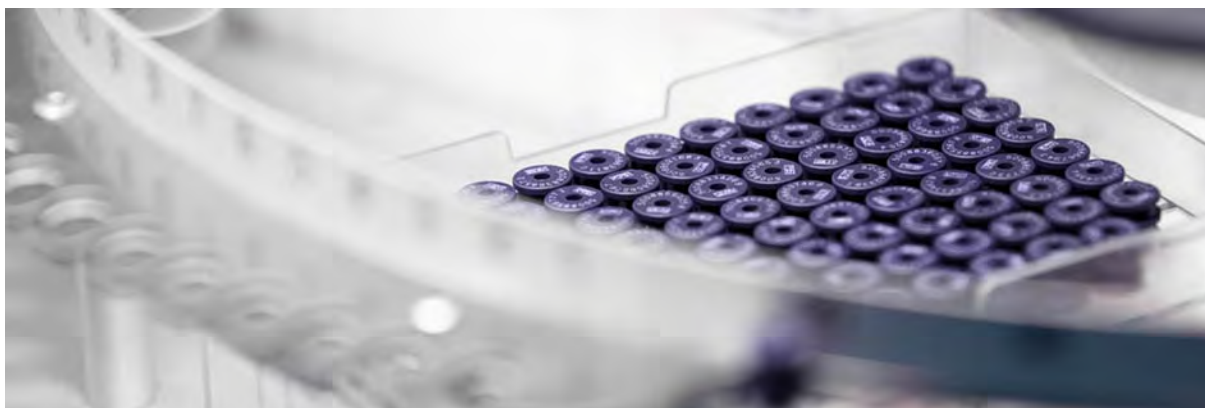




# Nightingale Health

**HALF-YEAR REPORT**  
**1 JULY 2023 – 31 DECEMBER 2023**



**Nightingale Health Group's** half-year report 1 July 2023 – 31 December 2023  
(unaudited)

Company release, 7 March 2024 at 8:00 a.m. (EET)

## **IMPLEMENTATION OF THE NEW STRATEGY HAS STARTED WELL**

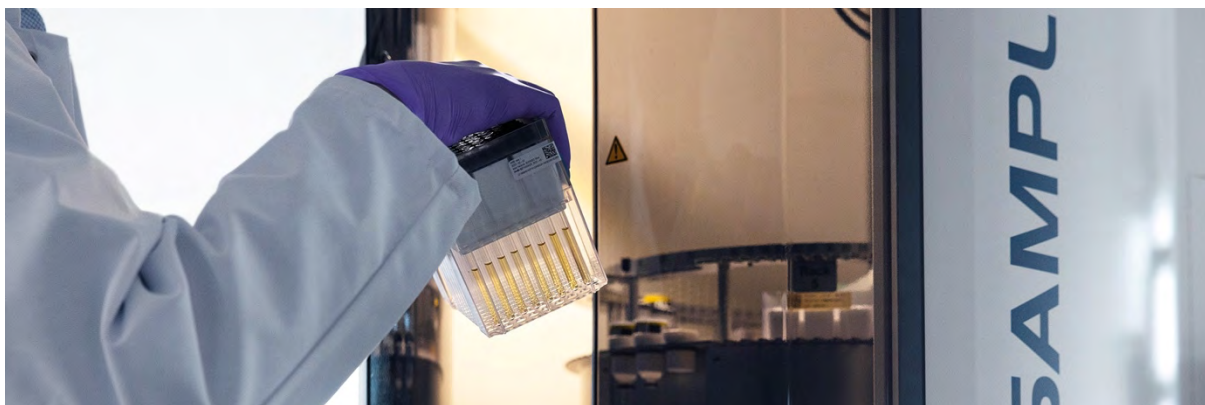
### **Healthcare implementations progressing in Finland and Singapore**

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

#### **July-December 2023 key financials (IFRS)**

- Revenue was EUR 1.71 (2.24) million
- EBITDA was EUR -5.36 (-5.46) million
- Operating loss was EUR -9.31 (-8.67) million
- Net loss for the period was EUR -8.53 (-8.55) million
- Unadjusted earnings per share (EPS) was EUR -0.14 (-0.14)
- Cash and cash equivalents on 31 Dec 2023 were EUR 72.61 (30 June 2023: 80.64) million





## Significant events during the half-year period

- Nightingale Health updated its strategy and will focus on B2B and B2G markets. The company sees these areas as the best opportunities to leverage its competitive advantages and create value for customers. As part of the updated strategy, Nightingale Health discontinued businesses where it had a direct relationship with consumers.
- Nightingale Health expanded its partnership with Finland's largest health service company, Terveystalo, to cover Terveystalo's occupational health services. The agreement signed in August 2023 incorporates Nightingale Health's blood analysis technology into regular health checks performed as part of Terveystalo's occupational health services. Terveystalo began using Nightingale Health's blood analysis technology as part of its occupational health services throughout Finland on 2 January 2024.
- Nightingale Health entered into a collaboration agreement with Innoquest Diagnostics, a leading clinical diagnostics service provider in Singapore. Innoquest Diagnostics is a subsidiary of Pathology Asia, and it will offer Nightingale's blood analysis service to healthcare providers in Singapore. In addition, the blood analysis service can be offered in the Southeast Asia region by other companies within the Pathology Asia group.
- Nightingale Health entered into an agreement to provide blood analysis service for a large U.S. healthcare system, Mass General Brigham. The agreement will make critical biomarker data available to Mass General Brigham's researchers as they work to bring scientific findings to the healthcare setting to improve patient outcomes.
- Nightingale Health completed the analysis of blood samples from all 500,000 UK Biobank participants, creating the world's largest blood biomarker database for chronic disease research and prevention. The data is globally accessible to approved researchers undertaking health-related research that is in the public interest. The wide scientific use of Nightingale Health's biomarkers has already enabled the company's technology to be routinely adopted in clinical settings (Terveystalo in Finland), marking a leap forward in chronic disease treatment and prevention.
- Nightingale Health rolled out a remote blood collection kit (Velvet™) also for its medical research and clinical trial customers. The groundbreaking blood collection service enables study designs that have previously been constrained by geographical and logistic limitations.
- A research study abstract submitted by experts from Nightingale Health won the American Heart Association's Paul Dudley White International Scholar Award.
- Nightingale Health received three new patents.

## Key figures (IFRS)

EUR thousand	Group 7–12/2023	Group 7–12/2022	Group 2022–2023
Revenue	1,715	2,243	4,182
EBITDA	-5,336	-5,463	-11,835
Operating loss	-9,306	-8,672	-18,524
Net loss for the financial period	-8,529	-8,553	-18,083
Equity ratio	94%	92%	92%
Net debt to equity ratio	-76%	-78%	-78%
Balance sheet total	97,040	115,173	106,793
Number of employees on average	85	77	82
Employee benefits	-4,238	-4,107	-9,381
Cash and cash equivalents at the end of the period	72,606	87,515	80,639

\* Employee benefits include expenses in accordance with the IFRS 2 *Share based payments* standard, which totaled EUR 1.49 (1.66) million in the half-year period.

### Share performance indicators\*

	Group 7–12/2023	Group 7–12/2022	Group 2022–2023
Earnings per share (EPS), undiluted and diluted**, EUR	-0.14	-0.14	-0.30
Equity per share, EUR	1.48	1.72	1.60
Market value of the shares at the end of the financial period, EUR	67,340,042	61,305,988	52,435,928
Number of shares at the end of period	60,918,459	60,918,459	60,918,459
Average number of shares	60,918,459	60,918,459	60,918,459
<b>B shares</b>			
Number of shares at the end of period	39,153,970	39,093,770	39,093,770
Average number of shares	39,152,334	38,903,060	38,997,631
Lowest share price, HEALTH, EUR	0.80	0.98	0.85
Highest share price, HEALTH, EUR	1.28	2.27	2.27
Closing price at the end of period, HEALTH, EUR	1.12	1.02	0.87
Average daily trading volume of the share	57,903	42,921	51,859
Relative share trading volume, %	18.8	14.23	33.6
<b>A shares</b>			
Number of shares at the end of period	20,585,924	20,585,924	20,585,924
Average number of shares	20,585,924	20,776,634	20,682,063
<b>EMP shares</b>			
Number of shares at the end of period	1,178,565	1,238,765	1,238,765
Average number of shares	1,180,201	1,238,765	1,238,765

\* The table does not show the P/E ratio because it is negative.

\*\* 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

Nightingale Health's mission is to build sustainable healthcare and reduce health inequalities. We need a more sustainable healthcare system because the number of people suffering from chronic diseases has grown too large, and the healthcare system is overburdened.

The main function of primary care is to promote health and prevent the onset of diseases. Primary care continuously carries out preventative work against chronic diseases, but the tools available for this are not efficient. They require substantial time and resources from healthcare professionals, and therefore, can only be used for a small part of the population.

Primary care needs an efficient tool that makes it possible to extend the prevention of chronic lifestyle diseases to the entire population.



Nightingale Health's unique blood-based health check is such a tool. The health check can replace many of the current routine tests in healthcare, and it can be used to broadly assess disease risks at the population level without burdening the already scarce healthcare resources. The health check requires little background information (age and sex) and only a small amount of blood. By detecting health risks on a population level, health interventions can be targeted to the ones that need them the most, and the onset of chronic diseases can be prevented more efficiently.

In September 2023, we published a strategy update and announced that going forward, we would focus on the B2B and B2G markets. We updated our strategy so that we can concentrate on solving the biggest challenge in healthcare globally.

The implementation of the new strategy has started well. Terveystalo, Finland's largest private healthcare provider, has adopted our health check, utilizing the risk assessments and diagnostic blood values in regular occupational health checks. This demonstrates that our technology brings added value to healthcare and can be successfully integrated into existing clinical operations, where blood samples are taken systematically on a nationally significant scale. Terveystalo's occupational health services cover approximately 700,000 employees, almost a third of Finland's workforce.

In Singapore, we were excited to start our partnership with Innoquest Diagnostics, a leading clinical diagnostics service provider, and its parent company, Pathology Asia. Through this collaboration, our health check will become available in Singapore as well as other parts of the Southeast Asia region. Singapore's health ecosystem is one of the most advanced globally, and we have already been privileged to serve multiple medical research institutions in the country for several years. The clinical implementation of our health check in Singapore is a significant achievement, which allows us to contribute to the advancement of preventative healthcare in Singapore. The launch of the health check in Singapore is progressing in collaboration with Innoquest Diagnostics, and as we announced a few weeks ago, we have already received the first regulatory approval in Singapore.

During the half-year period, we also announced the completion of the analysis of blood samples from all 500,000 UK Biobank participants. Completing the project is a culmination point for the company's long-term product development phase, which has lasted almost ten years. No other company in the world has managed to reach a similar level of scientific scrutiny and medical evidence in understanding chronic diseases as Nightingale Health has. The evidence obtained has enabled the adoption of our technology at national and international levels in healthcare. From

these starting points, we are in an exceptional position to expand the use of our technology in large-scale healthcare initiatives worldwide.

We are extremely proud of our achievements over the past ten years, but this is just a start. With this pace of scientific and technological progress, we will soon be replacing many of the current solutions in primary care with better tools for chronic disease detection to make our health systems more preventative, effective, and smarter. This will bring an exciting and better future for everyone.

*Teemu Suna*  
*CEO and Founder, Nightingale Health Plc*

## Business targets for the financial year 2023–2024

Business targets for financial year 2023 – 2024 are:

- Win an international commercial contract with a healthcare industry partner with significant reference and contract value (*achieved in November 2023 when the company entered into collaboration agreement with Innoquest Diagnostics, a leading clinical diagnostics service provider in Singapore*).
  - 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

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

Long-term business targets are:

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



## Market outlook

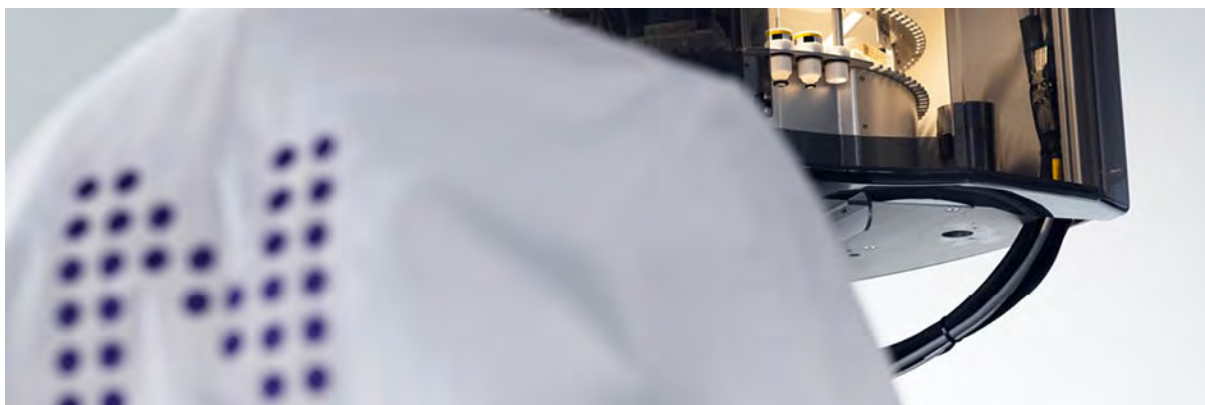
The risk prediction models offered by Nightingale Health relate to lifestyle diseases such as type 2 diabetes and heart diseases. Lifestyle diseases are the most common cause of death in the world, and their treatment accounts for more than 80 percent of the total healthcare costs in several countries. 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 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 2023 – 31 December 2023

### Revenue and result

#### Revenue

The Group's revenue during the half-year period totaled EUR 1.71 (2.24) million. The decrease in revenue was primarily due to seasonal fluctuations.

The majority of the Group's revenue consisted of analysis services sold to universities and research projects. The analysis service for big projects in particular might be performed over several months or years, which creates a seasonality effect to Group's revenue.

Additionally, the company announced an updated strategy in the autumn, which has engaged key personnel in its implementation. However, as a result of the strategy update, the company is in a better position to pursue business growth.

#### Result

Group-level operating loss was EUR -9.31 (-8.67) million. EBITDA was EUR -5.34 (-5.46) million. Loss before appropriations and taxes was EUR -8.50 (-8.55) million. Net loss for the half-year period was EUR -8.53 (-8.55) million.

The Group's material and service expenses totaled EUR 0.54 (0.25) million.

The Group's employee benefits during the half-year period totaled EUR 4.24 (4.11) million including expenses in accordance with the IFRS 2 *Share based payments* standard of EUR 1.49 (1.66) million.

Depreciation and amortization of tangible and intangible assets during the half-year period totaled EUR 3.97 (3.21) million.

### Balance sheet, cash flows and investments

#### Balance sheet and cash flows

At the end of the half-year period, the Group balance sheet totaled EUR 97.04 (115.17) million, of which equity constituted EUR 90.31 (104.55) million. Equity ratio at the end of the half-year period was 94 (92) per cent.

At the end of the half-year period, the Group's net debt totaled EUR -69.05 (-81.36) million. Long-term interest-bearing debt totaled EUR 1.49 (2.95) million. Net debt to equity ratio at the end of the half-year period was -76 (-78) per cent.

Net cash flow from operating activities during the half-year period totaled EUR -4.45 (-4.19) million.

Cash flow from investments totaled EUR -1.87 (-2.48) million consisting of investments in tangible and intangible assets.

Cash flow from financing activities totaled EUR -1.74 (-1.05) million.

Cash and cash equivalents at the end of the half-year period amounted to EUR 72.61 (87.52) million with cash flows from operations, investments and financing totaling EUR -8.06 (-7.71) million.

### **Investments and development**

Investments in tangible and intangible assets during the half-year period totaled EUR 2.03 (2.48) million. Investments in intangible assets were mainly related to the development of Applications, Laboratory technology and Risk models.

During the half-year period the Group also invested in laboratory equipment.

### **Personnel**

The Group had an average of 85 (77) employees during the half-year period. Of the employees 26 worked in sales and business development, 49 in research and development and operations and 10 in administration. At the end of the half-year period, Nightingale Health employed 81 people including the CEO. Of the 81 employees 73 worked in Finland, 5 in Japan, 1 in Estonia and 2 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.

### **Shares 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 half-year period, 31 December 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, 39,153,970 were Series B shares ja 1,178,565 were EMP shares.

Nightingale Health held 577,920 EMP shares at the end of the half-year period, 31 December 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 half-year period, 29 December 2023, was EUR 1.12. The highest price quoted in the half-year period was EUR 1.28 and the lowest EUR 0.80. The average closing price of the share during the half-year period was EUR 1.00 and the average daily trading volume was 57,903 shares.

Nightingale Health's market value on 31 December 2023 was 67.34 million

## **Shareholders**

Nightingale Health had 11,238 shareholders on 31 December 2023 (31 December 2022: 11,798). 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 for the financial year 2022–2023 was released as part of the annual report.

## **Annual General Meeting**

The Annual General Meeting of Nightingale Health Plc was held on 16 November 2023. The meeting was held as a fully virtual remote meeting in accordance with Chapter 5, Section 16, Subsection 3 of the Finnish Companies Act. The General Meeting 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 2022–30 June 2023.

### ***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 2022–30 June 2023, 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 six (6). Antti Kangas, Olli Karhi, Ilkka Laurila, 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 has announced Panu Vänskä, 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 2,058,592 A-series shares and 3,915,397 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 market-place organized by Nasdaq Helsinki Ltd or otherwise at a market price. The authorization 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. The authorization revokes the authorization to repurchase the company's own shares decided by the previous Annual General Meeting on 17 November 2022.

***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 594,992 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.

In addition, by virtue of the authorization, the Board of Directors is entitled to convey a maximum of 577,920 EMP-series shares held by the company under one or more decisions.

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

The authorization now granted revokes the authorization decided by the Annual General Meeting on 17 November 2022 to authorize the Board of Directors to decide on the share issue and granting of special rights entitling to shares.

The authorization now granted 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 2,058,592 A-series shares and 7,900,000 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. In addition, by virtue of the authorization now granted, the Board of Directors is entitled to convey a maximum of 577,920 EMP-series shares held by the company.



## 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.

## **Management Team**

Members of Nightingale Health's Management Team at the end of the half-year 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).

## **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 in note 7 *Share based payments* in the financial statements of the financial period ended on 30 June 2023.

## **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>1</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>1</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.

## **Risk 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.

Nightingale's risk management and the risks related to its business are described in detail in the company's Financial Statements for the financial period ended on 30 June 2023 and on the company's website.

The risks that Nightingale considers significant with potential negative impact on the company's business and the industry, personnel, financial position, regulatory compliance and information security have remained unchanged during the half-year period and were described in more detail at the end of the previous financial year. 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.

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

- On 2 January 2024 Nightingale Health announced that Terveystalo had begun using Nightingale Health's blood analysis technology in regular health checks in occupational health throughout Finland.
- On 19 January 2024 Nightingale Health announced that it is joining Radical Health Festival Helsinki as the Founding Partner.
- On 31 January 2024 Nightingale Health announced that it had received five new patents in Finland. With these five new patents the company's patent portfolio expands to cover additional health areas such as infectious diseases and anemia.
- On 23 February 2024 Nightingale Health announced that it had received regulatory approval for healthcare use from Health Sciences Authority in Singapore.

## **Live webcast for investors and media**

Nightingale will arrange a live webcast for investors and media in English on 7 March 2024 at 2 p.m. EET. The webcast can be followed online at:

<https://nightingalehealth.videosync.fi/2023-2024-h1-results>

A 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, 6 March 2024  
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
Relative share trading volume, %	Number of shares traded during the financial period / average number of shares

## Financial figures of half-year report 1 July 2023 – 31 December 2023

### Consolidated income statement

EUR thousand	Note	7/2023 –12/2023	7/2022 –12/2022	7/2022 –6/2023
Revenue	3	1,715	2,243	4,182
Other income		17	32	206
Materials and services		-539	-245	-590
Employee benefits	4	-4,238	-4,107	-9,381
Depreciation, amortization and impairment losses		-3,970	-3,209	-6,689
Other expenses		-2,272	-3,357	-6,219
Share of joint venture's result		-18	-29	-34
<b>Operating profit (loss)</b>		<b>-9,306</b>	<b>-8,672</b>	<b>-18,524</b>
Finance income		1,109	350	1,172
Finance costs		-304	-281	-816
Fair value change in investment in convertible loan		-	56	94
<b>Net finance items</b>		<b>805</b>	<b>125</b>	<b>450</b>
<b>Profit (loss) before tax</b>		<b>-8,502</b>	<b>-8,547</b>	<b>-18,074</b>
Income tax expense		-8	-6	-9
Deferred taxes		-19	-	-
<b>Taxes total</b>		<b>-28</b>	<b>-6</b>	<b>-9</b>
<b>Profit (loss) for the period</b>		<b>-8,529</b>	<b>-8,553</b>	<b>-18,083</b>
<b>Profit (loss) for the period attributable to</b>				
Owners of the parent company		-8,529	-8,553	-18,083
<b>Earnings per share</b>				
Basic earnings per share, euro				
– Series A and EMP shares		-0,14	-0.14	-0.30
Basic earnings per share, euro				
– Series B shares		-0,14	-0.14	-0.30

### Consolidated comprehensive income statement

EUR thousand	Note	7/2023 –12/2023	7/2022 –12/2022	7/2022 –6/2023
<b>Profit (loss) for the period</b>		<b>-8,529</b>	<b>-8,553</b>	<b>-18,083</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		-8	1	48
<b>Other comprehensive income for the period</b>		<b>-8</b>	<b>1</b>	<b>48</b>
<b>Total comprehensive income for the period</b>		<b>-8,537</b>	<b>-8,551</b>	<b>-18,034</b>
<b>Total comprehensive income attributable to</b>				
Owners of the parent company		-8,537	-8,551	-18,034



## Consolidated statement of financial position

EUR thousand	Note	31 Dec 2023	30 June 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	5	1,023	1,023
Intangible assets	5	14,022	16,037
Property, plant and equipment	6	5,418	4,538
Right-of-use assets		2,022	2,682
Investment in joint venture		50	69
Other assets		356	432
Deferred tax assets		7	-
<b>Total non-current assets</b>		<b>22,898</b>	<b>24,780</b>
<b>Current assets</b>			
Inventories		455	550
Trade and other receivables		1,080	824
Cash and cash equivalents		72,606	80,640
<b>Total current assets</b>		<b>74,142</b>	<b>82,013</b>
<b>Total assets</b>		<b>97,040</b>	<b>106,793</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		80	80
Reserve for invested unrestricted equity		142,380	142,380
Translation differences		99	90
Accumulated losses		-52,247	-45,194
<b>Total equity</b>		<b>90,312</b>	<b>97,355</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings		434	1,276
Lease liabilities		1,058	1,406
Deferred tax liabilities		26	-
<b>Total non-current liabilities</b>		<b>1,519</b>	<b>2,681</b>
<b>Current liabilities</b>			
Loans and borrowings		1,058	1,384
Lease liabilities		1,002	965
Advances received		905	1,020
Trade and other payables		2,243	3,388
<b>Total current liabilities</b>		<b>5,209</b>	<b>6,757</b>
<b>Total liabilities</b>		<b>6,728</b>	<b>9,438</b>
<b>Total equity and liabilities</b>		<b>97,040</b>	<b>106,793</b>

## Consolidated cashflow statement

EUR thousand	Note	7/2023 -12/2023	7/2022 -12/2022	7/2022 -6/2023
<b>Cash flows from operating activities</b>				
Loss for the period		-8,529	-8,553	-18,083
<b>Adjustments:</b>				
Depreciation and amortization		3,970	3,209	6,689
Share based payments		1,491	1,663	3,950
Share of joint venture's result		18	29	34
Fair value change in investment in convertible loan		-	-56	-94
Other finance income and costs, net		-805	-401	-636
Income tax expense		28	6	9
Other adjustments		-	15	18
<b>Cash flows before change in working capital</b>		<b>-3,826</b>	<b>-4,087</b>	<b>-8,113</b>
<b>Change in working capital</b>				
Change in trade and other receivables (increase (-) / decrease (+))		-178	-133	-151
Change in inventories (increase (-) / decrease (+))		94	-57	42
Change in current non-interest-bearing payables (increase (+) / decrease (-))		-1,280	182	368
<b>Cash flows before finance items and taxes</b>		<b>-5,190</b>	<b>-4,096</b>	<b>-7,855</b>
Interest paid		-107	-126	-202
Interest received		857	41	736
Income taxes paid		-9	-5	-7
<b>Net cash from operating activities</b>		<b>-4,450</b>	<b>-4,186</b>	<b>-7,329</b>
<b>Cash flows from investing activities</b>				
Capitalized development costs		-932	-1,971	-3,581
Acquisition of property, plant and equipment		-936	-510	-833
<b>Net cash used in investing activities</b>		<b>-1,868</b>	<b>-2,481</b>	<b>-4,414</b>
<b>Cash flows from financing activities</b>				
Grants received		-	726	726
Repayment of non-current loans and borrowings		-882	-911	-1,531
Sale and leaseback arrangements		-280	-267	-540
Payment of lease liabilities		-578	-594	-1,233
<b>Net cash from financing activities</b>		<b>-1,741</b>	<b>-1,046</b>	<b>-2,579</b>
<b>Net decrease in cash and cash equivalents in cash flow statement</b>		<b>-8,059</b>	<b>-7,712</b>	<b>-14,322</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>80,640</b>	<b>95,279</b>	<b>95,279</b>
Effect of movements in exchange rates		25	-52	-318
<b>Cash and cash equivalents at the end of period</b>		<b>72,606</b>	<b>87,515</b>	<b>80,640</b>

## Consolidated statement of changes in equity

### Consolidated statement of changes in equity 1 July 2023 – 31 December 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 Jul</b>	<b>80</b>	<b>142,380</b>	<b>90</b>	<b>-45,194</b>	<b>97,355</b>
<b>Comprehensive income</b>					
Profit (loss) for the period	-	-	-	-8,529	<b>-8,529</b>
Other comprehensive income	-	-	-8	-	<b>-8</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-8</b>	<b>-8,529</b>	<b>-8,537</b>
<b>Transactions with owners of the company</b>					
Share-based payments	-	-	-	1,491	<b>1,491</b>
Other changes	-	-	17	-14	<b>2</b>
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>1,477</b>	<b>1,493</b>
<b>Equity on 31 Dec</b>	<b>80</b>	<b>142,380</b>	<b>99</b>	<b>-52,247</b>	<b>90,312</b>

### Consolidated statement of changes in equity 1 July 2022 – 31 December 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 Jul</b>	<b>80</b>	<b>142,380</b>	<b>41</b>	<b>-31,063</b>	<b>111,438</b>
<b>Comprehensive income</b>					
Profit (loss) for the period	-	-	-	-8,553	<b>-8,553</b>
Other comprehensive income	-	-	1	-	<b>1</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-8,553</b>	<b>-8,551</b>
<b>Transactions with owners of the company</b>					
Share-based payments	-	-	-	1,663	<b>1,663</b>
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,663</b>	<b>1,663</b>
<b>Equity on 31 Dec</b>	<b>80</b>	<b>142,380</b>	<b>43</b>	<b>-37,953</b>	<b>104,550</b>

# Notes to the consolidated half-year results

## 1 Accounting principles

This half-year report has been prepared in accordance with IAS 34 standard. The report has been prepared in accordance with IFRS Accounting Standards 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 half-year report as in the consolidated financial statements for the financial year ended on 30 June 2023.

All figures in this half-year report are unaudited.

## Russia's invasion of Ukraine, geopolitical situation and interest rates

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 crisis in Israel and Gaza has delayed the analysis of certain research samples, which has had a small impact on the revenue of the half-year period.

The Group's risk arising from the increased interest rates is limited due to its small amount of interest-bearing loans and borrowings. Nightingale Health does not actively hedge its interest rate risk.

## 2 Seasonality

The 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	7/2023 –12/2023	7/2022 –12/2022	7/2022 –6/2023
Finland	263	105	221
UK	237	1,775	2,362
Rest of Europe	334	149	1,034
USA	597	45	140
Others	283	170	425
<b>Total</b>	<b>1,715</b>	<b>2,243</b>	<b>4,182</b>

In the half-year period Nightingale Health had 1 customer, whose share of the Group's revenue was more than 10%. The total amount of revenue received from these customers was EUR 310 thousand.

## 4 Share-based payments

Impact of share-based payments on income statement and statement of financial position	7/2023 –12/2023	7/2022 –12/2022	7/2022 –6/2023
Employee benefits recognized in profit and loss	1,491	1,663	3,950
<b>Total</b>	<b>1,491</b>	<b>1,663</b>	<b>3,950</b>



## 5 Intangible assets

### Reconciliation of carrying amounts

7-12/2023 EUR thousand	Good- will	Other technol- ogy	Licenses	Applica- tions	Laboratory technology	Risk models	Total
<b>Acquisition cost</b>							
Balance on 1 Jul	1,023	418	1,300	9,017	8,315	5,288	<b>25,360</b>
Additions	-	-	-	278	257	436	<b>971</b>
<b>Balance on 31 Dec</b>	<b>1,023</b>	<b>418</b>	<b>1,300</b>	<b>9,295</b>	<b>8,572</b>	<b>5,724</b>	<b>26,331</b>
<b>Accumulated amortiza- tion and impairment losses</b>							
Balance on 1 Jul	-	-66	-108	-3,494	-2,792	-1,840	<b>-8,300</b>
Amortization	-	-18	-130	-1,297	-775	-767	<b>-2,987</b>
<b>Balance on 31 Dec</b>	<b>-</b>	<b>-84</b>	<b>-238</b>	<b>-4,791</b>	<b>-3,567</b>	<b>-2,607</b>	<b>-11,287</b>
<b>Carrying amount on 1 Jul 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>
<b>Carrying amount on 31 Dec 2023</b>	<b>1,023</b>	<b>333</b>	<b>1,062</b>	<b>4,504</b>	<b>5,005</b>	<b>3,117</b>	<b>15,045</b>

## 6 Property, plant and equipment

### Reconciliation of carrying amounts

7-12/2023 EUR thousand	Leasehold improve- ment costs	Machinery and equipment	Total
<b>Cost on 1 Jul</b>	<b>574</b>	<b>5,400</b>	<b>5,974</b>
Additions	150	1,161	<b>1,311</b>
Transfers between lines	11	184	<b>195</b>
Exchange rate differences	-10	-191	<b>-200</b>
<b>Cost on 31 Dec</b>	<b>727</b>	<b>6,554</b>	<b>7,281</b>
<b>Accumulated depreciation and im- pairment on 1 Jul</b>	<b>-389</b>	<b>-1,049</b>	<b>-1,437</b>
Transfers between lines	-59	-367	<b>-426</b>
<b>Accumulated depreciation and im- pairment on 31 Dec</b>	<b>-447</b>	<b>-1,415</b>	<b>-1,863</b>
<b>Carrying amount on 1 Jul 2023</b>	<b>186</b>	<b>4,351</b>	<b>4,538</b>
<b>Carrying amount on 31 Dec 2023</b>	<b>279</b>	<b>5,139</b>	<b>5,418</b>

## 7 Provision, contingencies and commitments

### Collaterals and other obligations

EUR thousand	31 Dec 2023	30 Jun 2023
<u>Loans secured by business mortgages</u>		
Bank loans	265	886
Business mortgages	7,800	7,800

### Off-balance sheet commitments

EUR thousand	31 Dec 2023	30 Jun 2023
<u>Off-balance sheet commitments</u>		
Machinery acquisition commitments	1,004	1,763

## 8 Significant events after the reporting period

- On 2 January 2024 Nightingale Health announced that Terveystalo had begun using Nightingale Health's blood analysis technology in regular health checks in occupational health throughout Finland.
- On 19 January 2024 Nightingale Health announced that it is joining Radical Health Festival Helsinki as the Founding Partner.
- On 31 January 2024 Nightingale Health announced that it had received five new patents in Finland. With these five new patents the company's patent portfolio expands to cover additional health areas such as infectious diseases and anemia.
- On 23 February 2024 Nightingale Health announced that it had received regulatory approval for healthcare use from Health Sciences Authority in Singapore.