>		<b>47</b>	<b>38</b>	<b>48</b>	<b>29</b>
<b>Total comprehensive income for the period</b>		<b>-9,483</b>	<b>-10,294</b>	<b>-18,034</b>	<b>-16,062</b>
<b>Total comprehensive income at-tributable to</b>					
Owners of the parent company		-9,483	-10,294	-18,034	-16,062

## Consolidated statement of financial position

EUR thousand	Note	30 June 2023	30 June 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	5	1,023	1,023
Intangible assets	5	16,037	16,249
Property, plant and equipment	6	4,538	3,911
Right-of-use assets		2,682	3,864
Investment in joint venture		69	102
Investment in convertible loan		-	1,206
Other assets		432	421
<b>Total non-current assets</b>		<b>24,780</b>	<b>26,776</b>
<b>Current assets</b>			
Inventories		550	591
Trade and other receivables		824	1,402
Cash and cash equivalents		80,640	95,279
<b>Total current assets</b>		<b>82,013</b>	<b>97,272</b>
<b>Total assets</b>		<b>106,793</b>	<b>124,048</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		80	80
Reserve for invested unrestricted equity		142,380	142,380
Translation differences		90	41
Accumulated losses		-45,194	-31,061
<b>Total equity</b>		<b>97,355</b>	<b>111,440</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings		1,276	2,631
Lease liabilities		1,406	2,057
<b>Total non-current liabilities</b>		<b>2,681</b>	<b>4,688</b>
<b>Current liabilities</b>			
Loans and borrowings		1,384	2,073
Lease liabilities		965	1,122
Advances received		1,020	1,302
Trade and other payables		3,388	3,424
<b>Total current liabilities</b>		<b>6,757</b>	<b>7,921</b>
<b>Total liabilities</b>		<b>9,438</b>	<b>12,609</b>
<b>Total equity and liabilities</b>		<b>106,793</b>	<b>124,048</b>

## Consolidated cashflow statement

EUR thousand	Note	Group 1-6/23	Group 1-6/22	Group 7/22-6/23	Group 7/21-6/22
<b>Cash flows from operating activities</b>					
Loss for the period		-9,530	-10,333	-18,083	-16,091
<b>Adjustments:</b>					
Depreciation and amortization		3,480	2,466	6,689	4,244
Share based payments		2,287	1,779	3,950	3,526
Share of joint venture's result		4	-1	34	23
Fair value change in investment in convertible loan		-38	2,604	-94	2,067
Other finance income and costs, net		-235	-11	-636	493
Income tax expense		3	-31	9	-103
Other adjustments		3	6	18	-
<b>Cash flows before change in working capital</b>		<b>-4,025</b>	<b>-3,521</b>	<b>-8,113</b>	<b>-5,841</b>
<b>Change in working capital</b>					
Change in trade and other receivables (increase (-) / decrease (+))		-18	-328	-151	-549
Change in inventories (increase (-) / decrease (+))		98	-55	42	67
Change in current non-interest-bearing payables (increase (+) / decrease (-))		186	-718	368	-325
<b>Cash flows before finance items and taxes</b>		<b>-3,759</b>	<b>-4,623</b>	<b>-7,855</b>	<b>-6,648</b>
Interest paid		-76	-135	-202	-822
Interest received		695	-3	736	-
Income taxes paid		-2	-76	-7	-4
<b>Net cash from operating activities</b>		<b>-3,142</b>	<b>-4,837</b>	<b>-7,329</b>	<b>-7,474</b>
<b>Cash flows from investing activities</b>					
Capitalized development costs		-1,610	-3,468	-3,581	-6,240
Acquisition of PPE		-323	-571	-833	-1,373
Acquisition of businesses, net of cash acquired		-	-17	-	-710
<b>Net cash used in investing activities</b>		<b>-1,934</b>	<b>-4,057</b>	<b>-4,414</b>	<b>-8,323</b>
<b>Cash flows from financing activities</b>					
Grants received		-	-	726	-
Repayment of non-current loans and borrowings		-621	-800	-1,531	-1,860
Share subscriptions with options		-	52	-	471
Sale and leaseback arrangements		-274	458	-540	288
Payment of lease liabilities		-639	-1,041	-1,233	-1,762
<b>Net cash from financing activities</b>		<b>-1,533</b>	<b>-1,330</b>	<b>-2,579</b>	<b>-2,863</b>
<b>Net decrease in cash and cash equivalents in cash flow statement</b>		<b>-6,609</b>	<b>-10,223</b>	<b>-14,322</b>	<b>-18,660</b>
<b>Cash and cash equivalents 1 July</b>		<b>87,515</b>	<b>105,413</b>	<b>95,279</b>	<b>113,807</b>
Effect of movements in exchange rates		-266	89	-318	132
<b>Cash and cash equivalents 30 June</b>		<b>80,640</b>	<b>95,279</b>	<b>80,640</b>	<b>95,279</b>

## Consolidated statement of changes in equity

### Consolidated statement of changes in equity 1 July 2022 – 30 June 2023

#### Equity attributable to owners of the parent company

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated losses	Total
<b>Equity on 1 July 2022</b>	<b>80</b>	<b>142,380</b>	<b>41</b>	<b>-31,061</b>	<b>111,440</b>
<b>Comprehensive income</b>					
Profit (loss) for the period	-	-	-	-18,083	<b>-18,083</b>
Other comprehensive income	-	-	48	-	<b>48</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>-18,083</b>	<b>-18,034</b>
<b>Transactions with owners of the company</b>					
Share issue	-	-	-	-	-
Share issues related to business combination	-	-	-	-	-
Share-based payments	-	-	-	3,950	<b>3,950</b>
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,950</b>	<b>3,950</b>
<b>Equity on 30 June 2023</b>	<b>80</b>	<b>142,380</b>	<b>90</b>	<b>-45,194</b>	<b>97,355</b>

### Consolidated statement of changes in equity 1 July 2021 – 30 June 2022

#### Equity attributable to owners of the parent company

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated losses	Total
<b>Equity on 1 July 2021</b>	<b>80</b>	<b>141,444</b>	<b>12</b>	<b>-18,498</b>	<b>123,039</b>
<b>Comprehensive income</b>					
Profit (loss) for the period	-	-	-	-16,091	<b>-16,091</b>
Other comprehensive income	-	-	29	-	<b>29</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-16,091</b>	<b>-16,062</b>
<b>Transactions with owners of the company</b>					
Share issue	-	471	-	-	<b>471</b>
Share issues related to business combination	-	465	-	-	<b>465</b>
Share-based payments	-	-	-	3,527	<b>3,527</b>
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>936</b>	<b>-</b>	<b>3,527</b>	<b>4,463</b>
<b>Equity on 30 June 2022</b>	<b>80</b>	<b>142,380</b>	<b>41</b>	<b>-31,061</b>	<b>111,440</b>

## **Notes to the consolidated financial results**

### **1 Accounting principles**

This financial report has been prepared in accordance with IAS 34 standard. The report has been prepared in accordance with IFRS as adopted by the European Union and in force on 30 June 2023.

The same accounting policies and methods of computation are followed in this financial report as in the consolidated financial statements for the financial year ended on 30 June 2022.

All figures in this financial report are unaudited.

#### **Russia's invasion of Ukraine, interest rates and inflation**

The Group does not have any operations in Russia or Ukraine. At the current state the sanctions imposed on Russia will not have a direct impact on Nightingale Health's operation.

The Group's negative risk arising from the recent interest rate increases is limited due to its small amount of variable interest-bearing loans and borrowings. The Group has a positive interest rate risk due to its strong cash position, which will improve its financial income. Nightingale Health does not actively hedge its interest rate risk.

The recent increase in the inflation rate in Nightingale Health's main geographical areas exposes the Group to a risk that the prices of the products and the services needed by the Group in its operations will increase. The Group does not expect that increased inflation and the resulting increase in prices will have a significant direct impact on its operation.

### **2 Seasonality**

Majority of the Group's revenue consists of analysis services sold to universities and research projects. Such projects typically are carried out over long periods, which means the related analysis services may be rendered during several months or even several years. That creates a seasonality effect on the Group's revenue.

### 3 Revenue

#### Revenue by geographical market

EUR thousand	Group 1-6/23	Group 1-6/22	Group 7/22-6/23	Group 7/21-6/22
Finland	116	155	221	425
UK	587	557	2,362	950
Rest of Europe	885	139	1,034	556
Others	350	189	565	381
<b>Total</b>	<b>1,939</b>	<b>1,041</b>	<b>4,182</b>	<b>2,313</b>

In the financial period Nightingale Health had two customers, whose share of the Group's revenue was more than 10%. The total amount of revenue received from these customers was EUR 1,619 thousand.

### 4 Share-based payments

Nightingale Health's Board of Directors resolved on 11 August 2022 to change the subscription price of shares in all the company's stock option programs that entitle to subscribe for Series B shares.

The new subscription price of each share in the stock option programs is EUR 2.50. Prior to the change the subscription price was EUR 6.75 per share. The subscription price is changed to maintain the purpose of the stock option programs to incentivize the option holders to the economic growth of the company and the development of the company's market value as well as create a long-term relationship between the company and the option holders.

#### Impact of share-based payments on income statement and statement of financial position

EUR thousand	Group 1-6/23	Group 1-6/22	Group 7/22-6/23	Group 7/21-6/22
Employee benefits recognized in profit and loss	2,287	1,779	3,950	3,526
Capitalized to intangible assets	-	1	-	1
<b>Total</b>	<b>2,287</b>	<b>1,780</b>	<b>3,950</b>	<b>3,527</b>

## 5 Intangible assets

### Reconciliation of carrying amounts

7/2022–6/2023 EUR thousand	Good- will	Other technol- ogy	Licenses	Applica- tions	Laboratory technology	Risk models	Total
<b>Acquisition cost</b>							
Balance 1 Jul 2022	1,023	418	-	7,737	7,285	4,237	<b>20,700</b>
Additions			1,300	1,280	1,029	1,051	<b>4,660</b>
<b>Balance on 30 Jun 2023</b>	<b>1,023</b>	<b>418</b>	<b>1,300</b>	<b>9,017</b>	<b>8,315</b>	<b>5,288</b>	<b>25,360</b>
<b>Accumulated amortiza- tion and impairment losses</b>							
Balance 1 Jul 2022	-	-30	-	-1,395	-1,489	-514	<b>-3,429</b>
Amortization	-	-36	-108	-2,098	-1,303	-1,326	<b>-4,872</b>
<b>Balance 30 Jun 2023</b>	<b>-</b>	<b>-66</b>	<b>-108</b>	<b>-3,494</b>	<b>-2,792</b>	<b>-1,840</b>	<b>-8,301</b>
<b>Carrying amount on 1 Jul 2022</b>	<b>1,023</b>	<b>388</b>	<b>-</b>	<b>6,342</b>	<b>5,796</b>	<b>3,723</b>	<b>17,272</b>
<b>Carrying amount on 30 Jun 2023</b>	<b>1,023</b>	<b>351</b>	<b>1,192</b>	<b>5,523</b>	<b>5,523</b>	<b>3,447</b>	<b>17,060</b>

7/2021–6/2022 EUR thousand	Good- will	Other technol- ogy	Licenses	Applica- tions	Laboratory technology	Risk models	Total
<b>Acquisition cost</b>							
Balance 1 Jul 2021	-	-	-	3,973	6,136	2,631	<b>12,740</b>
Business combination	1,023	418	-	-	-	-	<b>1,441</b>
Additions	-	-	-	3,764	1,149	1,606	<b>6,519</b>
<b>Balance 30 Jun 2022</b>	<b>1,023</b>	<b>418</b>	<b>-</b>	<b>7,737</b>	<b>7,285</b>	<b>4,237</b>	<b>20,700</b>
<b>Accumulated amortiza- tion and impairment losses</b>							
Balance 1 Jul 2021	-	-	-	-539	-199	-219	<b>-958</b>
Amortization	-	-30	-	-856	-1,290	-295	<b>-2,471</b>
<b>Balance 30 Jun 2022</b>	<b>-</b>	<b>-30</b>	<b>-</b>	<b>-1,395</b>	<b>-1,489</b>	<b>-514</b>	<b>-3,429</b>
<b>Carrying amount on 1 Jul 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,433</b>	<b>5,938</b>	<b>2,412</b>	<b>11,783</b>
<b>Carrying amount on 30 Jun 2022</b>	<b>1,023</b>	<b>388</b>	<b>-</b>	<b>6,342</b>	<b>5,796</b>	<b>3,723</b>	<b>17,272</b>

## 6 Property, plant and equipment

### Reconciliation of carrying amounts

7/2022–6/2023 EUR thousand	Leasehold improve- ment costs	Machinery and equipment	Total
<b>Cost on 1 Jul 2022</b>	<b>616</b>	<b>3,979</b>	<b>4,595</b>
Additions		1,503	<b>1,503</b>
Transfers between lines	-18	14	<b>-4</b>
Exchange rate differences	-23	-97	<b>-120</b>
<b>Cost on 30 Jun 2023</b>	<b>574</b>	<b>5,400</b>	<b>5,974</b>
<b>Accumulated depreciation and im- pairment on 1 Jul 2022</b>	<b>-289</b>	<b>-394</b>	<b>-684</b>
Transfers between lines	18	-14	<b>4</b>
Depreciation	-117	-640	<b>-757</b>
<b>Accumulated depreciation and im- pairment on 30 Jun 2023</b>	<b>-389</b>	<b>-1,049</b>	<b>-1,437</b>
<b>Carrying amount on 1 Jul 2022</b>	<b>326</b>	<b>3,585</b>	<b>3,911</b>
<b>Carrying amount on 30 Jun 2023</b>	<b>186</b>	<b>4,351</b>	<b>4,538</b>

7/2021–6/2022 EUR thousand	Leasehold improve- ment costs	Machinery and equipment	Total
<b>Cost on 1 Jul 2021</b>	<b>616</b>	<b>2,015</b>	<b>2,631</b>
Additions	-	1,973	<b>1,973</b>
Exchange rate differences	-	-9	<b>-9</b>
<b>Cost on 30 Jun 2022</b>	<b>616</b>	<b>3,979</b>	<b>4,595</b>
<b>Accumulated depreciation and im- pairment on 1 Jul 2021</b>	<b>-148</b>	<b>-68</b>	<b>-217</b>
Depreciation	-141	-326	<b>-467</b>
<b>Accumulated depreciation and im- pairment on 30 Jun 2022</b>	<b>-289</b>	<b>-394</b>	<b>-684</b>
<b>Carrying amount on 1 Jul 2021</b>	<b>467</b>	<b>1,947</b>	<b>2,414</b>
<b>Carrying amount on 30 Jun 2022</b>	<b>326</b>	<b>3,585</b>	<b>3,911</b>

## 7 Provision, contingencies and commitments

### Collaterals and other obligations

EUR thousand	30 Jun 2023	30 Jun 2022
<u>Loans secured by business mortgages</u>		
Bank loans	886	2,157
Business mortgages	7,800	6,400

### Off-balance sheet commitments

EUR thousand	30 Jun 2023	30 Jun 2022
<u>Off-balance sheet commitments</u>		
Machinery acquisition commitments	1,763	622