



# Nightingale Health

**ANNUAL REPORT  
2023–2024**

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## Business overview

### CEO's review

Dear reader,

The sustainable foundation of a welfare society is based on the health and capabilities of its people. Health is at the core of everything, as healthy and functional people are the ones who create and build wealth and take care of those in need. They are the cornerstone of a prosperous society.

Currently, the management of healthcare systems in developed countries is guided by statistics and analysis of disease outcomes and mortality. The problem with this approach is that major public health issues, such as cardiovascular diseases, start to develop at least a decade before the onset of the disease. Therefore, analyzing disease outcomes and mortality means looking far into the past.

Additionally, the true effectiveness of today's health policy decisions and interventions can only be seen in disease outcomes and mortality over a decade later. Managing the healthcare system with outdated information towards an unknown future is slow, inefficient, and risky.



If we let the number of people suffering from chronic diseases continue to grow at the current rate, soon we will no longer have enough people to run our societies. A huge portion of our collective effort goes toward treating diseases, and yet, due to the enormous number of sick people, we are unable to offer care to everyone. This will lead to a dramatic increase in healthcare inequality and eventually result in economic and societal chaos.

It is clear that this must change.

The healthcare system needs to be steered in a new way. Instead of focusing on historical disease events and mortality rates, we must look to the future and optimize our efforts to reduce the risk of future diseases. We can no longer make health policy decisions and then wait 10-15 years to see the results manifest in the form of disease outcomes. Instead, we must find a way to assess the impacts of health policy decisions much more rapidly within one or two years. We need to start looking forward, not backward.

Looking forward and steering our society towards a healthier future means that we start to systematically identify disease risks. When individuals at risk of developing a chronic disease can be identified early, healthcare services can be targeted to those who need them the most, and diseases can be effectively prevented. Predictive detection of disease risks at the population level is, therefore, the foundation of a better healthcare system.

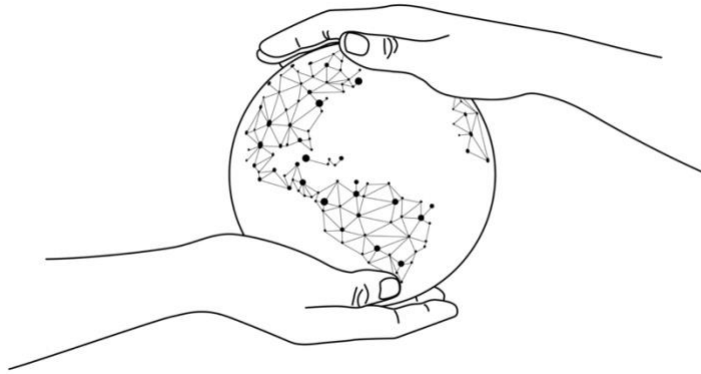
Ten years ago, we didn't have the scalable tools to identify the disease risks of entire nations. While various risk calculators have been used in healthcare to assess, for example, cardiovascular disease risks, using these calculators has taken an unreasonable amount of time for healthcare professionals, and thus, their efficient and scalable implementation has not been possible.

Now, a scalable tool for identifying disease risks is available. Using the blood analysis technology developed by Nightingale Health, the risks of various common chronic diseases can be detected from a single blood sample. Because the test only requires one blood sample, it can be used to broadly assess disease risks at the population level.

Our technology enables a new forward-looking approach to managing the healthcare system, where a better future is systematically built by monitoring the impact of interventions on risks almost in real-time. This way we can implement a healthcare system where development efforts and funding are directed towards the operating models that have a measurably significant effect in reducing disease risks. This is the path towards a society with fewer sick people. Our technology enables all this without burdening the healthcare system or increasing costs – we help achieve better results with fewer resources.

There is a way towards a healthier future. Let's start building it today.

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



## Mission

*Nightingale Health's mission is to build sustainable healthcare and reduce health inequalities.*

### Why do we need a more sustainable healthcare system?

Our current healthcare system is overburdened with too many sick people. This is why the current system is not a *health* care system, but a sick care system. Healthcare spending is 10% of GDP in many European countries and as far as 20% in the United States. The need for a better healthcare system is undeniable.

If we don't soon start investing in keeping people healthy and preventing diseases, the amount of people with chronic diseases will become unsustainable and the whole healthcare system will face the risk of collapsing. When we reach a point where everyone can't be treated and inequality in healthcare increases to unprecedented levels, the consequences will have massive impact on society.

The solution to the current crisis in healthcare is to widely implement a preventative healthcare system. At the core of a preventative healthcare system is the ability to detect disease risks. When people at highest risk of disease can be identified in time, healthcare services and interventions can be targeted to those who benefit the most from them, and the onset of chronic diseases can be prevented.

Access to preventative healthcare is a human right and it has a massive impact on the prosperity of the societies. During the next ten years, healthcare will not be only about health, but it will also significantly contribute to social and economic wellbeing. Therefore, our vision for the next ten years is not merely to build a better and more sustainable healthcare system, but also to enable social and economic prosperity with the help of our technology.

## Our unique blood analysis technology and strategy

Nightingale Health's strategy to build preventative and sustainable healthcare focuses on two markets: business to business (B2B) and business to governments (B2G). Nightingale Health's blood analysis technology can be utilized by healthcare providers, insurance companies, governments and health systems, companies offering consumer health services, telehealth providers, as well as universities and research institutions conducting medical research.

Based on the blood analysis technology developed by Nightingale Health, the company offers its customers chronic disease risk assessments, and a broad panel of blood values commonly used in healthcare. Nightingale Health's technology detects the risks of the most common chronic diseases from a single blood sample wider and with less effort and without compromising detection accuracy compared to existing clinical risk assessment tools. This capability is unique in the market and plays a key role in addressing the most pressing challenge in modern healthcare: chronic diseases in an aging population.



### 1. Identify risks

Replace routine single-disease risk tests with Nightingale's multi-disease risk detection.



### 2. Target interventions

Use the results to target clinical guideline interventions to the high risk individuals.

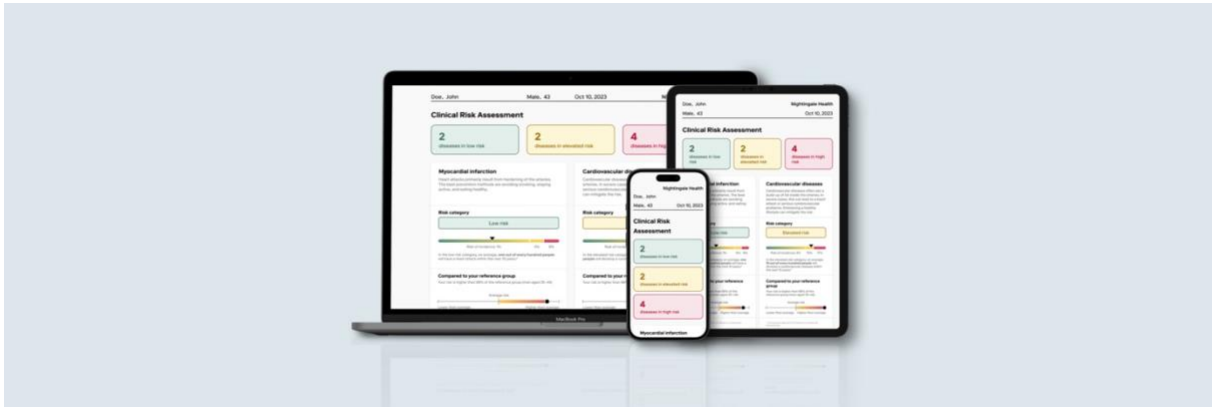


### 3. Measure outcomes

Track the impact of the interventions and validate progress towards lowering risk levels by periodically repeating Nightingale's risk assessment.

The disease risk assessments currently made in healthcare consume so much healthcare resources that they cannot be utilized for assessing disease risks at the population level. The health check developed by Nightingale Health is by far the most efficient and effective solution for large-scale risk detection. The health check detects the risks associated with various common chronic diseases from a single blood sample. Because the health check requires only one blood sample, it can be used to broadly assess disease risks at the population level without using the already scarce healthcare resources. This is why Nightingale Health's health check can both replace many of the current routine tests and risk assessments in healthcare and enable systematic risk assessment for everyone. Systematic risk assessment allows for measuring the impact of the interventions of healthcare providers and directing efforts and funding towards the operating models that have the greatest impact on reducing disease risks.

It is of utmost importance to tackle the health and cost challenges related to chronic diseases. Preventative healthcare is not possible without means for effective, holistic and cost-efficient risk detection. The health check based on Nightingale Health's blood analysis technology is the key to building a preventive healthcare system. The better we understand future disease risks, the better we can target preventive measures and reduce the number of sick people in the future.



## Products

### Nightingale Health Check

Nightingale's Health Check detects the risks associated with various common chronic diseases from a single blood sample, requiring only age and sex as clinical parameters. Since the Health Check requires only one blood sample, it is easy to integrate into healthcare providers' existing clinical processes. The results include a clear report containing disease risk predictions and values for blood markers commonly used in healthcare, such as cholesterol or creatinine, which can be utilized for diagnostic purposes.

### Nightingale Remote Health Check

Nightingale's Remote Health Check provides an industry-leading panel of blood markers and disease risk detection for the most common chronic diseases from a blood sample collected anywhere without the need to visit a laboratory. The Remote Health Check service can be utilized, for instance, by providers offering telehealth or consumer services. The service uses the Velvet™ blood collection device for which Nightingale Health holds all intellectual property assets. Nightingale's Remote Health Check is the only fully integrated remote health check solution that meets healthcare standards. Velvet™ enables sample preservation time of several weeks and it has an impressive success rate of over 95%.

### Nightingale for Research

Nightingale Health offers the CoreMetabolomics™ blood analysis service to its customers conducting medical research. The blood analysis service includes 250 biomarkers analyzed from every sample.

RemoteOmics™ includes both the Velvet™ blood collection device as well as analysis of self-collected samples. This makes it possible for medical research participants to collect their own blood samples by themselves, anywhere.



# Corporate Governance

## Corporate Governance Statement

1 July 2023–30 June 2024

In its corporate governance and management, Nightingale Health Plc (“Nightingale Health” or “company”) complies with the laws and regulations applicable to a Finnish company listed on the Nasdaq First North Growth Market, the Nasdaq First North Growth Market Rulebook and the company’s Articles of Association. Nightingale Health furthermore has opted to comply with the Finnish Corporate Governance Code 2020 issued by the Finnish Securities Market Association (available at [cgfinland.fi/en/](http://cgfinland.fi/en/)).

The company’s 2021 incentive program for the Board of Directors, CEO and key management diverges from the Corporate Governance Code’s recommendation 23 in accordance with the comply or explain principle in the following way: three Board members external to the company, who were part of the Board during financial year 1 July 2023–30 June 2024, are covered by an incentive program with similar terms as those applicable to the CEO and some of the company’s Management Team. The company considers this exception justifiable, as the company does not see that the incentive program weakens the execution of the Board’s supervisory duty or causes conflicts of interest. According to the terms of the incentive program, the Board members and specified key management members covered by it receive a right entitling to options based on the company’s market value growth.

Based on the incentive program, rights entitling to options are given in two instalments: when the company reaches a market value of at least EUR 500 million and when the company reaches a market value of at least EUR 1,000 million (based on the volume-weighted average share price of 45 days). The company sees that no conflicts of interest are created, and the shareholders’ interests are not jeopardized, because an increase in the company’s market value is always in the best interest of the company’s shareholders. The company sees that the shared target related to market value growth does not weaken the Board’s supervisory duty, as the other targets relating to the company’s growth are aligned with market value growth.

This Corporate Governance Statement is provided separately from the Board of Directors’ Report. Up-to-date information related to the governance and management at Nightingale Health is available on the company’s website: [nightingalehealth.com](http://nightingalehealth.com).

### Governing bodies

In accordance with the Finnish Companies Act, the General Meeting of Shareholders is the highest decision-making body of the company. Its tasks are defined in the Finnish Companies Act and the company’s Articles of Association. The Annual General Meeting of Shareholders decides, among other things, on the amendments to the Articles of Association, adopts the financial statements, decides on a possible distribution of profits and discharges the members of the Board and the CEO from liability. The Annual General Meeting elects the Board members and the auditor and decides on their remuneration. The company’s Annual General Meeting is held annually within six months of the end of the financial year, and it is convened by the Board. The company’s Annual General Meeting was held on 16 November 2023.

The general objective of the Board of Directors is to direct the company’s business and strategy in a manner that secures a significant and sustained increase in the value of the company for its shareholders. To this end, the members of the Board are expected to act as a resource and to offer their expertise and experience for the benefit of the company. The tasks and responsibilities of the company’s Board of Directors are determined on the basis of the Finnish Companies Act as well as other applicable leg-



isolation. The Board of Directors has general authority to decide and act in all matters not reserved for other corporate governance bodies by law or under the provisions of the Articles of Association. The general task of the Board of Directors is to organize and oversee the company and it has the duty to act in the best interests of the company at all times. The Board of Directors shall see to the administration of the company and the appropriate organization of its operations (general competence). The Board of Directors shall be responsible for the appropriate arrangement of the control of the company accounts and finances.

The CEO is appointed by the Board. The CEO shall see to the executive management of the company in accordance with the instructions and orders given by the Board of Directors. The company's Management Team assists the CEO in the management of Nightingale Health's business.

### **Scientific Advisory Board**

In addition to the governing bodies of the company, the company has established a Scientific Advisory Board. The Scientific Advisory Board is not a decision-making body but acts in a supporting role to advance the company's strategy to translate novel scientific findings from flagship biobanks and research cohorts to preventative health applications available for individuals globally. The company's Scientific Director acts as the Chairperson of the Scientific Advisory Board.

### **Composition of the Board of Directors**

According to the Articles of Association of the company, the Board shall consist of a minimum of three (3) and a maximum of ten (10) elected, ordinary members. The term of the Board members ends at the closing of the next Annual General Meeting following their election. The Board shall elect a Chairperson of the Board, unless otherwise decided when the Board is appointed.

### **Composition of the Board of Directors on 30 June 2024:**

Leena Niemistö (Chair), Antti Kangas, Olli Karhi, Ilkka Laurila, Timo Soininen and Teemu Suna.



#### **Leena Niemistö**

- Chair of the Board since 2022
- Born 1963
- Finnish citizen
- MD, PhD
- Main occupation: Board professional and investor
- Holdings in the company on 30 June 2024: 403,340 Series A shares, 74,074 Series B shares (through Kaikarhenni Oy), 231,770 Series A options, entitling to the same number of shares in the company. In addition, stock options equal to <sup>1</sup> per cent of the company's shares on a fully diluted basis shall be vested based on reaching the target valuation, i.e., the company's pre-money valuation in connection to a financing round, trade sale, or IPO exceeding EUR 500 million. Additionally, the right to stock options equal to <sup>2</sup> per cent of the company's shares on a fully diluted basis shall be vested based on reaching the target valuation, i.e., the company's pre-money valuation in connection to a financing round, trade sale, or IPO exceeding EUR 1,000 million.
- Independent from the company and from its major shareholders.

<sup>1</sup> Previously 0.5 percent. The Board of Directors decided on the change on 16 Oct 2023.

<sup>2</sup> Previously 0.5 percent. The Board of Directors decided on the change on 16 Oct 2023.



### **Antti Kangas**

- Board member since 2013
- Nightingale Health's CTO, Founder, and Management Team member
- Born 1984
- Finnish citizen
- M.Sc. (Tech)
- Main occupation: Nightingale Health Plc, Chief Technology Officer
- Holdings in the company on 30 June 2024: 5,340,342 Series A shares, 17,458 Series B shares, 0 options
- Not independent from the company or from its major shareholders.



### **Olli Karhi**

- Board member since 2015
- Born 1963
- Finnish citizen
- Lic. Med. MD
- Main occupation: Board professional
- Holdings in the company on 30 June 2024: 0 shares, 0 options
- Independent from the company but not independent from its major shareholders.



### **Ilkka Laurila**

- Board member since 2023
- Born 1977
- Finnish citizen
- MSc (Forestry), MSc (Econ)
- Main occupation: Taaleri Plc, Chief Financial Officer
- Holdings in the company on 30 June 2024: 8,000 shares, 600,000 Series B options with the right to subscribe to equal amount of Series B shares, in case defined market value is reached
- Independent from the company and its major shareholders.



### **Timo Soininen**

- Member of the board since 2020
- Born 1965
- Finnish citizen
- M.Sc. (Econ)
- Main occupation: Board professional and investor
- Holdings in the company on 30 June 2024: 447,888 Series A shares, 123,000 Series B shares, 1,362,025 Series A options, entitling to same number of shares in the company. In addition, stock options equal to 1 per cent of the company's shares on a fully diluted basis shall be vested based on reaching the target valuation, i.e., the company's pre-money valuation in connection to a financing round, trade sale, or IPO exceeding EUR 500 million. Additionally, the right to stock options equal to 1 per cent of the company's shares on a fully diluted basis shall be vested based on reaching the target valuation, i.e., the company's pre-money valuation in connection to a financing round, trade sale, or IPO exceeding EUR 1 billion. In addition, Villagecape Ventures Oy, Timo Soininen's closely associated company over which Timo Soininen does not have control, holds 201,670 Series A shares and 59,259 Series B shares.
- Independent from the company and from its major shareholders.



### **Teemu Suna**

- Board member since 2016
- Nightingale Health's CEO, Founder, and Management Team member
- Born 1982
- Finnish citizen
- M.Sc. (Tech)
- Main occupation: Nightingale Health Plc, Chief Executive Officer
- Holdings in the company on 30 June 2024: 2,637,964 Series A shares, 31,237 Series B shares, 2,000,000 Series B options, which entitle to subscribe for 1,000,000 Series B shares in the company when the company's market capitalization is at least EUR 500 million based on the 45-day volume weighted average purchase price. When the company's market capitalization is at least EUR 1,000 million based on the 45-day volume weighted average purchase price, the options entitle to subscribe for 1,000,000 Series B shares in the company.
- Not independent from the company or from its major shareholders.

A majority of the members of the Board of Directors shall be independent from the company and at least two of the members shall be independent from the company and any significant shareholder. Evaluation of director candidates' independence is an essential part of the director nomination process. Each member candidate's independence is assessed annually by the Board of Directors against the independence criteria of the Corporate Governance Code. The independence of a director who has served as a director for more than 10 consecutive years is subject to an overall evaluation on an annual basis.

## Responsibilities and Duties of the Board

The Board of Directors is responsible for the management of the company and for the proper arrangement of its operations. In addition, the Board of Directors is responsible for the appropriate arrangement of the supervision of the company's accounts and finances. The Board of Directors uses regular reports and other information provided thereto by the company's management to stay informed of any developments in the company's operations and finances.

The Board of Directors adopts the company's strategy and monitors its implementation. The Board of Directors also adopts the annual operating plan and a budget based on the strategy, sets the company's goals for each fiscal year and monitors their implementation.

In addition to the duties set out in law and in the Articles of Association, the Board of Directors discusses matters that are significant to and which have a long-term impact on the extent and quality of the operations of the company and the group.

As the company does not have a separate Audit Committee or Remuneration Committee, the Board of Directors is also responsible for monitoring the financial reporting, compliance, and remuneration processes.

The Board of Directors has decided that the company does not have a separate Nomination Committee. The Board of Directors is responsible for preparing proposals to the General Meeting on the appointment of the members of the Board of Directors.

The Board may establish permanent committees from among its members and define written rules of procedure for each committee. The Board may in individual cases appoint ad hoc committees for the preparation of a specific matter.

The Board of Directors assesses its operations on an annual basis to ascertain whether the Board of Directors is operating efficiently. This assessment is carried out as an internal self-assessment. The Board of Directors discusses the results of the assessment. The ways of working and the effectiveness of the Board of Directors are developed based on the results of the assessment.

## Board meetings

The Board of Directors will convene in accordance with the schedule agreed upon in the annual action plan that is adopted in advance. The Board of Directors will convene not less than 12 (twelve) times a year. The Board will hold extraordinary meetings as necessary, which may also be held as teleconference meetings. Matters may also be decided upon without convening an actual meeting by drawing up a unanimous decision that is signed by all Board members. The Chair of the Board convenes the extraordinary board meetings.

In the financial year 1 July 2023–30 June 2024, the Board of Directors focused on directing the company's strategic initiatives. The number of Board meetings was 15.

The table below presents the Board members' participation in the meetings between 1 July 2023 and 30 June 2024.

Member	Participation in Board meetings	Participation in Board meetings (%)
Leena Niemistö	15/15	100%
Antti Kangas	14/15	93%
Olli Karhi	15/15	100%
Timo Soininen	13/15	87%
Teemu Suna	15/15	100%
Ilkka Laurila	15/15	100%



## **Diversity of the Board of Directors**

The Board of Directors has approved the company's Diversity Principles. The responsibility to maintain the principles rests with the CEO. The Board of Directors approves all amendments to the Diversity Principles. The purpose of the Diversity Principles is to define the goals and methods by which a purposeful diversity of the Board of Directors is achieved, which in turn furthers the effective work of the Board as a team.

When electing the members of the Board of Directors, the objective is to ensure that the Board of Directors as a collective supports the development of the current and future business of the company. When planning the composition of the Board of Directors, the Board of Directors considers the needs and development stages of the company's business operations as well as the areas of expertise required by the Board of Directors. When preparing the composition of the Board of Directors, long-term needs and succession planning are also considered.

Diversity reinforces the objective that the Board of Directors' competence profile as a whole supports the development of the current and future business of the company, and it is seen as a material part and success factor that enables the achievement of strategic objectives and the continuous improvement of customer-oriented operations.

The diversity of the Board of Directors is viewed from different perspectives. The material factors for the company are the members' complementary skills, education and experience from different professions and industries, different development stages of business operations and management, and the personal attributes of the members. The diversity of the Board of Directors is supported by experience from the international operating environment and relevant industries, as well as cultural knowledge and the consideration of age and gender distribution.

Both genders shall always be represented in the Board of Directors. If two candidates are equally competent, priority will be given to the candidate of the underrepresented gender. The company's long-term objective is to achieve a more balanced representation of both genders in the Board of Directors. On 30 June 2024, out of the six members of the company's Board of Directors five were men and one was a woman. As a means to achieve the aforesaid objective, the Board of Directors seeks to include representatives of both genders in the search and evaluation process of new Board members.

The realization and development of diversity to achieve objectives are evaluated in the self-assessment discussion of the Board of Directors.

During the financial year 1 July 2023–30 June 2024, the Board of Directors has continued with a composition where both genders are represented and where the Board has expertise from diverse areas, including management, finance, business, health care industry and technology industry.

### **The Chief Executive Officer**

The CEO is responsible for the company's management in accordance with the Finnish Companies Act and the instructions given by the Board. The CEO prepares decisions and other matters for the Board of Directors' meetings, develops the company's operations in line with the targets agreed with the Board of Directors, and ensures the proper implementation of Board decisions.

The CEO shall see to the executive management of the company in accordance with the instructions and orders given by the Board of Directors (general competence). The CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner. The CEO shall supply the Board of Directors and its Members with the information necessary for the performance of the duties of the Board of Directors.

The CEO is responsible for ensuring that existing legislation and applicable regulations are observed throughout the company.

The CEO is appointed by the Board. The Board decides on the compensation and terms of engagement of the CEO.

## Management Team

Nightingale Health's Management Team consists of the CEO, his/her deputy (if one has been appointed), and other senior management.

Nightingale Health's Management Team assists the CEO in the management of Nightingale Health's business. The members of the team have authority in their individual areas of responsibility, and their duty is to develop the company's operations as a whole in line with the targets set by the Board of Directors and the CEO. The Management Team is not a decision-making body of the company.

During the financial year 1 July 2023–30 June 2024, the Management Team focused on reaching the business targets set for the financial year:

- Winning an international commercial contract with a healthcare industry partner with significant reference and contract value.
- Winning an international commercial contract with a white label partner with significant reference and contract value.
- Winning contract(s) in medical research with a total contract value of at least EUR 3.2 million.

Composition of the Management Team on 30 June 2024: Teemu Suna (CEO), Jeffrey Barret, Antti Kangas, Tuukka Paavola, Salla Ruosaari, Satu Saksman and Minja Salmio.



### Teemu Suna

- Chief Executive Officer, Founder, Board member
- Born 1982
- Finnish citizen
- M.Sc. (Tech)
- CEO and Management Team member since 2014
- Holdings in the company on 30 June 2024: 2,637,964 Series A shares, 31,237 Series B shares, 2,000,000 Series B options, which entitle to subscribe for 1,000,000 Series B shares in the company when the company's market capitalization is at least EUR 500 million based on the 45-day volume weighted average purchase price. When the company's market capitalization is at least EUR 1,000 million based on the 45-day volume weighted average purchase price, the options entitle to subscribe for 1,000,000 Series B shares in the company.



### Jeffrey Barret

- Chief Scientific Officer
- Born 1980
- United States and Irish citizen
- FT, FmedSci
- Management Team member since 2021
- Holdings in the company on 30 June 2024: 8,364 Series B shares, 1,000,000 Series B options, which entitle to subscribe for 100,000 Series B shares in the company.

B shares when 12 months has passed from the start of the employment relationship, and which entitle to subscribe for Series B 900,000 shares if the defined market capitalization is achieved.



### **Antti Kangas**

- Chief Technology Officer, Founder, Board member
- Born 1984
- Finnish citizen
- M.Sc. (Tech)
- Management Team member since 2014
- Holdings in the company on 30 June 2024: 5,340,342 Series A shares, 17,458 Series B shares, 0 options.



### **Tuukka Paavola**

- Chief Financial Officer
- Born 1980
- Finnish citizen
- M.Sc. (Tech), CFA
- Management Team member since 2021
- Holdings in the company on 30 June 2024: 7,487 Series B shares, 600,000 Series B options, which entitle to subscribe for 100,000 Series B shares when 12 months have passed from the start of the employment relationship, and which entitle to subscribe for 500,000 Series B shares if the defined market capitalization is achieved.



### **Salla Ruosaari**

- Chief R&D Officer
- Born 1976
- Finnish citizen
- PhD
- Management Team member since 2021
- Holdings in the company on 30 June 2024: 75,250 EMP shares and 250 EMP options, each entitling to 301 EMP shares in the company, 500,000 Series B options with the right to subscribe to an equal amount of Series B shares in case defined market value is reached.



### **Satu Saksman**

- Chief Operating Officer, Co-founder
- Born 1976
- Finnish citizen
- M.Sc. (Tech)
- Management Team member since 2015
- Holdings in the company on 30 June 2024: 529,158 Series A shares, 17,458 Series B shares, 75,250 EMP shares, 1,550 EMP options, each entitling to 301 EMP shares in the company and 1,000,000 Series B options which entitle to subscribe for 500,000 Series B shares in the company when the company's market capitalization is at least EUR 500 million based on the 45-day volume weighted average purchase price. When the company's market capitalization is at least EUR 1,000 million based on the 45-day volume weighted average purchase price, the options entitle to subscribe for 500,000 Series B shares in the company.



### **Minja Salmio**

- Chief Legal Officer
- Born 1987
- Finnish citizen
- LL.M.
- Management Team member since 2017
- Holdings in the company on 30 June 2024: 82,775 EMP shares, 1,550 EMP options, each entitling to 301 EMP shares in the company and 1,000,000 Series B options which entitle to subscribe for 500,000 Series B shares in the company when the company's market capitalization is at least EUR 500 million based on the 45-day volume weighted average purchase price. When the company's market capitalization is at least EUR 1,000 million based on the 45-day volume weighted average purchase price, the options entitle to subscribe for 500,000 Series B shares in the company

## **Internal control and risk management**

The purpose of internal control and risk management is to ensure that the company's and its subsidiaries' operations are effective, that financial and other information is reliable, and that the company and its subsidiaries comply with the relevant regulations and operating principles.

Nightingale Health's Board of Directors is primarily responsible for the Nightingale Health Group's risk management. The Board confirms the principles and responsibilities of risk management, the risk limits of the Group and other general guidelines according to which the risk management and internal control are organized. Risk management is carried out separately for each of the company's operating areas, so that experts from each area participate in the identification of risks.

The Board is responsible for ensuring that the Group's internal control and risk management are sufficient relative to the scope of the Nightingale Health Group's business and that their supervision is appropriate.



The Board supervises that the CEO manages the company's operative business and administration in accordance with the instructions and orders issued by the Board. The Board assesses the Nightingale Health Group's financial reports and material changes in business operations to ensure that risk management is sufficient.

The aim of internal control is to give the Board and acting management adequate assurance of the realization of the following objectives:

- the effectiveness and appropriateness of operations
- the achievement of targets and profitability
- the reliability and completeness of financial reporting and other reporting
- the safeguarding of assets
- compliance with operating principles, plans, guidelines, laws and regulations to prevent errors and misconduct, for example.

Internal control constitutes an essential part of the Nightingale Health Group's operations on all levels of the organization and is conducted on all organizational levels and in all operations. The entire Group personnel are responsible for internal control and subsidiary managers monitor its effectiveness as part of operative management. The priorities of internal control are selected according to the risks identified as part of the risk management process.

In accordance with the Securities Market Act, Nightingale Health has in use a whistleblowing system through which the employees can report any misconduct they have observed or suspect. The company has not received any reports through the whistleblowing channel during the financial year 1 July 2023–30 June 2024.

During the financial year 1 July 2023–30 June 2024, the company's strong liquidity position and associated risks have been managed systematically with a risk-conscious approach.

### **Auditing**

The extent and requirements of auditing the company are governed by the laws and regulations applicable to Finnish public companies. Accordingly, an independent third-party auditor audits annually the accounting records for each financial period, the annual accounts, and the administration of the company. The audit of the company includes an examination of the consolidated annual accounts for the Group as well as the relations between Group companies.

As required by law, the auditor gives an auditor's report to the company's shareholders in connection with the annual financial statements.

According to the company's Articles of Association, the company has an auditor that is an auditing firm approved by the Finnish Patent and Registration Office. The auditor is elected annually by the Annual General Meeting of Shareholders for a term that expires at the end of the next Annual General Meeting following the election. The auditor's term shall cover the financial year.

During the financial year 1 July 2023–30 June 2024, PriceWaterhouseCoopers Oy served as the company's auditor. The auditor with principal responsibility is Panu Vänskä. Fees paid to the auditor for auditing services totaled EUR 134 thousand and fees for other services totaled EUR 3 thousand.

### **Internal Audit**

Internal audits evaluate the company's internal controls. The audits ensure the appropriateness and success of the company's internal control system and risk management as well as the management and corporate governance processes. Internal audits improve the fulfillment of the supervision obligation of the Board of Directors and provide management with the tools necessary to attain operational efficiency by identifying problems and correcting lapses before they are discovered in an external audit.

Internal audits are planned and scheduled according to the Yearly Audit Plan. Auditors are selected to ensure the objectivity and impartiality of the audit process. Auditors must be qualified for auditing and audits can be outsourced and performed by outside consultants, if necessary. Requirements related to consultants are defined in the Human Resources and Training Policy. The auditing process consists of planning, performing, reporting, follow-up, and closing. The internal audit is described in detail in the Internal Audit instructions.

In accordance with the audit plan for the financial year 1 July 2023–30 June 2024, the internal audits focused on information security, employee roles and responsibilities, marketing, and purchases.

### **Insider Administration**

The Board shall ensure that the company has proper policies governing the administration of insider issues in place at all times. At Nightingale Health, the Chief Legal Officer is responsible for the coordination and supervision of insider administration. The insider laws and regulations, including the Market Abuse Regulation (EU), the Finnish Securities Markets Act, and the Guidelines for Insiders issued by Nasdaq Helsinki, complemented by the company's own Insider Policy adopted by the Board, constitute the primary legal framework for the insider issues relevant to the company.

The persons discharging managerial responsibilities in Nightingale Health in the meaning of the Market Abuse Regulation include members of the company's Board, the CEO, and other members of the Nightingale Health Management Team (together, the "Management").

Nightingale Health applies a restricted period of thirty (30) calendar days before the announcement, including the day of the announcement, of a half-year report or a financial statements release (the "Closed Window"). During this period, the persons included in the Management, the persons subject to trading restrictions, and any legally incompetent persons under their custody are prohibited from conducting any transactions, on their own account or for the account of a third party, directly or indirectly, relating to the company's shares or debt instruments, or derivatives or other financial instruments linked thereto.

A project-specific insider register is maintained when required by law or regulations. Project-specific insiders are prohibited from trading in the company's securities until the termination of the project.

### **Related Party Transactions**

Nightingale Health's related party policy, which includes the principles for monitoring and evaluating related party transactions, has been approved by the Board of Directors of Nightingale Health, which monitors and evaluates related party transactions. The related party principles of Nightingale Health define the principles and processes by which the company identifies its related parties and monitors transactions with them, assesses the nature and terms of such transactions, ensures that potential conflicts of interest are duly considered in the decision-making of the company, and that they are reported as required.

The definition of related parties is based on the definitions included in the International Accounting Standard 24. The company's related parties include its subsidiaries, associated companies, key management personnel of the company, including the Board of Directors, the CEO and the Management Team, as well as their family members. Related parties also include companies over which the above-mentioned persons have control. The company maintains a list of the natural and legal persons that are its related parties in order to identify related party transactions.

The company reports on related party transactions annually in its financial statements. The company discloses the information required by law in the notes to the financial statements.

# Remuneration Report

1 July 2023–30 June 2024

## Introduction

This Remuneration Report contains information about the remuneration of Nightingale Health Plc's ("Nightingale Health" or "company") Board of Directors and CEO for the financial period 1 July 2023–30 June 2024. The report has been formulated in accordance with the Corporate Governance Code 2020 of the Finnish Securities Market Association.

Nightingale Health's Remuneration Policy was presented to the Annual General Meeting on 28 October 2021. The Annual General Meeting accepted the Remuneration Policy in its advisory resolution.

The Remuneration Report for the financial period 1 July 2023–30 June 2024 includes the principles governing the remuneration of the members of the company's Board of Directors and CEO and a description of the practical implementation of the Remuneration Policy. The Report also includes the remuneration paid to the members of the Board of Directors and CEO in the financial year 1 July 2023–30 June 2024. The advisory vote concerning the Remuneration Report held by the Annual General Meeting on 16 November 2023 did not result in any changes to the content of the Remuneration Report.

The Board of Directors of Nightingale Health has ensured that remuneration practices are aligned with the principles laid out in the company's Remuneration Policy. There were no deviations from the Remuneration Policy in the financial year 2023–2024. In addition, no paid remuneration was reclaimed by the company in the financial year 1 July 2023–30 June 2024.

Nightingale Health's key principles in remuneration are transparency, market orientation, and remuneration for good performance of both individual employees and the company. Nightingale Health's remuneration principles concern the entire personnel of the company.

Nightingale Health's Remuneration Policy for management aims to encourage and reward management for work that is in line with the company's strategy at a given time and for compliance with the set rules, as well as to motivate them to strive for the success of the company. The share of the CEO's variable remuneration from the total remuneration is based on the long-term strategic goals as defined by the Board of Directors.

## Overview of financial year and the development of remuneration

During the financial year 1 July 2023–30 June 2024 Nightingale Health achieved several key targets and strategic milestones.

The company expanded its collaboration with Terveystalo, when Terveystalo adopted Nightingale Health's technology in regular health checks performed as part of its occupational health services. Terveystalo's occupational healthcare covers 30 percent of Finnish workforce, and by the end of the financial year, more than 50,000 individuals had already received their risk assessment. Thus, the collaboration with Terveystalo significantly contributes to Nightingale Health's strategic goal of focusing on disease prevention rather than reactive treatment. In addition, important partnership agreements were signed with US-based companies 23andMe, Kaiser Permanente and Boston Heart Diagnostics.

Nightingale Health also acquired the Japanese company Welltus Inc, through which it will maintain and expand its cooperation with Japanese healthcare providers as well as seek new partnerships agreements in one of the biggest healthcare markets in Asia.

Over the financial year Nightingale Health worked on two new laboratory implementations, one in Singapore and the other in the United Kingdom. In Singapore, Nightingale Health announced a partnership agreement with Innoquest Diagnostics. This partnership is expected to improve the company's position and influence, especially in the Southeast Asian markets. In the UK, Nightingale Health completed the

analysis of all 500,000 samples in the UK Biobank, thus creating the world's largest blood biomarker database for the research and prevention of chronic diseases.

Nightingale Health also acquired all intellectual property assets to the Velvet™ blood collection device, which secures the company's position as the sole provider of a fully integrated remote health check solution. Through the acquired intellectual property assets, the company has the full and exclusive ownership and control over the Velvet™ blood collection device. The Velvet™ technology will be utilized in the partnerships with 23andMe and with ZOE, a UK based wellbeing company, in another partnership announced in June 2024.

Additionally, eight new patents were granted for the company's disease risk identification technology.

The table below compares the Board of Directors' and the CEO's remuneration development to the development of the remuneration for an average employee and the financial development of the company over the previous five financial periods. There is no significant change in the remuneration of the Board of Directors and the CEO compared to the previous financial year.

*Remuneration paid and company's financial development over the last five years*

EUR thousand	2023–2024*	2022–2023*	2021–2022*	2020–2021	2019–2020
<b>Board members, total</b>	<b>246</b>	<b>1,290</b>	<b>980</b>	<b>56</b>	<b>-</b>
Of which IFRS 2 related costs**	102	1,126	836	-	-
Of which monthly benefits	144	164	168	56	-
<b>CEO</b>	<b>1,608</b>	<b>1,503</b>	<b>1,550</b>	<b>219</b>	<b>213</b>
Of which IFRS 2 related costs	1,317	1,204	1,315	-	-
Of which salary and fringe benefits	291	299	290	219	213
<b>Employees (on average)</b>	<b>82</b>	<b>81</b>	<b>88</b>	<b>37</b>	<b>44</b>
Of which IFRS 2 related costs	18	20	25	-	-
Of which salary and fringe benefits	63	61	63	37	44
Market value	138,783	52,436	109,216	349,255	-
Revenue	4,358	4,182	2,313	2,305	1,781***

\*) The remuneration presented in the table for the financial years 2023–2024, 2022–2023 and 2021–2022 include the calculated cost of options in accordance with the IFRS 2 standard, and the remuneration is therefore not directly comparable with remuneration of previous financial years. The comparability of the remuneration is also affected by the layoffs implemented in the financial years 2019–2020 and 2020–2021, which had a downward effect on remuneration.

\*\*\*) Excluding the CEO.

\*\*\*) Revenue according to Finnish Accounting Standards (FAS).

### Board remuneration

The General Meeting resolves annually on the remuneration of the Board of Directors based on the proposal made by the Board of Directors. The remuneration of the Board of Directors is based on the Remuneration Policy presented to the General Meeting on 28 October 2021.

The members of the Board of Directors can be paid, for example, annual or monthly fees and/or fees for Board meetings. The General Meeting or the Board of Directors authorized by the General Meeting resolves on issuing shares, stock options or other special rights entitling to shares.

### Monthly remuneration

The Annual General Meeting held on 16 November 2023 decided that each member of the Board of Directors is paid a monthly remuneration of EUR 2,000. The resolved monthly fee is the same as re-



solved by the General Meeting in November 2022. During the financial year 1 July 2023–30 June 2024, the monthly remuneration has been paid to each Board member.

No separate fees for Board meetings have been paid to Board members during the financial period 1 July 2023–30 June 2024.

### **Board, the CEO and Key Management Incentive Program**

Nightingale Health has a long-term Board, the CEO and Key Management Incentive Program, where the vesting event for stock options is determined based on the company's market value. The stock option program is described on the company's website: <https://nightingalehealth.com/investors/remuneration>.

In all stock option programs that are entitled to Series B shares, the right to subscribe shares is mainly based on the increase in Nightingale Health's market capitalization. The market capitalization steps entitling to subscribe shares remain unchanged. The subscription right based on the increase in market capitalization is a key term in all stock option programs because the increase in market capitalization is in the interest of the company's shareholders.

### **Remuneration based on the employment or service contract of the Chairman or members of the Board and advisor remuneration**

CEO remuneration is described in section "CEO Remuneration" of the Remuneration Report.

In addition to the incentive programs available to members of the company's Board of Directors and the fixed monthly remuneration, the following Board members are also compensated based on their employment or service contract and advisory duties as follows:

The remuneration based on the employment of Chief Technology Officer Antti Kangas, who is also a member of the company's Board of Directors, consists of a fixed salary, which during the financial period 1 July 2023–30 June 2024 was EUR 97,894. The salary includes vacation pay, holiday compensation and taxable fringe benefits. Kangas has also been rewarded with a bonus of EUR 11,460 EUR, which was paid on 15 July 2024.

### **CEO remuneration**

The CEO's fixed annual salary for the financial period 1 July 2023–30 June 2024 was EUR 240,237 including vacation pay, holiday compensation and taxable fringe benefits.

The CEO does not have a supplementary pension scheme.

### **Proportional shares of fixed and variable remuneration**

The Board of Directors decided at the end of the financial period 1 July 2023–30 June 2024 on paying a short-term incentive bonus to the CEO, in total EUR 51,000, based on the outstanding execution of the company's strategy and signing of several important international partnership agreements. The bonus will be paid to the CEO on 15 October 2024. The bonus paid in August 2023 for the financial year 1 July 2022–30 June 2023 was EUR 60,000.

In the financial year 1 July 2023–30 June 2024 the variable short-term remuneration was 17.5% of the CEO's total remuneration (20% in the financial year 1 July 2022–30 June 2023).

### **CEO options**

The stock options granted to the CEO are described on the company's website: <https://nightingalehealth.com/investors/remuneration>.



# Nightingale Health

**BOARD OF DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
1 JULY 2023 – 30 JUNE 2024**



## Board of Directors' Report

### Overview of Nightingale Health and the financial period

#### Nightingale Health

Nightingale Health is a Finnish health technology company whose mission is to build sustainable healthcare and reduce health inequalities. Nightingale Health has developed the world's most advanced health check that provides risk detection for multiple chronic diseases from a single blood sample. Nightingale's Health Check can be scaled to entire populations at a low cost, and it can replace many of the current clinical risk assessments. Detecting disease risks on a population level allows for the effective targeting and tracking of health interventions, and better prevention of the onset of chronic diseases. Nightingale Health strives to collaborate with the healthcare industry to help millions of people prevent common lifestyle diseases in the future and, at the same time, to reduce the immense expenses of healthcare.

Nightingale Health operates globally with a parent company in Finland and seven subsidiaries in the United Kingdom, Japan, Sweden, Germany, Singapore, Estonia and the United States. Nightingale Health has customers in more than 34 countries in the healthcare and medical research sectors. The company's technology is being used in many of the world's leading health initiatives, such as the UK Biobank, and over 600 peer-reviewed publications validate the technology. The company's Series B shares are listed on the First North Growth Market Finland marketplace.

#### Significant events during the financial period

During the financial year 7/2023-6/2024 Nightingale Health achieved several breakthroughs in adopting the company's technology in healthcare. The milestones ranged from pilots to a nationwide implementation replacing traditional blood testing with Nightingale Health's advanced disease risk detection capability. These achievements align well with the updated strategy that the company announced early in the financial year and demonstrate significant progress in Nightingale Health's mission to make healthcare more sustainable worldwide.

#### Nightingale Health's blood analysis technology used in regular health checks in Terveystalo

In August 2023, Nightingale Health announced an agreement with Suomen Terveystalo Oy ("Terveystalo") to adopt Nightingale Health's technology in nationwide occupational healthcare in Finland. In Finland, occupational healthcare is a core part of the primary healthcare system and through the partnership with Terveystalo, Nightingale Health's technology is used to screen 30% of the working population in Finland. By the end of the financial year, Nightingale Health had empowered hundreds of healthcare professionals with better tools for preventive health and more than 50,000 individuals had benefitted from the multi-disease risk detection enabled by the company's technology. The first data



analysis results were published in aggregate level in the last quarter of the financial year, demonstrating the power of Nightingale Health's technology to enable a preventive national healthcare system instead of the current reactive approach.

### **Acquisition of Welltus Inc strengthens business in Japan**

In the third quarter of the financial year, Nightingale Health announced that it acquired Welltus Inc to strengthen and expand its business in Japan. With the acquisition Nightingale Health is in an excellent position to capitalize the established network of more than 200 hospitals in Japan and seek for new partnerships to expand the use of company's technology in one of the major healthcare markets in Asia.

### **New laboratory and partnership agreement in Singapore**

During the financial year Nightingale Health established a new laboratory in Singapore and announced a partnership agreement with Innoquest Diagnostics. Innoquest Diagnostics is a subsidiary of Pathology Asia, one of the largest diagnostic service providers in the South-East Asia region. Through this partnership Nightingale Health is in an excellent position to address the rapidly developing Singaporean market, but also more broadly the South-East Asia region with a population of around 500 million people. In addition, Nightingale Health received the first regulatory approval for healthcare use from Health Sciences Authority in Singapore. This first approval covers the analysis of eight common clinically used biomarkers.

### **Completion of the analysis of all 500,000 samples in the UK Biobank**

In the United Kingdom, in addition to establishing a new laboratory, Nightingale Health completed the analysis of all 500,000 samples in the UK Biobank and created the world's largest blood biomarker database for chronic disease research. No other company in the world has managed to reach a similar level of scientific scrutiny and medical evidence as Nightingale Health in understanding chronic diseases. This creates a strong position to offer Nightingale Health's technology in the United Kingdom.

### **Strategic partnerships in the United States**

In the United States, Nightingale Health announced two strategic partnership deals at the end of the financial year. One of the deals was made with Boston Heart Diagnostics and the other with 23andMe. These partnerships together with the company's earlier announcements with Kaiser Permanente, Weill Cornell Medicine and Mass General Brigham are key initiatives driving the adoption of Nightingale Health's technology in the United States. By working with some of the strongest healthcare organizations in the US, Nightingale Health is well positioned to seek further growth in the world's largest healthcare market.

### **Intellectual property assets of the Velvet™ blood collection device**

Nightingale Health also announced late in the financial year that the company acquired all intellectual property assets of the Velvet™ blood collection device. The acquisition secures Nightingale Health's position as the sole provider of a fully integrated remote health check solution. Nightingale Health uses the Velvet™ blood collection device in its Remote Health Check, providing an industry-leading panel of blood biomarkers and disease risk detection for the most common chronic diseases from a blood sample collected anywhere, for example at home, without the need to visit a laboratory. The Velvet™ technology will be utilized, for example, in the partnerships with 23andMe and also with ZOE, a UK based wellbeing company, in another partnership announced in June 2024.

## Key figures

EUR thousand	Group 2023–2024	Group 2022–2023	Group 2021–2022
Revenue	4,358	4,182	2,313
EBITDA	-10,434	-11,835	-9,389
Operating loss	-18,592	-18,524	-13,634
Net loss for the financial period	-17,463	-18,083	-16,091
Equity ratio	92%	92%	91%
Net debt to equity ratio	-76%	-78%	-78%
Balance sheet total	90,840	106,793	124,048
Number of employees on average	84	82	64
Employee benefits*	-8,783	-9,381	-6,499
Net cash at the end of the period	63,401	75,615	95,279

\* Employee benefits include expenses in accordance with the IFRS 2 *Share based payments* standard, which totaled EUR 2.93 (3.95) million in the financial year.

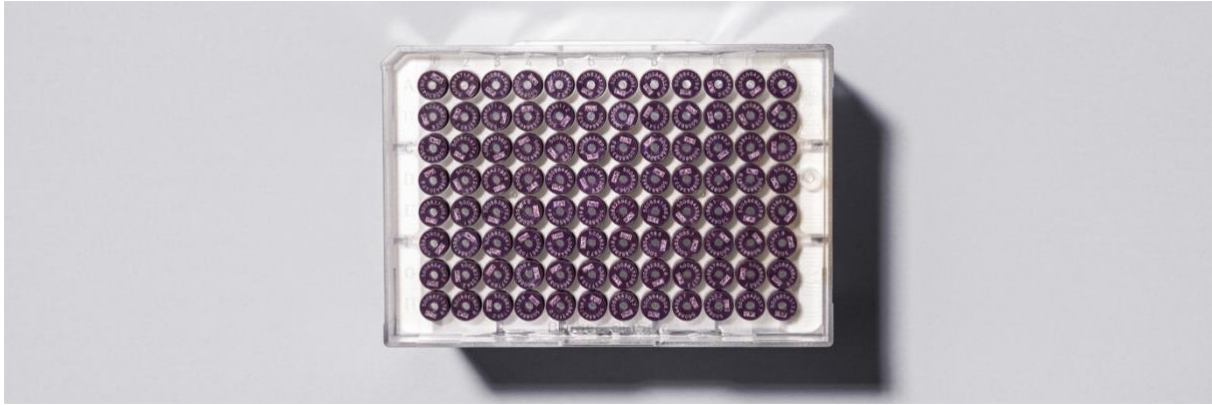
### Share performance indicators\*

	Group 2023–2024	Group 2022–2023	Group 2021–2022
Earnings per share (EPS), undiluted and diluted**, EUR	-0,29	-0.30	-0.27
Equity per share, EUR	1.36	1.60	1.83
Market value of the shares at the end of the financial period, EUR	138,783,240	52,435 928	109,183,687
Number of shares 30 Jun	60,918,459	60,918 459	60,918,459
Average number of shares	60,918,459	60,918 459	60,797,010
<b>B shares</b>			
Number of shares 30 Jun	40,040,415	39,093 770	38,892,100
Average number of shares	39,219,676	38,997 631	37,260,837
Lowest share price, EUR	0.80	0.85	1.65
Highest share price, EUR	2.30	2.27	5.95
Closing price at the end of the financial period, EUR	2.30	0.87	1.81
Average daily trading volume of the share	59,535	51,859	76,623
Relative share trading volume, %	38.0	33.6	52.0
<b>A shares</b>			
Number of shares 30 Jun	19,779,244	20,585,924	20,787,594
Average number of shares	20,541,843	20,682,063	22,016,674
<b>EMP shares</b>			
Number of shares 30 Jun	1,098,800	1,238,765	1,238,765
Average number of shares	1,156,940	1,238,765	1,519,498

\* 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.





## Revenue and result

### Revenue

The Group's revenue during the financial year 1 July 2023–30 June 2024 was EUR 4.36 (4.18) million.

Nightingale Health's revenue consisted of blood analysis services offered to research programs, universities and healthcare providers.

### Result

Group-level operating loss was EUR -18.59 (-18.52) million. EBITDA was EUR -10.43 (-11.83) million. Loss before appropriations and taxes was EUR -17.38 (-18.07) million. Net loss for the financial period was EUR -17.46 (-18.08) million.

The Group's material and service expenses totaled EUR 1.46 (0.59) million.

The Group's employee benefits during the financial period totaled EUR 8.78 (9.38) million including expenses in accordance with the IFRS 2 *Share based payments* standard of EUR 2.93 (3.95) million.

Depreciation and amortization of tangible and intangible assets during the financial period totaled EUR 8.16 (6.69) 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 90.84 (106.79) million, of which equity constituted EUR 82.88 (97.36) million. Equity ratio at the end of the financial year was 92 (92) per cent.

At the end of the financial year, the Group's net debt totaled EUR -63.40 (-75.61) million. Long-term interest-bearing debt totaled EUR 0.98 (2.68) million. Net debt to equity ratio at the end of the financial year was -76 (-78) per cent.

Net cash flow from operating activities during the financial year totaled EUR -8.41 (-7.33) million.

Cash flows from investments totaled EUR -25.54 (-4.41) million consisting of investments in tangible and intangible assets and in current investments, which were made in accordance with the company's liquidity management strategy.

Cash flow from financing activities totaled EUR -2.83 (-2.58) million.

Cash and cash equivalents at the end of the financial year amounted to EUR 43.65 (80.64) million with cash flows from operations, investments and financing totaling EUR -36.77 (-14.64) million. Liquid funds, including cash, cash equivalents and current investments, at the end of the financial year amounted to EUR 66.04 (80.64). Change of liquid funds totaled EUR -14.60 (-14.64) million.

### **Investments and development**

New investments in tangible and intangible assets during the financial year totaled EUR 5.44 (4.29) million. Investments in intangible assets were mainly related to patents and investments in product development. Product development investments consisted of investments in the development of applications, laboratory technology and risk models. Investments in tangible assets consisted of investments in laboratory premises and laboratory equipment.

### **Market outlook**

Nightingale Health's technology is the world-leading technology for predicting risks related to lifestyle diseases such as type 2 diabetes, heart diseases, and chronic kidney disease. Lifestyle diseases are the most common cause of death in the world and treating them accounts for more than 80 percent of the total healthcare costs in several countries. Lifestyle diseases could be combated on a significantly wider scale by identifying the people at the highest risk of illness and by targeting disease prevention measures specifically to them. That would enable the creation of a healthcare system, in which the number of sick people and the cost of the system would decrease.

The importance of preventative healthcare has been recognized worldwide, and many healthcare providers have started to offer preventative services in addition to traditional diagnosis and medical treatment. Insurance companies have also included preventative services as part of their health insurances. It is of utmost importance to tackle the health and cost challenges related to chronic diseases. That will increase the global demand for preventative healthcare services, especially related to risk detection, for preventative healthcare is not possible without means for effective, holistic and cost-efficient risk detection. Nightingale Health has a unique position to fulfill that demand in the global preventative healthcare market.

Numerous scientific studies are constantly being conducted around chronic diseases. The research aims not only to find out the reasons for the occurrence of diseases, but also to develop effective treatment methods and preventive 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.

### **Personnel**

The Group had an average of 84 (82) employees during the financial year. Of the employees, 26 worked in sales and business development, 49 in research and development and operations, and 9 in administration. At the end of the financial year, Nightingale Health employed 86 people including the CEO. Of the 86 employees, 76 worked in Finland, 6 in Japan, 1 in Estonia, and 3 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 on 30 June 2024, Nightingale Health's share capital amounted to EUR 80 thousand and the company had issued 60,918,459 fully paid shares of which 19,779,244 were Series A shares, 40,040,415 were Series B shares and 1,098,800 were EMP shares.

Nightingale Health held 577,920 EMP shares at the end of the financial period, 30 June 2024, 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, 28 June 2024, was EUR 2.30. The highest price quoted in the financial period was EUR 2.30 and the lowest EUR 0.80. The average closing price of the share during the financial period was EUR 1.18 and the average daily trading volume was 59,535 shares.

Nightingale Health's market value on 30 June 2024 was EUR 138.78 million.

## Shareholders

Nightingale Health had 11,659 Finnish-registered shareholders on 30 June 2024 (30 June 2023: 11,525). The company's 100 largest Finnish-registered 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.

*The 10 largest Finnish-registered shareholders measured by the number of shares held on 30 June 2024*

Shareholder	Series A	Series B	EMP	Total	% of all shares	% of votes
Cor Group Oy	2,769,802	3,412,591	-	6,182,393	10.15	13.08
Kangas Antti Juhana	5,340,342	17,458	-	5,357,800	8.80	22.46
Soininen Pasi Pekka Kristian	5,340,342	17,458	-	5,357,800	8.80	22.46
Suna Teemu Pentti	2,637,964	31,237	-	2,669,201	4.38	11.10
Nordea Finland Fund	-	1,762,426	-	1,762,426	2.89	0.74
Würtz Peter	1,126,342	15,228	-	1,141,570	1.87	4.74
Koskelo Maarit Irene	-	1,096,129	-	1,096,129	1.80	0.46
Nordea Life Assurance Finland Ltd.	-	1,066,800	-	1,066,800	1.75	0.45
Saksman Satu Sinikka	529,158	17,458	75,250	621,866	1.02	2.23
Taimenia Oy	-	615,244	-	615,244	1.01	0.26
<b>10 largest shareholders total</b>	<b>17,743,950</b>	<b>8,052,029</b>	<b>75,250</b>	<b>25,871,229</b>	<b>42.47</b>	<b>77.99</b>
In joint account	-	-	-	7,121,058	11.69	2.99
Others*	-	-	-	27,926,172	45.84	19.02
<b>Total</b>				<b>60,918,459</b>	<b>100.00</b>	<b>100.00</b>

\* Includes nominee-registered shareholders.

### Distribution of holdings on 30 June 2024

Shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1–100	2,862	24.55	138,250	0.23
101–1,000	6,622	56.80	2,555,595	4.20
1,001–10,000	1,949	16.72	5,605,482	9.20
10,001–100,000	192	1.65	5,219,561	8.57
100,001–1,000,000	24	0.21	7,544,328	12.38
over 1,000,000	10	0.09	32,734,185	53.73
<b>Total</b>	<b>11,659</b>	<b>100.00</b>	<b>53,797,401</b>	<b>88.31</b>
Of which nominee-registered	9		8,862,216	14.55
<b>In joint account</b>	<b>1</b>		<b>7,121,058</b>	<b>11.69</b>
<b>Total number of shares</b>			<b>60,918,459</b>	<b>100.00</b>

### Shareholders by sector

Sector	Number of shareholders	% of shareholders	Number of shares	% of shares	% of votes
Private companies	341	2.93	10,476,304	17.20	17.08
Financial and insurance institutions	12	0.10	8,514,775	13.98	3.97
Households	11,264	96.61	31,317,417	51.41	74.49
Non-profit instit serving households	6	0.05	26,508	0.04	0.01
Foreigners	36	0.31	3,462,397	5.68	1.46
<b>Total</b>	<b>11,659</b>	<b>100.00</b>	<b>53,797,401</b>	<b>88.31</b>	<b>97.01</b>
Of which nominee-registered	9		8,862,216	14.55	3.73
<b>In joint account</b>	<b>1</b>		<b>7,121,058</b>	<b>11.69</b>	<b>2.99</b>
<b>Total number of shares</b>			<b>60,918,459</b>	<b>100.00</b>	<b>100.00</b>

## 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 2023–2024 has been released as part of the Annual Report.

### Annual General Meeting

The Annual General Meeting on 16 November 2023 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. 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 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 marketplace 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 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. PricewaterhouseCoopers Oy has announced Panu Vänskä, Authorized Public Accountant, to be the Auditor with principal responsibility.

### **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.

On 30 June 2024, members of the company's Board of Directors and Management Team held a total of 8,297,145 option rights, entitling to the subscription of a total of 9,302,145 shares in the company. Other persons held a total of 2,230,968 option rights on 30 June 2024, entitling to the subscription of 3,464,268 shares in the company. The total number of unsubscribed options corresponded on 30 June 2024 to approximately 21.0 per cent of the total number of the company's shares (60,918,459 shares) and 10.5 per cent of the number of votes entitled by the shares.

In addition, two of the board members are entitled to options, which correspond to certain percentages of the company's shares at the time of achieving the defined target market capitalization.

Nightingale Health's share-based incentive programs are described in more detail in note 7 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 adhere to the SFS-EN ISO/IEC 17025:2017 standard, and the laboratory has been accredited by the FINAS accreditation service.<sup>3</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. In the UK, the IVD device has UKCA marking under the UK Medical Devices Regulations, and in Singapore, the most common clinical biomarkers analyzed by Nightingale Health's technology have regulatory approvals for healthcare use. 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 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.

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<sup>3</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).

Nightingale Health's risk management is described in detail on the company's website.

The following sections describe the risks that Nightingale Health considers significant with potential negative impact on the company's business, financial position, business result and outlook and the value of the company.

### **Risks related to business and industry**

Nightingale Health's strategy requires the company to expand its customer base and to achieve this it requires the company to considerably expand its capacity for blood testing and delivery of test results. Expanding testing capacity requires establishing new laboratories with the company's blood analysis technology, and there is a risk that the expansion will not progress as expected due to, for instance, delays, additional costs, dependencies and delivery times related to central supplier and logistics partners, as well as difficulties in finding suitable sites and infrastructure services. Nightingale Health has signed long-term framework agreements with its most important partners to ensure the availability of laboratory equipment and supplies.

Nightingale Health's intellectual property and confidential information related to the company's technology and business creates the majority of its competitive advantage. There is a risk that actors, such as employees and consultants, who have access to the company's intellectual property or other confidential information, will distribute or otherwise use this information in a manner damaging to the company. Nightingale Health has several patents pending, and the company could apply for more patents in the future. There is a risk that patents are not granted based on these applications.

Nightingale Health secures its intellectual property rights through technological, legal, operational, and commercial means. The blood analysis technology developed by Nightingale Health comprises several areas that are all needed to utilize the technology, including handling of samples, authentication and quality assurance protocols, NMR measurement and automated data processing. The company protects as trade secrets such intellectual property rights that the company can commercialize without revealing technical details of the methods and processes applied. The technical architecture of the blood analysis technology has been built to protect these trade secrets. Nightingale Health takes into consideration intellectual property rights protection extensively in all its agreements as well as in personnel onboarding and continuous training. Nightingale Health has already received approval for 14 patents, which shows that the technology can be protected by means of patenting. In addition, Nightingale Health has acquired all intellectual property assets of the Velvet™ blood collection device.

The recent changes in the world's geopolitical situation do not have a direct impact on Nightingale Health's operations, as it does not have any activities or stakeholders in the regions, which are directly impacted by the situation.

### **Risks related to personnel**

Nightingale Health is dependent on its key personnel. If these people resign from the company or are not available for the company and if the company is not able to attract new, competent personnel, it could lead to an unfavorable competitive position for the company. Nightingale Health has founded a long-term option-based incentive program for its key personnel, which aims at committing the option holders to the company's financial growth and share price formation and creating a long-standing relationship between the company and the option holders that will benefit the company both financially and operationally.

Furthermore, the company aims to manage personnel-related risks by improving the effectiveness of its recruiting and training processes, investing in improving its brand amongst potential employees, and systematically building a positive employer image. The company is taking necessary actions to ensure the well-being of its employees, mainly consisting of people working with complex specialist tasks. The

company is investing in developing the capabilities of its leaders, and in ensuring that employees understand the business priorities. In addition, the company maintains and develops its employees' skills and capabilities and ensures that role descriptions and backup plans for critical roles are in place and documented.

### **Risks related to financial position**

Nightingale Health's future revenue and profitability are heavily dependent on the company's current and future research and development, business development, expanding analysis capacity and measures needed for compliance with regulation. There is a risk that a development project or commercialization project will fail, which could threaten the company's potential revenue or future profitability.

Possible impairment of capitalized development costs may have a material adverse impact on Nightingale Health's financial position and business result. In its balance sheet, the company capitalizes development costs as intangible assets if they are expected to generate revenue over several financial periods. The company assesses on the last day of each reporting period whether there are signs of impairment in the value of capitalized development costs.

Nightingale Health is exposed to currency risks, i.e., translation and transaction risks, due to fluctuations in exchange rates. The key foreign currencies that the company is the most exposed to are U.S. dollar, Japanese yen, the British pound and the Singapore dollar, as the company's subsidiaries in those countries primarily pay the essential costs in local currency. Currently, all external debt of the group is in euros and intra-group loans are in euros, Japanese yens, U.S. dollars, or British pounds. The company monitors its currency position and hedges significant currency risks on a case-by-case basis.

Nightingale Health's exposure to interest rate risk, especially in the light of the recent increase in interest rates, is limited due to its small amount of interest rate-linked liabilities. Nightingale Health does not actively hedge its interest rate risk.

### **Legal risks and risks related to regulation and compliance**

If Nightingale Health does not fulfil the quality standards set by authorities and customers, the reputation of the company's quality and services may be damaged. This kind of failure may result in increased costs or a loss in revenue or sanctions, or corrective measures being imposed on the company. This kind of failure could also lead to the weakening or termination of existing partnerships and customer relations. To ensure high quality in all operations, Nightingale Health's laboratory processes adhere to the SFS-EN ISO/IEC 17025:2017 standard, and the laboratory is accredited by the FINAS accreditation service.<sup>4</sup> The quality management system according to which the product development is conducted is compliant with the EN ISO 13485 standard and certified by Dekra Certification B.V. In addition to Nightingale Health's internal audits, Dekra Certification B.V and FINAS regularly carry out external audits.

### **Risks related to information security**

The company may fail to detect information and cyber security risks, which may lead to unauthorized use, publication, corruption, disappearance or abuse of customer data. This kind of failure can lead to customers abandoning the company's services and the company breaching legislation related to data protection and information security. Nightingale Health's continuous and systematic detection, evaluation and management of information security risks is an integral part of the ISO/IEC 27001 certified information security management system. The certification requires regular internal and external auditing of the information security management system. Nightingale Health has implemented and continu-

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<sup>4</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).

ously develops risk-based information security controls with adherence to the principles of modern information security management. Information security is also tested regularly.

Nightingale Health has improved its information security risk management by implementing new tools and methods. Furthermore, Nightingale Health's ISO27001-certificate was externally audited, and several tests regarding the information security of the company's products and services were successfully carried out.

## Estimated future development

Nightingale Health's business targets for the financial year 2024–2025 are:

- **Win new large international deals**

Nightingale Health aims to win new international flagship deals and convert pilots to commercial contracts to accelerate the adoption of Nightingale Health's technology in large-scale healthcare use

- KPI: Win a large-scale international healthcare project

- **Increase revenue**

Nightingale Health aims to continue increasing its revenue, despite the fact that new deals typically take more than 12 months to ramp-up and convert into revenue

- KPI: Increase revenue compared to previous financial year

- **Improve efficiency**

Nightingale Health will continue investing in growth while preserving the strong cash position and solid runway

- KPI: Improve adjusted EBITDA\* level compared to previous financial year

\*Adjusted EBITDA = EBITDA – share-based payments – extraordinary items – items affecting comparability

## Mid-term and long-term business targets

Nightingale Health's mid-term and long-term business targets remain the same.

### 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



## **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 2024 was EUR 70,685,108. The parent company's net loss for the financial period totaled EUR -13,832,835.

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 2023–30 June 2024 and that the loss of the financial year is recorded in retained earnings.

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

- On 6 August 2024, Nightingale Health announced a partnership with Phenome Health, a U.S.-based non-profit research organization. The collaboration includes research studies, population health programs, and healthcare initiatives.
- On 20 August 2024, Nightingale Health announced that it had received second regulatory approval for healthcare use in Singapore.
- On 20 August 2024, Nightingale Health announced that it had attained UKCA (UK Conformity Assessed) marking under the UK Medical Devices Regulations.
- On 19 September 2024, Nightingale Health announced that it had received third regulatory approval for healthcare use in Singapore.
- On 20 September 2024, Nightingale Health's Board of Directors resolved to amend CEO's stock option program by issuing additional 1,000,000 stock option rights to the CEO.
- On 9 October 2024, Nightingale Health announced the conversion of 252,806 Series A shares to Series B shares in accordance with Article 5 in the Articles of Association. The conversions of shares were registered in the Trade Register on 9 October 2024.

## **Annual General Meeting**

The Annual General Meeting of Nightingale Health Plc will be held on 8 November 2024. An invitation to the meeting will be published on 10 October 2024.

## **Financial reports during financial year 2024–2025**

Nightingale Health will publish a half-year financial report for the period 1 July–31 December 2024 on Thursday 6 March 2025.

Materials will be made available soon after publication at [www.nightingalehealth.com/investors](http://www.nightingalehealth.com/investors).

Helsinki, 9 October 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
Net cash	Cash and cash equivalents + current investments – interest-bearing debt – lease liabilities

# Financial Statements

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## Consolidated income statement

EUR thousand	Note	7/2023–6/2024	7/2022–6/2023
Revenue	3	4,358	4,182
Other income	4	83	206
Materials and services	5	-1,462	-590
Employee benefits	6, 7	-8,783	-9,381
Depreciation, amortization and impairment losses	9	-8,158	-6,689
Other expenses	8	-4,597	-6,219
Share of joint venture's result	26	-31	-34
<b>Operating profit (loss)</b>		<b>-18,592</b>	<b>-18,524</b>
Finance income	20	2,014	1,172
Finance costs	20	-798	-816
Fair value change in investment in convertible loan	20	-	94
<b>Net finance items</b>		<b>1,216</b>	<b>450</b>
<b>Profit (loss) before tax</b>		<b>-17,375</b>	<b>-18,074</b>
Income tax expense	10	-65	-9
Deferred taxes	10	-23	-
<b>Taxes total</b>		<b>-88</b>	<b>-9</b>
<b>Profit (loss) for the period</b>		<b>-17,463</b>	<b>-18,083</b>
<b>Profit (loss) for the period attributable to Owners of the parent company</b>		<b>-17,463</b>	<b>-18,083</b>
<b>Earnings per share</b>			
Basic earnings per share, EUR – Series A and EMP shares	11	-0.29	-0.30
Basic earnings per share, EUR – Series B shares	11	-0.29	-0.30

## Consolidated comprehensive income statement

EUR thousand	Note	7/2023–6/2024	7/2022–6/2023
<b>Profit (loss) for the period</b>		<b>-17,463</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		56	48
<b>Other comprehensive income for the period</b>		<b>56</b>	<b>48</b>
<b>Total comprehensive income for the period</b>		<b>-17,407</b>	<b>-18,034</b>
<b>Total comprehensive income attributable to Owners of the parent company</b>		<b>-17,407</b>	<b>-18,034</b>

## Consolidated statement of financial position

EUR thousand	Note	30 Jun 2024	30 Jun 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	12	1,023	1,023
Intangible assets	12	12,306	16,037
Property, plant and equipment	14	6,757	4,538
Right-of-use assets	14, 15	1,843	2,682
Investment in joint venture	26	37	69
Other assets	21	432	432
Deferred tax assets	10	7	-
<b>Total non-current assets</b>		<b>22,405</b>	<b>24,780</b>
<b>Current assets</b>			
Inventories	16	704	550
Trade and other receivables	17, 21	1,695	824
Current investments	21	22,385	-
Cash and cash equivalents	21	43,651	80,640
<b>Total current assets</b>		<b>68,435</b>	<b>82,013</b>
<b>Total assets</b>		<b>90,840</b>	<b>106,793</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	18	80	80
Reserve for invested unrestricted equity	18	142,380	142,380
Translation differences		146	90
Accumulated losses		-59,725	-45,194
<b>Total equity</b>		<b>82,880</b>	<b>97,355</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	22	261	1,276
Lease liabilities	22	724	1,406
Deferred tax liabilities	10	24	
<b>Total non-current liabilities</b>		<b>1,008</b>	<b>2,681</b>
<b>Current liabilities</b>			
Loans and borrowings	22	566	1,384
Lease liabilities	22	1,086	965
Advances received	3, 19	1,022	1,020
Trade and other payables	19, 22	4,279	3,388
<b>Total current liabilities</b>		<b>6,952</b>	<b>6,757</b>
<b>Total liabilities</b>		<b>7,960</b>	<b>9,438</b>
<b>Total equity and liabilities</b>		<b>90,840</b>	<b>106,793</b>



## Consolidated cash flow statement

EUR thousand	Note	7/2023–6/2024	7/2022–6/2023
<b>Cash flows from operating activities</b>			
Loss for the period		-17,463	-18,083
<b>Adjustments:</b>			
Depreciation and amortization	9	8,158	6,689
Share based payments	7	2,932	3,950
Share of joint venture's result	26	31	34
Fair value change in investment in convertible loan	20, 21	-	-94
Other finance income and costs, net	20	-1,216	-636
Income tax expense	10	88	9
Other adjustments		-46	18
<b>Cash flows before change in working capital</b>		<b>-7,516</b>	<b>-8,113</b>
<b>Change in working capital</b>			
Change in trade and other receivables (increase (-) / decrease (+))		-518	-151
Change in inventories (increase (-) / decrease (+))		-154	42
Change in current non-interest-bearing payables (increase (+) / decrease (-))		56	368
<b>Cash flows before finance items and taxes</b>		<b>-8,132</b>	<b>-7,855</b>
Interest paid		-175	-202
Interest received		5	736
Income taxes paid		-107	-7
<b>Net cash from operating activities</b>		<b>-8,408</b>	<b>-7,329</b>
<b>Cash flows from investing activities</b>			
Investments in intangible assets		-2,379	-3,581
Investments in tangible assets		-2,209	-833
Acquisition of businesses		37	-
Repayment of loan receivables		28	-
Current investments	21	-22,385	-
Interest received from current investments		1,372	-
<b>Net cash used in investing activities</b>		<b>-25,536</b>	<b>-4,414</b>
<b>Cash flows from financing activities</b>			
Grants received		-	726
Repayment of non-current loans and borrowings		-1,114	-1,531
Sale and leaseback arrangements		-717	-540
Payment of lease liabilities	15	-996	-1,233
<b>Net cash from financing activities</b>		<b>-2,826</b>	<b>-2,579</b>
<b>Net decrease in cash and cash equivalents in cash flow statement</b>		<b>-36,771</b>	<b>-14,322</b>
<b>Cash and cash equivalents 1 July</b>		<b>80,640</b>	<b>95,279</b>
Effect of movements in exchange rates		-218	-318
<b>Cash and cash equivalents 30 June</b>		<b>43,651</b>	<b>80,640</b>

## Consolidated statement of changes in equity

### Consolidated statement of changes in equity 1 July 2023–30 June 2024

Equity attributable to owners of the parent company

EUR thousand	Share capital	Reserve for invested un-restricted equity	Translation differences	Accumulated losses	Total
<b>Equity on 1 July 2023</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	-	-	-	-17,463	-17,463
Other comprehensive income	-	-	56	-	56
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>-17,463</b>	<b>-17,407</b>
<b>Transactions with owners of the company</b>					
Share-based payments	-	-	-	2,932	2,932
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,932</b>	<b>2,932</b>
<b>Equity on 30 June 2024</b>	<b>80</b>	<b>142,380</b>	<b>146</b>	<b>-59,725</b>	<b>82,880</b>

### 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 un-restricted 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	-18,083
Other comprehensive income	-	-	48	-	48
<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-based payments	-	-	-	3,950	3,950
<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>

## Notes to the consolidated financial statements

### 1 Company information and basis of accounting

#### Company information

Nightingale Health group (hereafter 'Nightingale Health' or the 'Group') is a Finnish health technology group whose mission is to build sustainable healthcare and reduce health inequalities. Nightingale Health has developed the world's most advanced health check that provides risk detection for multiple chronic diseases from a single blood sample. Nightingale's Health Check can be scaled to entire populations at a low cost, and it can replace many of the current clinical risk assessments. Detecting disease risks on a population level allows for the effective targeting and tracking of health interventions, and better prevention of the onset of chronic diseases. Nightingale Health strives to collaborate with the healthcare industry to help millions of people prevent common lifestyle diseases in the future and, at the same time, to reduce the immense expenses of healthcare.

The Group's parent company, Nightingale Health Plc (or 'the parent company'), is a Finnish public limited liability company established under the laws of Finland (business ID 1750524-0). It is domiciled in Helsinki, Finland and the parent company's registered address is Mannerheimintie 164a, 00300 Helsinki. Nightingale Health has subsidiaries in the United Kingdom, Japan, Sweden, Germany, Singapore, Estonia and the United States. Nightingale Health has customers in more than 34 countries in the healthcare and medical research sectors. The company's technology is being used in many of the world's leading health initiatives, such as the UK Biobank, and over 600 peer-reviewed publications validate the technology. Nightingale Health Plc's Series B shares are listed on Nasdaq First North Growth Market Finland marketplace.

#### Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). International financial reporting standards refer to the standards and interpretations adopted for application in the European Union under the procedure laid down in Regulation (EC) No 1606/2002, as specified in the Finnish Accounting Act and regulations issued thereunder. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and in force on 30 June 2024.

In its meeting on 9 October 2024 the Board of Directors of Nightingale Health Plc approved the publishing of these consolidated financial statements prepared in accordance with IFRS.

Nightingale Health is a growth company with a loss-making history. Since its listing on Nasdaq Helsinki's First North Growth Market Finland marketplace in March 2021 Nightingale Health has had adequate financial resources to remain in operation and expects the resources be adequate for the foreseeable future. The financial statements have been prepared applying the assumption of continuing as a going concern.

The general policies applied that relate to the consolidated financial statements as a whole are addressed in this section Basis of accounting and those that are specific to a component of the financial statements have been incorporated into the relevant note, together with descriptions of management judgements, related estimates and assumptions. The accounting policies incorporated into the relevant note are highlighted with grey color.

The consolidated financial statements are prepared on the historical cost basis of accounting, except for the following that are measured at fair value: share-based payments as well as assets acquired and liabilities assumed in business combinations. For the fair value hierarchy applied, refer to section below Measurement of fair values. Further information about the assumptions made in measuring fair values

is included in the following notes: 2 Business combinations, 7 Share-based payments, and 22 Financial liabilities.

The figures in the financial statements are presented in thousands of euro, except when otherwise indicated. All figures presented have been rounded, and consequently the sum of individual figures may deviate from the presented aggregate figure. The figures presented in brackets refer to the comparative annual period 1 July 2022–30 June 2023 or to the previous financial year-end date 30 June 2023, unless otherwise stated.

Nightingale Health has not yet adopted the amended standards and interpretations already issued by the IASB applicable for the future financial years. Nightingale Health will adopt these pronouncements as of the effective date of each of the pronouncements, or if the effective date is not the first day of the financial year, as of the beginning of the next financial year following the effective date, provided they have been endorsed for use in the EU. Currently Nightingale Health believes that the adoption of these pronouncements will not have a significant effect on the future consolidated financial statements.

### **Critical management judgments and key sources of estimation uncertainty**

The preparation of IFRS financial statements requires management to make judgments, estimates and assumptions. These affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the period-end as well as the reported amounts of income and expenses during the reporting period. Estimates and judgments are based upon historical experience and on various other assumptions believed to be accurate and reasonable under the circumstances at the end of the reporting period and the time when they were made. Actual results may differ from these estimates due to different assumptions or conditions. Nightingale Health regularly evaluates its estimates and judgments. Changes in accounting estimates may be necessary as a result of new information or more experience, or if the underlying circumstances evolve. Consequently, the estimates made for the financial statements as at 30 June 2024 may have to be revised subsequently. The Group recognizes such changes in the period in which the estimate or the assumption is revised. The descriptions of use of judgments as well as estimates and assumptions are incorporated into the relevant note and highlighted with beige color.

#### ***Use of judgments***

Judgements that the Group management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements, relate to the following areas:

<b>Topic</b>	<b>Note</b>	<b>Nature</b>
Revenue recognition	3	Determining measure of progress
Intangible assets	12	Recognition criteria of capitalized development costs

#### ***Estimates and assumptions***

In Nightingale Health, the assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year comprise the following:

<b>Topic</b>	<b>Note</b>	<b>Nature</b>
Impairment testing	13	Assumptions and estimates used in impairment testing
Goodwill and intangible assets	12	Estimates of the probable future economic benefits embodied in the assets under development
Business combinations	2	Assumptions and estimates in determining the fair values
Share-based payments	7	Assumptions and estimates in determining the fair values
Share-based payments	7	Determining the vesting periods
Leases	15	Estimates on determination of the lease terms

## **Russia's invasion of Ukraine**

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

## **Consolidation**

The consolidated financial statements incorporate the financial statements of the parent company, Nightingale Health Plc, all subsidiaries controlled by the parent company and the joint venture subject to joint control (PetMeta Labs Oy) at the period-end.

A subsidiary is an entity that is controlled by Nightingale Health. Control is achieved when Nightingale Health is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Nightingale Health has control over its subsidiaries based on 100% holdings in the subsidiaries. All entities Nightingale Health has control over are consolidated, and non-controlling interest (NCI) representing the equity in a subsidiary that is not attributable directly or indirectly to the parent company is presented separately. Nightingale Health had no non-controlling interests on 30 June 2024 or 30 June 2023.

A joint venture is an arrangement where Nightingale Health has joint control with other parties and the parties that have the rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The results, assets and liabilities of the joint venture are incorporated in the consolidated financial statements using the equity method. Under the equity method, the investment in a joint venture is initially carried in the consolidated statement of financial position at cost and subsequently adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture (less any impairment in the value of the investment). Nightingale Health's share of post-tax profits or losses are recognized in the consolidated income statement. Losses of the joint venture in excess of Nightingale Health's interest in that joint venture are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Consolidation of a subsidiary or a joint venture begins when Nightingale Health obtains control over the subsidiary or joint control over a joint venture, respectively, and ceases when Nightingale Health loses control of the subsidiary or joint control over the joint venture.

In preparation of consolidated financial statements intra-group transactions, balances and unrealized gains, as well as distribution of profits within the Group, are eliminated.

## **Foreign currency transactions and balances**

Items included in the financial statements of each subsidiary are measured using the functional currency, which is the currency of the primary economic environment in which the company operates. The consolidated financial statements are presented in Euro, which is the functional and presentation currency of the parent company.

Subsidiaries' foreign currency transactions are translated into local functional currencies using the exchange rates prevailing at the dates of the transactions. Receivables and liabilities denominated in foreign currencies in the statement of financial position are translated into functional currencies using the exchange rate quoted on that date.

For those subsidiaries with non-Euro functional currency, the income and expenses for the consolidated income statement, and the consolidated comprehensive income statement, and the items for cash flow statement, are translated into Euro using the average exchange rates of the reporting period. The assets and liabilities for each statement of financial position are translated using the closing rates prevailing at

the reporting date. Any translation differences arising from the use of different exchange rates explained above are recognized in other comprehensive income (OCI).

### **Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are categorized into hierarchy levels that are representative of the inputs used in the valuation techniques as follows:

- Level 1: Fair value is calculated on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that Nightingale Health can access at the measurement date.
- Level 2: Fair value is calculated on the basis of inputs other than quoted prices included in Level 1 that are observable for the asset or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value is calculated on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **Operating profit (loss)**

Nightingale Health considers operating profit (loss) to be a relevant subtotal in understanding the Group's operational financial performance. Since this concept is not defined under IFRS, the Group has defined it as follows:

Operating profit (loss) is the net amount attained when Revenues are added by Other income and deducted by:

- Materials and services, adjusted with change in inventories
- Employee benefits
- Depreciation, amortization and impairment losses
- Other expenses, and
- Share of joint ventures result.

Nightingale Health recognizes exchange rate differences arising from sales and purchases in Operating profit (loss). The exchange rate differences arising from sales are included in Other expenses, and the exchange differences arising from purchases are handled as adjustments for those items. Exchange rate differences arising from financing are included in Finance income and Finance costs.

All other items are presented below Operating profit (loss) in the consolidated income statement.

### **Consolidated statement of cash flows**

Interest payments related to capitalized borrowing costs are presented in investing activities in the corresponding item where the costs have been capitalized.

Payments related to lease liabilities are presented in financing activities. Interests related to lease liabilities are presented in operating activities under interest paid.



## 2 Business combinations

### Accounting policy

Business combinations are accounted for using the acquisition method. The consideration for the acquisition of a subsidiary consists of the fair value of the assets transferred and liabilities arising from a contingent consideration, equity interests issued, liabilities to the former owners of the acquired business, and any previously held equity interest at fair value. The identifiable assets, liabilities and contingent liabilities acquired in a business combination are initially measured at their fair values at the acquisition date. Any non-controlling interest is recognized either at fair value or at the non-controlling interest's (NCI) proportionate share of the identifiable net assets in the acquired business.

Goodwill to be recognized represents the excess of the consideration transferred, amount of any non-controlling interest, measured either at fair value or at the NCI's proportionate share of the net assets, and fair value of any previous equity interest in the acquiree, over the fair value of the net identifiable assets acquired. Goodwill reflects e.g. expected future synergies resulting from acquisitions.

Acquisition-related costs are expensed as incurred. The costs are presented in other expenses in the income statement, with the exception of expenses directly attributable to the issue of equity instruments, which are deducted from equity. Any contingent consideration (additional purchase price) is measured at fair value at the acquisition date, and it is classified as either liability or equity. A contingent consideration classified as a liability is remeasured at fair value at the end of each reporting period and the resulting fair value changes are recognized in profit or loss. A contingent consideration classified as equity is not subsequently remeasured.

### Summary of acquisitions during the financial period ended on 30 June 2024

On 29 March 2024, Nightingale Health acquired all shares of Japanese Welltus Inc from Mitsui & Co., Ltd., ("Mitsui") and Kirin Holdings Company, Limited ("Kirin") to strengthen its business in Japan. With the acquisition Nightingale Health is in an excellent position to capitalize the established network of more than 200 hospitals in Japan and seek for new partnerships to expand the use of our technology in one of the major healthcare markets in Asia.

The acquisition price was the net cash of Welltus Inc. The consideration transferred was JPY 33.25 million (EUR 203 thousand) and the gain on bargain purchase was JPY 7.29 million (EUR 45 thousand). The transaction resulted in a gain as the strategic partnership between Nightingale Health, Mitsui and Kirin was concluded due to the sellers' updated business strategy and as the fair value of individual net assets exceeded the agreed consideration.

### Summary of acquisitions during the financial period ended on 30 June 2023

Nightingale Health has not made any acquisitions during the financial period ended on 30 June 2023.

### Significant estimate – identifying and measuring intangible assets

Recognition of a business combination requires the identification and measurement of the identifiable assets, liabilities and contingent liabilities. With regard to intangible assets, significant judgement is related to whether the intangible assets identified in the acquisition are identifiable and separable from goodwill. The valuation of technology-related intangible assets acquired in the business combination is performed by using the relief-from-royalty method and is based on estimated future cash flows. They involve assumptions of the future revenue development, the applicable royalty rate and discount rate, and the useful life of the asset.

### 3 Revenue and segment information

#### Accounting policy

Nightingale Health's promise to its customers, the performance obligation, is a service where a blood sample is analyzed, and the results are delivered to the customer.

The services are accounted for as a series of services as one performance obligation, and revenue is recognized over time with a method based on number of blood samples analyzed compared to total number of blood sample analyses sold. The revenue is recognized to the amount that Nightingale Health expects to be entitled to, based on the services transferred. The transaction price includes promised discounts and indirect taxes, which reduce the amount to be recognized. As the services provided by Nightingale Health have been sold at fixed prices, transaction prices have not been adjusted for the variable considerations.

Nightingale Health collects advance payments for most of its services. When an advance payment is received, it is recognized as a contract liability under advances received in the consolidated statement of financial position. The contract liability is recognized as revenue over time when the analyses are performed. A contract asset is recognized, if the advance payments received do not cover the work performed when Nightingale Health recognizes revenue.

Once an advance payment has been received, timing of Nightingale Health's performance is partially in the customer's discretion as the customer decides on timing of deliveries of blood samples, thus, no significant financing component exists. In those services where payment, or a part of the payment, for the services is collected after performing the analyses for customer's blood samples, Nightingale Health does not adjust the consideration for the services with time value of money if the expected timing difference is less than a year. Nightingale Health does not have customer contracts with expected timing difference exceeding one year at contract inception.

Nightingale Health does not recognize an asset for incremental costs to obtain a contract but recognizes the costs as an expense when incurred when the amortization period would be a year or less.

#### Disaggregation of revenue

Nightingale Health's revenue consisted of services offered to research programs, universities and healthcare providers.

#### Revenue by geographical market

EUR thousand	7/2023–6/2024	7/2022–6/2023
Finland	805	221
United Kingdom	600	2,362
Rest of Europe	826	1,034
The United States	1,477	140
Others	649	425
<b>Total</b>	<b>4,358</b>	<b>4,182</b>

The geographical breakdown of revenue is presented based on location of the customers. All the revenue shown above has been recognized over time.

#### Contract balances

EUR thousand	30 Jun 2024	30 Jun 2023
Trade receivables	527	207
Contract assets	229	-
Contract liabilities	921	919
- of which revenue recognized during the next FY	-	606

Nightingale Health has a policy of requiring advance payments for most of its services. When an advance payment is received, it is recognized as a contract liability under advances received in the consolidated statement of financial position. The contract liability is recognized as revenue over time when the analyses are performed, typical timing difference between receiving an advance payment and performing the analyses vary between 3 to 6 months. Due to the policy of advance payments, Nightingale Health has less contract assets than contract liabilities. The results are mainly delivered after full payment has been received, thus, the Group has no non-current overdue trade receivables, nor a history of credit losses.

All of Nightingale Health's contract assets and liabilities arise in normal course of business operations. However, individual customer contracts may significantly impact balances between reporting dates.

### Significant judgements – Determining measure of progress

Nightingale Health recognizes revenue over time with an output method as measure of progress. The method is based on number of units produced i.e. samples analyzed. Nightingale Health believes that the proportion of analyzed samples compared to total number of samples to be analyzed reflects best how the Group has performed in transferring control of the services promised to a customer. The method is directly observable and provides a truthful depiction of the work performed by Nightingale Health.

### Segment information

#### Accounting policy

An operating segment is a component of the Group, that engages in business activities from which discrete financial information is available and for which earn revenues are assessed by the chief operating decision maker (CODM). Segment information is reported to the CODM combined with Group's internal reporting.

In Nightingale Health the CEO has been identified as being the chief operating decision maker responsible for assessing performance of the Group and making resource allocation decisions. The CEO monitors Nightingale Health's profitability and financial position as a one unit, hence the Group has one operating segment.

In the financial year 2023–2024 Nightingale Health had one customer, whose share of the Group's revenue was more than 10%. The total amount of revenue received from the customer was EUR 734 thousand.

In presenting the geographic information, segment assets are based on the geographic location of the assets. Non-current assets are presented in accordance with IFRS standards, and they exclude financial instruments and deferred tax assets.

EUR thousand	30 Jun 2024	30 Jun 2023
Finland	17,664	23,129
Japan	818	1,098
United Kingdom	2,218	553
Singapore	1,433	-
United States	266	-
<b>Total</b>	<b>22,398</b>	<b>24,780</b>

## 4 Other income

### Accounting policy

Other operating income includes income from activities outside the ordinary business of Nightingale Health, such as government grants and insurance compensations.

The Group recognizes a government grant only when there is reasonable assurance that:

- Nightingale Health will comply the conditions attached to the grant, and
- the grant will be received.

### Breakdown of other income

EUR thousand	7/2023–6/2024	7/2022–6/2023
Grants received	2	-
Insurance compensations	-	144
Other income	81	62
<b>Total</b>	<b>83</b>	<b>206</b>

## 5 Materials and services

### Accounting policy

Materials and services comprise external services and materials acquired during the financial year, which mainly consists of materials needed for the laboratory, sampling, and at-home blood collection kit as well as changes in inventories.

### Breakdown of expenses for materials and services

EUR thousand	7/2023–6/2024	7/2022–6/2023
Purchase expenses	-1,603	-549
Change in inventories	155	-41
External services	-13	-
<b>Total</b>	<b>-1,462</b>	<b>-590</b>

Purchases in the amount of EUR 64 thousand (EUR 104 thousand) have been capitalized in development expenditure during the financial period.

## 6 Employee benefits

### Accounting policy

The Group's employee benefits comprise short-term employee benefits, post-employment benefits, and share-based payments. Nightingale Health provided no other long-term employee benefits, nor any material termination benefits in the financial years presented.

Short-term employee benefits comprise wages, salaries, fringe benefits, annual leave and bonuses. Nightingale Health recognizes these benefits in the period in which employees perform the work.

Post-employment benefits are payable to employees after the completion of employment. In Nightingale Health these benefits relate to pensions. The pensions are arranged in external pension institutions. Pension plans are classified as either defined benefit plans or defined contribution plans. A defined contribution plan is a pension plan under which Nightingale Health pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the separate entity does not hold sufficient assets to pay all employees the related benefits. All other plans are classified as defined benefit plans. The Group only has defined contribution plans. The Group's most significant defined contribution plan is the TyEL plan in Finland. Contributions made to the plans are expensed in the period during which the services are provided. Nightingale Health records prepaid contributions as an asset to the extent that a cash refund or a reduction in future payments is available.

Termination benefits are not based on an employees' service but arise from the termination of an employee's employment. Termination benefits are benefits provided in exchange for termination of an employee's employment as a result of the Group's decision or an employee's decision to accept an offer of benefits in exchange for termination. Termination benefits are recognized at the earlier of the following: when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for a restructuring that includes the payment of termination benefits.

Disclosures on the share-based payments of the Group are provided in Note 7 Share-based payments and those on the compensation of the key management personnel in Note 25 Related party transactions.

### Employee benefit expenses recognized in profit or loss

EUR thousand	7/2023–6/2024	7/2022–6/2023
Salaries and wages	-4,762	-4,537
Pension expenses (defined contribution plans)	-885	-626
Other social security expenses	-204	-268
Share-based payments	-2,932	-3,950
<b>Total</b>	<b>-8,783</b>	<b>-9,381</b>
The average number of employees for the financial year	84	82

The table above shows employee benefits less employee benefit costs capitalized in development costs under intangible assets. Capitalized employee benefits totaled EUR 1,141 thousand (EUR 1,078 thousand). The total (gross) employee benefits amounted to EUR 9,924 thousand (EUR 10,459 thousand).

## 7 Share-based payments

### Accounting policy

Nightingale Health has various option programs. Some of the programs include conditions requiring the option holder to be employed in the company for a certain period (service condition), and some of the programs include conditions related to the share price development of the Company (market condition). The option programs are described in the table Option programs

Non-market vesting conditions are not considered when measuring the fair value of option on the grant date. Service conditions are considered on each reporting date to estimate the quantity of awards that will vest and expense will be adjusted accordingly. Expense will ultimately reflect those awards that do ultimately vest.

Market conditions need to be considered when measuring the fair value of options. Expense for an award with a market condition should be recognized even if the market condition is never satisfied, if the service condition and/or other non-market vesting condition is fulfilled.

Options are measured at fair value on their grant date and expense is recognized as an expense to Employee benefits and to Accumulated losses in equal tranches for the vesting period.

When the use of the option right is subject to achieving certain level for the Company's market capitalization and the employee staying at the Company's service until such target is achieved, the Company has estimated the expected vesting period at grant date based on most probable outcome of the performance condition. When the performance condition is a market condition, the expected length of the vesting period is aligned with the assumptions used in determining the fair value of the options and it will not be further adjusted. The estimated vesting periods are presented in table Information on option programs.

The fair value on grant date is determined using Black-Scholes or binomial option pricing model. The various assumptions used as input for the models are presented in table Assumptions used in determining fair value.

When the options are exercised, the proceeds received from the share subscriptions are recognized in accordance with the terms of the plan under the reserve for invested unrestricted equity, adjusted for any transaction costs.

### Option programs

Nightingale Health has established option programs as incentive programs for the company's personnel, including the company's and its group companies' employees and other key personnel. The purpose of issuing the option rights is to bind the option holders to the economic growth of the company and to the development of the company's 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 has option programs in three share classes: i) EMP option programs established before the initial public offering in which the options entitle to Series EMP shares and in which all options vested in connection to the initial public offering, ii) Option programs that entitle to Series B shares and have vesting conditions that are mainly related to the development of the company's market capitalization, and iii) Option programs that entitle to Series A shares and in which part of the options vested in connection to the initial public offering and a part of the options will vest based on the development of the company's market capitalization.

Vesting events for option programs that entitle to subscribe Series B shares are described in the below table. All defined market capitalization triggers are based on 45-day volume weighted average purchase



price. Each option program that has different vesting events, is presented on separate row in the below table.

### Vesting events for the option programs

Option Program	First Vesting Event	Second Vesting Event	Third Vesting Event	Fourth Vesting Event
2021 Board members, CEO and Key Management Option Program	½ of the total maximum number of option rights when the company's market capitalization is at least EUR 500 million	½ of the total maximum number of option rights when the company's market capitalization is at least EUR 1,000 million	-	-
2022 Key persons Option Program	½ of the total maximum number of option rights when the company's market capitalization is at least EUR 500 million	½ of the total maximum number of option rights when the company's market capitalization is at least EUR 1,000 million	-	-
2022 Management Team Option Program	100,000 option rights when 12 months has passed since the beginning of the employment	250,000 option rights when the company's market capitalization is at least EUR 1,000 million	250,000 option rights when the company's market capitalization is at least EUR 1,250 million	400,000 option rights when the company's market capitalization is at least EUR 1,500 million
	100,000 option rights when 12 months has passed since the beginning of the employment	150,000 option rights when the company's market capitalization is at least EUR 1,000 million	150,000 option rights when the company's market capitalization is at least EUR 1,250 million	200,000 option rights when the company's market capitalization is at least EUR 1,500 million
	150,000 option rights when the company's market capitalization is at least EUR 1,000 million	150,000 option rights when the company's market capitalization is at least EUR 1,250 million	200,000 option rights when the company's market capitalization is at least EUR 1,500 million	-
2022 Acquisition related Option Program	½ of the total maximum number of option rights when the company's market capitalization is at least EUR 1,000 million	½ of the total maximum number of option rights when the company's market capitalization is at least EUR 1,500 million	-	-

According to the 2022 Key personnel option program the subscription right may be used only if the option holder has an employment or service relationship with the company at the time of the subscription. Also other option programs presented in the above table include a condition related to the continuance of the work or service relationship, according to which the option holders lose their right to the options if they terminate their employment or service relationship. If the option holder's relationship is terminated by the company, the option holder is entitled to retain the vested options and the options that will vest during the following vesting event.

Vesting events for option programs that entitle to subscribe Series A shares are described below:

#### 2020 Board member (TS) options

The member of the Board of Directors earned the right to subscribe 1,362,025 Series A options in connection with the company's First North listing.

In addition, the member of the Board of Directors is entitled to:

- stock options equaling to 1 per cent of the company's shares on fully diluted basis shall be vested based on reaching target valuation, i.e. the company's pre-money valuation in connection to a financing round, trade sale or IPO exceeding EUR 500 million; and
- stock options equaling to 1 per cent of the company's shares on fully diluted basis shall be vested based on reaching target valuation, i.e. the company's pre-money valuation in connection to a financing round, trade sale or IPO exceeding EUR 1 billion.

In case the board membership ends the member of the Board of Directors shall maintain the right to subscribe for shares with the stock options that have vested before the end of the board membership.

### **2020 Board member (LN) options**

The member of the Board of Directors earned the right to subscribe for 231,770 stock options in connection with the First North listing.

In addition, the member of the Board of Directors is entitled to:

- stock options equaling to 1 per cent of the company's shares on fully diluted basis shall be vested based on reaching target valuation, i.e., the company's pre-money valuation in connection to a financing round, trade sale or IPO exceeding EUR 500 million; and
- stock options equaling to 1 per cent of the company's shares on fully diluted basis shall be vested based on reaching target valuation, i.e., the company's pre-money valuation in connection to a financing round, trade sale or IPO exceeding EUR 1 billion.

Nightingale Health's Board of Directors resolved on 16 October 2023 to change the number of stock options for the Board member to correspond 1 per cent (previously 0.5 per cent) of the company's shares on fully diluted basis in the two aforementioned cases.

In case the board membership ends the member of the Board of Directors shall maintain the right to subscribe for shares with the stock options that have vested before the end of the board membership.

## Information on option programs

The below tables describe key terms for each option program and total number of shares that can be subscribed in each option program.

Option program	EMP II	EMP III	2020 Board member (TS) options	2020 Board member (LN) options
Subscription price, EUR	1.42	1.63	1.63	2.48
Number of shares 30 June 2024*	1,791,853	453,908	2,580,395**	1,450,140**
Number of shares 30 June 2023*	2,017,603	465,346	2,269,841	695,310
Start date	8 May 2018	28 Oct 2020	7 Sep 2020	15 Dec 2020
End date	30 Apr 2028	30 Oct 2030	4 Dec 2030	7 Jan 2031
Estimated vesting date			500m: 14 Aug 2030 1000m: 3 Sep 2030	500m: 22 Sep 2030 1000m: 21 Dec 2030

Option program	2021 Board members, CEO, and key management option program***	2022 Key Persons option program***	2022 Management Team option program***	2022 Acquisition-related option program***
Subscription price, EUR	2.50 (6.75)	2.50 (6.75)	2.50 (6.75)	2.50 (6.75)
Number of shares 30 June 2024	5,200,000	1,426,857	2,200,000	100,000
Number of shares 30 June 2023	4,600,000	1,530,200	2,100,000	100,000
Start date	3 Mar 2021- 16 Oct 2023	18 Mar 2022	18 Mar 2022 – 16 Oct 2023	18 Mar 2022
End date	31 Dec 2031 – 31 Dec 2033	31 Dec 2033	31 May 2032 – 31 Dec 2033	31 May 2032
Estimated vesting date	500m: 14 Aug 2027 – 20 Jul 2028 (11 Sep 2024) 1000m: 2 Jan 2029 – 10 Mar 2029 (9 Jul 2029)	500m: 6 Aug 2028– 15 Sep 2030 (14 May 2030) 1000m: 22 Dec 2029 –13 Jun 2031 (14 May 2031)	1000m: 6 Mar 2029 – 10 Mar 2029 (14 May 2031) 1250m: 14 Jul 2029 – 14 Jul 2031 (14 Nov 2032) 1500m: 3 Nov 2029 – 10 Sep 2031 (14 May 2032)	1000m: 4 Mar 2029 (14 May 2030) 1500m: 3 Nov 2029 (14 May 2031)

\*) As per the stock split decision by the EGM on 18 February 2021, all options granted prior to the stock split allow for subscription of 301 shares. The effect of the stock split is accounted for in the table.

\*\*) The Number of shares (TS) and (LN) have been updated to reflect the current number of shares.

\*\*\*) 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 table above contains the amended subscription price (original subscription price in parentheses) and the amended estimated vesting dates (original estimated vesting dates in parentheses).

## Assumptions used in determining fair value

The tables below contain the assumptions used in determining the fair value of each option program and the fair values of the programs.

Option program	EMP II	EMP III	2020 Board member (TS) options	2020 Board member (LN) options
Subscription price, EUR	1.42	1.63	1.63	2.48
Share price at the grant date, EUR	1.42	1.63	1.63	2.48
Maturity, years	5.8	8.3	8.2	9.5
Expected volatility, %	37.4–40.4	41.4	41.4	41.6
Risk-free rate, %	-0.41–0.69	-0.44 – -0.43	-0.28	-0.40
Expected dividends, EUR	0	0	0	0
Valuation model	Black-Scholes	Black-Scholes	Black-Scholes, Binomial model	Black-Scholes, Binomial model
Fair value, EUR	0.6–0.7	0.77-0.78	0.12–0.78	0.4–1.19

Option program	2021 Board members, CEO, and key management option program*	2022 Key Persons option program*	2022 Management Team option program*	2022 Acquisition-related option program*
Subscription price, EUR	2.5 (6.75)	2.5 (6.75)	2.5 (6.75)	2.5 (6.75)
Share price at the grant date, EUR	1.13-2.01 (6.75)	0.86–2.01 (2.05)	1.13-2.01 (2.05)	2.01 (2.05)
Maturity, years	9.4-10.2 (10.8)	9.5–11.4 (11.7)	9.8-10.2 (10.1)	9.8 (10.1)
Expected volatility, %	43.0-43.9 (41.2)	42.6–47.9 (42.6-43.1)	43.0-43.9 (42.3)	43.0 (42.3)
Risk-free rate, %	1.47-3.36 (-0.13)	1.47–3.12 (1.3-2.74)	1.47-3.36 (1.30)	1.47 (1.30)
Expected dividends, EUR	0	0	0	0
Valuation model	Binomial model	Binomial model	Black-Scholes, Binomial model	Binomial model
Fair value, EUR	0.06–0.37 (3.15–3.31)	0.11–0.86 (0.48–0.60)	0.06–0.51 (0.31–0.51)	0.06–0.14 (0.31–0.40)

\*) 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 table above contains the amended assumptions (original assumptions in parentheses) and the fair values with the amended assumptions (fair value with original assumptions in parentheses).

## Summary of option programs

Summary of option programs	30 June 2024		30 June 2023	
	Average exercise price per option, EUR	Number of options	Average exercise price per option, EUR	Number of options
Outstanding on 1 July 2023	2.23	13,778,300	4.61	13,379,937
Granted during period	2.39	2,702,141	2.50	1,320,000
Forfeited during period	2.30	-1,277,288	2.31	-921,637
Exercised during period	-	-	-	-
<b>Outstanding on 30 June 2024</b>	<b>2.42</b>	<b>15,203,153</b>	<b>2.23</b>	<b>13,778,300</b>
Exercisable on 30 June 2024	1.65	4,139,556	1.62	4,276,744
<b>Weighted average price of shares at the date of exercise</b>	<b>-</b>		<b>-</b>	

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

EUR thousand	7/2023–6/2024	7/2022–6/2023
Employee benefits recognized in profit and loss	2,932	3,950
<b>Total</b>	<b>2,932</b>	<b>3,950</b>

## Share incentive programs

Nightingale Health has had two share incentive programs, in which employees could purchase Series EMP shares for their market value deducted with the reduction allowed for personnel issues pursuant to section 66 of the Income Tax Act. The expense is recognized for the vesting period with corresponding entry made to equity.

### Significant estimate – assumptions used in measuring fair value

#### Significant estimate – determining the vesting periods

The fair value of stock options is determined on their grant date. The fair value is determined using the Black-Scholes or binomial option pricing model. For rewards with market conditions, the binomial model is used in modeling the development of the Company's market capitalization. Expected volatility is based on the Company's available historical volatility and the historical volatility of four peer companies. The Finnish Government 10-year bond yield is used as a proxy for the risk-free rate. Details on the assumptions are presented above in the table Assumptions used in determining fair value.

On each reporting date, the company estimates the amount of awards that will vest and expense cost will be adjusted accordingly.

## 8 Other expenses

### Accounting policy

Other expenses include expenses other than those related to sale of goods sold and employee benefits, such as service, maintenance and IT, marketing, administrative and losses on the disposals of non-current assets and other personnel related costs such as recruitment costs.

### Disaggregation of other expenses by nature

EUR thousand	7/2023–6/2024	7/2022–6/2023
Other personnel-related expenses	-353	-430
Service, maintenance and IT	-1,526	-1,790
Sales and marketing	-787	-934
Administrative	-1,718	-2,469
Research and development (R&D)	-213	-596
<b>Total</b>	<b>-4,597</b>	<b>-6,219</b>

Other expenses include R&D expenses of EUR 213 thousand which did not meet the criteria for being capitalized in development costs.

### Fees to auditors

EUR thousand	7/2023–6/2024	7/2022–6/2023
Audit fees	-163	-447
Tax consultancy	-3	-15
<b>Total</b>	<b>-166</b>	<b>-462</b>

## 9 Depreciation, amortization and impairment losses

### Accounting policy

Depreciation and amortization are the systematic allocation of the depreciable/amortizable amount of a/an tangible/intangible asset over its useful life. Nightingale Health records the depreciation/amortization on a straight-line basis. Amortization of intangible assets commences from the date they are available for use as intended by Nightingale Health's management. Depreciation of property, plant and equipment commences from the date that they are available for use. Nightingale Health reviews the depreciation/amortization periods applied at least at the end of each financial year. If the expected useful life of an asset is significantly different from previous estimates, the Group adjusts the depreciation/amortization prospectively. More information is in note 14 Property, plant and equipment and 12 Goodwill and intangible assets.

Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. Further information is provided in Note 13 Impairment testing.

### Intangible assets

Amortization is recognized on a straight-line basis in profit or loss over the estimated useful life of an intangible asset. The useful lives are 3–5 years, except for certain intangible assets acquired through business combinations, which have a useful life of 10 years.

The Group recognized no impairment losses on intangible assets in the financial years 1 July 2023–30 June 2024 and 1 July 2022–30 June 2023.



## Property, plant and equipment

Depreciation is recognized on a straight-line basis in profit or loss over the estimated useful lives of the assets. The estimated useful lives are as follows:

- Machinery and equipment 4–10 years
- Leasehold improvement costs 5 years

The Group recognized no impairment losses on property, plant and equipment in the financial years 1 July 2023–30 June 2024 and 1 July 2022–30 June 2023.

## Depreciation and amortization

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Intangible assets</b>		
Other technology	-36	-36
Applications	-2,628	-2,098
Laboratory technology	-1,550	-1,303
Risk models	-1,663	-1,326
Intangible rights	-260	-108
<b>Total</b>	<b>-6,138</b>	<b>-4,872</b>
<b>Property, plant and equipment</b>		
Machinery and equipment	-868	-640
Buildings and structures	-127	-117
<b>Total</b>	<b>-995</b>	<b>-757</b>
<b>Right-of-use assets</b>		
Right-of-use assets	-1,026	-1,060
<b>Total</b>	<b>-1,026</b>	<b>-1,060</b>
<b>Total depreciation and amortization in profit or loss</b>	<b>-8,158</b>	<b>-6,689</b>

## 10 Income taxes

### Accounting policy

The income tax expense in profit or loss comprises both current tax and change in deferred taxes. Income taxes are recognized in profit or loss except to the extent that it relates to a business combination, items recognized directly in equity or in other comprehensive income (OCI).

Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability expected to arise based on the specific circumstances, Group's interpretation of the tax laws and historical experience.

### Current tax

The current income tax charge is calculated on the taxable income on the basis of the tax rate and tax laws enacted (or substantively enacted) by the period-end date in the countries where the Group operates and generates taxable income. Current taxes are adjusted for the taxes of previous financial periods, if applicable.

Taxable profit may differ from the profit reported in financial statements, since some income or expense items may be taxable or deductible in other years, and/or certain income items are not taxable or certain expense items are non-deductible for taxation purposes.

### Deferred taxes

Deferred taxes are calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. On 30 June 2024, the Group's deferred taxes mainly arise from fair value measurement of assets in business combinations, leases, revenue recognition, tax losses carried forward and intra-group margins. Deferred taxes are determined using the statutory tax rates (and tax laws) or the tax rates substantively enacted by the period-end.

### Deferred tax liabilities

A deferred tax liability is recognized for taxable temporary differences between the carrying amount of the item and the tax base. Deferred tax liability is not recognized upon initial recognition of goodwill or initial recognition of an asset or liability and if the transaction is not a business combination and does not affect the accounting result, taxable profit or tax loss at the time the transaction is completed.

### Deferred tax assets

A deferred tax asset is recognized for deductible temporary differences, the carry forward of unused tax losses and unused tax credits, only to the extent that it is probable that future taxable profits will be available, against which Nightingale Health can utilize the abovementioned items.

- Recognized deferred tax assets: the Group reviews the amount and the probability of the utilization of such assets at each period-end. If the utilization of the related tax benefit is no more considered probable, Nightingale Health recognizes a write-down against the deferred tax asset.
- Unrecognized deferred tax assets: Nightingale Health re-assesses these items at each period-end and recognizes those to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. This applies, for example, to deferred tax assets to be recognized on tax losses carried forward. In making this determination, the Group considers all available positive and negative evidence including projected future taxable income, future reversals of existing temporary differences, changes in tax laws and/or rates and recent financial arrangements.
- However, a deferred tax asset is not recognized if it arises from the initial recognition of an asset or liability and that the transaction is not a business combination and does not affect the accounting result or taxable profit or tax loss at the time the transaction is executed.

### Current tax expense

EUR thousand	7/2023–6/2024	7/2022–6/2023
Current tax for the financial year	-20	-4
Current tax adjustments for prior years	-54	-
Change in deferred taxes	-14	-
Withholding tax	-	-5
<b>Total</b>	<b>-88</b>	<b>-9</b>

## Reconciliation between income tax expense in profit or loss and tax expense calculated using the Finnish corporate tax rate

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Loss before tax</b>	<b>-17,375</b>	<b>-18,074</b>
Tax using the Finnish corporate tax rate (20%)	3,475	3,615
Unrecognized deferred tax assets on tax losses for the period	-2,859	-3,220
Share based payments	-586	-790
Change in fair value of investments	-	19
Share of joint venture's result	-3	-7
Taxes for prior financial years	-54	-
Other	-61	374
<b>Taxes in the income statement</b>	<b>-88</b>	<b>-9</b>

## Changes in deferred tax assets and deferred tax liability balances

EUR thousand	1 Jul 2023	Recognized in profit or loss	Business combinations	30 Jun 2024
<b>Deferred tax assets</b>				
Tax losses carried forward	280	-172	-	108
Intra-group margins	44	-4	-	40
Leases	405	-60	14	359
Intangible assets	-	75	-	75
Other	-	2	-	2
<b>Total</b>	<b>729</b>	<b>-160</b>	<b>14</b>	<b>584</b>
Netted from deferred tax liabilities	<b>-729</b>			<b>-577</b>
<b>Deferred tax assets in balance sheet</b>	<b>-</b>			<b>7</b>
<b>Deferred tax liabilities</b>				
Leases	-631	125	-14	<b>-521</b>
Fair value measurement of intangible assets	-91	10	-	<b>-80</b>
Intangible assets	-7	7	-	-
<b>Total</b>	<b>-729</b>	<b>141</b>	<b>-14</b>	<b>-601</b>
Netted from deferred tax assets	729			<b>577</b>
<b>Deferred tax liabilities in balance sheet</b>	<b>-</b>			<b>-24</b>

## Income tax on items of other comprehensive income

The Group recognized no income taxes related to other comprehensive income in the financial years ended on 30 June 2024 and 30 June 2023.

## Tax losses for which no deferred tax asset is recognized

EUR thousand	30 Jun 2024	30 Jun 2023
Tax losses	62,170	47,594

Of the tax losses carried forward for which no deferred tax asset is recognized, EUR 60,976 thousand have arisen in the parent company Nightingale Health Plc (EUR 46,883 thousand on 30 June 2023). No deferred tax asset has been recognized for the losses, as at the date of preparation of the financial statements it was not considered that there was convincing evidence that the losses would be recoverable, except for the amounts for which deferred tax assets have been recognized, as they can be offset against deductible temporary differences. EUR 7,202 thousand of the losses expire between 2027 and 2029 and EUR 53,774 thousand between 2030 and 2034. Tax losses of EUR 1,194 thousand (EUR 711 thousand) have been incurred by the subsidiaries in Japan, the USA, the UK, Germany, and Singapore. EUR 586 thousand of the losses expire between 2030-2034 and EUR 608 thousand will not expire.

#### Other deductible temporary differences for which no deferred tax asset is recognized

The Group also has other deductible temporary differences for which no deferred tax assets have been recognized, amounting to EUR 3,360 thousand on 30 June 2024 (EUR 3,873 thousand on 30 June 2023).

## 11 Earnings per share

### Accounting policy

Basic earnings per share is calculated by dividing the profit (loss) attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial year (excluding any treasury shares held).

In calculating diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to assume conversion of all dilutive potential ordinary shares. Share options have a dilutive effect only when the average market price of ordinary shares during the period exceeds the exercise price of the options. The share options have no dilutive effect if there is a loss for the period.

### Earnings per share

	7/2023–6/2024	7/2022–6/2023
Profit attributable to owners of the company (loss)	-17,463	-18,083
Weighted average number of ordinary shares outstanding during the financial year (1,000 pcs)	60,341	60,341
<b>Basic and diluted earnings per share, Series A and Series EMP, EUR</b>	<b>-0.29</b>	<b>-0.30</b>
<b>Basic and diluted earnings per share, Series B, EUR</b>	<b>-0.29</b>	<b>-0.30</b>

The Company's Series A, Series B and Series EMP shares are ordinary shares of the Company. Series B shares are entitled to a five percent higher dividend than Series A shares and Series EMP shares. The preference does not concern other distribution of assets or capital distribution, only payment of dividends. Based on the dividend preference Series B shares are considered a separate class of ordinary shares, hence Nightingale Health presents earnings per share ("EPS") separately for all share classes that have different right to earnings. Therefore, Nightingale Health presents two different EPS-numbers, Series B EPS is presented separately from the EPS for Series A and Series EMP. As the Group has been lossmaking the dividend preference has no effect on earnings per share for Series B shares.

The Company's potential dilutive instruments consist of granted share options. As the Group has been lossmaking, the share options would have an anti-dilutive effect and therefore they have not been considered when measuring the diluted earnings per share. Therefore, there is no difference between the basic and diluted earnings per share.

## 12 Goodwill and intangible assets

### Accounting policy

#### Goodwill

Goodwill represents the excess of the

- consideration transferred,
- amount of any non-controlling interest (NCI) in the acquiree, measured either at fair value or at the NCI's proportionate share of the acquired entity's net assets, and
- acquisition-date fair value of any previous equity interest in the acquiree,

over the fair value of the net identifiable assets acquired in business combinations. Goodwill reflects, for example, expected future synergies resulting from the acquisitions. Goodwill is not subject to amortization but is tested annually for impairment and whenever there is an indication of impairment. Goodwill is carried at historical cost less accumulated impairment losses.

#### Intangible assets

An intangible asset is recognized if the item is identifiable, Nightingale Health controls the asset, there are future economic benefits associated with the intangible asset and it is probable that the future economic benefits that are attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost, except for those assets acquired as part of a business combination. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is provided on a straight-line basis over the useful lives of the assets.

The technology-related assets acquired in business combinations were initially measured at fair value at the acquisition date using the relief-from-royalty method. This method considers the discounted estimated royalty payments that are expected to be avoided as a result of the technology acquired.

#### Research and development expenditures

Research is original and planned investigation Nightingale Health undertakes with the prospect of gaining new scientific or technical knowledge and understanding. Such costs are expensed as incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. The Group capitalizes such costs when all the following criteria are met:

- Nightingale Health can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The Group intends to complete the intangible asset and use or sell it.
- Nightingale Health is able to use or sell the intangible asset.
- The Group is able to demonstrate how the intangible asset will generate probable future economic benefits.
- Nightingale Health has adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset
- Nightingale Health is able to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalization of development expenditures begins when all the criteria described above are met and ceases when the intangible asset is available for use as intended by management. Capitalized development costs comprise all directly attributable cost of preparing the asset for its intended use. Those costs at Nightingale Health mainly include employee benefit costs, analysis costs for research samples and purchases from third parties. The Group has also:

- capitalized borrowing costs incurred by Nightingale Health, from the government loans drawn for development activities, or from the generally borrowed funds, where a capitalization rate is applied to the expenditures on that asset.
- deducted the government grants Nightingale Health has received for development activities and capitalized the related costs.

### **Amortization periods**

The intangible assets internally developed by the Group are amortized over 3 to 5 years. The amortization period for other technology, i.e. technology-related assets acquired in business combinations, is 10 years.

Nightingale Health reviews the amortization periods and methods applied at least at each financial year-end. If the expected useful life of an asset is different from previous estimates, the amortization period is adjusted prospectively. The changes in useful lives may arise from technical developments, or changes in demand or competition, for example.

### **Impairment testing**

Nightingale Health performs an annual impairment test for goodwill and intangible assets not yet available for use. In addition, the Group assesses at each reporting date whether there is any indication that an intangible asset may be impaired. For details on impairment testing, refer to Note 13 Impairment testing.

### **Significant judgement – eligibility of development costs for capitalization**

#### **Significant estimate – probable future economic benefits embodied in the assets under development**

Nightingale Health recognizes internally generated development costs as an intangible asset in its balance sheet when the recognition criteria are met. This requires management to use judgement in considering whether the capitalization criteria for an asset under development are met, such as the technical feasibility of the intangible asset and its probable future economic benefits. Technical feasibility is assessed as part of the product development process and capitalization of the development costs is only started when the project has technically reached a predefined stage. The future economic benefits are assessed on a project-by-project basis, taking into account qualitative factors. The company determines the recoverable cash flows by using cash flow-based income calculations. The cash flows involve assumptions about future sales and their development, costs and profitability, and useful lives, and may differ significantly from subsequent cash flows.

When an intangible asset is completed, management assesses the useful life of the asset, i.e. the amortization period, and, in respect of the expenditures incurred after completion, whether it is an improvement to the existing assets recorded as an intangible asset, or if it is considered maintenance activity accounted for as an expense.



## Development costs

The Group's development expenditures relate to the following areas:

- Applications comprise mobile applications through which the company delivers blood analysis results to its customers, and interfaces through which the company delivers blood analysis results for use by customers of its partners.
- Laboratory technology consists of laboratory software and analytical methods developed by the company for the analysis of blood samples, including the capabilities to analyze both venous blood samples and dry blood samples.
- Risk models are algorithms developed to identify the risk of disease. The algorithms have been developed on the basis of historical data collected in biobank studies. The medical evidence-based algorithms developed by the company can be used to identify the level of risk associated with a person's prevalent heart health, type 2 diabetes and obesity, lung health, gut health, joint health, mental health and immunity, among others.

Other technology includes assets recognized in the business combinations.

Licenses included the worldwide license and rights to the Velvet™ blood collection device acquired from Weavr Health Corp.

Patents, Trade Secrets and Trademarks include all the intellectual property assets of the Velvet™ blood collection device that the Group acquired on 27 June 2024. Therefore, Licenses have been reclassified as Patents, Trade Secrets and Trademarks.

## Reconciliation of carrying amounts

7/2023–6/2024 EUR thousand	Good- will	Other tech- nology	Li- censes	Pa- tents	Trade se- crets	Trade marks	Applica- tions	Labor- atory tech- nology	Risk models	Total
<b>Acquisition cost</b>										
<b>Balance on 1 July</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>
Transfers between lines	-	-	-1,300	1,040	195	65	-	-	-	-
Additions	-	-	-	564	106	35	390	875	436	<b>2,406</b>
<b>Balance on 30 June</b>	<b>1,023</b>	<b>418</b>	-	<b>1,604</b>	<b>301</b>	<b>100</b>	<b>9,406</b>	<b>9,189</b>	<b>5,724</b>	<b>27,766</b>
<b>Accumulated amorti- zation and impairment losses</b>										
<b>Balance on 1 July</b>	-	<b>-66</b>	<b>-108</b>	-	-	-	<b>-3,494</b>	<b>-2,792</b>	<b>-1,840</b>	<b>-8,301</b>
Transfers between lines	-	-	108	-87	-16	-5	-	-	-	-
Amortization	-	-36	-	-208	-39	-13	-2,628	-1,550	-1,663	<b>-6,138</b>
<b>Balance on 30 June</b>	-	<b>-102</b>	-	<b>-295</b>	<b>-55</b>	<b>-18</b>	<b>-6,122</b>	<b>-4,342</b>	<b>-3,504</b>	<b>-14,438</b>
<b>Carrying amount on 1 July</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 30 June</b>	<b>1,023</b>	<b>316</b>	-	<b>1,310</b>	<b>246</b>	<b>82</b>	<b>3,284</b>	<b>4,847</b>	<b>2,221</b>	<b>13,329</b>

7/2022–6/2023 EUR thousand	Good- will	Other tech- nology	Li- censes	Pa- tents	Trade se- crets	Trade marks	Applica- tions	Labor- atory tech- nology	Risk models	Total
<b>Acquisition cost</b>										
<b>Balance on 1 July</b>	<b>1,023</b>	<b>418</b>	-	-	-	-	<b>7,737</b>	<b>7,285</b>	<b>4,237</b>	<b>20,700</b>
Additions	-	-	1,300	-	-	-	1,280	1,029	1,051	<b>4,660</b>
<b>Balance on 30 June</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 amorti- zation and impairment losses</b>										
<b>Balance on 1 July</b>	-	<b>-30</b>	-	-	-	-	<b>-1,395</b>	<b>-1,489</b>	<b>-514</b>	<b>-3,429</b>
Amortization	-	-36	-108	-	-	-	-2,098	-1,303	-1,326	<b>-4,872</b>
<b>Balance on 30 June</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 July</b>	<b>1,023</b>	<b>388</b>	-	-	-	-	<b>6,342</b>	<b>5,796</b>	<b>3,723</b>	<b>17,272</b>
<b>Carrying amount on 30 June</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>

Research and development costs expensed totaled EUR 213 thousand (EUR 596 thousand).

## 13 Impairment testing

### Accounting policy

Nightingale Health tests goodwill and intangible assets not yet available for use annually for impairment. In addition, at each period-end the Group assesses if there is any indication of impairment of an intangible asset. If any indication exists, Nightingale Health performs an impairment test for the asset concerned.

At each period-end Nightingale Health management assesses if there is any indication of impairment of goodwill or intangible, tangible or right-of-use asset. The Group evaluates indicators based on internal and external sources of information that measure financial performance, such as internal group reporting or monitoring of the economic environment and markets. Indicators may include, among others:

- unexpected changes in significant factors underlying impairment tests (revenues, profitability levels and prevailing interest rates)
- the carrying amount of the net assets of the company is more than its market capitalization
- changes in market conditions.

For the purposes of impairment testing goodwill is allocated to the cash-generating units (CGUs), or groups of cash-generating units, that are expected to benefit from the business combination in which the goodwill arose. A cash-generating unit is the smallest identifiable group of assets in Nightingale Health that generates inflows that are largely independent from the cash inflows from other assets or groups of assets.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

An impairment loss is recognized in profit or loss if the carrying amount of a cash-generating unit exceeds its recoverable amount. An impairment loss is allocated to reduce the carrying amount of the

unit's assets by first reducing the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. After the recognition of an impairment loss, depreciation/amortization on the assets is reviewed in future periods so that the adjusted carrying amount of the asset, less any residual value, is depreciated/amortized on a systematic basis over the remaining useful life of the asset. An impairment loss recognized for goodwill is not subsequently reversed.

### Assets subject to impairment testing

Nightingale Health has internally developed intangible assets, for example a blood analysis technology that measures metabolism and disease risks in a comprehensive way, which includes technology and risk models for identifying disease risks. Nightingale Health has also developed applications and interfaces for reporting results. The Group's intangible assets are used together to provide the services of blood analysis and disease risk prediction. Therefore, no intangible asset of Nightingale Health generates cash flows independently and all assets are a single cash-generating unit.

### Goodwill and intangible assets not yet available for use at the reporting dates

EUR thousand	30 Jun 2024	30 Jun 2023
Goodwill	1,023	1,023
Intangible assets not yet available for use	1,539	1,955
<b>Total</b>	<b>2,562</b>	<b>2,978</b>

### Testing level

Nightingale Health has a single cash-generating unit (CGU), so both goodwill and intangible assets not yet available for use are tested as part of that CGU.

### Impairment testing methodology and inputs

Nightingale Health has determined recoverable amounts based on value-in-use calculations using discounted net cash flow projections.

In the impairment test performed on 1 April 2024, the value-in-use calculations rely on the budget prepared by management and approved by the Group's Board of Directors for the financial year 2024–2025 and on forecasts for the following four years.

Nightingale Health has used a single forecast of future cash flows that reflects the most likely outcome and excludes adjustments to cash flows for risks. Nightingale Health has accounted for the risks associated with the growth stage in the pre-tax discount rate, or WACC, for which Nightingale Health has used a discount rate 18.3% (21.4%) that reflects the risks of growth stage companies, including the risks associated with the amount and timing of cash flows and a risk-free market rate. An average revenue growth rate of 60% (59%) over the forecast period and 2% (2%) after the forecast period has been used. Direct costs are assumed to scale with the current gross margin level in relation to revenue adjusting for expected inflation. Given the highly scalable nature of the company's operations, indirect costs are assumed to remain almost unchanged over the forecast period, leading to a significant improvement in the operating margin. The operating margin for the last year of the forecast period has been estimated at 22.4% (24.5%) and the period after that at 36.5% (36.3%).

No need for impairment was identified based on the impairment test performed on 1 April 2024. The impairment test showed a buffer compared to the carrying amounts of the tested assets. The impairment test is based on the assumption of significant revenue growth and the realization of the estimated revenue growth is subject to significant uncertainty as the services to be provided are newly launched on the market.

### **Significant estimate – assumptions and estimates used in impairment testing**

The recoverable amounts of the cash-generating unit have been determined based on value-in-use calculations. The preparation of value-in-use calculations requires management of Nightingale Health to make assumptions. The key assumptions relate to the revenue growth rate, costs, operating margin and discount rate. The revenue growth rate used in the impairment test is derived from management's expectations of the sales volume, price, and development of blood analysis capacity for blood analysis services. Sales volume development is based on management's assessment of how quickly and successfully the company can bring its products to market and gain market share in existing market revenue streams, as well as create new business opportunities and revenue streams. The price assessment is based on information about the price level in the existing market, an understanding of the internal cost structure of the company, and an idea of how much potential customers might be willing to pay for the value added that the company can provide to them. The company's production processes are expected to become approximately 3% more efficient per year, leading to an increase in sample analysis capacity. The cost structure is based on the current cost structure of the company, both in terms of direct and indirect costs. The company's production capacity utilization is already high, although some samples do not generate revenue. Thus, the shift in capacity utilization towards revenue-generating samples does not impose any additional costs on the company, which means that there is a significant potential for scaling up the company in terms of costs.

## **14 Property, plant and equipment**

### **Accounting policy**

Nightingale Health's property, plant and equipment (PPE) mainly consist of laboratory equipment and leasehold improvement costs. The acquisition cost comprises directly attributable incremental costs incurred in acquisition and installation. Subsequently property, plant and equipment are carried at cost, less any accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment commences when the asset is available for use to Nightingale Health. Depreciation is recognized to profit or loss on a straight-line basis over the estimated useful lives of an item of property, plant and equipment as follows:

- Leasehold improvement costs 5 years
- Machinery and equipment 4–10 years

Nightingale Health reviews expected useful lives and residual values at least at each financial year-end. If they differ significantly from previous estimates, the useful lives are adjusted prospectively.

At each reporting date, the Group assesses whether there is an indication that an asset of property, plant and equipment may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the difference, i.e. an impairment loss, is recognized in profit or loss.

If an item of property, plant and equipment is sold, disposed or retired, the resulting gain or loss is recognized in Other income or Other expenses.

### ***Sale and leaseback transaction***

When Nightingale Health (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, the Group assesses if it has transferred control of the asset to the buyer-lessor.

- If the control of the asset has been transferred, Nightingale Health measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by Nightingale Health
- If the control of the asset has not been transferred, Nightingale Health continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds.

### Capital expenditure

In the financial year ended on 30 June 2024 Nightingale Health invested in its laboratory machinery and equipment.

### Reconciliation of carrying amounts

7/2023–6/2024 EUR thousand	Leasehold im- provement costs	Machinery and equipment	Total	Right-of-use assets
<b>Cost on 1 Jul 2023</b>	<b>574</b>	<b>5,400</b>	<b>5,974</b>	<b>6,347</b>
Additions	290	2,748	3,037	454
Deductions	-	-	-	-114
Reclassifications	-	581	581	-567
Translation differences	-22	-91	-113	1
<b>Cost on 30 Jun 2024</b>	<b>842</b>	<b>8,637</b>	<b>9,479</b>	<b>6,121</b>
<b>Accumulated depreciation and im- pairment on 1 Jul 2023</b>	<b>-389</b>	<b>-1,049</b>	<b>-1,437</b>	<b>-3,665</b>
Reclassifications	-	-379	-379	320
Deductions	-	-	-	94
Depreciation	-127	-868	-995	-1,026
Translation differences	21	66	88	-
<b>Accumulated depreciation and im- pairment on 30 Jun 2024</b>	<b>-494</b>	<b>-2,229</b>	<b>-2,723</b>	<b>-4,277</b>
<b>Carrying amount on 1 Jul 2023</b>	<b>186</b>	<b>4,351</b>	<b>4,538</b>	<b>2,682</b>
<b>Carrying amount on 30 Jun 2024</b>	<b>348</b>	<b>6,408</b>	<b>6,757</b>	<b>1,843</b>

7/2022–6/2023 EUR thousand	Leasehold im- provement costs	Machinery and equipment	Total	Right-of-use assets
<b>Cost on 1 Jul 2022</b>	<b>616</b>	<b>3,979</b>	<b>4,595</b>	<b>7,541</b>
Additions	-	1,503	1,503	468
Deductions	-	-	-	-1,663
Reclassifications	-18	14	-4	-
Translation differences	-23	-97	-120	-
<b>Cost on 30 Jun 2023</b>	<b>574</b>	<b>5,400</b>	<b>5,974</b>	<b>6,347</b>
<b>Accumulated depreciation and im- pairment on 1 Jul 2022</b>	<b>-289</b>	<b>-394</b>	<b>-684</b>	<b>-3,678</b>
Reclassifications	18	-14	4	-
Deductions	-	-	-	1,073
Depreciation	-117	-640	-757	-1,060
<b>Accumulated depreciation and im- pairment on 30 Jun 2023</b>	<b>-389</b>	<b>-1,049</b>	<b>-1,437</b>	<b>-3,665</b>
<b>Carrying amount on 1 Jul 2022</b>	<b>326</b>	<b>3,585</b>	<b>3,911</b>	<b>3,863</b>
<b>Carrying amount on 30 Jun 2023</b>	<b>186</b>	<b>4,351</b>	<b>4,538</b>	<b>2,682</b>

## 15 Leases

### Accounting policy

Nightingale Health acts as a lessee mainly leasing business premises, laboratory equipment, other machinery and equipment as well as cars. Generally, the Group recognizes a leased asset (right-of-use asset) and a lease liability for all leases, except for short-term leases and leases of low-value items (accounting treatment discussed below). The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is a lease or includes a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Nightingale Health recognizes a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives (e.g. rent-free months)
- any initial direct costs incurred by Nightingale Health, and
- an estimate of restoration costs, if any, to be incurred by the Group.

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term or the estimated useful lives of the assets. If the lease contains a purchase option that Nightingale Health believes is reasonably certain to be exercised, the depreciation period may be determined by the economic useful life of the asset, even if it is longer than the lease term. A right-of-use asset is tested for impairment, if necessary, and any impairment loss is recognized in profit or loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The Group uses the interest rates implicit in the leases for discounting and if those rates cannot be readily determined, its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date of the contract
- amounts expected to be payable under a residual value guarantee, and
- the exercise price under a purchase option that Nightingale Health is reasonably certain to exercise.

Subsequently, the lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Nightingale Health changes its assessment of whether it will exercise a purchase, extension or termination option. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Nightingale Health has elected not to recognize right-of-use assets and lease liabilities for:

- short-term leases (that have a lease term of 12 months or less) and



- leases of low-value assets (each asset with a value of approximately EUR 5,000 or less when new). Such assets mainly comprise IT equipment, as well as other machinery and equipment. The Group expenses the related lease payments on a straight-line basis over the lease term. Nightingale Health has elected not to separate non-lease-components from lease components, which primarily include service components.

#### Reconciliation of carrying amounts of right-of-use asset

7/2023-6/2024 EUR thousand	Business premises	Laboratory equipment	Other	Total
<b>Cost on 1 July 2023</b>	<b>4,773</b>	<b>1,358</b>	<b>216</b>	<b>6,347</b>
Additions	403	-	51	454
Deductions	-16	-69	-30	-114
Reclassifications	14	-581	-	-567
Translation difference	1	-	-	1
<b>Cost on 30 June 2024</b>	<b>5,175</b>	<b>708</b>	<b>237</b>	<b>6,121</b>
<b>Accumulated depreciation and impairment on 1 July 2023</b>	<b>-2,943</b>	<b>-659</b>	<b>-63</b>	<b>-3,665</b>
Reclassifications	-14	334	-	320
Deductions	-	63	30	94
Depreciation	-796	-158	-73	-1,026
Translation difference	-	-	-	-
<b>Accumulated depreciation and impairment on 30 June 2024</b>	<b>-3,753</b>	<b>-419</b>	<b>-105</b>	<b>-4,277</b>
<b>Carrying amount on 1 July 2023</b>	<b>1,829</b>	<b>699</b>	<b>154</b>	<b>2,682</b>
<b>Carrying amount on 30 June 2024</b>	<b>1,422</b>	<b>289</b>	<b>132</b>	<b>1,843</b>

7/2022-6/2023 EUR thousand	Business premises	Laboratory equipment	Other	Total
<b>Cost on 1 July 2022</b>	<b>4,585</b>	<b>2,814</b>	<b>143</b>	<b>7,541</b>
Additions	188	128	153	468
Deductions	-	-1,584	-79	-1,663
<b>Cost on 30 June 2023</b>	<b>4,773</b>	<b>1,358</b>	<b>216</b>	<b>6,347</b>
<b>Accumulated depreciation and impairment on 1 July 2022</b>	<b>-2,217</b>	<b>-1,426</b>	<b>-34</b>	<b>-3,687</b>
Deductions	-	1,038	35	1,073
Depreciation	-726	-270	-64	-1,060
<b>Accumulated depreciation and impairment on 30 June 2023</b>	<b>-2,943</b>	<b>-659</b>	<b>-63</b>	<b>-3,665</b>
<b>Carrying amount on 1 July 2022</b>	<b>2,367</b>	<b>1,387</b>	<b>109</b>	<b>3,863</b>
<b>Carrying amount on 30 June 2023</b>	<b>1,829</b>	<b>699</b>	<b>154</b>	<b>2,682</b>

The right-of-use assets are included in the line item Right-of-use assets in the Consolidated statement of financial position.

The depreciation of right-of-use assets is included in the line item Depreciation, amortization and impairment losses in the consolidated income statement.

Interest expenses related to leases were EUR 95 thousand (EUR 135 thousand). The interest expenses are included in the line item Finance cost.

#### Amounts presented in cash flow statement

EUR thousand	7/2023–6/2024	7/2022–6/2023
Cash outflow for leases	-996	-1,256
Cash outflow for leases of low-value assets	-75	-87
<b>Total</b>	<b>-1,071</b>	<b>-1,343</b>

The cost of low value leases is included in the line item Other expenses in the consolidated income statement.

#### Lease liabilities

EUR thousand	30 Jun 2024	30 Jun 2023
Current	724	1,406
Non-current	1,086	965
<b>Total</b>	<b>1,809</b>	<b>2,371</b>

Lease liabilities are presented in the consolidated statement of financial position classified as non-current and current according to their maturity. For the related maturity analysis refer to Note 23 Financial risk management (section Liquidity risk).

#### Significant estimate – determination of lease term

Some of the Group's business premise leases include extension options. Nightingale Health uses such conditions in its contractual practices to maximize operational flexibility. The Group assesses the use of the extension options on a case-by-case basis, alongside the regular management review process. In doing so, Nightingale Health evaluates, among other factors, the contractual terms for optional periods compared to market rates, the importance of the underlying asset to Group's operations, leasehold improvements undertaken, and the costs of terminating the contract and replacing the asset. Nightingale Health includes the extension options in the lease term if it is reasonably certain that the options will be exercised. The Group's most important business premise lease is for the parent company's premises in Helsinki.

## 16 Inventories

#### Accounting policy

Inventories of Nightingale Health comprise laboratory supplies, materials for home sampling kits, supplies needed for the laboratory tests, and finished home sampling kits. Inventories are measured at the lower of cost or net realizable value. Nightingale Health determines the cost of materials and supplies using the first-in, first-out (FIFO) method. The cost of finished goods comprises purchase price, direct delivery and handling costs and other directly attributable costs. Net realizable value is the estimated selling price in the course of ordinary business less the estimated cost to make the sale.

#### Breakdown of inventories

EUR thousand	30 Jun 2024	30 Jun 2023
Materials and services	704	550
<b>Total</b>	<b>704</b>	<b>550</b>

Nightingale Health recognized a write-down on inventories amounting to EUR 328 thousand (EUR 76 thousand) in the financial year ended on 30 June 2024. No write-downs were reversed during the financial year or in the comparison period. The write-downs and their reversals are included in Materials and services.

In the financial year 2023–2024, Nightingale Health has expensed the cost of inventories amounting to EUR 517 thousand (EUR 310 thousand). The expense is included in Materials and services in the income statement.

## 17 Trade and other receivables

### Accounting policy

Nightingale Health presents receivables arising from provision of services in the course of ordinary business as trade receivables. Trade receivables are presented separately from contract assets, which include accrued revenues. The accounting policy for revenue recognition is explained in Note 3 Revenue and segment information, and the measurement principles applied to trade receivables in Note 21 Financial assets. Those current receivables which are not trade receivables, contract assets or prepaid expenditures are included in other receivables. The carrying amount of trade receivables and other receivables are considered to be equal to their fair values due to the nature of the items being short-term. The impairment policy for trade receivables is explained in Note 21 Financial Assets.

### Disaggregation of trade and other receivables

EUR thousand	30 Jun 2024	30 Jun 2023
Trade receivables	524	207
Contract assets	232	-
Other receivables	290	-
Government grant receivable	381	430
Prepaid expenses	268	186
<b>Total</b>	<b>1,695</b>	<b>824</b>

### Analysis of Group's trade receivables by age category

EUR thousand	30 Jun 2024	30 Jun 2023
Current	417	190
Past due 1–30 days	102	3
Past due 30–90 days	5	13
Past due 91–180 days	-	2
Past due over 180 days	-	-
<b>Total</b>	<b>524</b>	<b>207</b>

The Group manages the credit risk arising from trade receivables by collecting advance payments. The overdue receivables shown by the age category are due to the customers' slow payment behavior and the Group has historically had no credit losses. The results for the blood tests are mainly only released after the full payment has been made.

## 18 Equity

### Accounting policy

Nightingale Health classifies the instruments it has issued either as financial liabilities or equity instruments, based on their substance. A financial liability is any liability that obligates Nightingale Health to deliver cash or another financial asset to another entity, or the holder of which has the right to demand cash, other financial assets, or a variable number of the Group's own equity instruments from the Group. An equity instrument is any contract that evidences a residual interest in the assets of Nightingale Health after deducting all of its liabilities. Transaction costs directly attributable to the issue of new shares are recorded in equity as a deduction, net of tax, from the proceeds.

The Group's equity comprises the following items:

- Share capital: the subscription price of a share received by the company in connection with share issues is credited to the share capital, unless it is provided in the share issue decision that a part of the subscription price is to be recorded in the Reserve for invested unrestricted equity.
- Reserve for invested unrestricted equity: this reserve comprises other equity investments and that part of the share subscription price that has not specifically been allocated to share capital.
- Translation differences: this reserve includes cumulative translation differences arisen from the translation of the financial statements of foreign operations into euros.
- Accumulated losses: the item includes accumulated losses from previous accounting periods.

### Changes in share numbers and Group's equity

The parent company has three share series. In the shareholders general meeting, Series A entitles to 10 votes, Series B to 1 vote. Series EMP shares have no voting rights. The shares have no voting restrictions. The parent company's shares do not have a nominal value. All shares issued have been fully paid.

The table below discloses changes in the number of shares and respective changes in Group's share capital and reserve for invested unrestricted equity.

EUR thousand	Share capital	Reserve for invested unrestricted equity	Pcs Series A shares	Pcs Series B shares	Pcs Series EMP shares
<b>1 July 2023</b>	<b>80</b>	<b>142,380</b>	<b>20,585,924</b>	<b>39,093,770</b>	<b>1,238,765</b>
Conversion of share series	-	-	-806,680	946,645	-139,965
<b>30 June 2024</b>	<b>80</b>	<b>142,380</b>	<b>19,779,244</b>	<b>40,040,415</b>	<b>1,098,800</b>

### Shares

The number of shares in Nightingale Health Plc by series of shares is presented in the table below.

Pcs	30 Jun 2024	30 Jun 2023
Series A shares	19,779,244	20,585,924
Series B shares	40,040,415	39,093,770
Series EMP shares	1,098,800	1,238,765
<b>Total shares</b>	<b>60,918,459</b>	<b>60,918,459</b>

At the end of the financial year 30 June 2024 Nightingale Health had issued 60,918,459 fully paid shares. Shares are divided into share series as follows: Series A shares (19,779,224 pcs), which entitle the holder to 10 votes at the General Meeting, Series B shares (40,040,415 pcs), which entitle the holder to one vote at the General Meeting and Series EMP share (1,098,800 pcs), which do not carry voting

rights. The dividends that will be paid to Series B shares will be 5% higher than those paid to Series A shares and EMP shares. No voting restrictions or limits on the number of shares that can be held are in place. The company's shares do not have a nominal value.

Nightingale Health held 577,920 EMP shares at the end of the financial period, 30 June 2024, which constituted approximately 1 per cent of outstanding shares. The shares held by the company carry no voting rights and no entitlement to dividends.

According to the company's Articles of Association, Series A shares or EMP shares can be converted into Series B shares at the request of a shareholder, or, in case of nominee-registered shares, a nominee custodian entered in the shareholders' register. The conversion is made with a conversion rate of one to one (1:1), in which case one Series A share or EMP share is converted into one Series B share. During the financial year 2023–2024 139,965 Series EMP shares and 806,680 Series A shares, totaling 946,645 were converted to Series B shares.

## **Authorizations**

### Authorization for repurchase of company's own shares

The General Meeting held on 16 November 2023 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 marketplace 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.

### Authorization for issuing new shares

The General Meeting held on 16 November 2023 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:

- 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.

#### **Capital management**

Nightingale Health's goal is to maintain a strong capital structure and ensure the ability to continue operations in order to maintain the trust of customers, investors, creditors and the market. The Board of Directors of Nightingale Health Plc evaluates the capital structure regularly.

Nightingale Health is focused on financing its growth and business development. Nightingale Health is committed to a strict dividend distribution policy, which is linked to the Group's result and financial position. Nightingale Health does not expect to pay a dividend in the short to medium term. The current bank loans include a finance covenant of 25% equity ratio.

#### **Equity ratio**

EUR thousand	30 Jun 2024	30 Jun 2023
Total assets	90,840	106,793
Advances received	-1,022	-1,020
Total equity	82,880	97,355
<b>Equity ratio</b>	<b>92.3%</b>	<b>92.0%</b>

Nightingale Health calculates the equity ratio by dividing the Group's reported equity by the total assets, from which advance payments received have been deducted.

#### **Dividend distribution**

For each year, the future amount of dividends, if any, and their timing will depend on the future results of the companies belonging to the Group, financial position, cash flows, investment needs, solvency, the ability of the parent company's subsidiaries to distribute dividends or otherwise transfer assets to the company, and other factors. Under the Finnish Limited Liability Companies Act, the amount of capitalized development costs (accounted for in accordance with the Finnish Accounting Act) is deducted



from unrestricted equity in calculating distributable funds. Nightingale Health has not paid any dividends to date.

## 19 Trade and other payables and advances received

### Accounting policy

Nightingale Health includes unpaid purchase invoices in trade payables, payables related to employee benefits, such as payroll taxes and social security liabilities, in employee benefit payables, and other payables that are not trade payables nor employee benefit payables in other payables. Trade and other payables are measured at their nominal values and their carrying amounts are considered a reasonable approximation of their fair value, based on their short maturity. Details on the financial liabilities and related accounting policy are provided in Note 22 Financial liabilities.

Nightingale Health includes in advances received contractual liabilities and other advance payments received. A revenue-related advance payment is recognized as a contractual liability under advances received in the statement of financial position. The item other advance payments received includes advance payments received that are not contractual liabilities.

### Breakdown of trade and other payables and advances received

EUR thousand	30 Jun 2024	30 Jun 2023
Trade payables	1,301	1,059
Employee benefits payables	2,121	1,904
Other payables	857	425
<b>Total</b>	<b>4,279</b>	<b>3,388</b>
<b>Advances received</b>		
Contractual liabilities	921	919
Other advance payments received	101	101
<b>Total</b>	<b>1,022</b>	<b>1,020</b>

The most significant items under employee benefit payables comprise accruals for salaries and holiday pays and related employer contributions.

Advances received consist mainly of contractual liabilities (see Note 3 Revenue and segment information).

## 20 Finance items

### Accounting policy

Nightingale Health recognizes interest income and interest expenses using the effective interest method (EIR). Interest expenses, EIR amortization, foreign exchange gains and losses as well as any gain or loss on derecognition of financial instruments are recorded in profit or loss under finance items. The Group presents foreign exchange rate differences arising from financial instruments under finance items.

Financial instruments measured at fair value through profit or loss are recognized at the trade date at fair value and subsequently remeasured at fair value at the end of each reporting period. The resulting realized and unrealized gains and losses are recognized in profit or loss in the reporting period in which they are incurred and presented under finance items.

The accounting policies applied to financial assets and financial liabilities are presented in more detail in Note 21 Financial assets, 22 Financial liabilities and 23 Financial risk management.

## Finance income and costs

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Finance income</b>		
Foreign exchange gains	380	434
Other finance income	1,635	738
<b>Total finance income</b>	<b>2,014</b>	<b>1,172</b>
<b>Finance costs</b>		
Foreign exchange losses	-653	-801
Interest expenses on financial liabilities measured at amortized cost	-32	-7
Negative interest on bank accounts	-	-63
Other finance costs	-134	-13
<b>Total finance costs</b>	<b>-819</b>	<b>-884</b>
Capitalized interest	21	68
<b>Finance costs after capitalization</b>	<b>-798</b>	<b>-816</b>
<b>Fair value change in investment in convertible loan</b>	<b>-</b>	<b>94</b>
<b>Net finance items</b>	<b>1,216</b>	<b>450</b>

## Finance income

The Group's financial income consists of interest income from fixed-term deposits made in a Finnish bank, investment in a bond, and foreign exchange gains related to the Group's operational activities.

## Finance costs - capitalized interest

In determining the amount of borrowing costs to be capitalized, the realized weighted average borrowing rate of the Group during the financial year is used as the capitalization rate, which was 4.5% (4.3%).

## Fair value change of issued convertible loan

In June 2021, Nightingale Health invested EUR 3,274 thousand (USD 4,000 thousand) in a convertible loan issued by Weavr Health Corp ("Weavr"). The investment in the convertible loan does not meet the criteria for measurement at amortized cost and therefore the investment has been classified as at fair value through profit or loss. On 31 January 2023 Nightingale Health announced that it had acquired a worldwide license and rights to the Velvet™ blood collection device from Weavr, and in consideration of the royalty free license, gave up its rights based on the convertible loan. The fair value of the investment was EUR 1,300 thousand on 31 January 2023 and the change in fair value was EUR 0 in the period ended on 30 June 2024 (94 thousand in the period ended on 30 June 2023). As part of the acquisition, the investment in the convertible loan was written off and the acquired license and rights were recognized as an intangible asset with the same value as the investment on the day of the acquisition. More details on the acquisition are presented in Note 12 Goodwill and intangible assets.

## 21 Financial assets

### Accounting policy

Nightingale Health classifies financial assets of the Group either as

- financial assets measured at amortized cost, or
- financial assets measured at fair value through profit or loss (FVTPL).

Classification of financial assets is made based on their purpose of use upon initial recognition. Classification is based on the objectives of Nightingale Health's business model and the contractual cash flows from financial assets, or by applying the fair value option upon initial recognition. Nightingale Health has financial assets measured at amortized cost such as trade receivables, loan receivables and other receivables, cash and cash equivalents and financial assets measured at fair value through profit or loss.

All purchases and sales of financial assets are recognized at the transaction date. For financial assets not carried at fair value through profit or loss, transaction costs are included in the initial carrying amount. Financial assets are derecognized when Nightingale Health loses the rights to receive the contractual cash flows on the financial asset or it has transferred substantially all the risks and rewards outside the Group.

Financial assets are categorized as either current or non-current based on their maturity.

### Financial assets measured at amortized cost

At Nightingale Health, financial assets measured at amortized cost primarily comprise cash and cash equivalents, current investments, trade receivables, and loan receivables. Assets classified in this category are measured at amortized cost using the effective interest rate (EIR) method.

The Group trade receivables are held within a business model whose objective is to collect the contractual cash flows, and those cash flows which are solely payments of principal and interest. Trade receivables are current assets that the Group has the intention to hold for less than 12 months from the end of reporting period.

Current investments done in accordance with the Group's liquidity management strategy are part of a business model in which assets are classified as amortized cost.

Nightingale Health recognizes a loss allowance for expected credit losses on a financial asset that is not measured at fair value through profit or loss. Impairment of trade receivables corresponds to lifetime expected credit losses for the trade receivables. Customers with increased credit risk are assessed individually. To measure expected credit losses a simplified provision matrix is in use and individual assessments are used with the customers bearing an increased credit risk. An impairment analysis is performed at each reporting date. The maximum exposure to credit risk at each reporting date is the carrying amount of the financial assets. Nightingale Health has a policy of writing off the gross carrying amount on a case by case basis. Nightingale Health can also make a case-specific assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Financial assets that are written off could still be subject to enforcement activities to comply with the Group's procedures of recovery of amounts due. Nightingale Health has no history of credit losses.

### Financial assets measured at fair value through profit or loss

These instruments are recognized at the transaction date at fair value and subsequently remeasured at fair value at the end of each reporting period. The resulting realized and unrealized gains and losses

are recognized in profit or loss in the reporting period during which they are incurred and presented under finance items.

Financial assets in this category are classified as non-current or current based on their maturity.

## Financial assets

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Financial assets at amortized cost</b>		
<b>Non-current</b>		
Loan receivables from employees	192	220
<b>Current</b>		
Investment in bond	5,385	-
Trade receivables	524	207
Fixed term deposits	17,000	-
Cash and cash equivalents	43,651	80,640
<b>Total</b>	<b>66,752</b>	<b>81,067</b>

### Financial assets measured at amortized cost

Loan receivables from employees relate to the Group's remuneration plans. The company has, as part of remuneration, offered the opportunity to borrow funds from the company to purchase EMP shares. The interest rate on the loans is linked to the 12-month Euribor rate. The loan receivables are classified as non-current.

The Group has made an investment in a senior preferred bond of an investment grade company which matures within the next 12 months. The investment is according to the company's liquidity management strategy.

Trade receivables are receivables from customers for goods sold or services rendered in the ordinary course of business. They are generally due for payment within 30 days and are therefore all classified as current.

The fixed term deposits follow the Group's liquidity management strategy and consist of term deposits, most of which have a maturity of more than 3 months at the time of the trade. The yield from the term deposits is determined when the deposit is made.

Cash and cash equivalents consist of bank accounts. No interest has been paid on the account balances.

The company estimates that the carrying amounts of loan receivables, trade receivables, investments and other short-term financial assets at amortized cost correspond to their fair values due to mainly short-term nature, except for the investment in bond, the market value of which on 30 June 2024 was EUR 5,352 thousand.

### Liquid funds

EUR thousand	30 Jun 2024	30 Jun 2023
Current investments	22,385	-
Cash and cash equivalents	43,651	80,640
<b>Total</b>	<b>66,036</b>	<b>80,640</b>

Liquid funds comprise current investments, cash and cash equivalents. Current investments include an investment in a bond and fixed term deposits. These investments do not fulfill the recognition criteria of cash and cash equivalents and are therefore categorized as current investments on the balance sheet. The current investments follow the Group's liquidity management strategy.

## Net cash

EUR thousand	30 Jun 2024	30 Jun 2023
Current investments	22,385	-
Cash and cash equivalents	43,651	80,640
<b>Net cash excluding lease liabilities and borrowings</b>	<b>66,036</b>	<b>80,640</b>
Non-current borrowings	-261	-1,270
Current borrowings	-566	-1,384
Lease liabilities	-1,809	-2,371
<b>Net cash total</b>	<b>63,401</b>	<b>75,615</b>

Net cash comprise the Group's liquid assets deducted by interest-bearing debt and lease liabilities.

## 22 Financial liabilities

### Accounting policy

Nightingale Health classifies most of its financial liabilities in the measurement category financial liabilities measured at amortized cost. Financial liabilities are classified either as non-current or current financial liabilities based on their maturity. A financial liability is classified as current if Nightingale Health does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. In respect of loans and borrowings current financial liabilities comprise of the portion falling due within less than 12 months.

A financial liability (or part of the liability) is not derecognized until the liability has ceased to exist, that is, when the obligation identified in a contract has been fulfilled, cancelled or is no longer effective.

### Financial liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Such financial liabilities are measured at fair value both at initial recognition and thereafter and resulting fair value changes are recognized under financial items in profit or loss. Nightingale Health includes in this category contingent considerations arisen from business combinations.

### Financial liabilities at amortized cost

For the Group, this category mainly comprises loans and borrowings, lease liabilities and trade payables. These financial liabilities are initially recognized at fair value. Transaction costs are included in the original carrying amount. Subsequently, these financial liabilities are measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

## Financial liabilities

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Amortized cost</b>		
<b>Non-current</b>		
Bank loans	-	749
Government development loans	261	521
Lease liabilities	724	1,406
<b>Current</b>		
Bank loans	303	1,123
Government development loans	261	261
Lease liabilities	1,086	965
Trade payables	1,301	1,059
Other liability	2	-
<b>Fair value through profit or loss</b>		
Contingent consideration	50	50
<b>Total</b>	<b>3,987</b>	<b>6,134</b>

The bank loans comprise regular bank loans and the liabilities arisen from the sale and leaseback transactions. The interest rate on these loans is linked to the Euribor rate of 3–6 months, the bank loans have an interest margin of approx. 3.35%.

The interest rate on the government product development loan is 3 percentage points below the base rate, however, always at least 1%.

### Fair values

For the loans, the fair values are not materially different from the carrying amounts, as the interest payable on the loans is close to current market rates and the loans have a relatively short maturity. The Group estimates that the fair values for financial assets and financial liabilities correspond to their carrying values. The fair value is based on management judgement (level 3), as they are determined based on unobservable inputs.

Nightingale Health has a contingent consideration measured at fair value through profit or loss resulting from an acquisition. The contingent consideration is classified at the fair value hierarchy level 3, because the Group has used unquoted input data and management judgment in determining the fair value.



## Changes in liabilities from financing cash flows

The following table provides a reconciliation between the opening and closing balances for liabilities arising from financing activities.

EUR thousand	7/2023–6/2024		7/2022–6/2023	
	Loans	Lease liabilities	Loans	Lease liabilities
<b>Balance on 1 July</b>	<b>2,655</b>	<b>2,371</b>	<b>4,704</b>	<b>3,179</b>
<b>Changes from financing cash flows</b>				
Repayments of loans	-1,112	-	-1,531	-
Sale and leaseback arrangement	-717	-	-540	-
Payment of lease liabilities	-	-996	-	-1,232
<b>Total changes from financing cash flows</b>	<b>-1,829</b>	<b>-996</b>	<b>-2,072</b>	<b>-1,232</b>
New leases	-	454	-	468
Transaction costs related to loans	1	-	4	-
Other changes	-	-20	18	-45
<b>Balance on 30 June</b>	<b>826</b>	<b>1,809</b>	<b>2,655</b>	<b>2,371</b>

## 23 Financial risk management

The Group has exposures to the following risks arising from financial instruments, market risk, credit risk and liquidity risk. The Group's Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's financial risk management aims to reduce the uncertainty potentially caused by changes in the financial markets on the Group's financial result and cash flow. The target is to ensure contingency in different market conditions and to ensure the Group's long term strategic development.

The Group's financial risk management is centralized to align it with the Group's strategic, operational and financial targets. As the Group does not have a specific treasury function, the CFO together with the CEO are responsible for financing, liquidity, finance relations and financial risks according to the risk management principles approved and overseen by the Board of Directors.

Sensitivity analysis for financial risks presented below are based on the risk exposures of Group's financial assets and liabilities at the reporting dates. Sensitivities are calculated by assuming a change in one of the risk factors of a financial instrument, such as interest rate or foreign exchange rate. When calculating the sensitivity, the management has estimated that a reasonable possible change is 1 percentage point (100 basis points) for interest rates, and 10% change for foreign exchange rates.

### Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group does not currently use derivatives to manage market risks.

### Foreign exchange risk

The Group is exposed to foreign currency transaction risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, and borrowings are denominated and the respec-

tive functional currencies of the companies in the Group. The functional currencies of the companies in the Group are euro (EUR), Japanese Yen (JPY), US Dollar (USD), British pound (GBP), Swedish Krona (SEK) and Singapore Dollar (SGD).

The Group companies operate locally, and they are exposed to currencies other than their functional currency only to a limited extent, with the exception of the Group's internal receivables and liabilities. Foreign currency-denominated inter-company receivables and payables, which do not form part of a net investment in a foreign operation are included in the sensitivity analysis for foreign currency risks. This is because, even though the balances are eliminated in the consolidated statement of financial position, the effect on profit or loss is not fully eliminated.

The Group monitors its foreign exchange exposures and, on a case-by-case basis, hedges the exposures.

### Foreign exchange risk exposure

EUR thousand	JPY	USD	SEK	GBP	SGD
<b>30 Jun 2024</b>					
Cash and cash equivalents	47	-	32	116	77
Trade receivables	-	-	-	-	-
Trade payables		-180	-	-1	-103
Inter-company receivables	2,513	1,556	219	1,281	186
Inter-company payables	-517	-	-	1,202	1,277
<b>Net position</b>	<b>2,043</b>	<b>1,376</b>	<b>251</b>	<b>2,598</b>	<b>1,437</b>
<b>30 Jun 2023</b>					
Trade payables	-	56	-	-	-
Inter-company receivables	2,587	155	301	373	-
Inter-company payables	-618	-	-	-	-
<b>Net position</b>	<b>1,969</b>	<b>211</b>	<b>301</b>	<b>373</b>	<b>-</b>

### Foreign exchange rate sensitivity analysis

EUR thousand	Effect on pre-tax profit	
	Strengthening	Weakening
<b>30 Jun 2024</b>		
JPY	-186	227
USD	-125	153
SEK	-23	28
GBP	-236	289
SGD	-131	160
<b>30 Jun 2023</b>		
JPY	-219	179
USD	-23	19
SEK	-33	27
GBP	-41	34

## Interest rate risk

The Group is exposed to cash flow interest rate risk through its variable rate bank loans. This is the risk that the group's financial costs will change as a result of changes in market interest rates.

### Assets and liabilities with exposure to interest rate

EUR thousand	30 Jun 2024	30 Jun 2023
Cash and cash equivalents	43,651	80,640
Current investments	22,385	-
Variable interest rate liabilities	-303	-1,873
<b>Exposed to interest rate risk – net</b>	<b>65,733</b>	<b>78,767</b>

Below is a sensitivity analysis of the effects of a reasonably possible change in interest rates on the Group's profit before taxes. The sensitivity is calculated based on the Group's variable rate loans. Cash and cash equivalents have not been included in the sensitivity analysis because their interest income is not directly exposed to changes in market interest rates. Interest rates on bank accounts are not directly linked to market rates, but banks usually adjust interest levels with a delay at their discretion. Current investments are neither included in the analysis, since on one hand the interest rate of the fixed term deposits is determined when the deposit is made and is therefore not exposed to the fluctuation of interest rates, and on the other hand the Group intends to keep the investment in bond until maturity, which means that the fluctuation of the interest rates does not affect the expected yield.

### Interest rate sensitivity analysis

EUR thousand	Effect on pre-tax profit	
	Increase	Decrease
	1%	-1%
<b>30 Jun 2024</b>	<b>-6</b>	<b>6</b>
<b>30 Jun 2023</b>	<b>-15</b>	<b>13</b>

On 30 June 2024, 89% (53% on 30 June 2023) of the variable rate liabilities were linked to 3-month Euribor, 11% (6%) to 6-month Euribor, and 0% (41%) to 12-month Euribor. Changes in interest rates do not have a material impact on the Group's interest expenses.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's cash and cash equivalents and receivables from customers and employees. The carrying amounts of financial assets represent the maximum credit exposure.

The amount of the Group's trade receivables is managed by collecting advance payments. The credit risk associated with trade receivables is low because the counterparties are universities and other public bodies to which the results of blood analyses are generally only provided after full payment has been made. The principles for determining expected credit losses are explained in Note 21 Financial assets. The amount of expected credit losses is immaterial.

The employee loans are secured by the EMP shares, the fair value of which exceeds the nominal value of the loans, and those receivables are not considered to be exposed to material credit risk.

The Group is exposed to a credit risk related to its investments into a senior preferred bond. The credit rating of the issued company is A1 (Moody's) / A+ (S&P).

The Group has a major risk concentration of EUR 58,772 thousand (EUR 80,027 thousand) related to cash and cash equivalents and fixed term deposits. The counterparty is Nordea Bank Abp with a short-term credit rating of A-1+, which is the highest rating by Standard & Poor's. The Group considers its level of credit risk related to cash and cash equivalents to be low and no expected credit loss has been recognized.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The objective of Group's liquidity management is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

### Contractual maturities and cash flows of financial liabilities

The table below shows the maturity analysis for the Group's undiscounted cash flows of financial liabilities classified under principal headings at the balance sheet dates.

EUR thousand	Carrying amount	Total cash flows	Less than 12 months	1-2 years	2-3 years	3-4 years	Over 4 years
<b>30 Jun 2024</b>							
Bank loans	303	313	313			-	-
Government development loans	521	524	266	257		-	-
Lease liabilities	1,809	1,890	1,110	573	206	-	-
Trade payables	1,301	1,301	1,301	-	-	-	-
Other liabilities	2	2	2	-	-	-	-
Contingent consideration	50	50	-	50	-	-	-
<b>Total</b>	<b>3,987</b>	<b>4,080</b>	<b>2,993</b>	<b>881</b>	<b>206</b>	-	-

EUR thousand	Carrying amount	Total cash flows	Less than 12 months	1-2 years	2-3 years	3-4 years	Over 4 years
<b>30 Jun 2023</b>							
Bank loans	1,873	1,946	1,634	312	-	-	-
Government development loans	782	798	268	266	263	-	-
Lease liabilities	2,371	2,890	1,034	979	458	418	-
Trade payables	1,059	1,059	1,059	-	-	-	-
Contingent consideration	50	50	-	50	-	-	-
<b>Total</b>	<b>6,135</b>	<b>6,743</b>	<b>3,996</b>	<b>1,607</b>	<b>721</b>	<b>418</b>	-

Since commencing operations, the Group has reported operating losses and operating cash flows have been negative. The Group expects the capital raised and liquid funds of EUR 66,036 thousand (EUR 80,640 thousand) to be sufficient until the end of financial year 2027/2028.

## 24 Provision, contingencies and commitments

### Accounting policy

Provisions comprise liabilities of uncertain timing or amount. Nightingale Health recognizes a provision when the Group has a present obligation (legal or constructive) as a result of a past event, an outflow of resources is probable, and the amount of the obligation can be estimated reliably. A restructuring provision is recorded when the Group prepared a detailed restructuring plan and has commenced to implement the plan or has announced it to those concerned.

The amount recognized as a provision is the best estimate of Nightingale Health of the settlement amount at the end of the reporting period, being the present value of the expected expenditures after taking account of the risks and uncertainties surrounding the obligation.

Contingent assets and contingent liabilities comprise potential assets and liabilities. They arise from past events and their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not fully within the control of Nightingale Health.

### Provisions

The Group had no provision on 30 June 2024 or on 30 June 2023.

### Collaterals and other obligations

EUR thousand	30 Jun 2024	30 Jun 2023
<u>Loans secured by business mortgages</u>		
Bank loans	33	886
Business mortgages	7,800	7,800

If the company's operations would become partially or completely VAT-exempt, the company has undertaken to reimburse the lessor for the amount of any VAT refundable to the tax authorities in respect of the renovation of the premises in Helsinki.

### Off-balance sheet commitments

EUR thousand	30 Jun 2024	30 Jun 2023
<u>Off-balance sheet commitments</u>		
Machinery acquisition commitments	1,065	1,763

### Legal proceedings and disputes

The Group is not currently involved in any disputes or legal proceedings that would have a significant impact on the Group's financial position according to the opinion of the Board.

## 25 Related party transactions

### Accounting policy

Nightingale Health classifies a party as related party if one party has control over the other party or significant influence over the other party in making financial and operational decisions. The related parties also include the Management Team. Nightingale Health considers and discloses all transfers of resources, services or obligations between the Group and a related party as related party transaction, regardless of whether they are entered into on terms equivalent to those in an arm's length transaction or whether a price is charged. The related party transactions disclosed consist of transactions carried out with related parties that are not eliminated in the consolidated financial statements.

The parent company Nightingale Health Plc's related parties comprise the following:

- its subsidiaries
- joint venture PetMeta Labs Oy
- key management personnel, comprising the members of the Board of Directors, CEO of the parent company and the other Group Management Team members
- entities, over which the above-mentioned persons have control or joint control
- close family members of the above-mentioned persons
- the following major shareholders considered to have significant influence in Nightingale Health Plc based on voting power and/or the membership in the Board of Directors (in brackets voting power 30 June 2024 / 30 June 2023): Antti Kangas (22.46% / 21.81%), Pasi Soininen (22.46% / 21.81%) and Cor Group Oy (13.08% / 12.70%)
- Companies controlled by Cor Group Oy, including Labquality Oy, are considered to be related parties to Nightingale Health
- Villagecape Ventures Oy is considered to be a related party to Nightingale Health, as the company is a closely associated company of the parent company's Member of the Board of Directors, Timo Soininen.

### Remuneration of key management

#### Accounting policy

Remuneration of key management personnel of Nightingale Health consists of salary, non-monetary benefits, share-based payments and pension benefits. Any fringe benefits are included in the salary amounts. The pension benefits and retirement age of the CEO and other members of the Group's Management Team are determined by the Finnish statutory pension plan under the Employees' Pension Act (TyEL). The Group has no voluntary supplementary pension plans. The amounts disclosed below represent the expenses recognized in those financial years. The Group's share-based remuneration plans are detailed in Note 7 Share-based payments.



## Remuneration of key management

EUR thousand	CEO Teemu Suna		Other management team		Board of Directors		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Salaries and other short-term employee benefits	-291	-299	-918	-819	-144	-164	-1,353	-1,282
Pension benefits (defined contribution plans)	-52	-63	-166	-145	-9	-9	-227	-217
Share-based payments	-1,317	-1,204	-1,407	-1,432	-102*	-1,126*	-2,826	-3,762
<b>Total</b>	<b>-1,660</b>	<b>-1,566</b>	<b>-2,491</b>	<b>-2,396</b>	<b>-255</b>	<b>-1,299</b>	<b>-4,406</b>	<b>-5,262</b>

\* Excluding the CEO

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).

## Remuneration of the Board of Directors

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Board of Directors</b>		
Leena Niemistö, Chair	-24	-24
Tom Jansson (until 24 April 2023)	-	-20
Antti Kangas	-24	-24
Olli Karhi	-24	-24
Lotta Kopra (until 24 April 2023)	-	-20
Ilkka Laurila (from 24 April 2023)	-24	-4
Teemu Suna	-24	-24
Timo Soininen	-24	-24
<b>Total</b>	<b>-144</b>	<b>-164</b>

The General Meeting held on 16 November 2023 decided that each Board member will be paid a monthly fee of EUR 2 thousand.

## Loans granted by the parent company (employee share issue)

The parent company has granted loans to its employees in connection with employee share issues. These loans were granted in 2017 to pay the subscription price of Series EMP shares as part of the share-based remuneration plans. All employees were offered the opportunity to borrow funds from the company to purchase EMP shares. The interest rate on these loans is linked to the 12-month Euribor rate but is always at least 0.0%. The interest is due and payable on repayment of the loan. The loans granted mature on 31 December 2026 at the latest. The employee has the right to repay the loan to the company in part or in full before the maturity date. The shares relating to the loans are pledged as collateral.

EUR thousand	30 Jun 2024	30 Jun 2023
Loans granted to employees	192	220
Accrued interest	9	2

## Key management shareholdings

The number of shares disclosed below includes respective persons' own holdings, their close family members' holdings and holdings of entities under their control.

Pcs	Series A 30 Jun 2024	Series B 30 Jun 2024	Series EMP 30 Jun 2024	Series A 30 Jun 2023	Series B 30 Jun 2023	Series EMP 30 Jun 2023
<b>Board of Directors</b>						
Leena Niemistö, Chair	403,340	444,444	-	403,340	444,444	-
Tom Jansson (until 24 Apr 2023)	N/A	N/A	N/A	-	-	-
Antti Kangas	5,340,342	17,458	-	5,340,342	17,458	-
Olli Karhi	-	-	-	-	-	-
Lotta Kopra (until 24 Apr 2023)	N/A	N/A	N/A	201,670	-	-
Ilkka Laurila (from 24 Apr 2023)	-	8,000	-	-	-	-
Teemu Suna	2,637,964	31,237	-	2,637,964	31,237	-
Timo Soininen	649,558	182,259	-	649,558	182,259	-
<b>Total</b>	<b>9,031,204</b>	<b>683,398</b>	<b>-</b>	<b>9,232,874</b>	<b>675,398</b>	<b>-</b>
<b>Management team</b>						
Teemu Suna	2,637,964	31,237	-	2,637,964	31,237	-
Antti Kangas	5,340,342	17,458	-	5,340,342	17,458	-
Satu Saksman	529,158	17,458	75,250	529,158	17,458	75,250
Minja Salmio	-	-	82,775	-	-	82,775
Salla Ruosaari	-	-	75,250	-	-	75,250
Jeffrey Barrett	-	8,364	-	-	8,364	-
Tuukka Paavola	-	7,487	-	-	-	-
<b>Total</b>	<b>8,507,464</b>	<b>82,004</b>	<b>233,275</b>	<b>8,507,464</b>	<b>74,517</b>	<b>233,275</b>
<b>Total</b>	<b>9,560,362</b>	<b>716,707</b>	<b>233,275</b>	<b>9,762,032</b>	<b>701,220</b>	<b>233,275</b>
<b>From all shares, %</b>	<b>15.69 %</b>	<b>1.18 %</b>	<b>0.38 %</b>	<b>16.02 %</b>	<b>1.15 %</b>	<b>0.38 %</b>
<b>From the share of voting power resulting from the shares, %</b>	<b>40.20 %</b>	<b>0.30 %</b>	<b>N/A</b>	<b>39.85 %</b>	<b>0.29 %</b>	<b>N/A</b>

## Management option rights

On 30 June 2024, the members of the Board of Directors and the management team owned a total of 8,297,145 company options, which entitle them to subscribe for a total of 9,302,145 company shares if vesting conditions are met.

On 30 June 2023, the members of the Board of Directors and the management team owned a total of 7,697,145 company options, which entitle them to subscribe for a total of 8,702,145 company shares if vesting conditions are met.

In addition, two of the board members are entitled to options, which correspond to certain percentages of the company's shares at the time of achieving the defined target market capitalization.

Option programs are described in detail in note 7 Share based payments.

## Transactions with the joint venture and open balances

The parent company has acquired the services needed for its business and delivered them accordingly to the joint venture PetMeta Labs Oy.

EUR thousand	7/2023–6/2024	7/2022–6/2023
Sales of services	35	65
Purchases of services	-	-

EUR thousand	30 Jun 2024	30 Jun 2023
Trade and other receivables	8	5
Trade and other payables	-	-

## Transactions with other related companies and open balances (excluding joint venture)

The parent company has acquired the services needed for its business and delivered them accordingly to the related party companies: Labquality Oy

EUR thousand	7/2023–6/2024	7/2022–6/2023
Sales of services	-	8
Purchases of services	-253	-306

EUR thousand	30 Jun 2024	30 Jun 2023
Trade and other receivables	-	-
Trade and other payables	1	45

## Group structure

Subsidiary	Domicile	30 Jun 2024 ownership %	30 Jun 2023 ownership %
NG Health Sweden AB	Sweden	100	100
Nightingale Health United States, Inc.	USA	100	100
Nightingale Health Japan KK	Japan	100	100
Nightingale Health Asia Pte. Ltd.	Singapore	100	100
Nightingale Health Germany GmbH <sup>1)</sup>	Germany	100	100
Nightingale Health Estonia OÜ	Estonia	100	100
Nightingale Health UK Limited	UK	100	100
Welltus Inc <sup>2)</sup>	Japan	100	-

<sup>1)</sup> Former name Yolife GmbH.

<sup>2)</sup> Nightingale Health Plc acquired Welltus Inc on 29 March 2024

Joint venture	Domicile	30 Jun 2024 ownership %	30 Jun 2023 ownership %
PetMeta Labs Oy	Finland	35	35

## 26 Joint venture

### Accounting policy

A joint venture is a joint arrangement according to which the parties who have joint control have rights to the net assets of the arrangement. Joint control is keeping the control over the arrangement jointly based on an agreement, and it prevails only when decisions concerning relevant activities require the unanimous approval of the parties sharing the control. The result, assets and liabilities of the joint venture are included in the consolidated financial statements using the equity method. In this case, the investment made in the joint venture is recorded in the consolidated statement of financial position at cost, which is adjusted by changes in the Group's share of the joint venture's net assets (less any impairment of the investment) that occurred after the acquisition date. If an ownership interest in a joint venture is acquired by making a non-monetary investment in the joint venture, i.e., by handing over an asset in exchange for shares, this investment is measured at fair value and the unrealized portion of the gain or loss is eliminated.

Nightingale Health's share of the post-tax profits or losses of the joint venture, adjusted in accordance with Nightingale Health's accounting principles, is recorded in the consolidated income statement. If the joint venture incurs losses that exceed Nightingale Health's investment in that joint venture, they are recorded only to the extent that the Group has legal or constructive obligations or has made payments on behalf of the joint venture.

Consolidation of the joint venture commences when Nightingale Health gains joint control over the joint venture, and it ceases when Nightingale Health loses joint control over the joint venture.

### Investment in joint venture

Nightingale Health established a joint venture PetMeta Labs Oy (PetMeta) with PetBiomics Oy in October 2020. Nightingale Health's share of the joint venture is 35%.

When establishing the joint venture, Nightingale Health entered into an exclusive license agreement with PetMeta, whereby the company granted to PetMeta a perpetual, irrevocable, exclusive license to use the company's NMR-based quantitative metabolomics platform restricted only for venous ethylenediaminetetraacetic acid or heparin plasma sample or serum sample drawn from dogs and developed solely for metabolomics analyses for dogs and the use of which can be later extended for metabolomics analyses for cats, horses or camels. Nightingale Health owns all intellectual properties related to the platform. The Exclusive License Agreement does not grant PetMeta any right to use the company's NMR-based quantitative metabolomics platform for human sample analyses. Under the Exclusive License Agreement, PetMeta granted an unlimited, perpetual, irrevocable, transferrable, royalty free right to use, copy and modify for internal research and development purposes the quantitative biomarker data produced through the use of the Nightingale Health's NMR-based quantitative metabolomics platform. In accordance with the equity method, the license transferred by Nightingale Health was measured in the consolidated financial statements at fair value, less deferred taxes and unrealized margin.

## Financial information on the joint venture

EUR thousand	Assets	Liabilities	Revenue	Profit (loss) for the period
<b>7/2023–6/2024</b>				
PetMeta Labs Oy	678	129	-	-153

EUR thousand	Assets	Liabilities	Revenue	Profit (loss) for the period
<b>7/2022–6/2023</b>				
PetMeta Labs Oy	685	132	-	-277

## Carrying amount of the joint venture

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Carrying amount on 1 July</b>	<b>68</b>	<b>102</b>
Profit for the financial period	12	9
Adjustments in applying the equity method – harmonization of the accounting principles	-43	-43
<b>Carrying amount on 30 June</b>	<b>37</b>	<b>68</b>

## 27 Events after the reporting period

### Accounting policy

As events after the reporting period are disclosed events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

This note discloses events after the end of the reporting period that arise from circumstances after the end of the reporting period that do not result in adjustments to the financial statements (non-adjusting events).

- On 6 August 2024, Nightingale Health announced a partnership with Phenome Health, a U.S.-based non-profit research organization. The collaboration includes research studies, population health programs, and healthcare initiatives.
- On 20 August 2024, Nightingale Health announced that it had received second regulatory approval for healthcare use in Singapore.
- On 20 August 2024, Nightingale Health announced that it had attained UKCA (UK Conformity Assessed) marking under the UK Medical Devices Regulations.
- On 19 September 2024, Nightingale Health announced that it had received third regulatory approval for healthcare use in Singapore.
- On 20 September 2024, Nightingale Health's Board of Directors resolved to amend CEO's stock option program by issuing additional 1,000,000 stock option rights to the CEO.
- On 9 October 2024, Nightingale Health announced the conversion of 252,806 Series A shares to Series B shares in accordance with Article 5 in the Articles of Association. The conversions of shares were registered in the Trade Register on 9 October 2024.

## Parent Company Financial Statements

### Parent company income statement

EUR thousand	Note	7/2023–6/2024	7/2022–6/2023
Revenue	2.1	2,491	3,674
Other operating income	2.2	3,597	495
Materials and services	2.3	-1,372	-518
Personnel expenses	8.2	-5,383	-4,865
Depreciation, amortization and impairment losses	2.4	-6,091	-5,406
Other operating expenses	2.5	-8,632	-9,642
<b>Operating profit (loss)</b>		<b>-15,388</b>	<b>-16,263</b>
Financial income and expenses	2.6	1,561	-549
<b>Profit (loss) before appropriation and taxes</b>		<b>-13,828</b>	<b>-16,812</b>
Income taxes	2.7	-5	-4
<b>Profit (loss) for the period</b>		<b>-13,833</b>	<b>-16,816</b>

## Parent company balance sheet

EUR thousand	Note	30 Jun 2024	30 Jun 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3.2	12,365	15,968
Tangible assets	3.3	518	504
Investments	3.4	226	16
<b>Total non-current assets</b>		<b>13,109</b>	<b>16,488</b>
<b>Current assets</b>			
Inventories	3.5	667	541
Receivables from group companies	3.6	8,434	3,429
Loan receivables	3.8	192	220
Accrued income	3.7	649	297
Trade receivables		381	31
Other receivables		5,645	394
Current investments		17,000	-
Cash and cash equivalents		40,947	79,394
<b>Total current assets</b>		<b>73,915</b>	<b>84,307</b>
<b>TOTAL ASSETS</b>		<b>87,024</b>	<b>100,795</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	4.1		
Share capital		80	80
Reserve for invested unrestricted equity		147,469	147,469
Accumulated losses		-52,575	-35,759
Profit (loss) for the period		-13,833	-16,816
<b>Total equity</b>		<b>81,141</b>	<b>94,974</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
	4.3		
Loans from financial institutions		261	554
<b>Total non-current liabilities</b>		<b>261</b>	<b>554</b>
<b>Current liabilities</b>			
	4.4		
Loans from financial institutions		294	1,114
Advances received		825	761
Liabilities to group companies		723	638
Trade payables		792	598
Other liabilities	4.5	1,227	464
Accruals and deferred income	4.6	1,762	1,692
<b>Total current liabilities</b>		<b>5,622</b>	<b>5,267</b>
<b>Total liabilities</b>		<b>5,883</b>	<b>5,821</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>87,024</b>	<b>100,795</b>



## Parent company cash flow statement

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Cash flow from operating activities</b>		
Profit (loss) before appropriations and taxes	-13,828	-16,812
<b>Adjustments</b>		
Other operating expenses	-	829
Depreciation and amortization	6,091	5,406
Financial income	-2,082	-1,299
Financial expenses	522	1,069
Other adjustments	-	1,111
<b>Adjustments total</b>	<b>4,530</b>	<b>7,116</b>
<b>Changes in working capital</b>		
Increase (-) or decrease (+) in trade and other re- ceivables	-1,560	188
Increase (-) or decrease (+) of inventories	-126	38
Increase (+) or decrease (-) in trade and other payables	1,171	-815
Interest and other financial expenses paid	-40	-506
Interest and other financial income received	-22	962
Income taxes paid	-5	-4
<b>Net cash flow from operating activities</b>	<b>-9,879</b>	<b>-9,834</b>
<b>Cash flow from investments</b>		
Investments in intangible and tangible assets	-2,495	-4,000
Investments in subsidiaries	-210	-10
Current investments	-22,377	-
Loans granted	-3,498	-
Repayment of loan receivables	40	-
Interest received from current investments	1,364	-
<b>Net cash flow from investments</b>	<b>-27,176</b>	<b>-4,010</b>
<b>Cash flow from financing activities</b>		
Grants received	-	726
Repayment of non-current loans and borrowings	-1,114	-1,531
<b>Net cash from financing activities</b>	<b>-1,114</b>	<b>-806</b>
<b>Net decrease in cash and cash equivalents in cash flow statement</b>	<b>-38,169</b>	<b>-14,650</b>
<b>Cash and cash equivalents 1 July</b>	<b>79,394</b>	<b>94,452</b>
Effect of movements in exchange rates	-278	-408
<b>Cash and cash equivalents 30 June</b>	<b>40,947</b>	<b>79,394</b>

# Parent company notes to the financial statements

## 1 Basis of preparation

### 1.1 Accounting principles for the parent company financial statements

The financial statements of Nightingale Health Plc (Parent company) have been prepared in accordance with Finnish accounting legislation (FAS). The financial statements have been prepared in accordance with the accrual principle, going concern principles and principle of prudence irrespective of the result for the financial period.

### 1.2 Valuation and accrual principles and methods

Receivables are measured at nominal value or at the lower of the nominal value or probable value. Securities included in the financial assets and other such financial assets are measured at the lower of the acquisition cost or fair value. Debts are measured at nominal value.

### 1.3 Research and development expenses and other capitalized long-term expenses

The company records research expenses, such as the acquisition of new information and the search for alternative products and processes, as expenses on an accrual basis, i.e. on the date the expense is incurred.

The company capitalizes development expenditure on the balance sheet under intangible assets if they are expected to generate income over several financial periods. When the company classifies a development expenditure or other capitalized long-term expenditure as an intangible asset, the completion of the asset is technically feasible so that the asset is available for use or sale, the company has the capacity, intention, and resources to complete the asset as well as to use it or sell it, the company estimates that the asset is likely to have future economic benefits that can be demonstrated, and the company is able to reliably measure the expenditure attributable to the intangible asset during its development phase.

The estimates concerning capitalized development expenditure or other capitalized long-term expenditure on the balance sheet involve factors of uncertainty and it is possible that the expected economic benefits to be generated from development projects may vary as conditions change. The value of capitalized development expenditure or other capitalized long-term expenditure on the balance sheet may be reduced if the expected economic benefits changes. If the expected economic benefits to be generated by an asset capitalized on the balance sheet is less than the amount of development expenditure capitalized on the balance sheet, the value of the capitalized development expenditure is adjusted with a write-down to correspond to the expected economic benefits to be generated by the asset.

Capitalized development expenditure has arisen directly from the process of completing the asset for its intended use. Capitalized development expenditure and other capitalized long-term expenditure are amortized over the estimated useful economic life of 3-5 years using straight-line method.

## 2 NOTES TO INCOME STATEMENT

### 2.1 Revenue by geographical market

Revenue is recognized over time with a method based on number of blood samples analyzed compared to total number of blood sample analyses sold. The revenue is recognized to the amount that Nightingale Health expects to be entitled to, based on the services transferred. The transaction price includes promised discounts and indirect taxes, which reduce the amount to be recognized.

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Geographical distribution</b>		
Finland	805	222
United Kingdom	600	2,362
Rest of Europe	590	692
Others	496	398
<b>Total</b>	<b>2,492</b>	<b>3,674</b>

### 2.2 Other operating income

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Other operating income</b>		
Other operating income from group companies	3,566	305
Insurance compensations	-	144
Received grants	2	-
Other operating income	29	46
<b>Total</b>	<b>3,597</b>	<b>495</b>

Grants received are recognized in other operating income when the grant is received for costs to be recognized in the income statement. Grants received that are related to capitalized development expenditure in the balance sheet are recorded to offset balance sheet development expenditure.

### 2.3 Materials and services

Costs are recorded on an accrual basis when the company has received goods or services.

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Materials and services</b>		
Materials and consumables		
Purchases during financial year from others	-1,484	-480
Purchases during financial year from group companies	-	-
Increase (+) / decrease (-) in inventories	126	-38
External services		
Subcontracting	-13	-
<b>Total</b>	<b>-1,372</b>	<b>-518</b>

Purchases in the amount of EUR 64 (104) thousand have been capitalized in development expenditure during the financial period.

## 2.4 Depreciation and amortization according to a predetermined plan

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>D&amp;A according to a predetermined plan</b>		
Intangible assets		
Intangible rights	-23	-23
Development expenditure	-5,414	-4,778
Other long-term expenditure	-553	-558
Tangible assets		
Machinery and equipment	-101	-47
<b>Total depreciation and amortization</b>	<b>-6,091</b>	<b>-5,406</b>

## 2.5 Other operating expenses

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Other operating expenses</b>		
Voluntary social security contributions	-352	-417
Premises	-1,065	-1,008
Vehicle expenses	-114	-135
Computer hardware and software expenses	-811	-1,233
Machinery and equipment expenses	-2,810	-1,202
Travel and representation expenses	-252	-141
Sales and marketing expenses	-496	-737
Research and development expenses	-387	-915
Administrative services	-1,411	-1,992
Other administrative expenses	-935	-1,862
<b>Total</b>	<b>-8,632</b>	<b>-9,642</b>

Other operating expenses have been capitalized in development expenditure and in other capitalized long-term expenditure in the amount of EUR 475 (2,111) thousand during the financial period. Other administrative expenses include the merger loss arising from the merger of Negen Oy totaling EUR - 829 thousand in the comparative period.

## 2.6 Financial income and expenses

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Financial income and expenses</b>		
Other interest and financial income		
From group companies	246	181
From others	1,630	738
<b>Total interest and financial income</b>	<b>1,877</b>	<b>919</b>
Write-downs on long-term investments	-	-779
Interest and other financial expenses		
To group companies	-	-
To others	-38	-281
<b>Total interest and other financial expenses</b>	<b>-38</b>	<b>-281</b>
Translation difference		
Translation gains	376	379
Translation losses	-653	-787
Total translation difference	<b>-278</b>	<b>-408</b>
<b>Total financial income and expenses</b>	<b>1,561</b>	<b>-549</b>

## 2.7 Income taxes

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Income taxes</b>		
Income taxes on business operations	-5	-4
<b>Total income taxes</b>	<b>-5</b>	<b>-4</b>

### 3 NOTES TO ASSETS IN THE BALANCE SHEET

#### 3.1 Intangible and tangible assets

Intangible and tangible assets are recognized in the balance sheet at the variable acquisition cost less any planned depreciations, possible adjustments and grants received related to capitalized development expenditure. Non-deployed assets whose useful life has not yet begun, are recorded under advance payments for intangible assets or advance payments for tangible assets and assets in progress according to their nature. Intangible and tangible assets are recorded as expenses as depreciation according to predetermined plans during their useful life. The following principles are applicable to depreciation according to predetermined plans:

Development expenditure and other long-term expenses	3–5 years
Intangible rights	10 years
Production machinery and equipment	3–10 years
Office furniture	25% reducing balance method

#### 3.2 Intangible assets

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Development expenditure</b>		
Acquisition cost on 1 July	21,529	17,576
Additions	1,681	3,293
Transfer from advance payments to development expenditure	-	660
<b>Acquisition cost on 30 June</b>	<b>23,210</b>	<b>21,529</b>
Accumulated depreciation on 1 July	-7,420	-2,642
Amortization	-5,414	-4,778
<b>Accumulated depreciation on 30 June</b>	<b>-12,834</b>	<b>-7,420</b>
<b>Book value as of 30 June</b>	<b>10,376</b>	<b>14,109</b>

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Other capitalized long-term expenses</b>		
Acquisition cost 1 July	2,731	2,731
Additions	-	-
Other deductions	-	-
<b>Acquisition cost on 30 June</b>	<b>2,731</b>	<b>2,731</b>
Accumulated depreciation on 1 July	-1,073	-514
Amortization	-553	-558
<b>Accumulated depreciation on 30 June</b>	<b>-1,625</b>	<b>-1,073</b>
<b>Book value as of 30 June</b>	<b>1,106</b>	<b>1,658</b>

Capitalized development expenditure and other capitalized long-term expenditure during the financial period amounted to EUR 1,681 (3,293) thousand. The expenses consisted of wages in the amount of EUR 1,141 (1,078) thousand and purchases and other expenses in the amount of EUR 539 (2,215)

thousand. The capitalization of development expenditure consisted of investments made in the development of applications, laboratory technology, and risk models.

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Intangible rights</b>		
Acquisition cost on 1 July	231	231
Additions	705	-
<b>Acquisition cost on 30 June</b>	<b>937</b>	<b>231</b>
Accumulated depreciation on 1 July	-31	-8
Amortization	-23	-23
<b>Accumulated depreciation on 30 June</b>	<b>-54</b>	<b>-31</b>
<b>Book value as of 30 June</b>	<b>883</b>	<b>201</b>

### 3.3 Tangible assets

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Machinery and equipment</b>		
Acquisition cost on 1 July	636	242
Additions	488	394
Deductions	-373	-
<b>Acquisition cost on 30 June</b>	<b>750</b>	<b>636</b>
Accumulated depreciation/impairment 1 July	-131	-85
Depreciation	-101	-47
<b>Accumulated depreciation on 30 June</b>	<b>-232</b>	<b>-131</b>
<b>Book value as of 30 June</b>	<b>518</b>	<b>504</b>

### 3.4 Investments

EUR thousand	7/2023–6/2024	7/2022–6/2023
<b>Holdings in group companies</b>		
Acquisition cost on 1 July	16	1,599
Additions	210	30
Deductions	-	-834
Impairment	-	-779
<b>Acquisition cost on 30 June</b>	<b>226</b>	<b>16</b>

Deductions in Holdings in group companies in the comparative period include the effect of the merger of Negen Oy on 31 August 2022 of EUR -834 thousand, and impairment in the comparative period includes the write-down of Nightingale Health Germany GmbH's shares of EUR -779 thousand.



### 3.5 Inventories

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Inventories</b>		
Materials and services	667	541
<b>Total</b>	<b>667</b>	<b>541</b>

The acquisition cost of inventories consists of the purchase price, production costs, and other costs arising directly from the acquisition of the item, which are incurred in bringing the inventories to their present condition. Inventories are valued at the lowest of acquisition cost, probable replacement cost or probable selling price.

### 3.6 Receivables from group companies

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Non-current receivables from group companies</b>		
Loan receivables	6,444	2,958
<b>Current receivables from group companies</b>		
Trade receivables	1,617	302
Accrued income	372	170
<b>Total</b>	<b>8,434</b>	<b>3,429</b>

### 3.7 Accrued income

EUR thousand	30 Jun 2024	30 Jun 2023
Long-term equipment lease expenses	12	15
Long-term computer hardware and software expenses	4	-
Short-term equipment lease expenses	49	15
Insurance expenses	-	1
Premises rent	82	89
Computer hardware and software expenses	120	104
Interest income	290	-
Other accrued income	90	74
<b>Total</b>	<b>649</b>	<b>297</b>

On 30 June 2024, the parent company had tax losses carried forward in the amount of EUR 47,703 (32,508) thousand, for which a deferred tax asset has not been recognized. The losses will expire in 2027–2033.

### 3.8 Loan receivables

The parent company has granted loans to its owners in relation to employee share issues. These loans have been granted in 2017 for the purpose of paying the subscription price of EMP shares as part of a share-based incentive scheme. All employees have been offered the opportunity to loan funds from the company for the acquisition of EMP shares. The interest rate of these loans is tied to the 12-month

Euribor interest but will always be at least 0 per cent. The outstanding loans will become due no later than 31 December 2026.

EUR thousand	30 Jun 2024	30 Jun 2023
Loans to personnel in relation to share issues	192	220
<b>Total</b>	<b>192</b>	<b>220</b>

#### 4 NOTES TO EQUITY AND LIABILITIES IN THE BALANCE SHEET

##### 4.1 Consolidated statement of changes in equity

1 July 2023–30 June 2024

EUR thousand	Share capital	Reserve for invested unrestricted equity	Accumulated losses	Total equity
<b>Equity 1 July 2023</b>	<b>80</b>	<b>147,469</b>	<b>-52,575</b>	<b>94,974</b>
Profit (loss) for the financial period	-	-	-13,833	-13,833
Translation difference	-	-	-	-
Directed share issue	-	-	-	-
Other changes	-	-	-	-
<b>Equity 30 June 2024</b>	<b>80</b>	<b>147,469</b>	<b>-66,408</b>	<b>81,141</b>

1 July 2022–30 June 20223

EUR thousand	Share capital	Reserve for invested unrestricted equity	Accumulated losses	Total equity
<b>Equity 1 July 2022</b>	<b>80</b>	<b>147,390</b>	<b>-36,090</b>	<b>111,380</b>
Profit (loss) for the financial period	-	-	-16,816	-16,816
Translation difference	-	-	-	-
Directed share issue	-	-	-	-
Directed share issue	-	79	332	410
<b>Equity 30 June 2023</b>	<b>80</b>	<b>147,469</b>	<b>-52,575</b>	<b>94,974</b>

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Calculation of the parent company's distributable non-restricted equity</b>		
Reserve for invested unrestricted equity	147,469	147,467
Accumulated losses	-52,575	-35,759
Profit (loss) for the financial period	-13,833	-16,816
<b>Total non-restricted equity</b>	<b>81,061</b>	<b>94,894</b>
Capitalized development expenditure	-10,376	-14,109
<b>Total distributable equity</b>	<b>70,685</b>	<b>80,785</b>

The Board of Directors proposes to the Annual General Meeting that no dividend is paid and that the loss for the financial period EUR -13,832,835 is recorded under accumulated losses.

## 4.2 Shares

At the end of the financial year 30 June 2023 Nightingale Health had issued 60,918,459 fully paid shares. Shares are divided into share series as follows: Series A shares (19,779,244 pcs), which entitle the holder to 10 votes at the General Meeting, Series B shares (40,040,415 pcs), which entitle the holder to one vote at the General Meeting and Series EMP share (1,098,800 pcs), which do not carry voting rights. The dividends that will be paid to Series B shares will be 5% higher than those paid to Series A shares and EMP shares.

Nightingale Health held 577,920 EMP shares at the end of the financial period, 30 June 2024, which constituted approximately 1 per cent of outstanding shares. The shares held by the company carry no voting rights and no entitlement to dividends.

## 4.3 Non-current liabilities

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Non-current liabilities</b>		
Loans from financial institutions	261	554
<b>Total non-current liabilities</b>	<b>261</b>	<b>554</b>

Some loans of the parent company include covenant clauses, under which the company's equity ratio must exceed 25%.

## 4.4 Current liabilities

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Current liabilities</b>		
Liabilities to group companies		
Trade payables	723	638
<b>Total</b>	<b>723</b>	<b>638</b>
Liabilities to others		
Loans from financial institutions	294	1,114
Advances received	825	761
Trade payables	792	598
Accrued liabilities	1,762	1,692
Other liabilities	1,227	464
<b>Total</b>	<b>4,899</b>	<b>4,629</b>
<b>Current liabilities total</b>	<b>5,622</b>	<b>5,267</b>

#### 4.5 Key items in other liabilities

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Key items in other liabilities</b>		
Tax withholdings	255	218
Social security contribution	10	12
VAT liability	91	109
Others	871	126
<b>Total key items in other liabilities</b>	<b>1,227</b>	<b>464</b>

#### 4.6 Key items included in accruals and deferred income

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Key items included in accruals and deferred income</b>		
Accrued salary expenses	1,754	1,658
Accrued interest payable	7	9
Expense provisions	-	25
<b>Total</b>	<b>1,762</b>	<b>1,692</b>

### 5 Collaterals and commitments

#### 5.1. Collaterals

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Collaterals</b>		
<u>Loans secured by business mortgages</u>		
Bank loans	33	886
Business mortgages	7,800	7,800

#### 5.2. Off-balance sheet commitments

EUR thousand	30 Jun 2024	30 Jun 2023
<b>Off-balance sheet commitments in total</b>		
To be paid within one year		
Machinery and equipment lease liabilities	504	1,182
Facility rental liabilities	952	1,019
Machinery acquisition contracts	-	1,514
<b>Total</b>	<b>1,456</b>	<b>3,715</b>
To be paid after one year		
Machinery and equipment lease liabilities	184	626
Facility rental liabilities	544	1,585
<b>Total</b>	<b>728</b>	<b>2,211</b>

If the company's operations would become partially or completely VAT-exempt, the company has undertaken to reimburse the lessor for the amount of any VAT refundable to the tax authorities in respect of the renovation of the premises in Helsinki.

## 6 FEES TO AUDITORS

### 6.1 Fees to auditors

EUR thousand	7/2023–6/2024	7/2022–6/2023
Audit fees	-134	-447
Tax consultancy	-3	-15
<b>Total</b>	<b>-137</b>	<b>-462</b>

## 7 RELATED PARTY TRANSACTIONS

See note 25 Related party transactions in Notes to the consolidated financial statements.

## 8 NOTES CONCERNING PERSONNEL AND MEMBERS OF GOVERNING BODIES

### 8.1 Average number of personnel

	30 Jun 2024	30 Jun 2023
Officers	4	4
Workers	72	71
<b>Total</b>	<b>76</b>	<b>75</b>

### 8.2 Personnel expenses

EUR thousand	30 Jun 2024	30 Jun 2023
Wages and salaries	-4,363	-4,063
Pension expenses	-879	-592
Other social security expenses	-141	-211
<b>Total</b>	<b>-5,383</b>	<b>-4,865</b>

Of the personnel expenses, wages have been capitalized in development expenditure in the amount of EUR 1,141 thousand (EUR 1,078 thousand).

### 8.3 Remuneration of the management

See note 25 Related party transactions in Notes to the consolidated financial statements.

### 8.4. Stock and stock option plans

See note 7 Share-based payments in Notes to the consolidated financial statements.

# Signatures to the financial statements and BoDs' report

Helsinki, 9 October 2024

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Leena Niemistö  
Chair

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Teemu Suna  
Board member, CEO

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Antti Kangas  
Board member

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Olli Karhi  
Board member

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Timo Soininen  
Board member

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Ilkka Laurila  
Board member

## The Auditor's note

A report of the audit performed has been issued today.

Helsinki

PricewaterhouseCoopers Oy

Authorized Public Accountants

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Panu Vänskä  
Authorized public accountant



# Auditor's Report (Translation of the Finnish Original)

*To the Annual General Meeting of Nightingale Health Oyj*

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

### What we have audited

We have audited the financial statements of Nightingale Health Oyj (business identity code 1750524-0) for the year ended 30 June 2024.

The financial statements comprise:

- the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, cash flow statement and notes.

### Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## OTHER REPORTING REQUIREMENTS

### Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 9 October 2024

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Panu Vänskä  
Authorised Public Accountant (KHT)